



Testing waters: New \$175-a-head restaurant opens. **PAGE 7**

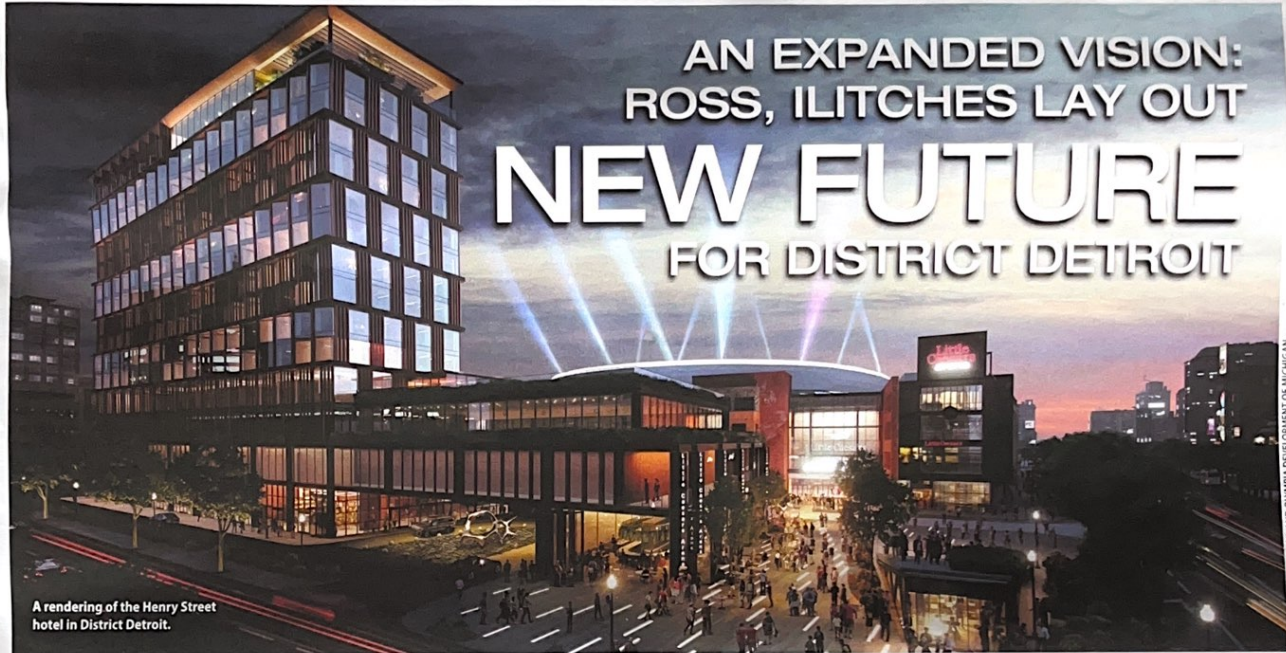
THE CONVERSATION: How Tarick Salmaci parlayed boxing into brokerage **PAGE 46**

CRAIN'S

DETROIT BUSINESS



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A rendering of the Henry Street hotel in District Detroit.

AN EXPANDED VISION: ROSS, ILITCHES LAY OUT NEW FUTURE FOR DISTRICT DETROIT

COURTESY OF RELATED COS. AND OLYMPIA DEVELOPMENT OF MICHIGAN

Broadened Detroit Center for Innovation vision includes hotel, parks, community space | **BY KIRK PINHO**

An updated vision for property around the proposed Detroit Center for Innovation includes a new hotel, commercial and residential space on under-developed District Detroit land.

If billionaire developer and Detroit native Stephen Ross and the Ilitch family are able to

fulfill the new vision, it would bring a sizable chunk of the area to life with new construction that has largely eluded it to the degree initially promised — minus a handful of new buildings outside of Little Caesars Arena — in the nearly eight years since the District Detroit was unveiled.

Anchored by the \$250 million Detroit Cen-

ter for Innovation, a University of Michigan graduate school campus focused on research and innovation, the updated Ross/Ilitch plan would bring a long-envisioned new hotel to the unused land south of the arena, new office and retail space on the Woodward-fronting surface parking lots for Comerica Park, more commercial development along Columbia

Street and affordable and market-rate residential space along Park Avenue.

Some of the envisioned development — the Woodward project (originally residential), the hotel on Henry Street and a community space over I-75 (long envisioned as retail)

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MACKINAC POLICY CONFERENCE

BACK TO THE GRAND

Michigan's most prominent gathering of business, civic and political leaders is gearing up to return to a more traditional format and spot on the calendar.

The Mackinac Policy Conference, put on by the Detroit Regional Chamber, is set to run Tuesday-Thursday at the Grand Hotel on Mackinac Island. The conference is essentially "sold out," the chamber says, at its capacity of 1,300 people.

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MICHAEL LEE/CRAIN'S DETROIT BUSINESS

Stellantis move spotlights regulation

Fines in Detroit played a role in decision

BY KURT NAGL

Regulatory climate played a role in Stellantis North America planting its \$2.5 billion electric vehicle battery plant investment in Indiana over Michigan, where its environmental reputation has taken a beating due to enforcement of air quality violations at its Jeep plant in Detroit, according to officials involved in the site selection process.

Stellantis pointed to site readiness and providing career growth opportunities for employees in Kokomo, Ind., as reasons for choosing the site some 100 miles from Michigan's border. The \$186.5 million worth of incentives offered by Indiana, plus additional incentives

from the county and utility Duke Energy Indiana, also played a role.

"Stellantis already has a significant and diverse footprint in Michigan, which offers our employees greater career opportunities than in a community with an exclusively powertrain focus, an important consideration as we transition to electrification," Stellantis said in a statement to Crain's.

But the automaker and its joint venture partner Samsung SDI were also lured by Indiana's "business friendly" policies, according to Charlie Sparks, president and CEO of the Greater Kokomo Economic Development Alliance. Sparks said

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— has conceptually been on the Iltch family's Olympia Development of Michigan's real estate company's drawing boards. Crain's has previously reported, although none of it has gotten off the ground.

In an interview Thursday morning, Ross — who is chairman of New York City-based developer Related Cos., owner of the NFL's Miami Dolphins and one of UM's most prolific donors — said that although there may have been "buildings on this block or that block," what differentiates this vision from previous ones is how "the plan works together to really create a viable center and pattern for growth in Detroit, and the ability to do so many different phases at one time so you can really create something that you can't do building by building."

A Thursday press release described the vision as "conceptual initial areas of focus for future development that will benefit the community while also meeting the strong, nationwide demand for developments that make a positive difference and address critical social issues." Among those are education, engagement, employment, economic inclusion and environmental justice, the release says. This mix of uses would allow for Related to bring in local development partners, Ross said.

"There's gonna be local partners we bring in, joining us in doing affordable housing," he said. "If corporations want to come in and own their own properties, we are ready to work with them or other developers. We have a lot of land."

Shortfalls, successes

Development in The District Detroit has not lived up to the vision laid out eight years ago, when the Iltch family unveiled a sweeping plan for 45 to 50 blocks of redeveloped buildings and new construction that would fill out five distinct neighborhoods anchored by what became the \$862.9 million Little Caesars Arena, now home to the Detroit Red Wings and Detroit Pistons and financed with \$200 million in public money.

However, some new construction and redevelopment — after years of wrangling and delay — has taken place, including construction of the Wayne State University Mike Iltch School of Business, a new office building at 2715 Woodward Ave., the new Little Caesars Global Resource Center and renovations of the Detroit Life Building as well as the Women's City Club building along Park Avenue.

In addition, the Hotel Eddystone was ultimately redeveloped into apartments, opening late last year. After years of delays, construction has also started at the United Artists Building on Grand Circus Park, converting the long-vacant high-rise into apartments. There is also a proposal to turn buildings at Cass Avenue and Henry Street that the Iltches previously wanted to tear down into new housing through a partnership with Lansing-based Cinnaire Solutions.

However, a pair of the Iltch-owned buildings proposed for renovation into apartments five years ago to this day continue to sit vacant with no progress being made on the conversion, and a pair of buildings that started construction — also originally as residential space — sit partially-built near the arena. Much of the area remains a smattering of surface parking lots and vacant buildings.

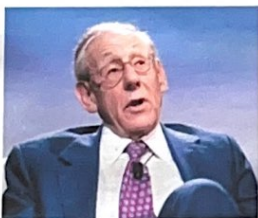
"As we continue to envision the



A rendering of what Park Avenue would look like once in the newest vision for the District Detroit. | PHOTOS COURTESY OF RELATED COS. AND OLYMPIA DEVELOPMENT OF MICHIGAN



ABOVE: A rendering of the Woodward Avenue side of the Detroit Center for Innovation in District Detroit. LEFT: A rendering of Columbia Street in the District Detroit.



Stephen Ross | LARRY PEPLIN FOR CRAIN'S DETROIT BUSINESS

amazing possibilities for Detroit's future, today is another important step forward in making The District Detroit a signature live, work and play neighborhood that improves lives in our community," Christopher Iltch, president and CEO of Iltch Holdings Inc., said in the Thursday press release. "The feedback we receive from the community will guide us as we work to continue creating life-changing opportunities through new housing, good jobs and education."

How much of the vision laid out by Ross and Iltch Thursday comes to fruition and when is contingent on factors ranging from construction costs to financing, market demand, forging partnership agreements and fundraising for the DCI, among a host of others.

Some, all or none of it could ultimately end up being built.

Where this vision differs from the initial District Detroit vision is that it has the DCI as the anchor, not the arena.

That, Ross said, means that jobs, not sports and entertainment, are the catalyst.

"Things change with jobs," Ross told Crain's. "Jobs are really at the heart of the whole thing. If you can create a center where people are in a place where they want to live, work and play, and what people are looking for, and to drive corporations to want to locate there and take advantage of the talent that's driven to the city — that's what the innovation center does in terms of bringing young talent."

The Detroit Center for Innovation

The Detroit Center for Innovation has been in the works for years but in December it was formally announced that it would move from Dan Gilbert's 14-acre former Wayne County Consolidated Jail site at Gratiot Avenue and I-375 to a 4-acre surface parking lot west of the Fox Theatre in the District Detroit development area.

The site is bounded by Cass and Grand River avenues and West Columbia and Elizabeth streets.

The development is estimated to cost \$250 million to bring a new 200,000-square-foot research and education center to the site, which also includes the Loyal Order of the Moose Lodge building at 2115 Cass Ave., expected to be turned into a technology incubator. A new-construct-

ed nearly 300-unit residential building would have housing along Cass Avenue, Related and Olympia said at the time.

The DCI building would be developed by Related and then donated to UM, which would not pay taxes on the property.

Ross told Crain's following the December event that \$100 million to \$200 million in fundraising for the DCI was still needed; Ross in February 2020 committed \$100 million to it himself.

He said Thursday that fundraisers "are getting out there" and that he is "very comfortable that we're going to get the support that we need."

"I wouldn't be going forward, doing all the things we are doing and bringing the corporations if I didn't feel that money was there because I think we'd be spinning our wheels a lot," Ross said Thursday, adding that construction is expected to begin next year.

He said Related has "thought of" local and state incentives for the project but a spokesperson said "nothing concrete" has been determined on which ones, if any, may be sought.

The DCI was originally planned for the former jail site but ultimately went to the District Detroit following disputes between the Ross and Gilbert camps.

Their respective deputies had butt-

ed heads over fundamental development issues like building orientation, sight lines, site entrances, interconnectivity and accessibility and other issues — and how all of those impacted the remaining 7 acres of Gilbert land, a source said last year.

In October 2019, Gilbert's Detroit-based Bedrock, Related, Wayne County and the city announced plans for the Detroit Center for Innovation, which was planned to be a \$750 million development anchored by a \$300 million graduate school initiative for things like mobility, AI, sustainability, cybersecurity, financial technology and other fields.

Ross had been looking at possible

"JOBS ARE REALLY AT THE HEART OF THE WHOLE THING."

— Stephen Ross, Related Cos.

alternative locations for the Detroit Center for Innovation at least since fall 2020, however, when he toured a building on the Detroit riverfront (which Gilbert later bought himself).

Since then, limited liability companies following the Iltch family's method of operation for purchasing property in secret have been buying sites west of the Fox Theatre, including the Film Exchange Building and Bookies Bar & Grille building as well as consolidating ownership of vacant land.

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