



### Potential Artspace/City Hall Relocation Project

#### Fact Sheet – City of Dearborn

May 22, 2012

A unique opportunity exists in Dearborn today. The City and East Dearborn Downtown Development Authority (EDDDA) have been exploring the Artspace concept for about two



years. This concept is a nationally recognized model for reinvigorating downtowns through promoting arts and artists. Through their detailed process, City Hall has been identified among 25 candidate locations as the best fit for Artspace in Dearborn. It is proposed that Artspace transform Dearborn’s City Hall campus, which will preserve the architectural appearance of the complex while giving it new

life as a regional attraction and destination. Concurrently, difficult economic times have resulted in some terrific “buyer’s market” deals on office space that provide a needed opportunity for Dearborn to achieve a long term goal of dramatically reducing its operating costs by moving to a newer City Hall at a fraction of the cost of building new.

Adaptively reusing and preserving the 95,000 square foot City Hall buildings and campus for Artspace will provide a viable and vital anchor for the East Downtown District, will preserve the striking exterior of the two historical buildings, and offers the opportunity to relocate all City Administration to the central Civic Campus.

One interesting option that has emerged is the availability of the former ADP office at 16901 Michigan Avenue, directly adjacent to the City Hall parcel purchased in 2002. This 85,700 square foot building would provide an economical alternative to building a new City Hall and could eventually become a

consolidated administrative office for the City and future strategic partners. If this option did not work out, there are many other suitable modern office buildings available in Dearborn due to the re-sizing of Ford Motor Company and the economic recession of the last several years.



## **Why the move? An investment to reduce long term operating costs**

*City Hall costs a lot to operate and due to significant financial challenges the City must look for every opportunity to save annual costs...*

Current data indicates that it costs approximately \$23.50 per square foot to operate City Hall annually, allowing for the utilities, maintenance, repairs, insurance and improvements required to ensure its upkeep. By comparison, industry statistics supplied by Ford Land and other commercial real estate professionals indicate a modern office building costs about \$7.50 per square foot or less (depending on taxable or exempt status) to operate annually. At one third the operating cost, the payback on other costs associated with the relocation of City Hall to a modern structure is very attractive.

*City Hall needs many repairs...*

Studies done on all City owned buildings in the last several years identified repairs, replacement and maintenance improvements needed to sustain the continued use of City Hall. While City Hall is functional today, approximately \$5.7 million in repairs have been identified to equipment and building systems that are past their useful life. On top of this, the 90 year age of the complex and the deteriorated condition of its parking and rooftop decks will require much additional investment to bring it up to par for another 20 years of service.

Artspace isn't concerned with most of the mechanical, electrical and plumbing systems that are in need of repair at City Hall. The structures are sound, and the Artspace model converts most of the space into "live-work" residential and studio spaces for artists. The old systems will be discarded and replaced with systems suitable for residential use. The concourse area and City Council chambers, which are much newer (30 years old), will be converted into studio, performance and commercial (coffee shop, gallery space, etc.) space.

*City Hall is inefficient...*

While City Hall is an architectural icon in the community and we all want to see it preserved, it is a marginal and inconvenient series of buildings to serve as a modern government center. The main structures, which total 95,000 s.f., have almost 30% of their floor area dedicated to public space like entrances, corridors, spiral staircases and grand open spaces. This leaves only 72% (68,400 s.f.) as useable office and customer service space. Within that remaining space, City Hall has many fixed walls and awkward areas. This minimizes efficient layout, which contributes to a confusing and frustrating experience for the public users, who access various departments for a variety of purposes.

In contrast, the former ADP building is only 12 years old and a model of the modern, open floor plan office building. It is estimated to be 93% efficient in its physical layout, which means that a building of 85,700 s.f. yields nearly 80,000 s.f. of useable space. The open floor plan allows maximization of space utilization, encourages better adjacencies between related departments,

and allows the customer service area to be designed for ease of interaction with the general public.

## **Artspace is an attractive downtown anchor for East Dearborn...**



Thirty Artspace projects exist around the United States and 15 more are in the works. They are owned and operated by a successful non-profit organization that understands art, artists and the synergies of promoting both in downtown districts. In Dearborn, this means the City Hall complex would



become a 24/7 center of activity with artists living on site; feature activity even on weekends, holidays and evenings (compared to “8-5 M-F” schedule of City Hall); attract up to 100 more residents in the east downtown; and complement existing attractions like the National Arab American Museum, The Henry Ford, and the Ford Community and Performing Arts Center. Additionally, the long-term project financing means Dearborn can count on Artspace being an anchor for the East Downtown long after the interior conversion of City Hall. For more information on Artspace, please visit its website at [www.Artspace.org](http://www.Artspace.org)

## **Artspace Dearborn Lofts specifics...**

Artspace Dearborn Lofts, Artspace’s first project in Michigan, will be a new mixed-unit arts facility containing 40-plus rental units of affordable housing for artists and their families, plus non-residential space for artist studios, arts organizations, and creative businesses. Artspace Dearborn Lofts will bring new vibrancy to downtown East Dearborn by utilizing the power of the arts to drive cultural and economic activity.

### Goals:

- To transform the historic City Hall structures into a vibrant hub of activity that will bring the block alive with festivals, events, and commerce.
- To attract additional artists, creative businesses, arts groups, and other businesses to East Downtown.
- To create construction jobs and jobs in the creative industry. Artspace estimates that an affordable artist live/work project at the City Hall campus will generate more than 100 jobs in each sector.

### Details:

- 40-plus residential units (one-, two-, and three-bedroom apartments), each with extra space for an artist’s studio.
- All units will meet federal affordability guidelines and are limited to households earning 60% or less of the Area Median Income (currently \$65,300 for a family of four).
- Committed artists will receive preference for units. Artists are not required to earn a majority of their income from their arts.

Artspace Timetable:

- 2012 City Council awards site control to Artspace
- 2013 Major financing applications filed
- 2014 Groundbreaking
- 2015 Completion of construction and beginning of operation

**Relocation of City Hall memorials and Statue...**

The City Hall War Memorial and Veterans Plaza will be discussed with the Dearborn Allied War Veterans' Council to determine the most appropriate site for retaining these elements of City Hall. They could remain in their current location or be relocated to the new City Administrative site. If they remain, contractual language would be included with the Artspace agreement to insure that they are maintained and properly secured for use by the DAWVC. If they are relocated, they can be placed into a Veterans' Park setting on the property to the east of the new administrative building. The same discussion will be held with the Committee that raised the funds to create and place the Orville Hubbard Statue.

**This is not a new idea...**

Every Mayor of Dearborn since 1967 has pursued the idea of consolidating City offices on a centralized municipal campus to maximize efficiencies and to improve the convenience of services to citizens. Not until today have all of the pieces come together to make this worthwhile goal a reality.

**The Business Community is supportive . . .**

Unlike the 1970's, when the business community was against moving City Hall due to the fear of negative consequences on the Michigan/Schaefer district from the newly-built Fairlane Town Center, the business community, through the East Dearborn Downtown Development Authority, supports using the City Hall complex for Artspace because of its proven catalytic potential and capacity to bring potential customers and investors to east downtown Dearborn than City Hall will be capable of attracting.

**For more information, please contact:**

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