



# The A. Alfred Taubman Center for Design Education

A Case Study about the Adaptive Reuse of Detroit's  
Historic Argonaut Building as an Educational Institution

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A. ALFRED TAUBMAN COLLEGE OF ARCHITECTURE AND URBAN PLANNING

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*This case study analyzes the redevelopment of General Motor’s Argonaut Building, into the College for Creative Studies’ A. Alfred Taubman Center for Design Education. The goal of the study is to illustrate a development process that can serve as a model for similar projects in comparable communities.*

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# Executive Summary

This case study examines the redevelopment of the historic Argonaut Building in Detroit, MI into the A. Alfred Taubman Center for Design Studies (Taubman Center). The study serves as a learning tool for the creative adaptive reuse of large historic buildings in an economically depressed city and market. The study was conducted in three phases: project orientation, stakeholder interviews, and documentation and findings.

Detroit's economy has been declining for decades. Most recently, the City has suffered the collapse of General Motors (GM) and Chrysler, political instability, and the global economic crisis. These factors debilitated real estate markets, making the redevelopment of the Taubman Center seem impossible. In these grim circumstances, the project's success is an especially striking achievement.

The Taubman Center is located in the New Center District, the northern anchor of Detroit's greater downtown. The neighborhood is the second-largest employment center in the city and home to the State of Michigan, Henry Ford Hospital, TechTown, Albert Kahn Associates, and many more. The district also offers diverse retail, entertainment, housing, and historic architectural amenities to residents, workers, consumers, and visitors. Finally, the demographic patterns in New Center are unique within the City of Detroit.

Formerly known as the Argonaut Building, the Taubman Center has a rich history of innovation as GM's former research and development facility. For instance, innovations such as the Buick "Y" Job, a two-passenger convertible, were created in the Argonaut. However, after 1952, the facility was primarily used as office space and as support for the adjacent headquarters building. Finally, GM relocated its headquarters, leaving the Argonaut vacant for nearly a decade.

While GM was looking for a use for the Argonaut, the College for Creative Studies (CCS) was looking to expand. CCS's enrollment was growing, and the college needed to expand its facilities to accommodate demand for new programs and student housing. In addition, under the leadership of Richard Rogers, CCS needed a facility to achieve its ambitious vision of creating design-based middle and high schools in partnership with the Henry Ford Learning Institute. Rogers' chance conversation with Matt Cullen, civic leader and then head of GM's real estate division, sparked a bold idea: CCS could meet its goals by expanding into the Argonaut Building. With the Argonaut Building, CCS could catalyze economic development in Detroit by promoting the city's creative economy.



The Argonaut presented formidable challenges for CCS, due to the scale, scope, and complexity of the building's redevelopment. The project, totaling 760,000 square feet, included space not only for CCS's programs, but also for a 300-bed dormitory, a 500-seat auditorium, a 350-seat dining hall, a gymnasium, and a parking structure, among many other amenities. Further, CCS was responsible for managing shared spaces as well as spaces occupied by its partners and tenants. A small college, CCS needed help and hired the following development team:

- Larson Realty Group, Developer
- Jones Lang LaSalle & Preservation Development, Co-developers
- Albert Kahn Associates & Rich Associates, Project Architects
- Luce et Studio, Design Consultant
- Walbridge & Colasanti, Construction Managers
- JP Morgan Chase & US Bank, Financing
- Clark Hill, Legal

The financing and legal structures were highly complex. The project budget was approximately \$139,797,799. Approximately 46% of the funding came from tax credits, including Federal and State Historic, State Brownfields, and New Markets. The remaining 54% came from partnership contributions, including those from CCS and the Middle and High Schools. Approximately 85.6% of the funds went to hard costs and tenant improvements, while soft costs and equity/loan costs accounted for approximately 10.4% and 4%, respectively. Finally, the legal structure consisted of a for-profit subsidiary of CCS, which is composed of multiple complex entities. A chart demonstrating the legal structure is provided on page 21.

The development team struggled with many obstacles during the redevelopment of the Argonaut Building, and its experience yields valuable lessons for other communities. According to the interviewees, the most significant challenges were the timing, complexity, and financial structure of the project. The team mitigated and overcame these obstacles through innovation, teamwork, collaboration, and a strong sense of purpose. While the Taubman Center is a unique achievement, it also offers many lessons for others to emulate. These are the most significant:

- A Compelling Vision
- A Commitment to Place
- Proper Team Selection
- Adequate Time for Planning, Predevelopment, and Collaboration
- Understanding the Impact of Higher Education Institutions on Urban Areas

# Section 1: Introduction

## The Project

The A. Alfred Taubman Center for Design Education (Taubman Center) occupies what was formerly known as the Argonaut Building. A national and local historic landmark, it was originally developed in 1929 by the General Motors Corporation (GM) as part of its headquarters complex. The building is not only an important part of the city's automotive heritage, but it also contributes to the region's architectural legacy, having been designed by Albert Khan. The 11-story Art Deco structure, which contains 760,000 gross square feet, is located at 485 West Milwaukee Avenue, approximately three miles north of downtown Detroit, Michigan, in the New Center neighborhood. The Taubman Center has been redeveloped by the College for Creative Studies (CCS) as a campus extension with a mix of uses that include undergraduate and graduate programs in design, community outreach activities, student housing, commercial space, and an arts-oriented charter middle and high school. The redevelopment added a new 10,000-square-foot, two-story gym and fitness center, bringing the total gross square footage of the structure to 770,000. The Taubman Center also includes a new 500-car parking deck and 230 surface parking spaces. The project was completed in September 2009.

## The Purpose of the Case Study

The Taubman Center has undergone a dramatic transformation: having once housed automotive offices and laboratories, it now serves as a campus for CCS and other users. Furthermore, the presence of an anchor tenant, along with the Center's location near the Fisher Building, the State of Michigan office complex, and the nexus of a proposed regional rail transit system, opens up additional adaptive reuse opportunities for new programs within the building.

Due to the historical significance of the building to the city and the complicated structure of its redevelopment from the financial, planning, and policy perspectives, the Taubman Center is an instructive example of adaptive reuse in a difficult market environment. Further, the Center illustrates one way to spur the economic revitalization of a regionally significant walkable urban place. This case study analyzes the Taubman Center's development process, which can serve as a useful model for similar projects in comparable places.



## Research Methodology

Research for the case study took place in three phases: project orientation, stakeholder interviews, and documentation and findings. During the project orientation phase, the advising professor and graduate student met with the Development Manager to conduct a preliminary inspection of the Argonaut in order to understand its current position. The building's condition and context were documented. Next, key stakeholders were interviewed. The graduate student attempted to contact stakeholders from every spectrum of the development process. The student conducted interviews as time and schedules allowed. During the interviews, participants responded to four structured questions: 1) What was your role in the project? 2) What was the most significant and/or innovative aspect of the project from your perspective? 3) What was the most challenging aspect of the project? 4) What take-away or lessons learned would you share with others? The stakeholder interviews also included open-ended dialogue. Finally, the documentation phase concluded the study with a white paper report on relevant findings and conclusions.

The historic Argonaut Building looking North along 2nd Ave.  
toward New Center and Detroit's iconic Fisher Building

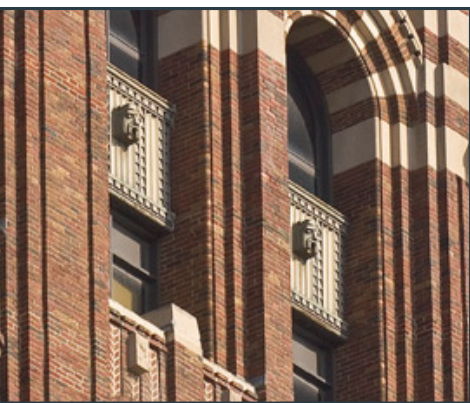







## Section 2: Background and Context

### Economic Conditions in Detroit



The Taubman Center came into being in one of the bleakest times in Detroit's economic history. Detroit's near-decade-long economic decline and unstable political environment, combined with the global economic crisis, severely weakened real estate markets. For decades, the City's economic base, led by the automotive industry, experienced "declining market share, shrinking revenues, and increased production costs."<sup>i</sup> In late 2008, GM and Chrysler agreed to accept \$25 billion in loans from the Emergency Economic Stabilization Act to avoid bankruptcy. However, in the spring of 2009 both automakers filed for Chapter 11 bankruptcy, throwing the Detroit real estate market into turmoil and sending shock waves through the entire U.S. economy. The Detroit metropolitan area was expected to lose approximately 130,000 jobs or 7.1% in 2009, after losing approximately 112,500 jobs in 2008.<sup>ii</sup>



The global crisis in the capital markets and Detroit's unstable political environment also damaged the local economic climate and real estate market. The collapse of the U.S. subprime mortgage industry caused a ripple effect in the global capital markets. Crisis threatened the world's largest financial institutions, including Bear Sterns, Lehman Brothers, Fannie Mae and Freddie Mac, causing a freeze in nearly all real estate lending. The lack of debt capital halted investment in real estate, especially in Detroit where the local economy was already risky and uncertain. Furthermore, Detroit had three mayors within twelve months while simultaneously battling a fiscal crisis. During 2009, the unemployment rate in the United States and Detroit was approaching record highs not seen since the 1930s. The high unemployment rate directly impacted real estate market demand, greatly reducing the redevelopment options available for the Argonaut Building. Real estate markets continued to suffer throughout 2009.

The following section summarizes the real estate markets in the Detroit Metropolitan Statistical Area (MSA) as of 4th Quarter 2009:





## The Apartment Market

In 2009, approximately 450 new units were added to the Detroit MSA, a 60.7% increase over 2008.<sup>iii</sup> Since 2005, an average of approximately “400 apartments annually” has been added to the Detroit MSA.<sup>iv</sup> Also, vacancy rates increased to 8.3% in 2009, a 1.4% increase over 2008, when vacancy rates increased by 0.50%.<sup>v</sup> Finally, asking rents and effective rents fell by 1.7% to \$821 per month and by 2.6% to \$748 per month, respectively, in 2009.<sup>vi</sup>

## The Office Market

Office-using workers decreased by approximately 41,000 or 9.2% in 2009.<sup>vii</sup> Also, around 281,000 square feet of office space were added to the Detroit MSA, an increase of 12.4% over 2008.<sup>viii</sup> Since 2005, an average of approximately 500,000 square feet has been added annually.<sup>ix</sup> In addition, vacancy rates increased to 26.5% in 2009, a 1.9% increase over 2008, when vacancy rates increased by 3.6%.<sup>x</sup> Finally, asking rents and effective rents fell by 2.2% to \$18.91 per square foot and by 7.6% to \$14.25 per square foot, respectively, in 2009.<sup>xi</sup>

## The Retail Market

In 2009, approximately 520,000 square feet or 0.3% of retail space was added to inventory after an increase of 990,000 square feet in 2008.<sup>xii</sup> Since 2005, approximately 2.1 million square feet have been added annually.<sup>xiii</sup> In addition, vacancy rates increased to 12.8%, a 2.1% increase over 2008, when vacancy rates increased by 0.90%.<sup>xiv</sup> Finally, asking rents and effective rents fell by 3.9% to \$16.71 per square foot and by 5.9% to \$14.77 per square foot, respectively, in 2009.<sup>xv</sup> By comparison, asking rents and effective rents declined by 0.6% and 1.6%, respectively, in 2008.<sup>xvi</sup>

## The Hotel Market

In recent years, a number of hotel projects in the City of Detroit received several hundred million dollars in renovations and restorations. The Westin Book Cadillac, Doubletree Guest Suites Fort Shelby, and St. Regis hotels completed renovations in 2008. In addition, the Riverside hotel was renovated in 2007. While these hotels, along with those of the MGM, Motor City, and Greektown casinos, signify investment in Detroit, these investments created an oversupply in a market that for the last decade has had average occupancy rates of under 60%.<sup>xvii</sup> In fact, Revenue Per Available Room (RevPAR) decreased by 24.2% in 2009, due to lack of demand.<sup>xviii</sup> Demand from Fortune 500 and 1000 companies located in Detroit decreased by 8.8% and 17.3% in 2008 and 2009, respectively.<sup>xix</sup> In addition, of the approximately 40,000 hotel rooms in the city, on average 50% were vacant in 2009.<sup>xx</sup> Furthermore, two of the newly renovated hotels were in receivership, and one of the permanent casinos is under Chapter 11 bankruptcy protection.<sup>xxi</sup> However, there is reason for long-term optimism given the strength of Detroit’s three casinos, whose business was down only 2% in 2009 in contrast to 14% for both Atlantic City and the Las Vegas Strip.<sup>xxii</sup> In addition, the \$300 million renovation and expansion of Cobo Hall, expected to be complete by 2011, is expected to spur greater use of the convention center and thus increase hotel demand.<sup>xxiii</sup> Finally, there are signs of an overall economic recovery on the horizon.

## New Center District

The Taubman Center is located in the New Center District of Detroit (see map at right). The district is the northern anchor of Detroit's greater downtown. Traditionally, the New Center District has been defined as bounded by Euclid Ave. on the north, John R Ave. on the east, the I-94 Freeway on the south, and the John C. Lodge/M-10 Freeway on the west (but it also includes Henry Ford Hospital just west of the Lodge Freeway). Census Tracts 5201 and 5325 (2000 Census Data) follow these district boundaries.

A diverse area, New Center offers shopping, entertainment and dining among National Landmark office buildings and historic neighborhoods. As the second-largest employment center in Detroit, with approximately \$6.9 million commercial square feet, New Center hosts the State of Michigan, Henry Ford Hospital & Henry Ford Health System, The Wellness Plan, Detroit Public Schools Administration Offices, Albert Kahn Associates, and TechTown.<sup>xxiv</sup>

The district is home to a collection of Albert Kahn buildings, including the landmark Fisher Building (considered by some to be Detroit's largest art object), Cadillac Place (formerly General Motors Building and now home to State of Michigan offices), and the Albert Kahn Building (formerly New Center Building, which still houses the architecture firm that Kahn founded). These major office buildings also house diverse retail establishments that provide a variety of goods and services, entertainment, and restaurants for the district's numerous daytime employees and nighttime visitors. New Center is the largest retail center within the City's boundaries, though that only translates into approximately 395,000 square feet.<sup>xxv</sup> Retailers include optical services, cafés and eateries, clothing and accessories stores, jewelry smiths, art galleries, gift stores, drug stores, framing services, shoe repair, a beauty salon/barber, and knitting goods. Finally, New Center is home to a number of cultural institutions, including the Fisher Theater, the Mosaic Youth Theater, the T-Plex Museum (the birthplace of Henry Ford's Model T), and the Motown Museum.

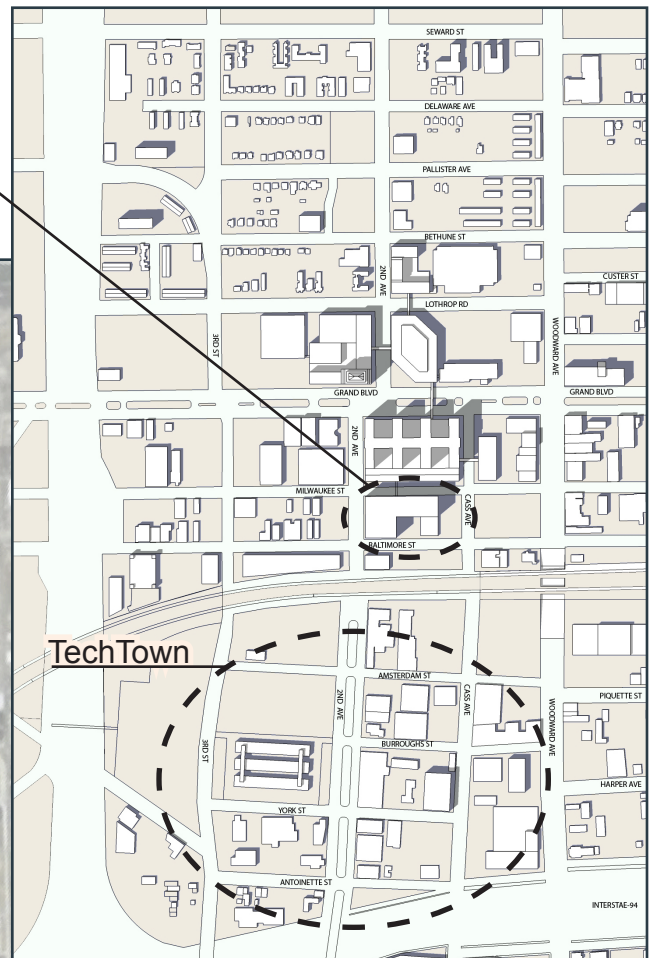
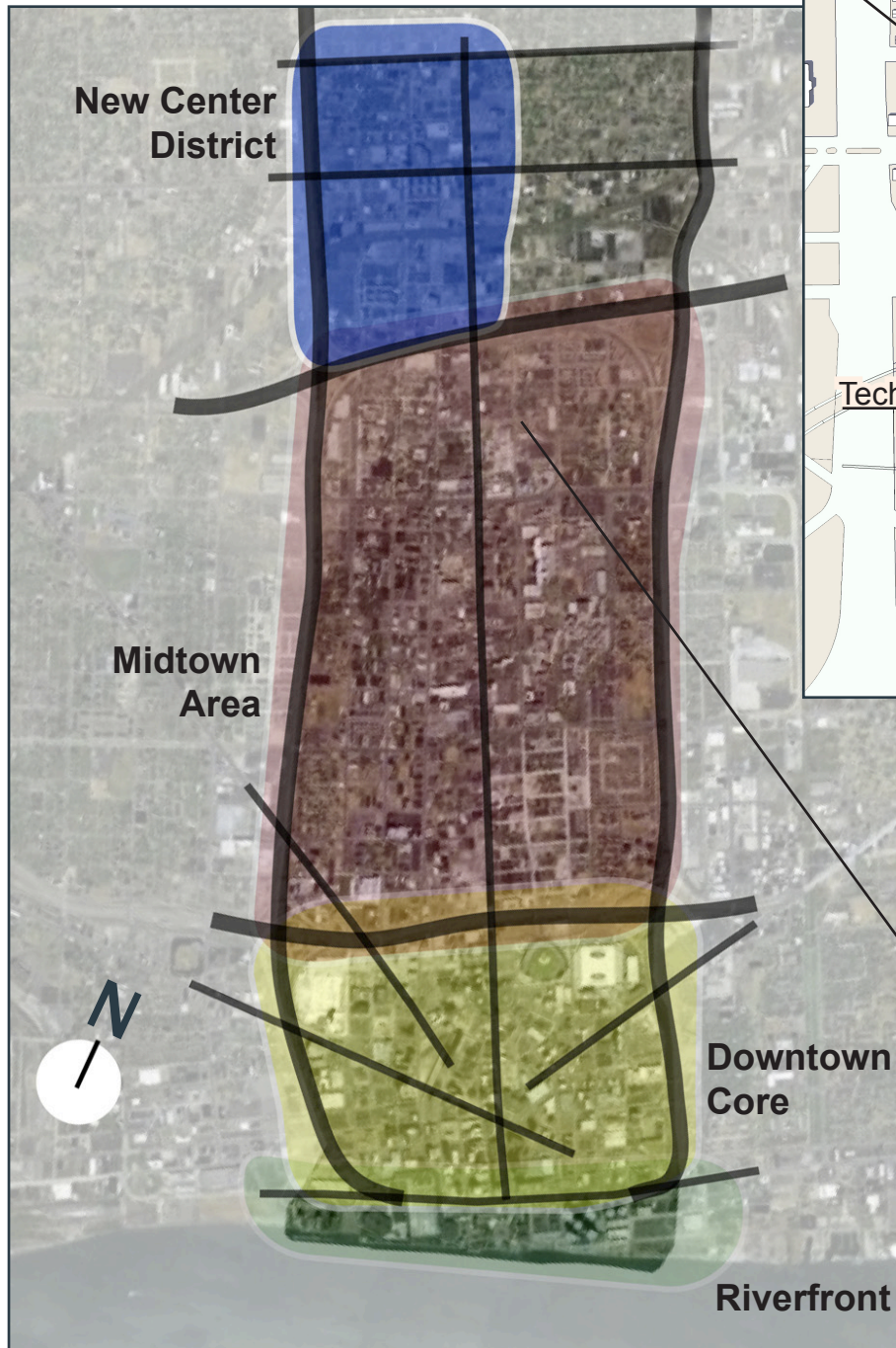
New Center has a mix of residential options due to the area's range of architectural styles and scales, pattern of residential development, and diverse economy. New Center's historic housing option is a concentration of high-density housing along Seward Avenue, with medium- to high-density housing interspersed throughout a low-density single-family residential neighborhood. Over the past six years, the resident base has grown, as evident in the addition of nearly 300 units of new market-rate housing.

New Center has unique demographic patterns. The daytime office population is approximately 21,000 employees and visitors. The total number of housing units is approximately 2,346 with approximately 3,257 residents, including 1,781 households and 556 families. Of these residents, 21.6% are under the age of 18, and 9% are over 65. The median age is approximately 36. The percentage of households with incomes greater than \$50,000 is approximately 37%, while approximately 67% of households earn less than \$50,000. In addition, approximately one-third of New Center residents live below the poverty line. The racial mix includes 7.8% white residents and 86.8% non-white residents. Finally, New Center has a 13% unemployment rate as of September 2009.



Argonaut Building:  
CCS - Taubman Center

## Greater Downtown Detroit



## New Center District

CCS - Main Campus

## From Factory of Innovation to Symbol of Decay

Built in two phases (1929 and 1936), the Argonaut Building was originally named after the Argonaut Realty Company, created by then GM Chairman Alfred Sloan as GM's real estate entity. An element of GM's original Headquarters located in the New Center area of downtown Detroit, the Argonaut became home to research and development departments.

As General Motors' research and development facility, the Argonaut hosted several of the automotive industry's most innovative minds and creations. During the creation of the Argonaut, Charles F. Kettering, inventor of the electrical starting motor<sup>xxvi</sup> and leaded gasoline,<sup>xxvii</sup> was GM Vice President of Research. Inspired by the Century of Progress in Chicago, Kettering created the Parade of Progress, a traveling exhibit that showcased GM's technology and research for the future. In addition, in 1937 the General Motors Styling Section moved to the Argonaut's top four floors, and it was here that Harley Earl organized formal studios for each car division (Chevrolet, Pontiac, Oldsmobile, Buick, Cadillac, Truck and Coach) and several studios for advanced design. Earl, often hailed as the father of modern automotive design, contributed to the creation of two design methods, the two-dimensional rough sketch and the three-dimensional clay model. These methods were used to create the first "dream car," the Buick "Y" Job, "a two-passenger convertible" that influenced car design throughout the following decades. Furthermore, Bill Mitchell, a young designer, introduced the Cadillac 60-Special in 1938. The Cadillac 60-Special "was the first production car without running boards." Finally, in 1940, Harley Earl was promoted to a corporate vice-president. This promotion was unprecedented within the industry and highlighted the historic rise in the value of automotive design.

Over time, the Argonaut remained a key element of GM's Headquarters. The building once housed all of the laboratories, shops and drafting rooms, as well as the library and other supporting operations, for the research organization. In addition, the Second Avenue side boasted a two-story showroom displaying model cars to the public. The rest of the first and second stories were occupied by United Motors Service. The Argonaut remained the headquarters of the GM research staff until 1952. Later, it was utilized primarily as office space supporting the GM headquarters building. In 1963 a parking structure was constructed and attached to the building.

The next phase of the Argonaut Building and New Center began when GM decided to move its headquarters to the Renaissance Center on Detroit's downtown riverfront in 1996. By 1999, GM had left the Argonaut entirely, and it sat vacant for nearly a decade. However, according to Matt Cullen, former GM General Manager of Economic Development and Enterprise Services, GM continued its commitment to the Argonaut and the New Center area following the move. In 2004, GM reached a deal with Orton Development Inc., an Irvine, California-based real estate firm, to redevelop the Argonaut into a 250-unit residential complex. However, the project failed in the fall of 2007 due to unfavorable economic conditions and financing issues. Thus GM once again took possession of the Argonaut.





The new 2nd Avenue entrance of the completed A. Alfred Taubman Center with the Fisher Building and Cadillac Place behind

## The Growth of CCS and a Chance Conversation

Richard Rogers, President of CCS, is a visionary leader who has built CCS into a world-class design institution. During his 15-year tenure, the college has grown significantly. Enrollment increased by approximately 79%, and the academic majors offered grew from 6 to 10. The amount of student housing has doubled as well. In addition, CCS has expanded its campus through a number of land and building acquisitions. “Enrollment growth is driven by program development,” Rogers explains. “Program growth results in CCS’s ability to evolve based on changing environments.” Rogers wanted to expand his commitment to the City of Detroit by contributing to its renewal. Over the years he had many conversations with Steve Hamp, a local civic leader, about starting an art and design-based high school to increase the representation of inner-city youth in the design profession. Because the college could not expand its current campus, CCS conducted an aggressive search for available property to accommodate its growth and expanding vision.

The realization of CCS’s vision began with a conversation between Rick Rogers and Matt Cullen at a social event. The two men asked each other what they were working on. Rogers responded that CCS was looking for space to expand, while Cullen revealed that he was searching for a use for the Argonaut Building. The two set up lunch and sketched out a preliminary structure for a deal. As Rogers puts it, “Matt had already figured out the financial structure.” Simultaneously, CCS was putting together its strategic plan with a “vision to be ranked in the top tier of art and design colleges in the world and to expand its role as a catalyst for the development of Detroit’s creative economy.”

## From Symbol of Decay to Catalyst of Creativity

As a result of those initial conversations, GM donated the Argonaut to CCS, but substantial redevelopment was necessary to accomplish CCS's vision for the building. Specifically, it needed to accommodate new graduate programs, higher undergraduate enrollment, additional student housing, new undergraduate programs, more space and equipment for all departments, and better student amenities. In addition, CCS would form a partnership, via conversations with Steve Hamp, with the Henry Ford Learning Institute (HFLI) and the Thompson Educational Foundation to start an art and design-based middle and high school. This partnership would not only provide local minority youth the opportunity gain exposure to design professions, but would also provide them a path to success. Theoretically, a child could be educated from sixth grade through graduate school within the same building. According to Steve Hamp, this concept is a "game changer." "It creates a pipeline for disadvantaged kids in Detroit to design professions." Finally, the Argonaut would allow CCS to drive economic development through job creation, business attraction, and promotion of Detroit's creative economy.

East entrance to the Argonaut Building, redeveloped as the A. Alfred Taubman Center  
The new gymnasium and parking garage can be seen at the left portion of the image.







Signage at the Argonaut Building's new East entrance

## New Challenges for CCS

Clearly, CCS's audacious vision presented staggering challenges. "This is a radical transformational change. How do you cope with this project and maintain the highest level of educational quality?" Rogers asked. CCS was a small college that did not have the in-house personnel to take on a project of this scale, scope, and complexity. It was also under severe time constraints. Rogers and Cullen's conversation took place in the fall of 2007, and CCS needed to complete the project for the fall of the 2009 academic year. So, with the help of GM, Matt Cullen, and a steering committee of leaders with a stake in the project, CCS began to assemble a development team that could help it achieve its goals.

*“The Argonaut Building will be an educational complex devoted focused on art and design and extending from middle school It will be a catalyst for innovation, educational opportunity, and*

## Section 3: Goals and Objectives

### Project Goals

The goal of the Argonaut project is to accommodate CCS’s campus expansion and its building partners. The CCS expansion, representing approximately 414,585 square feet or 66% of NRA of the building, includes five undergraduate design departments, two master of fine arts programs, a design research center, a 300-bed dormitory facility, and community arts partnerships. In addition, the building is to accommodate the School for Creative Studies (a partnership between CCS and HFLI). The School will occupy approximately 107,826 square feet, or 17% of NRA, and include an art-enriched charter middle school and charter high school of design. A creative business accelerator program, a partnership between CCS and Detroit Renaissance, will also occupy the building. Further, the building will be flexible enough to host future commercial partners in approximately 83,720 square feet or 13% of NRA. Finally, the project will accommodate spaced shared by CCS and its partners. The shared space includes a conference center, a 500-seat auditorium, a 350-seat dining hall, retail and gallery spaces, an 11,200 square-foot gymnasium, a 500-car parking structure, and 230 spaces of surface parking.

### The Developers

CCS issued a Request for Proposal (RFP) for development management services. The final candidates were Jones Lang LaSalle (JLL) and Hines, with JLL obtaining the winning bid. Although JLL is a more-than-capable development manager, the project required “a quarterback,” as Matt Cullen put it, who could manage the complexities of the personalities involved. As a result, JLL reached out to the Larson Realty Group (LRG) to co-develop the project. LRG served as the developer, while JLL supplemented the process with onsite construction management. Finally, Preservation Development handled some of the political components. Prior to entry into the Development Agreement, CCS switched the relationship structure so that LRG became the developer while JLL and Preservation were sub-contractors.



*to creativity. It will house an integrated educational community, through graduate school and beyond into the professional realm. economic renewal. There is nothing like it anywhere in the world.”*

## **College for Creative Studies**

### **Project Architects**

Albert Kahn and Associates (Kahn) was hired by CCS as the Executive Architect and Engineer of record and lead designer. Since Albert Kahn was the original designer of the building, Kahn was familiar with the building’s history and original design intent. Khan also coordinated the historic designation activities with the State and National Park Service.

CCS hired Rich and Associates as lead architect for the new parking structure. Originally, the plan was to renovate the existing structure. However, testing and analysis determined that using the existing structure was not feasible.

### **Design Consultant**

Luce et Studios (Luce) was originally hired in an advisory role to make design recommendations. Luce was charged with taking a building designed for office/institutional users and providing design intent for creative studio/educational use. Luce worked collaboratively with CCS and Kahn and was contracted to recommend design intent for furniture and millwork as well as the exterior of the parking structure. Luce’s goal was to inject a creative character and ‘edge’ to the project by creating an economically balanced design with a creative feel.

### **The Development Team**

*CCS partnered with the following team of professionals:*

#### **Developer**

Larson Realty Group

#### **Co-developers**

Jones Lang LaSalle  
Preservation Development

#### **Project Architects**

Albert Kahn Associates  
Rich and Associates

#### **Design Consultant**

Luce et Studio

#### **Construction Managers**

Walbridge  
Colasanti

#### **Financing**

JP Morgan Chase  
US Bank

#### **Legal**

Clark Hill

## Construction Managers

Walbridge was hired as the at-risk construction manager, responsible for the contractual delivery system. Walbridge bid packaged every aspect of the job and provided a contingency for inflation to minimize the risk to CCS. Colasanti was hired as the construction manager of the parking structure.

## Financing

JP Morgan Chase Bank served as the primary traditional lender for the project. US Bank served as a Community Development Entity (CDE) contributing capital to the project. In addition, US Bank sourced capital for the project from five additional CDEs and helped refinance the tax-exempt bond.

## Legal

Clark Hill (CH) represented CCS in all aspects of the project and was involved from its inception. CH worked with the Mayor, City Council and economic development professionals to obtain a number of tax credits and incentives. In addition, CH worked with state legislators and the governor's office to facilitate the development of the project. CH also oversaw acquisition, negotiation of construction and architect contracts, subleasing, bank financing, ancillary contracts, and food service vendor contracts. Finally, CH fine-tuned the tax credit structure, working with partners to obtain approvals; coordinated with investors to obtain support for CCS's vision; and assisted with a tax-exempt bond issuance. One of CH's primary goals was to preserve the tax-exempt status of CCS.





# Section 4: Development Structure

## Financial Structure

The financial structure is a remarkable, considering its size, scope, and complexity. The Argonaut project had a budget of approximately \$139,797,799. The building was donated by GM and had a market value of approximately \$2,600,000. Argonaut Campus Developer, a Michigan Limited Liability Company made up of multiple entities, has fee simple ownership of the building. The financing sources range from multiple federal and state tax credits to traditional financing sources. The tax credit structure alone is one of the most complex structures in the country. Tax credits made up approximately 46% of the project budget, while partnership contributions made up 54%. Hard costs and tenant improvements made up approximately 85.6% of the budgeted project cost, while soft costs and equity/loan costs made up 10.4% and 4%, respectively. A breakdown of the sources and uses of funds is at right.

## Sources of Equity

Several equity sources contributed to the Argonaut project. CCS provided the largest source of equity. Also contributing equity were a state tax credit investor, master tenant, and three CDEs, which invested New Market Tax Credit (NMTC) funds. Federal and State Historic Tax Credits, as well as State Brownfield Tax Credits, made up the remainder of equity.

## Sources of Debt

Similarly, there were several debt sources. Chase Bank provided the construction loan and first mortgage or permanent financing. Two additional sources provided first and second mortgages for the project. In addition, three CDEs provided debt, one of which provided two loans. An NMTC investment fund provided two leveraged loans for the Argonaut. Finally, CCS issued tax-exempt bonds to finance the new parking structure.

One CDE provided both debt and equity for the project.

### Sources

#### Tax Credits

Federal Historic Tax Credits	\$ 31,835,725
State Historic Tax Credits	\$ 4,490,139
State Brownfield Credits	\$ 7,350,000
New Market Tax Credits	\$ 20,700,000

#### Partner Contributions

CCS	\$ 56,821,915
Middle School/High School	\$ 18,600,000
	<b>\$ 139,797,779</b>

### Uses

Hard Costs and Tenant Buildout	\$ 119,598,816
Soft Costs	\$ 14,554,046
Equity & Loan Costs	\$ 5,644,917
	<b>\$ 139,797,779</b>



CCS (above) was the primary contributing partner for the development, but State and Federal Historic Tax Credits were a significant source of funding for redeveloping the 1930's era structure (below).



## **Role of Incentives and Credits**

### **Federal and State Historic Tax Credits**

The Argonaut project, which is listed on the National Register of Historic Places, received Federal Historic Tax Credits of 20% of eligible costs to make substantial renovations. The redevelopment State Historic Tax Credits account for 5% of eligible costs. The project generated \$36,325,864 in Federal and State Historic Tax Credits.

### **State Brownfield Tax Credits**

The Michigan Economic Growth Authority approved the Argonaut for Michigan Business Tax Brownfield credits. The credits qualify the project for up to 10% of eligible investment. The project generated \$7,350,000 in state Brownfield Tax Credits.

### **New Markets Tax Credits**

The Argonaut project was eligible for NMTC investment. Under the guidelines of the program, CDEs can make Qualified Low-Income Community Investment into a Qualified Active Low-Income Community Businesses. Six CDEs have contributed \$20,100,000 in NMTCs in the form of equity and loans.

### **Tax Increment Financing (TIF)**

The project is eligible for TIF reimbursement of \$11,200,000. However, the developer anticipates reimbursement of \$4,400,000.

### **Tax-Exempt Bond**

CCS reissued a \$26,000,000 tax-exempt bond. The bond was used to pay approximately 38% to construct a new parking structure, 23% to finance capital improvements to CCS's existing campus, and 38% to pay off an existing tax-exempt bond.

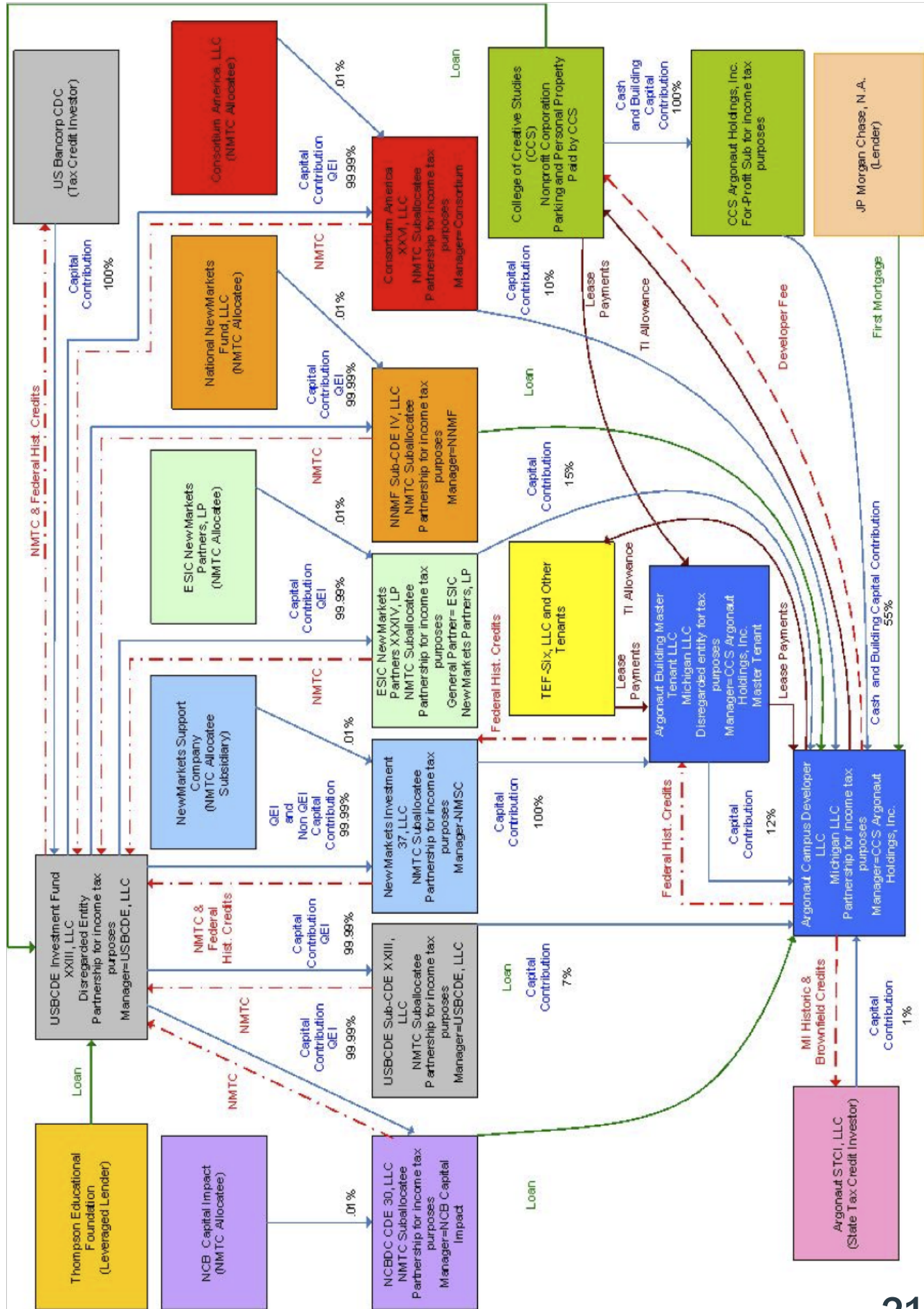
## **Legal Structure**

The Argonaut Building is owned by Argonaut Campus Developer, LLC. Ownership interest consists of a for-profit subsidiary of CCS (55%), CDE #4 (15%), Master Tenant (12%), CDE #6 (10%), CDE #3 (7%), and State Tax Credit Investor (1%).

***Please see the Argonaut Building Organizational Flowchart on the following page for a depiction of the development structure.***



## Argonaut Building Organizational Flowchart





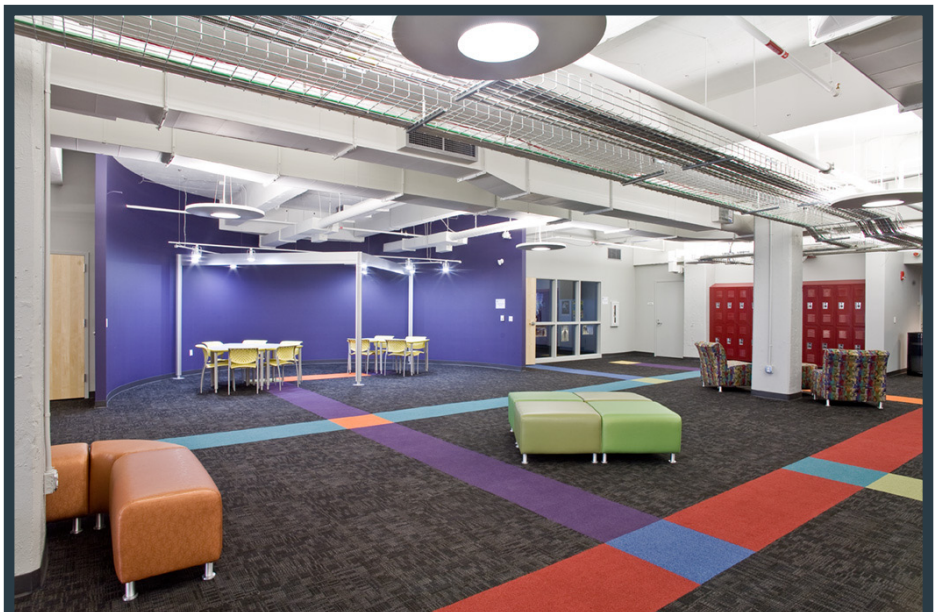


Top: A. Alfred Taubman Center and adjacent parking structure under construction in March '09

Middle Left: New CCS student dorm space

Middle Right: View from new A. Alfred Taubman Center to Downtown Detroit

Bottom: New Henry Ford Academy (charter school) space







Top: New A. Alfred Taubman Center cafeteria

Middle: CCS and Henry Ford Academy (charter school) signage on Woodward Ave.

Bottom: New CCS lab space

# Section 5: Conclusions and Implications

## Key Obstacles and Mitigations

The development team faced seemingly insurmountable challenges. In the interviews, team members mentioned the timing, the complexity, and the financial structure as obstacles to the project. However, innovation often springs from confronting obstacles, and this was the case in the redevelopment of the Argonaut. In particular, members of the development team and other stakeholders cited collaborative teamwork, complex financial engineering, superior execution, and creative thinking about the mix of uses as innovative and/or significant aspects of the redevelopment. Innovation alone was not enough to redevelop the Argonaut, though. Team members displayed a strong sense of purpose and a duty to a higher goal, and their ongoing dedication seemed to create a “perfect storm” or an “aligning of the stars” that kept the project alive.

## **Timing**

The development team faced a very aggressive timeline, with the goal of redeveloping a 760,000 square-foot nationally significant historic building within 18 months. This nearly impossible deadline created numerous challenges throughout the development process. For example, about halfway into the project, CCS hired Luce for an alternative opinion regarding the design intent. “To inject a dynamic design experience when the budget is already allocated, it is very hard to gain the confidence of the team,” says Jennifer Luce, Principal. “This process didn’t allow for this; there was no time.” However, this challenge allowed Luce to be innovative, learning how to sell new ideas under tremendous time constraints.

Luce is one of many development team members who struggled to integrate their internal processes with those of other members, given the time constraints. JLL, for example, is a very process-driven organization that has been extremely successful with a systematic approach. However, in this case, “nothing sequenced normally; everything overlapped like a 37 dimensional chessboard,” according to Adriana Calderon, Senior Project Manager at JLL.



***A flexible, specific strategy, as opposed to a resource-based strategy, was needed throughout the process, especially given the time constraints.***

*Eric Larson*



As a result, LRG, as the developer, interacted directly with the client, navigated the local political environment, and managed the expanding relationships and financial structure. In other words, LRG kept an eye on the big picture while other team members focused on individual tasks. Eric Larson, President and CEO of LRG, explains that, “a more flexible approach was needed to keep up with changing priorities.” According to Larson, a flexible, specific strategy, as opposed to a resource-based strategy, was crucial throughout the process. Anne Beck, Vice President of Administration and Finance, put it this way: “No matter how smart everyone is, everyone is still learning on their feet. It was very difficult to find similarities and applications. Smart people must be flexible. Rigidity would be very difficult.”

## Complexity

Due to the complex financial structure, the unique mix of uses, the number of stakeholders, and the large scale of the redevelopment, the project involved innumerable moving parts. Richard Rogers and Anne Beck of CCS both insist that “keeping all the numerous parts moving forward and in sync” was essential, given all of the variables associated with the project. During the process, CCS continued to assemble financing and raise funds, so the project ebbed and flowed according to the evolving financial structure. In addition, CCS ended up having to search for financing during the global financial crisis. Had CCS not finalized critical financial commitments when it did, no financing would have been available. Also, according to Matt Robertson, Director of Development with LRG, “the unique mix of uses required more regulatory requirements.” In addition, two major building partners decided not to proceed with leasing space well after the project had begun. The more challenging the project became, however, the more tenaciously the stakeholders rallied to problem solve.

The project’s complexity inevitably led to construction delays and stakeholder frustration. As a result, the entire team tried to anticipate problems and have in place multiple contingency plans as the project evolved. At no one point were the project design and finance parameters set. Anne Beck credits the participants’ evolving collaboration, their determination, and sheer luck (“aligning of the stars”) with keeping all of the parts moving in sync.



***“The focus of the project was not only about maximizing the tax credits, but also how to gain as many stakeholders as possible to get them involved to collaborate.”***

*Cari Easterday*



***“The development structure also included a collaborative process. Each stakeholder made sure CCS was positioned to be in the right place at the right time. Even in the financial structure, people kept finding more creative ways to bring more resources to the table.”***

*Anne Beck*

## **Financial Structure**

The development team did not anticipate the complexity of the financial structure, especially the New Markets Tax Credit component. How does a nonprofit college maximize tax credits, while complying with the regulatory rules governing them and at the same time preserving the college’s nonprofit status? How do multiple tax structures intersect with each other? What is the best way to allocate funds among six Community Development Entities? Such were the daunting problems confronting CCS and the financial and legal members of the development team.

The team employed several technical mechanisms to meet the challenges presented by the financial structure. Gordon Goldie, Partner at Plante Moran, said that the solution involved finding the right mix of NMTC equity and loan structures. The IRS even made a ruling especially to accommodate the structure. However, the “focus of the project was not only about maximizing the tax credits, but also how to gain as many stakeholders as possible to get them involved to collaborate,” says Cari Easterday, Director of Finance at LRG. Marc Hirshman agreed, noting that the community impact of the Argonaut project was vital to the involvement of an unprecedented six Community Development Entities. Finally, several participants credit Anne Beck of CCS with generating stakeholder buy-in. David Shon, Partner at Nixon Peabody, and Gordon Goldie both cite Beck’s management skills and ability to understand and communicate the financial structure to relevant stakeholders as keys to the project’s success. “Anne knew what her financial statements would look like two years out,” explains Goldie.



## Lessons for Other Communities

### **The Vision Must Be Compelling**

Without the bold vision and commitment of Richard Rogers, Steve Hamp, Matt Cullen and others to transform the City of Detroit and its educational opportunities, the Taubman Center would probably not exist today. Jim Becker, International Director at JLL, explains that “Detroit is a market that has been redlined; this deal is superhuman.” Superhuman deals don’t happen without a compelling vision that reaches beyond any one stakeholder’s interest in a project. Eric Larson adds, “This project may not have been as successful if not for CCS and the tremendous support of the board. CCS’s vision caused people to align with the project goals; lots of people wanted to help given the positive impact.”

Not only was the vision compelling, but it also aligned broader initiatives and economic development goals. Because CCS and SCS provide creative education, the project aligned with Governor Jennifer Granholm’s “Cool Cities” initiative. The project will create approximately 200 new jobs, anchor a “creative corridor” from New Center to the Detroit River, develop a new model for school/college/business collaboration, provide a new pathway for minority students to art and design careers, and increase the diversity of CCS, other colleges of art and design, and the design professions.

Finally, this vision was essential to opening up non-traditional funding opportunities. Six CDEs contributed to the project, as did the Kresge Foundation and Thompson Education Foundation. Finally, A. Alfred Taubman donated \$15,000,000 as the lead gift to CCS’s “Advancing the Creative Spirit” capital campaign for the project. In gratitude to Mr. Taubman, CCS renamed the building The A. Alfred Taubman Center for Design Education.



***“The project connected people who were motivated to do the right thing, who had powerful ideas, and who shared similar long-term vision and values.”***

*Matt Cullen*



*“So many people  
and expertise had  
to come together.  
Be open minded  
and creative.  
Get out of the  
conventional way  
of thinking.”*

*Richard Rogers*

## **Commitment to Place**

Detroit and Southeast Michigan have been battered by the Great Recession more severely than any other metropolitan region in the country. This is primarily due to the continuing decline in the relative size of the industrial economy nationally; Detroit has always had the largest industrial concentration in the country. While industrial economic development continues to be important to the country and to Detroit, increasing productivity and international competition mean that it will have a smaller proportional share of economic growth and employment. In this way it is similar to agriculture, which, although still crucial to the country, has declined dramatically relative to the entire community (and now accounts for only 2% of all jobs).

The huge industrial concentration in Southeast Michigan has also allowed the region to build enormous wealth, which is reflected in the large foundations and cultural and educational institutions. Such institutions embody a generally unacknowledged strength: commitment to place. Although they have been battered by the economy, people raised in Detroit are generally passionate in their support of and attachment to the place, even if they must leave for economic reasons. The commitment by the sponsors of the Taubman Center, along with the philanthropic contributions, reflects a commitment to Detroit that has fueled many revitalization efforts over the past 30 years. This level of commitment is rare in other American metropolitan regions.

## **Team Selection is Critical**

The development team is critical for three reasons. First and most obviously, the team members must be highly competent in their respective disciplines. Ben Dorer of Plante Moran was encouraged to see that the “best and brightest were working on the deal”; he was impressed by the “brain firepower” of the team members, especially when it came to public finance.

Second, the team must be able to solve problems and work collaboratively. According to Anne Beck of CCS, “the development structure also included the collaborative process. Each stakeholder made sure CCS was positioned to be in the right place at the right time. Even in the financial structure, people kept finding more creative ways to bring more resources to the table.”



Finally, team members must share key values. In the Argonaut project, team members, partners, and stakeholders with a sense of civic duty and commitment to the community added significant value. For example, GM, which donated the building, continued to assist CCS by serving on the project's steering committee. GM's sense of civic duty has been evident in its ongoing commitment to New Center ever since it left the area nearly a decade earlier, according to John Blanchard, Executive Director of GM Worldwide Real Estate. In addition, Matt Cullen adds, "the project connected people who were motivated to do the right thing, who had powerful ideas, and who shared similar long-term vision and values."

## **Planning, Predevelopment, and Collaboration Takes Time**

Nearly every stakeholder interviewed mentioned that more time would have allowed for better execution of the project. Time for planning allows for the proper selection of the development team, alignment of goals and expectations, and assimilation to various stakeholders' internal processes. In addition, Tim Kolton and Joe Kopeitz of CH both emphasize early involvement to ensure sources of financing and maximize incentives; otherwise one may lose out. Gordon Goldie stresses the importance of planning in assembling the development team to help run Cost-Benefit Analyses and scenarios of different outcomes. Further, Matt Robertson of LRG and Adriana Calderon of JLL recommend planning to formulate ownership and financial structures to prevent unnecessary delays in construction. In addition, Calderon and Geoff Sleeman, Director of Facilities and Administrative Services at CCS, recommend formalizing decision-making processes to determine who's in charge. Lastly, Anne Beck and Eric Larson warn against underestimating the professional fees involved in a complex transaction.

Richard Rogers recommends considering the difficulties and potential benefits of collaboration. "So many people and [so much] expertise had to come together. Be open minded and creative. Get out of the conventional way of thinking." Jennifer Luce observes that the collaborative process works best when the team has a close relationship and lots of dialogue. It takes time to establish trust, explore, and brainstorm. Eric Larson adds that "Chemistry is very important" and recommends "[making] changes early to create the right team."

## Higher Education Institutions Have a Significant Impact Upon Urban Areas

CCS and the Taubman Center provide the New Center district with a much-needed positive impact. Plagued by General Motors' exit from the district in the late 1990s, the New Center Council, the Business Association and Business Improvement District, and the City of Detroit adopted the New Center Economic Development Plan in 1997 with the goal of making the area a walkable mixed-use 24-hour destination neighborhood. As a result, the district has seen nearly \$419 million in new and pending investment in the form of new construction, redevelopment and façade improvements, 300 new residential units, the New Center Park, a Charter School, a hotel renovation, and the Tech Town business incubator, among other neighborhood improvements. The Taubman Center capitalizes on these initiatives and existing infrastructure by contributing to the existing character of the place while catapulting New Center into the new economy through innovative uses and collaborations.

The Taubman Center serves as an anchor, not only for New Center, but also for Detroit's larger Creative Corridor. The Creative Corridor is a chain of creative economy businesses and institutions along the Woodward Avenue corridor. A development plan was recently created to link existing nodes of activity, promote new activity, increase the density of creative economy businesses, and increase density of housing for creative economy workers. The Taubman Center will bring approximately 2,000 new people to the district daily, helping to establish the New Center District as a walkable node. In addition, the redevelopment created approximately 1,000 full-time equivalent construction jobs and will create approximately 200 permanent new jobs. Finally, the 300-bed dorm facilities contribute to a new 24-hour population.

The Taubman Center is two and a half blocks from the Detroit Amtrak station, which also will be the future home of The Regional Area Initial Link (TRAIL). TRAIL is a light rail starter system that will run along Woodward Avenue from New Center to downtown, linking CCS students to their existing campus located in the Cultural Center in Midtown. Thus, the Taubman Center serves as the northern anchor of the Creative Corridor.

Evidence of the positive impact of higher education on neighborhood redevelopment efforts can be found in Chicago's Loop and South Loop, which are now home to over 20 institutions of higher learning. As Tom Fuechtmann, director of DePaul University's Community and Government Relations Office, said, "These institutions do more than educate the next generation of business, community and civic leaders. They generate significant business activity and



job creation, promote real estate development and preservation, and contribute to the vitality of downtown through cultural events and student residential communities.”<sup>xxviii</sup>

Fuechtmann directed a study of the impact of higher education institutions on Chicago’s Loop in 2005, commissioned by the Greater State Council and Central Michigan Avenue Association. It demonstrated that Chicago’s Loop is “the largest college town in Illinois.” Higher education institutions within the Loop spend more than \$345 million on goods and services annually, generating \$777 million in direct and indirect economic activities and creating approximately 13,500 jobs.<sup>xxix</sup> Special events by these institutions drew an average of 500,000 people annually,<sup>xxx</sup> and ten educational institutions spent approximately \$159 million on renovation and new construction from 1997 to 2002.<sup>xxxi</sup> The sector expects to spend \$339 million more in capital projects by the end of the decade.<sup>xxxii</sup>

Although the scale of the Taubman Center’s impact in New Center is—at least so far—much smaller, the impact of higher education within walkable urban places in general and within New Center and Midtown in particular is unquestionable. Midtown is located in the greater downtown Detroit located south of New Center and north of downtown along Woodward Avenue. The district houses Wayne State University, Detroit Medical Center, and Detroit’s Cultural Center, as well as a cluster of significant public buildings, museums, galleries, and theaters. It has become one of the most vibrant walkable urban places in the State of Michigan.

Similar opportunities exist for New Center with CCS and the Taubman Center as an anchor to engage the desirable demographic known as the “creative class” (a term coined by Richard Florida of the University of Toronto). Sue Mosey is President of the University Cultural Center Association, Midtown’s Business Improvement District. She believes that the Taubman Center redevelopment provides opportunities to encourage a pedestrian-friendly environment. CCS could create a “mini district” by working with the New Center Council to create a human-scale development with retail and/or student activities on the ground floor. The vacant parking lot adjacent to the Taubman Center is a logical spot for such a development, according to Mosey. “It could encourage retail and transit, serving as a gateway to the area.” In addition, this “mini district” would “link New Center and Midtown via Cass Avenue through TechTown. Cass Avenue is becoming a major pedestrian college district with 10 new projects.” Members of the creative class tend to be attracted to walkable urban places and are pioneers of this type of development. The location of the creative class within New Center and Midtown may be viewed in the future as one of the primary causes of the economic rebirth of Southeast Michigan.



***“These institutions do more than educate the next generation of business, community and civic leaders. They generate significant business activity and job creation, promote real estate development and preservation, and contribute to the vitality of downtown through cultural events and student residential communities.”***

Tom Fuechtmann

# Appendix: About the Development Team and Key Stakeholders

*The appendix provides background information on the development team and key stakeholders. All descriptions are drawn (or adapted) from the websites of the following organizations.*

## About the College for Creative Studies

“CCS is a recognized as a world leader in art and design education, preparing students to enter the new, global economy where creativity shapes better communities and societies. The College enrolls more than 1,300 students seeking Bachelor of Fine Arts degrees in 11 majors. CCS also offers non-credit courses in the visual arts through its Continuing Education programs. Annually, it provides over 3,000 high-risk Detroit youth with art and design education through its Community Arts Partnerships programs.”<sup>xxxiii</sup>

## About General Motors

“General Motors Corp. (NYSE: GM), one of the world’s largest automakers, was founded in 1908 and today manufactures cars and trucks in 34 countries. With its global headquarters in Detroit, GM employs 244,500 people in every major region of the world, and it sells and services vehicles in some 140 countries. In 2008, GM sold 8.35 million cars and trucks globally under the following brands: Buick, Cadillac, Chevrolet, GMC, GM Daewoo, Holden, HUMMER, Opel, Pontiac, Saab, Saturn, Vauxhall and Wuling. GM’s largest national market is the United States, followed by China, Brazil, the United Kingdom, Canada, Russia and Germany. GM’s OnStar subsidiary is the industry leader in vehicle safety, security and information services.”<sup>xxxiv</sup>

## About the New Center Council

“New Center Council (NCC) is a nonprofit business organization dedicated to the beneficial development and management of Detroit’s Historic New Center as a vibrant, diverse and economically healthy district, and the northern anchor of Detroit’s Greater Downtown.”<sup>xxxv</sup>

NCC is the proactive leadership organization for New Center, engaging its Board of Directors, civic and community leaders, and government officials in initiatives that maintain and improve the New Center district for growth in the office, retail, and residential sectors. The Council focuses its work on three key action areas: 1) Public Space Maintenance, Beautification, and Security; 2) Economic Development and Planning; and 3) Cultural Enrichment, Special Events, and Image Building.<sup>xxxvi</sup>



## **About the Development Team**

### **Larson Realty Group**

“LRG is a privately owned, Bloomfield Hills, Michigan-based company engaged in real estate investment, development, asset management, leasing and consulting. The group combines the broad experience of its principals, Eric B. Larson and Robert C. Larson, with a network of experienced real estate professionals specializing in construction, engineering, property management, leasing and finance. Larson Realty Group develops and invests in office, retail, industrial, residential and mixed-use properties. The group also provides services to third parties, selectively taking on asset management, leasing, construction management and advisory assignments.”<sup>xxxvii</sup>

### **Jones Lang LaSalle**

“Jones Lang LaSalle is a financial and professional services firm specializing in real estate and investment management.”<sup>xxxviii</sup> The firm has “more than 30,000 people in 750 locations in 60 countries, serving the local, regional and global real estate needs of its clients.” Jones Lange LaSalle “assembles teams of experts who deliver integrated services built on market insight and foresight, sound research and relevant market knowledge according to changing client expectations and market conditions.”<sup>xxxix</sup> “The company strives to attract, develop and reward the best, and most diverse, people in the industry.”<sup>xl</sup>

### **Albert Kahn Associates**

Albert Kahn Associates, Inc. provides architecture, engineering, planning, design, and management services. It offers code analysis, construction documents, existing facilities evaluation, sustainability/LEED analysis, and value analysis; electrical, IT systems, mechanical, and structural engineering; and campus and land planning, site master and strategic facilities planning, and urban planning and design services. Albert Kahn Associates also provides commissioning, facility and program management, and relocation management services. The company was founded in 1895 and is based in Detroit, Michigan. It has locations in Birmingham, Alabama; São Paulo, Brazil; and Juarez, Mexico.<sup>xli</sup>

### **Rich and Associates**

“Rich and Associates is a full service parking consultant providing customized solutions to every type of parking need. For over 46 years the firm has developed innovative facilities designed to meet the specific challenges of businesses, municipalities, airports, institutions, as well as retail/entertainment developments throughout the North America.”<sup>xlii</sup> Rich and Associates has designed over 2,500 parking structures domestically and internationally.<sup>xliii</sup>

## Luce et Studio

“Luce et Studio is a collaborative office combining skills in the disciplines of architecture, landscape, graphics and industrial design. The firm’s work emphasizes an intense devotion to craft and detail at all scales. Individual team members contribute the unique perspective of their discipline, encouraging an intense, intimate collaboration within the studio. The studio has earned nine design awards from the American Institute of Architects.”<sup>xliv</sup>

## Walbridge

“Walbridge is a privately-owned construction company offering diverse delivery options including construction management, program management, general contracting, design-build and turn-key solutions. Services include pre-construction, engineering management and decommissioning.”<sup>xliv</sup> Walbridge self-performs “structural concrete and flatwork, millwright and rigging, equipment installation and facilities management.”<sup>xlvi</sup> The company manages projects domestically and internationally.<sup>xlvi</sup>

## Colasanti

“Celebrating over 50 years in the contracting business, the Colasanti Companies, known simply as Colasanti, began by building a reputation as one of the leading self-perform concrete contractors in the United States. Colasanti’s service offering has evolved to include full service construction management, general contracting, design/build, and self-perform work, provided through three separate entities comprising of the Colasanti Companies: Colasanti Construction Services, Inc, Colasanti Specialty Services, Inc., and CCK Construction Services, Inc.”<sup>xlvi</sup>

## Chase Bank

JPMorgan Chase (NYSE: JPM) is a leading global financial services firm with assets of \$2.1 trillion. Chase has more than 200,000 employees operating in more than 60 countries. Chase serves millions of U.S. consumers and many of the world’s most prominent corporate, institutional and government clients. Chase is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transactions processing, asset management, and private equity. Chase is a component of the Dow Jones Industrial Average.<sup>xlix</sup>

## US Bank

“U.S. Bancorp (NYSE: USB), with \$265 billion in assets, is the parent company of U.S. Bank, the 6th largest commercial bank in the United States. The company operates 2,851 banking offices and 5,175 ATMs, and provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses and institutions.”<sup>l</sup>

## Clark Hill

“Clark Hill PLC is a full service law firm serving clients in all areas of business legal services, government and public affairs and personal legal services.”<sup>li</sup> Clark Hill’s attorneys and other professionals deliver client-centered solutions. The firm strives to respond quickly to client needs, understanding their business issues, and providing outstanding legal advice. Since 1890, Clark Hill has represented a diverse range of clients ranging from individuals and new entities to Fortune 500 corporations.<sup>lii</sup>



# About the Taubman College at the University of Michigan

“Taubman College of Architecture and Urban Planning at the University of Michigan seeks to improve the human condition through thoughtful design and planning for the built environment. Its academic programs prepare graduates for positions of responsibility within a wide spectrum of professions, organizations, and institutions that shape the built environment at scales ranging from local to global. Taubman College conducts innovative design and policy research and serves the community, the state, the nation, and the world through outreach and partnerships.”<sup>lii</sup>

“In pursuit of these ideals for over 100 years, Taubman College offers students from the state, the country, and around the globe a complement of disciplinary and interdisciplinary degree programs ranging from pre-professional to post-professional to Ph.D. Our committed and energetic faculty, staff and students form a diverse, creative, and collaborative community within the University of Michigan, one of the world’s largest research universities.”<sup>liv</sup>

“Taubman College has a long educational tradition that combines design and technology. Today, it continues to foster a broad view of architecture and urban and regional planning in the context of a major research university where interdisciplinary initiatives are encouraged and supported.”<sup>lv</sup>

## Certificate in Real Estate Development Program

“The quality of metropolitan development is an issue of growing public concern, particularly as a result of the housing finance crisis and rising energy costs. Debates over land use regulation, sustainable development, sprawl, and community design occupy virtually every city council and state legislature in this nation and abroad. It is being raised to the U.S. Federal level through the upcoming transportation, energy, and climate change legislation. The revival of many American downtowns, the urbanization of selective suburban places, and the beginning to the end of sprawl on the fringe is testament to the pendulum swinging back after decades of building only drivable sub-urban development. However, just as the United States is adjusting to changed market demands, much of the developing world is emulating the drivable sub-urban American model of the 20th century”<sup>lvi</sup>

“Few planners, lawyers, business leaders, and designers who influence metropolitan development understand the complexity of real estate development and many are not as effective as they could be in improving the way development occurs. Many of those trained in a single field, such as business, law, or urban planning, could be more effective in creating places that contribute to a positive quality of life and preserve the natural environment if they had an education that spanned several professional fields.”<sup>lvii</sup>

“The certificate in real estate development offers graduate students in many fields the opportunity to supplement their major areas of study with broad knowledge about making substantially better metropolitan developments. The program is also a stand-alone certificate in itself for those full-time and part-time students who just want to focus on real estate. The program aims to guide students to integrate disciplines that shape the built environment and enhance quality of life while conserving the natural environment. Upon graduation, students are professionals equipped to become the place-makers and town founders of tomorrow.”<sup>lviii</sup>

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