



TO: Mayor and Council

FROM: Milton Dohoney Jr., City Administrator

CC: Derek Delacourt, Community Services Area Administrator
Joseph Giant, Economic Development Director
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SUBJECT: City of Ann Arbor July 28 Council Work Session
Kline's Lot & 415 West Washington Proposal Summaries

DATE: August 21, 2025

Proposal Summaries

The following information summarizes each offer, provides high-level feedback on each bidder, and contains the Administration's preferred bidder.

Kline's Lot

Bidder A – Quad Capital Partners / First Martin Capital

- **Offer Price: \$12,000,000**
- 272 housing units
- Only bidder that presumes there will be underground parking contingent upon approval of a Brownfield tax abatement
- 200 private parking spaces; "Willing to explore" 125 public parking stalls if City covers cost
- Indicates that they have access to \$240M in capital

Bidder B – Banner Multifamily

- **Offer Price: \$15,000,000**
- 320 units, 12-story building (modified from original 14 stories)
- 7,500 sq ft of retail (single tenant or 3-4 smaller operators)
- 10-20 public parking spaces with potential for more if City participates financially
- Number of private parking spaces is not identified
- All-electric building; plans to pursue LEED Silver as a minimum
- “Ample” first class amenities spread around the property
- Anticipates that the project will create 1223 temporary jobs related to construction, and 20-51 permanent jobs
- Has built 334 units in Wheaton IL, and 400 units in Tampa, FL

Bidder C – Champion Development Group

- **Champion has not been sufficiently responsive to additional information requests and is no longer recommended by CBRE as a finalist**
- **Offer Price: \$15,000,000**
- No defined project vision, willing to work with City on site concepts
- Has built 400 units in Sarasota, FL, and 200+ units in Royal Oak, MI, additional projects in Rochester, MI, Birmingham, MI, and Siesta Key, FL (generally <70 units)
- Plans to do an area parking study
- Proposes the following sustainability features: 100% electric, low flow fixtures, rainwater capture, solar panels, green roof, on site recycling and composting
- Envisions 50 public parking spaces that they would manage
- Special Note: Bidder C is the only bidder that indicates they may assign their interests to another party (i.e. they may “flip” the property to another entity)

Bidder D – Hines Development (*Administration’s Preference*)

- **Offer Price: \$17,451,000 (minimum \$14,175,000, sale price tied to unit count)**
- Two 180-foot towers, each with 277 housing units and 5,000 sq ft of ground-floor retail
 - To be constructed in two phases
 - Phase one expected to be completed in 2028
- Will conduct a parking market study; indicate some current surface parking will remain available for public use even after tower 1 is up, before tower 2 commences
- Most experienced with the type of project we envision

- Extensive partnerships with local governments
- Multiple “statement” developments in the Midwest and around the country; proposal identified 3 project examples containing more than 500 units each, and 5 projects with over 300 units
- Experience as a developer, owner, & manager
- Significant placemaking experience
- Indicates the following sustainability features: 100% electric, solar arrays, geothermal systems, rooftop solar, EV charging, outdoor greenspace, and will pursue LEED certification
- Class A amenities throughout both the interior and exterior of the buildings
- Prepared to invest several million in design, engineering, & legal fees to ensure the project gets off the ground
- Easy access to capital - currently controlling \$90B in assets

415 West Washington Street

All three finalists would adhere to the terms of the PUD that was approved by Council in 2023, although it should be noted that the PUD plan is conceptual, and the actual building/site design would likely vary from the concept.

The PUD contains the following relevant provisions (reproduced verbatim from the approved plans):

Via extensive community engagement, it is clear that the community desires the following outcomes for 415 W. Washington:

- *Remediate the contaminated brownfield site*
- *Build a segment of the Treeline Trail*
- *Provide affordable housing*
- *Preserve the chimney for chimney swift habitat*
- *Contribute to the character of the Old West Side Historic District*
- *Improve the floodplain from the existing condition*

Because there are no public or private revenues currently identified to meet community-driven priorities beyond the current value of the land, the PUD proposal assumes that multi-family residential inclusive of affordable units is the most appropriate to facilitate desired outcomes for 415 W.

Washington. City staff does not recommend any land use other than residential for this site and considers this as the only use worth spending city resources to develop a PUD proposal.

The project includes 157 proposed dwelling units. The project includes a building, off-street parking, and an open space with a segment of the Treeline Trail. The proposed building is "on stilts" with the first floor of residential units elevated at a minimum of one foot above the 0.2% annual chance flood elevation. There is off-street parking proposed below the building.

All three groups would require public participation in the deal to address environmental remediation, construction of the Treeline Trail, and likely other public infrastructure items. Please see the responses to the Council Questions for more information.

Proposal Summaries

Bidder A – BaseBld (Administration’s Preference)

- **Offer Price: \$2,000,000**
- 100 units built in two phases. The first phase would be rentals; the second phase could be rentals or condominiums depending on market dynamics
- Affordability: 15% of units at 60% AMI
- Notable Features:
 - Proposes context-sensitive mid-century modern architectural style.
 - Emphasis on sustainability features
 - Proposal reflects extensive due diligence and understanding of site constraints and community priorities
 - Relevant experience includes projects in Evanston, IL

Bidder B – Annex Group

- **Offer Price: \$1,700,000**
- Multifamily residential (number of units to align with PUD)
- Affordability: 20% of units at 60% AMI
- Notable Features:
 - Broad experience in affordable housing and student housing, largely in university markets
 - Completed a recent Ann Arbor project: Union at A2 (Stadium/Liberty)
 - Proposal placed less emphasis on sustainability relative to other bidders

Bidder C – Lincoln Avenue Communities

- **Offer Price: \$1,000,000**
- 100% affordable housing development
- Affordability: All units proposed as affordable, subject to securing Low-Income Housing Tax Credits (LIHTC)

- Notable Features:
 - Large company with extensive affordable housing experience, including a project in Ypsilanti
 - Proposal references sustainability features
 - Due diligence would be required to confirm LIHTC eligibility for the site, but preliminary feedback indicates that exceptions would likely be required, and confirmation could take 4 to 12 months
 - Because a 100% affordable project would not generate meaningful TIF revenue, alternative funding sources would need to be secured for environmental remediation, the Treeline Trail, and other infrastructure items