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Section 1
Engagement Overview
ENGAGEMENT SUMMARY

It is our understanding that this engagement will generally involve a report to summarize highest and best use and community impact related to vacant buildings and land owned by DPSCD. DLR is currently contracted with DPSCD and PMREIA will act as a subcontractor to DLR to perform the work. At the completion of this assignment, PMREIA will provide DLR a report for each property outlined in Exhibit C that includes a summary of the highest and best use and related support data provided by DLR. The reports may include:

1. Summary of neighborhood population / demographics and related trends as addressed in DLR provided documentation

2. Highlights of property and local real estate fundamentals as addressed in DLR provided documentation (condition, supply/demand, rents, amenities/proximities)

3. Summary of nearby economic and planned economic activity (new infrastructure, real estate development, community improvements, special zoning districts) as provided in DLR documentation. PMREIA will contact local municipalities as necessary for updated information related to community needs and impact.

4. Description of the highest and best potential uses as identified in the documentation provided by DLR.

Disclaimer

This report and PMREIA’s analysis is based on information given to DPSCD in the form of previous studies and appraisals as well as other relevant information available to PMREIA at the time of the issuance of this report. Such information may be subject to change at any time. PMREIA assumes no responsibility to update its Analysis or this report for any changes in events, circumstances, or market conditions after the date of this report. This report and PMREIA’s Analysis were prepared solely for the benefit of DPS. No third party is entitled to rely on this report or PMREIA’s analysis, and PMREIA assumes no liability to any third party because of any reliance on this report or its Analysis.
Section 2
Property Overview
PROPERTY SUMMARY

JEMISON ELEMENTARY SCHOOL

ADDRESS 16400 Tireman Ave
SCHOOL DISTRICT 7
SNF AREA Warrendale/Cody/Rouge
OWNER DPSCD
GROSS FLOOR AREA 77,384 sf
SITE AREA 5.12 ac
FLOORS 2
PLAN TYPE Irregular
SCHOOL TYPE Elementary School
ZONING R5
BASE REHAB COST (EST.) $3.2 M
TOTAL REHAB COST (EST.) $22.1 M
BUILDING OVERVIEW AND CURRENT CONDITIONS

OVERVIEW

- 2-story, irregular plan with two oblique wings wrapping around a gym and auditorium complex.

BUILDING DESCRIPTION

- 1942 unit contains 90x60' gym with full-size basketball court, plus locker rooms, and four large general-purpose rooms. Auditorium added in 1954. Gym and auditorium in good condition, but rest of building shows masonry and roof deterioration, with water infiltration throughout.

- Classroom building is modern-style clad in tan brick with red brick and stone accents.

- Interior is CMU construction with concrete frame/slab. Finishes are simple glazed block, and wood built-in cabinetry. Floors are mostly VCT with some wood in classrooms.

- Original 4-over-4 wood-frame windows are intact but damaged by security measures.

- Facade in good condition, but roof deteriorating, with water ponding on up to 75% of surface and water infiltrating second floor.

- Building is minimally scrapped with relatively little vandalism.
BUILDING FLOOR PLANS

2nd Floor
# Zoning Information

<table>
<thead>
<tr>
<th>DESIGNATION</th>
<th>R-5</th>
</tr>
</thead>
<tbody>
<tr>
<td>DESCRIPTION</td>
<td>Medium Density Residential District</td>
</tr>
<tr>
<td>ZONING INTENT</td>
<td>This district is designed to provide for a range of residential development from the single-family detached dwelling to medium-density multiple-family dwellings. The primary use in this district will be the rental apartment structure. In addition to permitted residential uses, certain specified non-residential uses which can be properly blended into this district may be permitted.</td>
</tr>
<tr>
<td>COMPLIANCE</td>
<td>According to the city of Detroit zoning ordinance, the subject property appears to be a legal conforming use in this zoning district.</td>
</tr>
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## Zoning Requirements

| PERMITTED USES | Single and multi-family residential uses, public, civic, and institutional uses. By right retail uses include medical or dental clinic, physical therapy clinic, or massage therapy clinic. |
| MINIMUM LOT SIZE (SF) | Minimum Lot Size (square feet) 10,000 square feet |
| MINIMUM LOT WIDTH (FT.) | 70 feet |
| MINIMUM COVERAGE RATIO (%) | 35% |
| MINIMUM FRONT YARD SETBACK REQUIREMENT (FT.) | 20 feet |
| MAXIMUM REAR YARD SETBACK REQUIREMENT (FT.) | 30 feet |
| PARKING REQUIREMENT | N/A |
Section 2 | Property Overview

PARCEL MAP
Section 3
Location Overview and Demographic Analysis
DISTRICT 7: OVERVIEW
DISTRICT 7: NEIGHBORHOODS
District 7 has the greatest population concentration along its southern edge, bordering Dearborn. This area includes the Warrendale and Warren Ave communities, as well as Aviation Sub and Fiskhorn. Jemison, Kosciusko, Parkman, and McFarlane are all near these stronger neighborhoods. Density is less towards the northeast area of the district.
The most densely populated areas highlighted on the previous page were also the areas that remained stable or grew over the last decade. Jemison and Parkman were both in growing neighborhoods. Again, the northeastern portion of the district, including the tracts containing McKerrow, Monnier, Oakman, and Parker experienced 15% or greater declines in population.
Section 3 | Location Overview and Demographic Analysis

DISTRICT 7: AGE

Median Age - 2018

District 7 as a whole skews younger than other parts of the city. In particular, the south and west portions of the district are some of the most youthful in the city, spurred in part by the influx of younger immigrant families to neighboring Dearborn. The northeast portion of the district is relatively older. The vacant schools in District 7 are evenly divided between these two age regions.

Population Age 65 and Older - 2018

District 7 has lower percentage of senior residents than other parts of the city. The senior population is concentrated in the eastern portion of the district, in particular, the band of neighborhoods between Schaefer Hwy and Meyers Rd, which include the City-owned Monnier, Oakman, Parker, and McFarlane Elementaries. McKerrow’s neighborhood, Nardin Park neighborhood in the east of the district, is also one of the oldest.

Population Age 18 and Younger - 2018

The southwestern portion of the district is home to one of the largest concentrations of youth in the city. Jemison, Parker, and Weatherby are in some of the most youthful areas of the city.
District 7: Age

Two City-owned vacant schools, Jemison and Parkman, are in tracts that got younger over the past decade. Four schools—Coolidge, McFarlane, Oakman, and Weatherby—are in census tracts that saw a greater than 10% rise in median age over the same period.
District 7 is predominantly African American. Neighborhoods in the south are more diverse, partly due to their proximity to the suburbs of Dearborn and Dearborn Heights, which are the epicenter of Metro Detroit’s large Arab and other Middle Eastern communities, and a hub for new Americans.
DISTRICT 7: INCOME AND WEALTH

Median Household Income (2018)

District 7 has a relatively even distribution of incomes, with most tracts at or slightly below the citywide median. All of the vacant schools included in this study are in neighborhoods that are below the citywide median income.

% Population Below Poverty Line (2018)

Poverty is widespread in District 7, with the majority of schools located in tracts with more than 40% of the population living below the poverty line. Poverty is most severe near Parker.

Median Value, Owner Occupied Units (2018)

Home values are uniformly low in District 7, with the majority of tracts showing median values below $50,000. Home values are slightly higher near Parker and just south of McFarlane. The neighboring suburbs of Dearborn, Dearborn Heights, and to a lesser extent, Redford Charter Twp have median home values two or more times greater.
District 7 is predominantly African American. Neighborhoods in the south are more diverse, partly due to their proximity to the suburbs of Dearborn and Dearborn Heights, which are the epicenter of Metro Detroit’s large Arab and other Middle Eastern communities, and a hub for new Americans.
Section 4
Market Overview and Analysis
NEIGHBORHOOD OVERVIEW AND PROXIMITIES

SURROUNDING USES

• Located in Garden View neighborhood.

• Adjacent to large Garden View Estates housing development—new urbanism style townhouses currently being constructed on former Herman Gardens site. Development appears to be about 50% complete with high occupancy, remainder is vacant land. According to conversations with the City of Detroit’s Development Directors, vacant land may be in discussion for additional development. Expect growing population here; likely to appeal to families.

• Next door to large new (~2007) Boys & Girls club facility with NFL Youth Education Town. According to conversations with the City of Detroit's Development Directors, this club is very widely used by the community.

• Easy access to Southfield Freeway (M-39), less than half mile to west.

PROXIMITIES

• Islamic Center of Detroit just under 1 mile east

• Christ Child House half mile northeast

• Cody - Detroit Institute of Technology College Prep High School one mile northwest

• Fairlane North Shopping Mall one and a half miles away

• Recently demoed Ruddiman site half mile southwest
NEIGHBORHOOD OVERVIEW AND PROXIMITIES

Half & 1-Mile Radius

- Cody Rouge Community Center
- Stein Playground
- Cody H.S. (DSPCD Active)
- Edison Detroit Public Library
- Boys & Girls Clubs Dauch Campus
- Simanek Playfield
- Ruddiman (DPSCD Vacant)
- Detroit Premier Academy
- Gardenview Estates
- Henderson E.S. (DSPCD Vacant)
- Jemison / Henderson E/M.S. (DSPCD Active)
- Greene Playground
- Fairlane Senior Care & Rehab Center
- Parkman E.S. (COD Vacant)
- Islamic Center of Detroit
- Hollingsworth

DLBA-owned Property (2020)
### NEIGHBORHOOD OVERVIEW AND PROXIMITIES

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walkscore</td>
<td>53/100</td>
<td>Somewhat walkable</td>
</tr>
<tr>
<td>Transit Access</td>
<td>0.38 mi</td>
<td>5-10 minute walk to DDOT Connect Ten or Key Route</td>
</tr>
<tr>
<td>Freeway Access</td>
<td>0.95 mi</td>
<td>Less than 5 minute drive to nearest freeway ramp</td>
</tr>
<tr>
<td>Park Access</td>
<td>0.24 mi</td>
<td>Less than 5 minute walk to park (1+ acre)</td>
</tr>
<tr>
<td>Nearest Recreation Center</td>
<td>3.63 mi</td>
<td>Not within walking distance to nearest city rec center</td>
</tr>
<tr>
<td>Library Access</td>
<td>0.75 mi</td>
<td>10-15 minute walk to nearest public library</td>
</tr>
<tr>
<td>Vacant/DLBA Property</td>
<td>35%</td>
<td>Moderate rate of vacancy within 0.25 mile radius (2020)</td>
</tr>
<tr>
<td>Building Alteration Permits</td>
<td>142</td>
<td>Moderate rate of construction activity within 1mi radius (2016-2018)</td>
</tr>
<tr>
<td>Senior Population Growth</td>
<td>2.0%</td>
<td>Moderate projected growth within 1mi radius (2019-2024)</td>
</tr>
</tbody>
</table>
MARKET OVERVIEW

1-mi radius, compared against 63 City/ DPS-owned vacant schools included in the Interboro study that was provided to PMREIA by DPSCD.
PROPERTY OPPORTUNITIES

- Located in Warrendale-Cody-Rouge Strategic Neighborhood Fund area – zone targeted for City investment and resource allocation
- Large population of children and young families in the area
- Located next to newer, popular housing development
- Zoned R5

PROPERTY CHALLENGES

- Widespread roof and window repairs may be costly

MARKET BASED HIGHEST AND BEST USE RECOMMENDATION

- Best market for residential due to high walkscore and existing development.
  - Given proximities the Garden View Estate development, DPSCD may desire to gauge the developer’s interest on a potential expansion opportunity
  - Based on discussions with the City’s Development Directors, this market has a need for senior housing
- The adjacent Boys & Girls Club may be interested in expanding if the existing building is demolished

Note: This report and PMREIA’s analysis is based on information given to DPSCD in the form of previous studies and appraisals as well as other relevant information such as land value, highest and best use, and market information that was made available to PMREIA at the time of the issuance of this report.
Section 5

Community Development and Needs Assessment
COMMUNITY DEVELOPMENT AND NEEDS ASSESSMENT

ECONOMIC ACTIVITY AND PLANNED DEVELOPMENTS NEARBY

Dick & Sandy Dauch Boys & Girls Club
For 95 years, Boys & Girls Clubs of Southeastern Michigan continues to be that safe space for youth to learn and have fun. The Dauch club hosts community events and recreational sports, while serving as an NFL youth educational center.

Garden View Estates
Low-income and affordable housing development that began construction in 2009. 328 multi-family units and 166 senior rental units. Owned by Norstar development, based in Tampa, FL.

Youth Project at Stein Park
As a result of the recently completed framework plan, the General Services Department - Parks and Recreation Division will be working with young people to design and activate a place at Stein Park (commonly known as Cody Park).
COMMUNITY DEVELOPMENT AND NEEDS ASSESSMENT

COMMUNITY NEEDS ASSESSMENT

- Additional housing (apartments, condominiums, single-family) to support population growth
- Senior housing and facilities for senior care
- Closest recreation center is several miles away, few programs offered
- Grocery store or retail development needed in area
- The community desires the removal of existing blight and signs of deterioration around the existing property on the site.
- Additional programs for youth in area
Section 6

Highest and Best Use Analysis
HIGHEST AND BEST USE CRITERIA

PMREIA's analysis is based on information given to DPSCD in the form of previous studies and appraisals as well as other relevant information such as land value, highest and best use, and market information that was made available to PMREIA at the time of the issuance of this report. The property appraisal completed by BBG provided the following definition for the site's highest and best use criteria: The site's highest and best use is analyzed both as vacant and as improved, and if improvements are proposed then an as proposed analysis is required. In all cases, the property's highest and best use must meet four criteria that were outlined in the appraisal document provided to PMREIA by DPSCD.

1. **LEGALLY PERMISSIBLE**
2. **PHYSICALLY POSSIBLE**
3. **FINANCIALLY FEASIBLE**
4. **MAXIMALLY PRODUCTIVE**
HIGHEST AND BEST USE AS VACANT

1. **LEGALLY PERMISSIBLE**

Legal restrictions include deed restrictions, CC&R’s, lease encumbrances, zoning requirements, building codes, historic district controls and environmental regulations, and were previously analyzed to determine legally permitted uses. *Legally, the subject is zoned R5 (Medium Density Residential). Permitted uses include Multi-Family residential uses, public, civic, single family detached dwellings, and institutional uses.* No other legal restrictions have been identified that would limit development of the property beyond the development standards stipulated by municipal code. The probability of zoning change is high in the city of Detroit for potential development sites that will benefit the local neighborhood.

2. **PHYSICALLY POSSIBLE**

Size, shape, topography, soil condition, availability of utilities, transportation access, surrounding uses, and locational characteristics were previously analyzed to determine which legal land uses are physically possible and which are best to conform to the physical and locational aspects of the site and its setting with respect to the neighborhood and community. *Overall, the physical site attributes result in adequate utility, and the property could be developed with a variety of legally-conforming uses. Given the surrounding uses and location, the site is best suited for mixed income multifamily use or institutional uses such as a community health center, educational, religious facilities, etc.*
3 FINANCIALLY FEASIBLE

The subject’s location lacks the economic demand in the surrounding neighborhood to support new development at the site. This is evidenced by the lack of new construction in the subject’s market area. Thus, near term development at the subject site as vacant is not financially feasible unless through a public-private partnership that includes significant public subsidies.

4 MAXIMALLY PRODUCTIVE

The final test of highest and best use of the site as vacant is that the use be maximally productive, yielding the highest return to the land. There is no development that can produce a residual land value. A residual land value can only be achieved if the construction project is developed through a public-private partnership. Since speculative development is not feasible for the site, an ideal improvement cannot be defined. However, both mixed income housing and institutional uses such as an educational facility or community health center is in high demand in the subject’s market area. As such, the maximally productive use of the subject site as vacant is to hold for development unless public subsidies are available to develop the site for mixed income housing or institutional uses.
HIGHEST AND BEST USE AS IMPROVED

Since the subject property is in poor condition, the first test of the highest and best use analysis as improved is whether the existing improvements should be demolished and the site to be redeveloped to the highest and best use, as vacant. The subject's improvements have no remaining economic life and no longer contribute positively to the property's value. Thus, the land is worth more vacant than as improved due to the significant renovation costs needed to convert the improvements to an alternative use. Thus, demolition is considered the highest and best of subject property, as improved.

In order for the site to be considered for redevelopment, the cost of demolition must be determined. The appraiser was provided an estimated general demolition cost budget of $7.20 per square feet based on 100,000 square feet of improvements from Mr. Chatoris Jones—Project Manager with Detroit Public Schools (DPS). The estimated demolition cost is $541,668 while land value as vacant is estimated at $669,081. Taking into consideration demolition costs, the land’s “as-is” value is $128,312.

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