

November 13, 2009

City of Ann Arbor  
Guy C. Larcom Municipal Building  
100 N. Fifth Avenue  
Ann Arbor, Michigan, 48104

**Re: Development of City Owned Property RFP #743**

Ladies and Gentlemen:

Enclosed please find the response of Valiant Partners to the Request for Proposals issued by the City of Ann Arbor with regard to the development of the "Library Lot" site in downtown Ann Arbor.

Our group has been keenly interested in this project for some time. For well over 18 months we have been meeting with institutions, businesses, public officials, individuals and focus groups throughout the Ann Arbor community to determine what is the type of project that will best meet the needs of the City and the broader community. The primary need of the community became clear to us early on, and as a result we have spent considerable time and effort working on the feasibility and structuring of the Project that we have ultimately determined to propose.

This project, a mixed use complex consisting of a hotel, residential, and retail presence organized around Ann Arbor's new, dynamic 32,000 sq. ft. Conference Center, and supported by useable open space and other community amenities, appear to provide the highest and best possible use for this parcel, in terms of Community needs, economic development, and the fulfillment of the City's planning goals for its downtown. It also, in our view, provides strong support for the operation and financial feasibility of the underground garage being implemented by the Downtown Development Authority. Key elements of our proposal and our implementation strategy are based on extensive interaction we have had with the DDA over these many months. Additionally, this facility will be designed to be LEED certified.

Our team provides a combination of strong local interests and national resources, all with a remarkable "fit" for Ann Arbor. The lead members of this team, Bruce Zenkel and Fritz Seyferth, have been long associated with this community, both through the University of Michigan as well as in a range of business and civic activities. Our local architect is a long time and respected member of Ann Arbor's professional community and has unique knowledge and relationships with the projects and institutions that will be directly synergistic with our project - the DDA and the Public Library.

At the same time we have marshaled unique national resources with regard to its design (former UM Architecture Visiting Professor Enrique Norton, TEN-Arquitectos); hotel development, branding and management (Gemstone Hotels & Resorts); public and private financing (Roosevelt and Cross); and, urban center Master Planning and Economic Development (Michael Bailkin).

All those involved with this endeavor are very pleased to be able to submit this Proposal for the City's consideration and on behalf of those in the community who have helped to shape our inspiration. Given our varied skills and our already considerable investment of resources, we want to assure you that we are committed to working with the City, the community and all of the relevant civic institutions to bring this most important project to fruition.

Sincerely,



Bruce Zenkel  
Managing Member  
Valiant Partners, LLC

---

Section 1:	Proposal Statement . . . . .	1
Section 2:	Project Description . . . . .	3
Section 3:	Target Population . . . . .	7
Section 4:	Impact Analysis. . . . .	9
Section 5:	Plans . . . . .	13
Section 6:	Project Schedule . . . . .	16
Section 7:	Development Team . . . . .	17
Section 8:	Organization Overview . . . . .	19
Section 9:	Professional Qualifications . . . . .	25
Section 10:	Infill Projects. . . . .	27
Section 11:	Financial Capacity . . . . .	31
Section 12:	Acquisition Cost Proposal (Separate Envelope). . . . .	33
Section 13:	Project Financing (Separate Envelope). . . . .	35
Appendix A	Letters of Endorsement. . . . .	41
Appendix B	Impact Analysis & Assumptions. . . . .	43
Appendix C	Financial Capacity Information . . . . .	49

---

# 1 - Proposal Statement



City of Ann Arbor  
Guy C. Larcom Municipal Building  
Ann Arbor, Michigan 48107

Ladies and Gentlemen:

The undersigned declares that this Proposal is made in good faith, without fraud or collusion with any person or persons submitting a proposal on the same Contract; that the undersigned has carefully read and examined the "Request for Proposal" documents, including Information and Instructions, Scope of Project, Information Required, all Addenda (if any), and understands them. The undersigned declares that it is fully informed as to the nature of and the conditions relating to the terms of sale of the property. Further, the undersigned declares that it has extensive experience in successfully providing the development services required under the specifications of this Request for Proposal.

The undersigned acknowledges that it has not received or relied upon any representations or warrants of any nature whatsoever from the City of Ann Arbor, its agents or employees, and that this Proposal is based solely upon the undersigned's own independent business judgment.

If the City accepts this Proposal and the undersigned fails to contract and furnish the required earnest money deposit and insurance documentation at the time of execution of the sales contract, then the undersigned shall be considered to have abandoned the Contract. In submitting this Proposal, it is understood that the right is reserved by the City to accept any Proposal, to reject any or all Proposals, to waive irregularities and/or informalities in any Proposal, and to make the award in any manner the City believes to be in its best interest.

COMPANY NAME\*: Valiant Partners LLC

STREET/P. O. BOX: 4 New King Street

CITY, STATE, AND ZIP CODE: White Plains, NY 10604

DATE: November 13, 2009 TELEPHONE: 914-428-4867

FAX: 914-428-4394

AUTHORIZED SIGNATURE: 

PRINTED NAME OF SIGNER: Bruce Zenkel

TITLE OF SIGNER: Managing Member

\* NOTE: If the PROPOSER is a corporation, the legal name of the corporation shall be set forth above together with the signature of authorized officer or agents. If PROPOSER is a partnership, the true name of the firm shall be set forth with the signature of the partners authorized to sign contracts on behalf of the partnership. If PROPOSER is an individual, his signature shall be placed above.

\*NOTE: Interested Organizations may establish a partnership of more than one Conservation Organization to provide the services identified in the Scope of Services.

**As Amended by Ann Arbor City Council on January 23, 2006**





---

## 2 - Project Description



Valiant Partners LLC (“Valiant”) is a Connecticut Limited Liability Company formed in April 2008 to plan, design and develop Ann Arbor Town Plaza (“The Plaza”) a mixed use Complex in downtown Ann Arbor. When completed, this 180,000 square foot project will be located on the site immediately above the new Underground Parking facility at the Library Lot site being developed by the Downtown Development Authority.

The Plaza will be anchored by a state-of-the-art 32,000 sq ft Conference Center and a four star luxury 150 room Hotel. It will also include condominium residences, restaurant, retail space, indoor and outdoor water feature and fitness center, a public garden and other outdoor recreational amenities.

Valiant is committed to making the Plaza an integral part of the Ann Arbor community, and bringing a new and fresh vitality to the Downtown area. To that end, the roof of the Conference Center, and the sidewalk adjacent to the Plaza, will be planned to become ideal settings, easy to access, meant to provide beautiful, landscaped spaces for relaxation, and community gathering.

The Conference Center portion of the project will be a Public/Private Partnership, and will operate collaboratively with the rest of the Plaza, and will be built as a single construction project (see Project Schedule). The Project will be designed for LEED certification.

### **CONFERENCE CENTER**

For some time, the Ann Arbor community has recognized the need for a Conference Center large enough to serve the needs of local business and academic conferences generated locally, which do not have a suitable venue; business and academic conferences that would be generated by entities not located in Ann Arbor that would find Ann Arbor an attractive location; and, banquet and event facilities for a broad range of private, corporate and academic events. Interviews with more than 60 individuals in the Ann Arbor business and academic community have aided in the clarification of the community’s desires.



*Meeting Room at Gemstone's Ritz Carlton at Rancho Mirage*

The Conference Center may also host other offerings such as: One-day and Weekend Universities featuring University of Michigan and Washtenaw Community College faculty; Adult personal Enrichment Programs, offering “life courses”, taking advantage of the Plaza’s world-wide reach; hosting Local, Regional, and National Academic Association meetings, perhaps tapping into the University’s many leaders of these groups on its Staff, and Daily, Weekend, and Summer Lecture Series.

The Conference Center will provide a level and quality of facility not otherwise available in Ann Arbor. 32,000 square feet in size, it would house a ballroom that could accommodate 500 people for dinner and 1,000 for plenary sessions, numerous break-out rooms, an 80 seat amphitheatre, and conference rooms with video conferencing and tele-presence capability. The Center will be designed to accommodate the cutting edge needs of tomorrow’s communication mediums, and wired with state of the art technology to a world wide audience. In sum, it will offer unique connectivity both to its users and attendees, as well as to the Community at large.

### **HOTEL**

The Plaza will feature a 150 room hotel, which will be developed and managed by Gemstone Hotels and Resorts (“Gemstone”) [www.GemstoneResorts.com](http://www.GemstoneResorts.com). The hotel will include both suites and individual rooms. These rooms will be designed to accommodate business as well as weekend travelers. Based upon Ann Arbor market research, Gemstone is designing the hotel to address the customized needs of the community. They will adapt a well thought out positioning strategy, which will include the quality of the product offered, the service component, and amenities targeted to the customer’s needs. These include: a floor of unique conference rooms designed to inspire creativity and offer the perfect setting for meetings, and a lounge featuring the latest technology for recreation and business use. The hotel will offer group



*Gemstone's Carlton on Madison Ave., NYC*

and business concierge services. Its guests will have either valet or self parking available directly beneath the building.

**RESIDENTIAL CONDOMINIUMS**

There will be two upper floors containing a total of twelve 2 bedroom residences, which will be sold as condominiums. They will have 2 ½ bathrooms with a full kitchen and dining room. It is anticipated that they will be furnished and finished with the highest quality components, and will have spectacular views of Ann Arbor to the North and South. Owners will have the use of all of the hotel's services including in suite dining, concierge, housekeeping, fitness, laundry, and dedicated parking in the garage beneath. Additionally, owners will be able to place one or more rooms of their apartments into the hotel pool for rental, when unused.

**FITNESS**

Plans include an exercise complex, which will have indoor and outdoor hot tub, fitness area, and men's and women's lockers and changing rooms.

**RESTAURANT AND RETAIL**

The Hotel will feature a 5,000 square foot Restaurant and Café. This restaurant within a windowed environment will serve high quality food with outstanding wines. It will be designed with atmosphere and cuisine fashioned to appeal to local residents as well as hotel guests. It will draw upon an Ann Arbor of yesteryear and its unique traditions. An ice cream parlor, patterned after one in Turin, Italy, will offer sorbets, glaces and other treats. The hotel lobby will feature a sports shop and a kiosk featuring national and international newspapers and magazines.



*Pretzel Bell 1948*

**OUTDOOR AMENITIES**

The Fifth Avenue side of the project will feature public recreational open space, adjacent to the restaurant/café with access to the Roof Garden above the Conference Center that will complement the City's Street Improvement Program.

This 6,000 square foot ground level space will function as an esplanade with leisurely table seating, and will feature free concerts, displays of art and other neighborhood activities. This will become an ice-skating rink in the colder, winter months. The grand staircase leading to the Roof Garden can be used as seating for the public as they view the entertainment area. Above the Conference Center will be a 15,000 square foot tree-lined, planted, garden area. This can be utilized for outdoor functions and by the public at large, and will be filled with a variety of greenery and plantings.



*Roof Top Urban Park, NYC*

The Ann Arbor Town Plaza will become the focal point of downtown Ann Arbor. It adds the first offering of residential condominiums in a mixed-use setting including a hotel. Its impact on the City will be felt not only for the environment it will create, but also for the revenue and increased tax base it will generate to the City of Ann Arbor from its multiplicity of uses.

### CONCLUSION

The Ann Arbor Town Plaza is being designed to become the focal point of downtown Ann Arbor. Strategically situated between Main Street and State Street, the Plaza will provide dynamic “life” to this area bridging the University and the Ann Arbor Community. It adds the first offering of residential condominiums in a mixed-use setting that has been so popular in similar community settings. Its impact on the City will be felt not only for the environment it will create, but for the revenue and increased tax base it will generate to the City of Ann Arbor from its multiplicity of uses.

The capacity of our Hotel, is such that it will not fill the needs of the Conference Center attendees, thus driving traffic to other Ann Arbor Hotels. This Plaza and its amenities are designed to enhance the economic vitality of Ann Arbor, including existing hotels.



*One York by TEN-Arquitectos*

It is vital that the new Library Lot Parking Structure be utilized effectively to pay the bonds used to fund its construction. It is difficult to imagine a setting with as much open space providing more car-days of parking utilization. We know there will be uses of this facility we have not considered that will provide revenue enhancement for the city for generations to come.

Much of the clientele visiting the Plaza will come from our community for the energy it creates, and the ease of access. Our Ann Arbor community benefit will be enhanced by the “visitors” who come to town for weddings, reunions, or Association Conferences / Meetings, who will be buying meals, office supplies, clothing, and much more on a daily basis, as they will be coming and going daily, each having pent up need to capitalize on the retail consumer opportunities our business community offers.





### 3 - Target Population

Ann Arbor Town Plaza will be a mixed-use Development (see Section 2 for description) which will include a Conference Center, Hotel, Residential and a Restaurant.

In interviews with more than 75 Community residents and University officials, it has been made clear that a Conference Center will attract and offer the following:

- **Corporate groups** – require a sophisticated environment for meetings from 10 to 100. These are typically creative sessions, product reviews, budget meetings, and planning sessions. The style of the board rooms, break out spaces and meeting spaces and its associated technology will be tailored to this segment;
- **University Groups** – extended learning sessions (grad school efforts and other on site uses), groups associated with the various colleges that require more space than campus allows, or is available, and sessions that are involved in research, development and grant work;
- **Regional Conferences** – larger groups that meet annually and rotate their locations, such as regional and state associations. These can be groups up to 1,000 with typical size being 250, breaking out into meeting rooms for 25 to 100;
- **Virtual alternatives to travel** – use of video conferencing and telepresence technology providing suites for recruiting, legal depositions and other small virtual meetings;
- **Social gatherings** – we are designing this facility to be the first choice for social events and weddings for the Ann Arbor community. These functions can range from 100-500 people and are heavily weighted to night time and weekend utilization;
- **Fraternal and Graduate Groups** – groups that are returning to Ann Arbor for social reasons. This would include 40, 50 and 60th year and other Alumni, Fraternity reunions. Typically 40-100 people;
- **Government Groups** – Government groups gravitate toward University settings. They typically are meeting to review grants, budgets, planning sessions, etc. and range in size from 25-200;
- **Long Distance learning** – Using sophisticated teleconferencing capabilities and University staff, and classrooms to reach out to other colleges and adult learning opportunities in classroom settings. The amphitheatre is a perfect venue and will be available for 40-80 people; and
- **Adult Personal Enrichment Programs** – Ongoing learning and enrichment programs done in conjunction with the University. Regional class attendees coming to take “life courses” that can last 1-3 days. These would be classroom style with group size from 40-100.



*Telepresence Conference*

Thus, the Conference Center is anticipated to attract a minimum 2.25 events per week (2nd year), averaging 200 persons each or about 22,500 attendees per annum. In addition, the Hotel will book 2.6 social events per week (2nd year) with an average of 105 attendees per week, an additional 3,500 per annum.

The Hotel is projected to sell 28,207 room nights in its first year and 41,136 room nights in its fifth year. Thus about 26,250 people at an average of 1.5 persons per room with an average length of stay of 2 nights would occupy the Hotel during a typical year over the first five year period. The Residences would add several thousand additional owners and guests, since owners would be able to place their apartments into the Hotel pool when not occupying these. The 5,000 square foot Restaurant and Bar will turnover annually an average of \$4,000,000 during the first five (5) year period (exclusive of the Conference Center needs). Since some of this revenue will be room service, it is difficult to ascertain how many additional persons will be using the Restaurant and Bar, but the number is significant. Residential owner's income levels would exceed \$250,000 with average net worth of \$2.5 - 5 million.



*Conference Room at Gemstone's Lake Arrowhead Resort*

The Hotel will draw upon many of the above users of the Conference Center, in addition to its traditional customers. In sum, its customers would include the following three (3) categories:

1. Transient Business customers: age 30-50, average age 45; highly educated; 65% male; income average above \$85,000;
2. Transient Leisure customers: Couples, families, average age 40-55; income average \$100,000; children of college age or younger; and
3. Groups: similar income profile to (1) above; 60% male.

Further, it is estimated that average daily underground parking demand would be created by the various activities of the Town Plaza as follows: (1) Hotel – 75 spaces; (2) Conference Center – 35-50; (3) Residences – 25 (permanent for an annual fee); (4) Banquets/social events – 20; Total 155 spaces (not including Restaurant and Bar). About half of these cars would occupy spaces for full days, the balance for 3 – 6 hours per day.

In total, Ann Arbor Town Plaza would attract approximately 52,000 individual visits to downtown Ann Arbor each year (exclusive of the Residences and the Restaurant).

The primary Site Development Objectives are:

- Provide a significant new catalyst for the development of the knowledge-based industry in Ann Arbor and by extension, the State of Michigan, through the energy and activity created around a Conference Center;
- Provide a high level of amenities available to the public;
- Provide a project that in and of itself can serve as the basis for a "Town Plaza" that would also serve to tie the University to the Business Community and retail/entertainment core on Main Street;
- Provide a catalyst for related and complimentary development in the immediate area, particularly the former Y Site, so that overall a critical mass suitable for a "Town Plaza" is created;
- Serve as a model for green development, through LEED certification of the facilities and the provision of extensive usable open space within the project; and
- Enhance utilization of the parking facilities being developed by the Downtown Development Authority and thereby contribute to the repayment of the parking garage bonds without recourse to City funds.

The impacts of this Project with regard to the City's community and economic development goals are extensive and are both quantitative and qualitative. These goals are best expressed by Planning Goals of the City as defined in the A2D2 generated Zoning and Design Guidelines documents; Economic Development Goals, from both the City and State's programs as well as the programs and policies of economic development and business organizations, such as SPARK and the Chamber of Commerce; Community Goals, particularly the desire for a public open space that is utilized for active community purposes; and, Fiscal Goals.

### **PLANNING GOALS**

The primary City Planning goal for this site appears to be to create a "Town Plaza" or downtown core. Currently, Ann Arbor consists of two distinct communities made of the University and the business community. The Conference Center is strategically located to fill the gap between the two communities making the vibrancy of Liberty Street and adjoining lateral streets the new center of Ann Arbor. The result will be a synergistic mix of uses with higher densities than other areas, where the primary engines of the local economy are located. Towards this end, the proposed A2D2 has regulatory framework that would enable and stimulate mixed-use higher density development.

The proposed project would be consistent with these goals and with the specific provisions of the rezoning. Its most important features from that perspective are: it will utilize most of the allowable density on the site, while still remaining within the height limit; it will provide a mix of uses designed both to create maximum economic activity on a square foot basis as well as creating 24 hour use through its residential and hotel component; it will provide a major draw to the area from the region for both business and community users; and, it will provide a concentration of open space that will be programmed for active use (such as ice skating in winter and performance space in warmer weather.)

The proposed project will be prominent enough that in and of itself it will accomplish the planning goal. By itself, the project will provide 180,000 sq. ft. of new development, which will make it the largest private project in Ann Arbor in many years. Equally important, it will serve as a catalyst for further development of the area targeted by the City for higher density development. It is anticipated that its development will stimulate the renovation or redevelopment of the adjacent Library, and that their operations will be highly synergistic. It will also stimulate the development of the Y Site, which is anticipated to be an expansion site for the uses in the project, particularly for hotels, as well as for office space targeted for technology related businesses.

### **THE PUBLIC PLAZA**

Bordered by a restaurant and ice cream parlor on the north, the hotel and conference lobby on the east, and the library on the south, the plaza is envisioned as a dynamic social environment that will become a new center for the Ann Arbor Community. The plaza will serve a variety of uses including outdoor dining; shaded study; play; performances; ice-skating in the winter;



and both formal and informal gathering. Signature lighting and furniture throughout the plaza will allow it to function day and night.

The ceremonial grand staircase activates the plaza on the east side. At the same time, the stairs provide a natural gathering space and casual theater – a place where people can linger, sit, be entertained, or just enjoy the urban realm.

**ECONOMIC DEVELOPMENT GOALS**

The fulfillment of these goals by the project can be evaluated both quantitatively and qualitatively. The project will directly provide 264 construction jobs; 150 private permanent jobs, \$45MM of private investment and \$9MM of Public/Private investment.

The indirect impacts, however, will be far greater, particularly because the



*Proposed Public Activity Space and Grand Staircase*

Conference Center will generate a significantly greater than proportionate impact than comparable investments in other facilities. As just one example of the “extra” benefit provided by this type of project, the 32,000 sq. ft Conference Center will generate demand for approximately 10,000 of the 28,207 room nights projected for the first year. However, the hotel that will be built as part of the project will be able to accommodate only a portion of that demand (in part because of compliance with the height limits) and this will result in both immediate increased occupancies in other hotels in Ann Arbor, and in the development of additional hotels on nearby sites. We therefore anticipate indirect benefits of hundreds of construction and permanent private jobs, and millions of dollars of private investment.

The overall impact will be far greater. We have been told by all segments of the political, academic, and business communities that the most important facility to stimulate the local economy is a Conference Center. The Convention and Visitors Bureau, in particular, believes that it can increase the number and quality of conferences in Ann Arbor geometrically if it had available a facility of the size proposed here. Perhaps most importantly, this project will provide an example of how public/private cooperation can work in Ann Arbor, and thus greatly encourage companies and investors to consider a community that may not have been thought of as “business friendly” in the past. If Ann Arbor’s goal is to attract a broad range of knowledge based industry, to capitalize upon on its quality of life, skilled technical work force, and educational resources, this project will best evidence how the government, community, and private sector can work together for the mutual benefit of the community.

**COMMUNITY GOALS**

The broader community has strongly sought more open space in Ann Arbor. In fact, some of the objections to the City issuing an RFP are that a number of interests wanted to utilize this site for a park. This proposal evidences that there is no incompatibility between the planning, economic development, and fiscal goals with this very important community goal. The project has therefore included 15,000 sq. ft. of “green” open space that will be open to the community. More important, this space will be designed in a manner to attract people to it, and to fully utilize all aspects of the site. This open space will therefore provide opportunities for entertainment and interaction that are not available at any other facility in Ann Arbor.



### FISCAL GOALS

As set forth in the Financial Proposal, all of the above benefits and positive impacts can be obtained without any costs or expenditures by the City. The public components of the site - Conference Center and open space - will be developed as part of the overall project and either paid for directly by the developer (open space) or paid for through new public sector revenues generated by the project. The maintenance and operation of the active open space will be paid for by the project operations. Equally important, this project will directly generate demand for parking in the range of an average of 150 cars per day. This demand is generated primarily by the Conference Center and by the hotel.

There will be a positive impact on the Ann Arbor Schools in that this project will add nothing to the school population while contributing approximately \$350,000 per year in school taxes. The Library and WCC will similarly benefit, although to a lesser extent.

The street and intersection improvements currently under construction, along with the addition of Library Lane, will provide adequate street capacity to serve the hotel and conference center without further upgrades.

The construction of this project will make a significant contribution to the City's program to separate storm water from the sanitary sewer system. We estimate that 24 disconnects will be required.

There is a new 12" water main under construction along Fifth Avenue which will provide an abundance of water for this project and others to come in the future. An anticipated tap charge of \$285,000 will help to offset the cost of constructing this new main.

Finally, even with the utilization of much of the new revenues to cover the development costs of the publicly owned Conference Center, there will be substantial tax revenues, both direct and indirect to the City, County and State. The total economic impact of the construction is \$2.7 million NPV, with the direct impacts consisting of \$1.8 million NPV of this total. The total economic impact of the operating project over a 20 year period totals \$59.1 million NPV, with the direct impacts consisting of \$38.3 million NPV of this total.

The total combined construction and operating impacts of this project are \$61.8 million NPV, with the total combined direct impacts consisting of \$40.1 million NPV of this total. These economic impacts are in addition to the actual amount of construction investment that is being made in this project.

Therefore, this project will not only generate all of the impacts sought by the aforementioned goals, but will not require any out-of-pocket expenditures by the city; enhance feasibility for the DDA parking garage; and generate substantial new tax revenues for the City.



*Public Art*



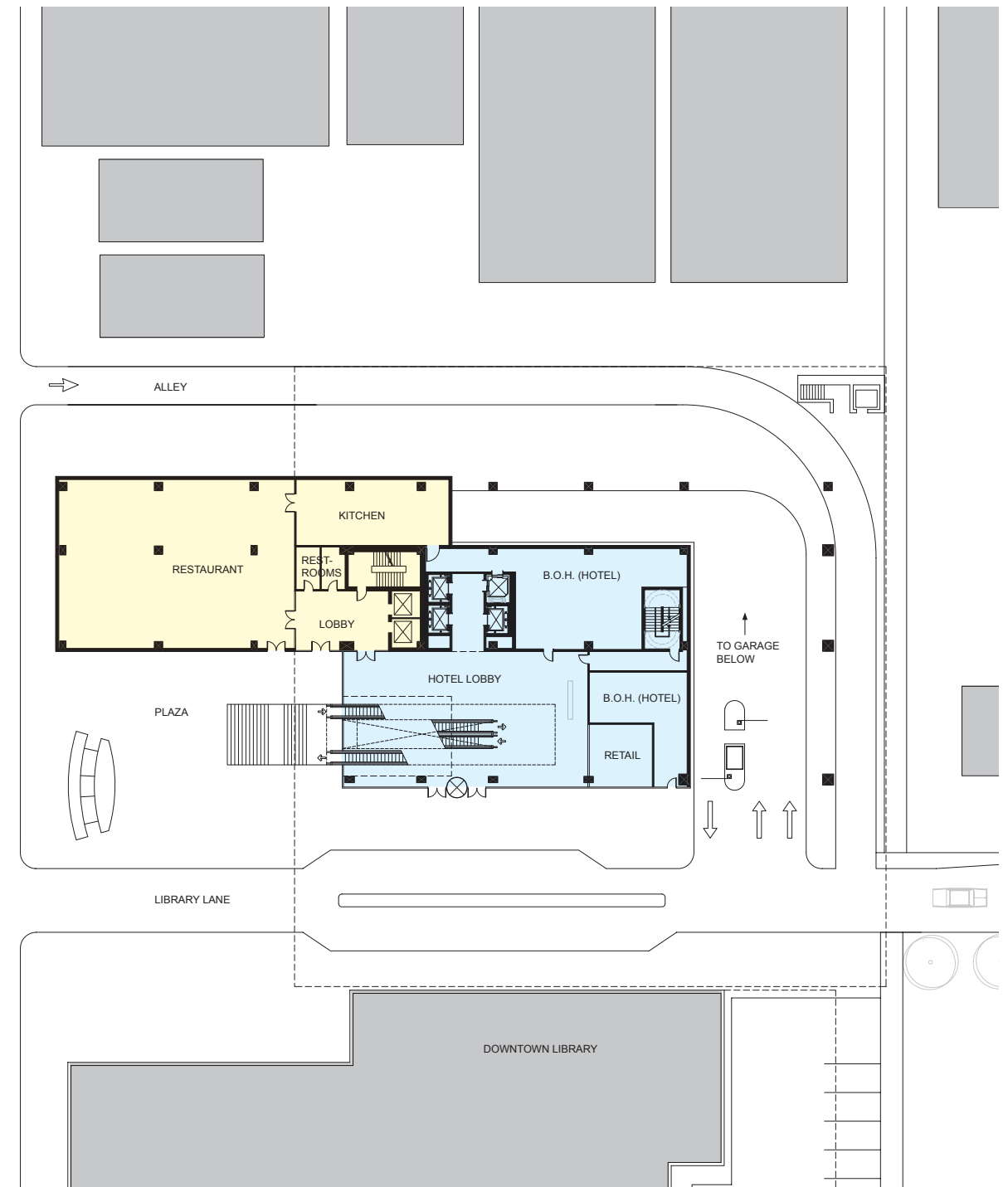


Site Plan



Proposed Rooftop Garden

- Hotel
- Conference
- Roof/Terrace
- Retail
- Residential

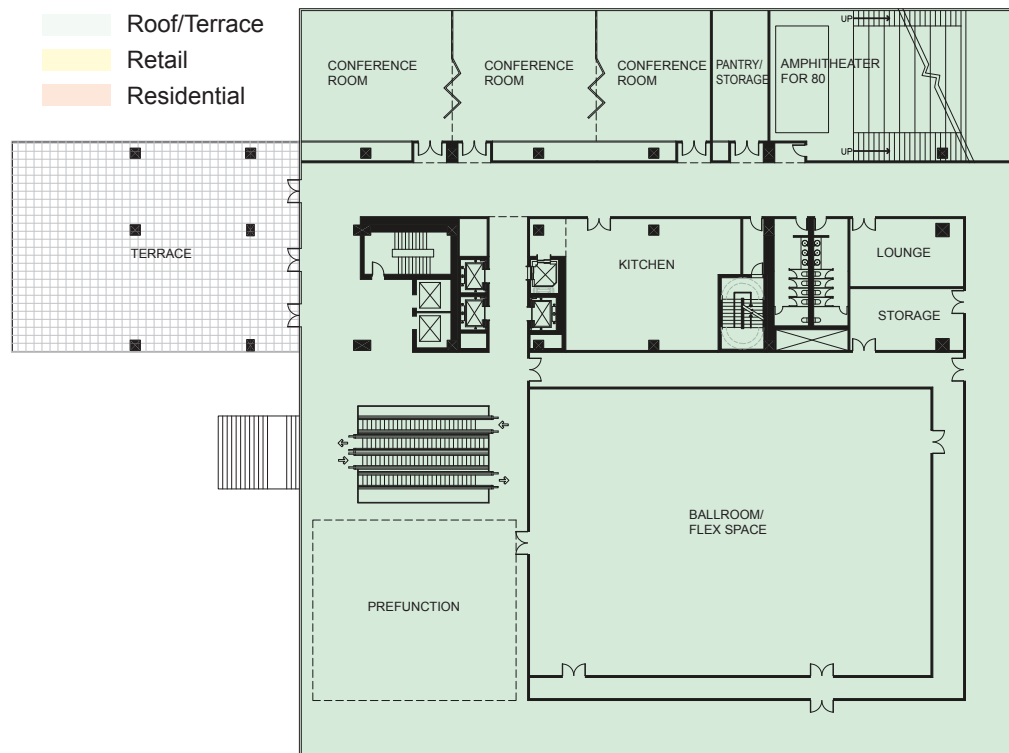


First Floor Plan 1"=50'-0"

Note: Drawings are intended solely for illustrating a design concept.



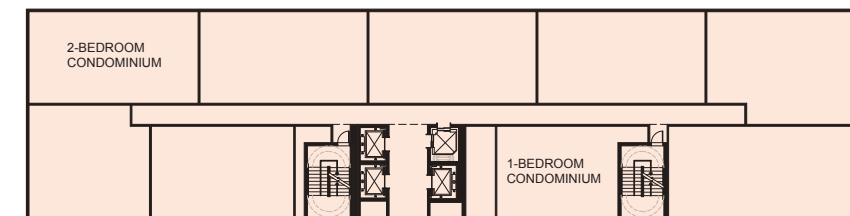
- Hotel
- Conference
- Roof/Terrace
- Retail
- Residential



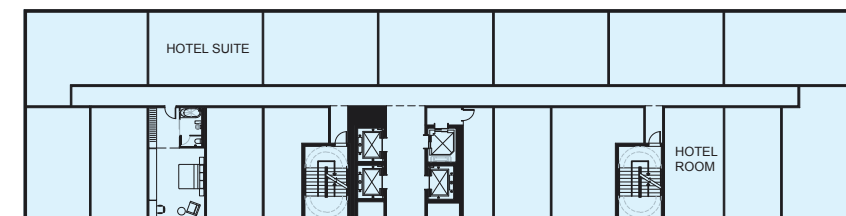
Second Floor Plan 1" = 50'-0"



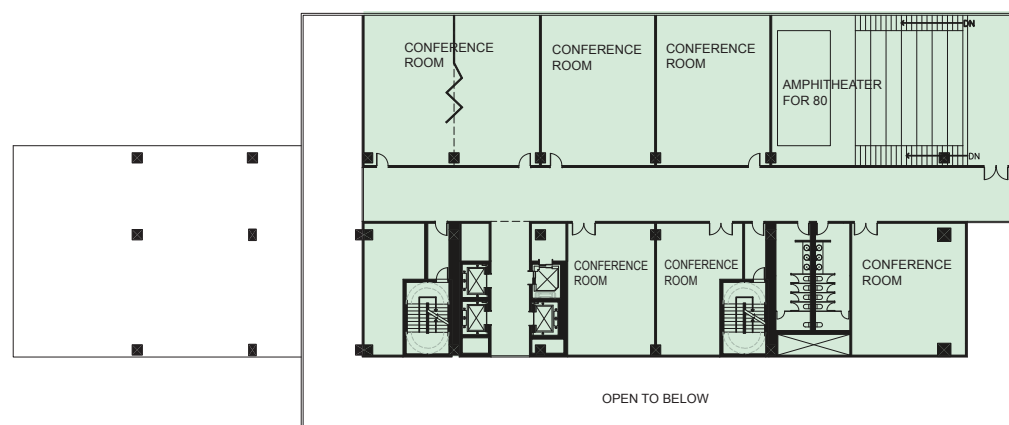
Third Floor Plan 1" = 50'-0"



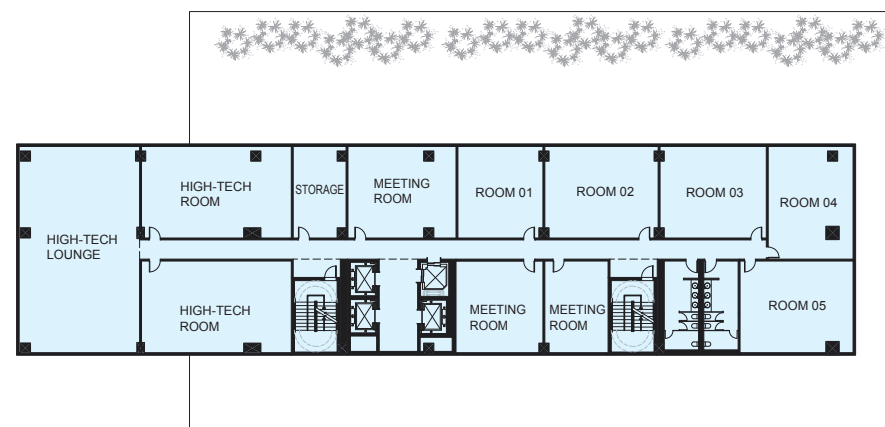
Typical Condominium Layout (Floors 13-14) 1"=50'-0"



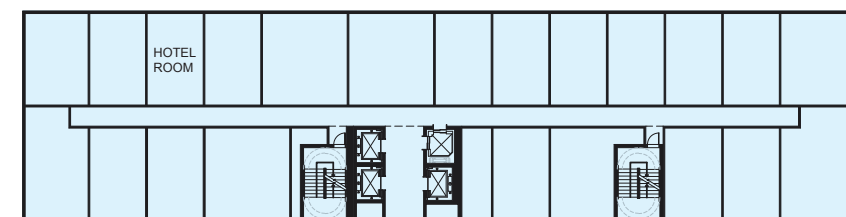
Hotel Suites Layout (Floors 11-12) 1"=50'-0"



Second Floor Mezzanine Plan 1" = 50'-0"

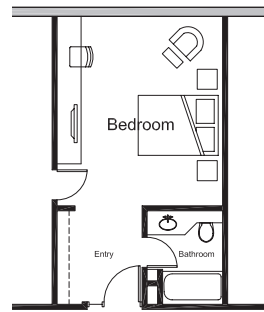


Fourth Floor Plan 1" = 50'-0"

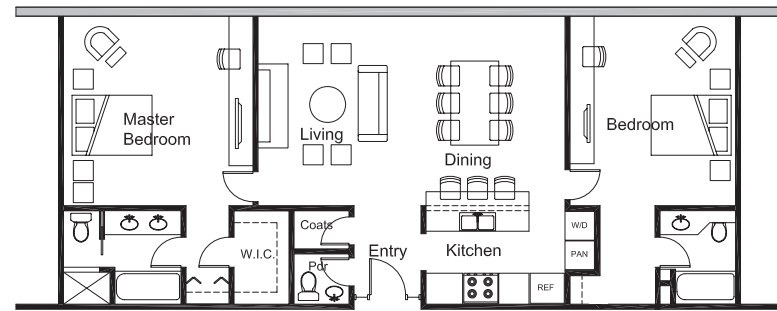


Typical Hotel Layout (Floors 5-10) 1"=50'-0"

Note: Drawings are intended solely for illustrating a design concept.



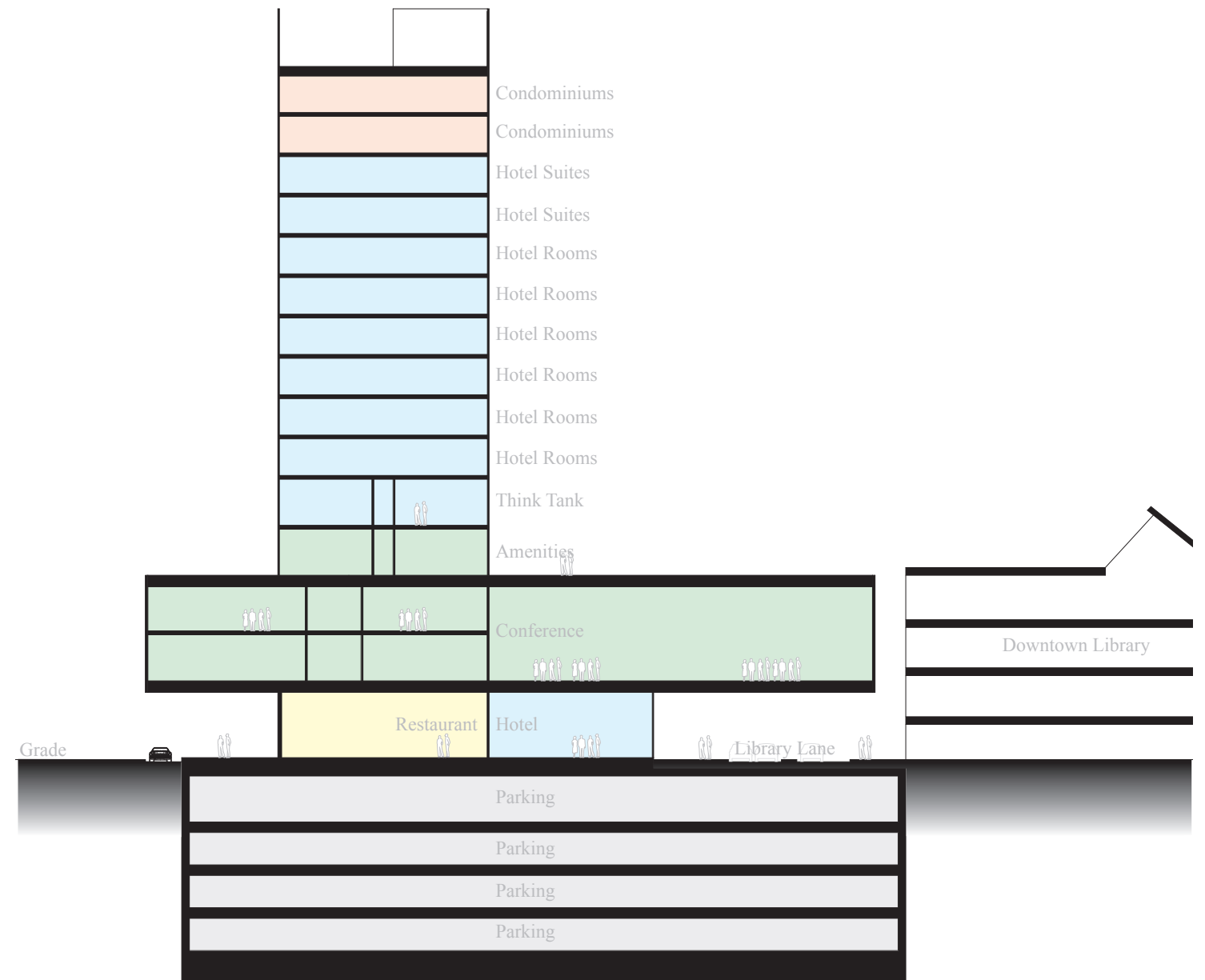
Hotel Room Plan



Condominium Plan

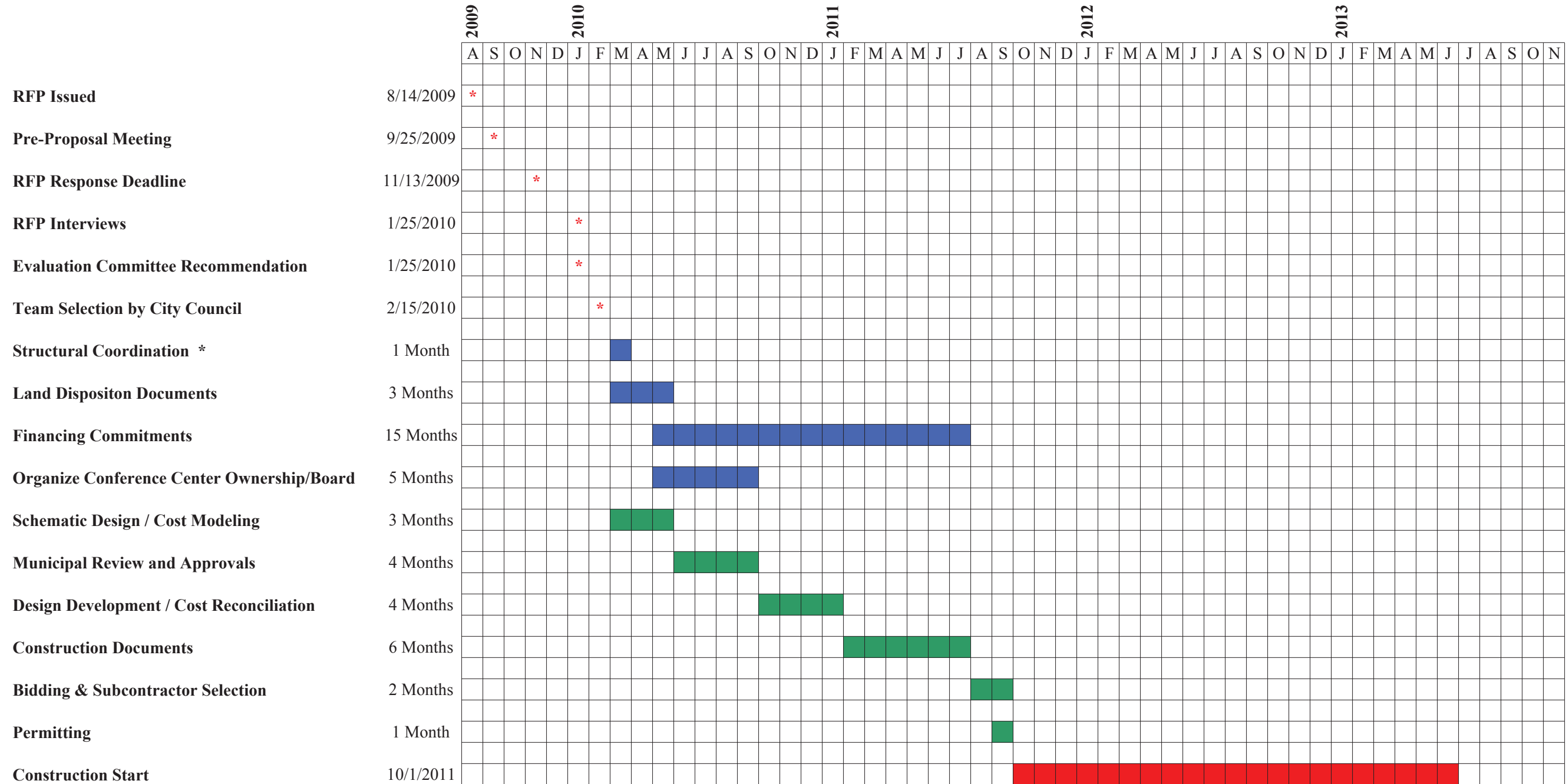


Perspective View Looking East



North-South Section 1"=50'-0"

Note: Drawings are intended solely for illustrating a design concept.



\* Note: The structural requirements of this proposed project will necessitate increasing the load-bearing capacity of certain columns in the parking garage above what is presently designed. This proposal is made in reliance upon statements made by representatives of the City of Ann Arbor at the pre-proposal meeting on September 25, 2009, that any proposed structural modifications will be addressed by the City within the times stated so as to not incur unnecessary additional costs for either part due to delay.

---

## 7 - Development Team



---

**Valiant Partners LLC** (“Valiant”) is a Connecticut limited liability company formed in April 2008 to plan, design and develop the Ann Arbor Town Plaza mixed-use project. Valiant’s principals are Bruce Zenkel, Fritz Seyferth, Michael Bailkin, and Gemstone Hotels and Resorts LLC. Its offices are in White Plains, New York and Ann Arbor, Michigan.

### **VALIANT PARTNERS TEAM**

---

**Mr. Zenkel** has had over forty years of Investment Banking experience. During this time, he has either financed as a Principal, or assisted in the financing of transactions ranging in size from \$10 to \$250 million. His role as Chief Executive of Valiant has been to organize and assemble the Valiant organization, as well as the responsibility (together with Mr. Bailkin) for the financing of this Project.

**Mr. Seyferth** is a founding principal of Valiant. As a prominent member of the Ann Arbor Community, he has been working with key institutions and individuals since April 2008 to identify and coordinate the critical needs of the City as it relates to this Project. He has also been an essential partner in assembling the Valiant team.

**Mr. Bailkin** is a principal of Valiant. He has utilized his over thirty years of experience in urban development projects, by being involved for the past 18 months in guiding this Project and in the execution of its Master Plan. He is responsible for the creation of the proposed Public/Private Partnership structure of the Conference Center, as well as assisting with the financial planning for the total Project.

**Gemstone Hotels & Resorts**, has been responsible for guiding the Hotel and Conference Center planning. **Thomas Prins** its Principal (and Valiant partner) has over thirty years of Hospitality industry experience and many of his projects have been “from the ground up” developments. Gemstone had developed and/or managed over 75 hotels and resorts, principally 4 or 5 Star independent facilities throughout the U.S.

### **CONSULTANT TEAM**

---

**Enrique Norten** the founding partner of TEN-Arquitectos and former visiting professor at the University of Michigan School of Architecture will provide design leadership throughout the project. Mr. Norten’s vast experience designing significant large scale urban projects will be invaluable.

**Carl Luckenbach** started Luckenbach|Ziegelman Architects 29 years ago and has been actively involved in numerous downtown Ann Arbor building and streetscape projects. Mr. Luckenbach will assist the design architects in design and the site plan approval process. Mr. Luckenbach and the firm have designed the South 5th Avenue Parking Garage below and will complete the construction documents for this project.

**Bruce Elliott, Esq.** of Conlin, McKenney & Philbrick, P.C. will provide legal counsel to Valiant Partners and assist in negotiations and transactions required to complete the project.

**Anthony Bango**, Vice President of Pre-Construction Services at Skanska will be responsible for all pre-construction activities and will be instrumental in establishing the final construction cost and keeping the project on budget.

**Eric Wernette** will lead the civil engineering effort for Midwestern Consulting, LLC and has been responsible for the civil engineering of the South 5th Avenue Parking Garage below the proposed project.

**Deborah Cooper** of Beckett & Raeder, Inc. will provide landscape design services for the project and will utilize her detailed knowledge of the site from her experience on the South 5th Avenue Parking Garage and the Fifth and Division Street Improvements.

**Paul Lamas** of Roosevelt & Cross has consulted with Valiant Partners on the financing for the project and will continue to bring his extensive skills and experiences to the development of the financing package. Mr. Lamas will be responsible for evaluating, structuring and underwriting the bond financing for the Conference Center portion.





---

## 8 - Organization Overview



---

### VALIANT PARTNERS TEAM

---

The **Valiant Partners Team** is made up of four individuals with the skills and experience to successfully deliver the project.

**Bruce Zenkel** has been actively involved in the financial markets for more than 40 years, with experience in all phases of Merchant and Investment Banking. Mr. Zenkel pioneered the sale of the first woman's apparel manufacturer to a Fortune 100 Company, and subsequently was the investment banker and advisor to more than two dozen apparel, and other consumer products companies, including being the sole advisor on McDonald's entry into Brazil.

In 1990, he formed Zenkel Schoenfeld LLC, specializing in financing and merchant banking activities. In addition to raising the capital for and investing in several mid-size businesses, the firm was the founder and a principal in the formation of CampGroup LLC. When he exited this transaction in 2005, CampGroup was, and remains, the largest owner of for profit Summer Camps in the United States. He is a major shareholder and Director of Global Credit Services, and has been a Director of several public and private corporations, including Innkeepers USA Trust, a New York Stock Exchange Hotel REIT. Mr. Zenkel graduated with a B.B.A. from the University of Michigan, and is a past member of the Visiting Committee of the Ross School of Business, as well as the University's President's Advisory Board.

**Fritz Seyferth** has been a management consultant for BF Goodrich in Akron, Ohio and Arthur Young & Co. in New York. In 1979 he rejoined the University of Michigan Athletic Department, in charge of the Football Operations and Recruiting, before moving into Athletic Administration, where he headed up Athletic Operations and Fund-Raising, and oversaw nine (9) teams as Executive Associate Athletic Director.

In 2000, Fritz and three partners founded an automotive supply manufacturing company, which was expanded to 45 employees and \$18 million in sales in two years. He then was inspired to build on his 28 years of leading others by starting his "Foundation of Winning" Team Building/Leadership Development consulting practice, FS&A. FS&A's clients include such companies as The Related Companies, Arthur Hills/Steve Forest & Associates, Ann Arbor Commerce Bank and Michigan State Medical Society. Over the past 29 years he has served on thirteen non-profit boards in Ann Arbor and has been recognized by the community for his service. Since 2002, Fritz has helped open the UM Cardiovascular Center by aiding in the creation of its unique culture and by helping raise more than \$100 million for its support.

Mr. Seyferth played football on the Big Ten Champion and Rose Bowl teams of legendary Coach Bo Schembechler, while earning his Engineering degree in Industrial and Operations Engineering in 1973. He earned an MBA from the University of Connecticut in 1979.

**Michael D. Bailkin** serves as the Chairman of Arete Development Group. Arete focuses on large scale urban development projects. Arete's approach is to identify underutilized property and then add significant value by preparing a Master Plan for its redevelopment, assembling the property, obtaining zoning upgrades, infrastructure improvements and economic development incentives.

Arete is currently working on large scale projects in Sunnyside Yards, Long Island City, where it is partnered with Tishman-Speyer; New Britain, Conn., where it has been formally designated as the redeveloper of the downtown, has completed the rezoning and renewal plan approvals and has assembled sites for 2 million sq. ft. of mixed use development; and North Philadelphia, where it is working with Amtrak and Temple University Health Services to redevelop a large area around the Amtrak/North Philadelphia Station as a transit-oriented development for residential, retail and medically related uses. Mr. Bailkin also is the Chairman of Stadtmauer Bailkin Economic Development Group (SB-EDGe), the premier consulting firm for Zoning/Land use and Economic Development Incentives on a national basis. This team has been responsible for over \$3.5 billion of Incentives for some of the largest and most complex re-zonings in the country. He has been a senior economic development official for the City of New York, where he established economic development policy and programs still current, and for the State of New York, where he was a key member of the team that developed Roosevelt Island, the first land-only master-planned new community in New York City. Mr. Bailkin graduated summa cum laude with a B.A. in Philosophy from Temple University, and received his J.D. and M.A. in Urban Studies from the University of Chicago.

**Thomas Prins** Prior to becoming a Principal with Gemstone Hotels & Resorts, Mr. Prins served as Chief Executive Officer of Hospitality Investment Counselors. He built that company into one of the top investment banking firms and asset managers in the country, arranging in excess of \$1 billion of hospitality transactions, including debt financing, equity placement, individual and portfolio sales.

He was the Asset Manager for a hotel portfolio valued in excess of \$300 million. Thomas, along with his capital partner Hospitality Worldwide Services, as well as with joint venture partners such as Apollo Real Estate Advisors LP and ING Realty Partners LP, acquired a number of hotels including a 460 room Radisson Hotel at O’Hare Airport, the 700 room Warwick Hotel in Philadelphia, PA, a 200 room Radisson in Richmond, VA, and a 285 room Days Inn in Tampa, FL. In concert with Prime Hospitality, he co-developed eight AmeriSuites in the Western US including, Colorado, Arizona and California, and was also a Principal in the Village of Breckenridge, a mixed use project that included 450 hotel rooms and condos as well as retail and restaurants located at the base of the Breckenridge Ski Area. Several of the hotels managed by Gemstone have been built from the ground up.

Mr. Prins is a member of the Cornell Hotel Society, the Cornell Real Estate Council, New York Hospitality Council and the Urban Land Institute. He is a licensed real estate broker in the State of New York. In addition, He sits on the Board of the Frisbee Foundation and the Connecticut Chapter of the Leukemia and Lymphoma Society. Thomas holds a Bachelor of Science from Cornell University.

**Gemstone Hotels & Resorts**

Headquartered in Park City, UT, with an office in Stamford, CT, Gemstone Hotels & Resorts is a full-service management and asset management company that specializes in luxury and upscale urban hotels and complex resorts. The company is engaged in resort and unique hotel marketing and management and asset management for a variety of major hotel real estate investors and owners. Gemstone currently manages or asset manages more than 25 projects.

Gemstone specializes in creating and operating boutique four- and five-star level urban hotels and complex resorts that feature multiple facets, such as spas, retail and exclusive restaurants. The company has established a proven track record of creating one-of-a-kind destination properties whose uniqueness gives them a long-term sustainable competitive advantage. The company creates these new properties in harmony with their partners to achieve a singular experience for the guests, both in physical comfort and high-touch service.

Significant Gemstone properties include: The Carlton on Madison Avenue, NYC, The Ritz Carlton, Rancho Mirage, CA, Hotel SAX Chicago, and Glenn Hotel Atlanta, GA. Additional information about the company may be found at [www.gemstoneresorts.com](http://www.gemstoneresorts.com).



*The Glenn - Atlanta*



*The Carlton - New York*



*The Mosaic - Beverly Hills*

---

### CONSULTANT TEAM

---

#### **TEN-Arquitectos**

Mr. Enrique Norten founded TEN-Arquitectos in 1987, a firm dedicated to the creation and investigation of Architecture and Design. Among its most recognized projects are the National School of Theater at the National Center of the Arts, Mexico City; Televisa Mixed Use Building, Mexico City (1st Prize “Mies Van Der Rohe Pavilion” of Latin American Architecture, Barcelona, Spain, 1998) and Hotel HABITA, Mexico City (“Latin American Building of the Year” World Architecture Awards/RIBA, London 2002; Business Week / Architectural Record Awards and AIA NY Chapter Award 2003).

Current projects include the Guggenheim Museum Guadalajara (Guadalajara, Jalisco, Mexico); Brisas W (Acapulco, Guerrero, Mexico); the Fayetteville Museum of Art (Fayetteville, NC); a new vision for Rutgers University’s College Avenue Campus (New Brunswick, NJ); and a plan for the recovery of a 4.5 mile stretch of the New Orleans Riverfront (New Orleans, LA). Construction is underway for the Chopo Museum (Mexico City); the National Laboratory of Genomics (Irapuato, Guanajuato, Mexico); One York Tribeca Residential Building (New York, NY) and Cassa Residential Building at 45th Street (New York, NY).

#### **Luckenbach/Ziegelman Architects, PLLC**

Luckenbach/Ziegelman Architects, PLLC was formed by Carl Luckenbach, FAIA and Robert Ziegelman, FAIA 29 years ago. The business is a Professional Limited Liability Company with Principals licensed to practice in the state of Michigan. Luckenbach/Ziegelman Architect’s award winning architecture covers a diverse range of project types from a smaller scale sustainable education building for a local college, a LEED certified community center, to parking garages, mixed-use buildings, corporate office buildings, religious buildings and higher education projects.

In-house professional expertise includes, architecture, interior design, project management, planning, urban design and graphic communication. The firm operates out of studios in Ann Arbor and Bloomfield Hills, Michigan. The work is divided approximately equally between the private and public sectors, and each studio maintains a strong focus on and support of the local community. Private sector clients include, MAVDevelopment Co., Syndeco Realty Corporation, (a unit of DTE), American Axle Manufacturing Co., Inc., a3 Integration, Bank of Birmingham and Orchard Lake Country Club. Public Sector Clients include the Ann Arbor District Library, the Ann Arbor DDA, the city of Ann Arbor and the University of Michigan.

Local landmark projects include: Ashley Mews mixed-use project, Forest Avenue Parking Structure, South State Commons I and II, The Collegian, Glen Avenue Parking Structure, Sam Wyly Hall, Randall Lab, Malletts Creek Branch Library, Pittsfield Branch Library and one of our current commissions, the South Fifth Avenue Underground Parking Garage and Street Improvements.

#### **Conlin, McKenney & Philbrick, P.C.**

Conlin, McKenney & Philbrick, P.C., is Ann Arbor’s largest local law firm. Established in 1937, the firm currently has 22 attorneys offering legal expertise in a variety of complex business and personal matters, and all related litigation including corporations and other business organizations, commercial real estate, taxation, zoning, employment, construction and personal liability defense law. Most of the partners have been in practice for 20 years or more. The firm has a longstanding tradition and reputation for providing outstanding legal work with the highest integrity that has earned the respect of judges, attorneys and other professionals, as well as the community at large.

#### **Skanska USA Building Inc.**

In the U.S., Skanska is a leading provider of construction services and an innovator in the area of public-private partnerships. Through their extensive network of local operations, Skanska offers their clients both strong local presence and broad geographical reach. At the same time, as part of a global company, Skanska has access to a wealth of knowledge from projects all over the world. Because Skanska puts that knowledge to use on a daily basis, they are at the forefront of their industry when it comes to safety, the environment, ethics, and innovative practices.

For each job Skanska handpicks the best team and then works in partnership with their clients to achieve their goals and deliver the highest quality result. It's an approach that works time and time again; Skanska's projects are completed on time and on budget.

**CONSTRUCTION MANAGEMENT** - Skanska takes clients' projects from concept to construction, implementing leading-edge methods to meet the requirements of highly complex facilities. The staff of world-class professionals has in-depth experience in management, architecture, engineering, construction and pharmaceutical validation services.

**PRIVATELY FINANCED INFRASTRUCTURE** – The Company is a world leader in Public-Private Partnerships (PPPs) - a concept Skanska is currently implementing in the U.S. These partnerships help state governments and other public-sector client's finance and build necessary social and civil infrastructure. Our international portfolio includes everything from toll roads to healthcare and educational facilities.

**PRE-CONSTRUCTION CONSULTING** - By entering early in the design process, Skanska can work closely with the architect and the client to meet delivery expectations. The Company will benchmark against other projects in order to control costs, assist with procurement, recommend faster construction methods, or to commission and install specialized machinery.

**ADVANTAGES AND ACCOLADES** - Bonding capacity of \$4 billion / One of the best and largest contractors (as ranked by Engineering News-Record) / Listed on Forbes' A-List of the World's Best Companies / Ranked by Fortune as the world's 2nd most admired construction company

#### **Midwestern Consulting, LLC**

Midwestern Consulting, LLC (Midwestern) has provided professional consulting engineering services to public and private clients throughout Michigan for 37 years. With a staff of over 75, and state-of-the-art tools and equipment, the firm consistently delivers exceptional engineering products and services efficiently and cost effectively.

Midwestern has an impressive record of providing long-range, multi-project services to many clients, both large and small, including the City of Ann Arbor, Washtenaw County, the Michigan Department of Transportation, and the University of Michigan.

Each project is overseen by a registered engineer or surveyor and supported by a team selected for their skill, knowledge, and experience on similar projects. Skills are maintained at the highest possible level through continuing education and active participation in many professional organizations.

The majority of the firm's work over the past twenty years has been for repeat clients – the best assurance any firm can offer that their work consistently meets expectations.

#### **Beckett & Raeder, Inc**

Beckett & Raeder, Inc. was originally founded as a partnership by John M. Beckett and J. Paul Raeder, and received its first major commission in 1966, a master landscape development plan for the University of Michigan Medical Center. Beckett & Raeder, Inc. continued to provide services to the University of Michigan from that original effort and through the remainder of the 1960s, accomplishing more than 20 individual site development projects. The State of Michigan, Giffels Associates, Inc., and the Michigan State Housing Development Authority joined the firm's growing list of clients.

Today, Beckett & Raeder, Inc. provides exceptional and innovative professional service to a variety of municipal governments, state and federal agencies, institution and private sector clients. The firm has a full time staff of landscape architects, planners, civil engineers, and support staff maintaining registrations in the States of Michigan, Ohio, Pennsylvania, and Wisconsin. Beckett & Raeder, Inc. offers all services required for total and comprehensive landscape design, analysis, development and implementation.

Prominent private sector clients include the Taubman Co, Ford Motor Land Development Corporation, Caterpillar Tractor Co, General Motors Corporation, Chrysler Corporation, IBM, and Domino's Pizza, Inc. Public sector clients include several agencies of the United States government, including the Department of Defense, NASA and the National Park Service in addition to numerous Michigan municipalities and public institutions including Eastern Michigan University and Michigan State University.

### **Roosevelt & Cross Inc.**

Mr. Paul Lamas has been a Senior Vice President of Roosevelt & Cross Project Finance Department since May 1990. Mr. Lamas focuses on assisting not-for-profit organizations, manufacturing companies and real estate developers in obtaining tax-exempt and taxable financing for capital projects. Mr. Lamas closed over 300 bond deals in excess of \$4 billion since joining Roosevelt & Cross. Recently, Mr. Lamas has assisted organizations including the American Cancer Society, United Way and UNICF in accessing the tax-exempt bond market. Mr. Lamas has also completed bond financings for Touro College, South Shore Jewish Community Center and Beth Abraham Health Services.

Prior to joining Roosevelt & Cross, he was with the New York City Industrial Development Agency. He had extensive experience at the IDA in developing and financing economic development projects in New York City ranging from small business loans to sizable bond issues for not-for-profit, industrial companies and real estate developers. Mr. Lamas has also structured and closed many "difficult-to-finance" projects involving federal, state and local government financing.

Mr. Lamas is a Member of the Board of Trustees of the Municipal Forum of New York, and a Member of the New York State Economic Development Council. He received a Bachelor of Business Administration degree from Georgia State University and a Master of Arts degree in Economics from New York University.

### *Note:*

*There are no pending lawsuits against any of the above organizations or their affiliates.*



---

## 9 - Professional Qualifications



---

Valiant Partners LLC has formed a highly qualified team to develop this project. Together we will provide all the necessary expertise.

**Valiant Partners LLC:**

4 New King Street  
White Plains, NY 10604  
Phone: 914.428.4867  
Connecticut Limited Liability Corporation

---

### VALIANT PARTNERS TEAM

**Equity Management**

Bruce Zenkel  
4 New King Street  
White Plains, NY 10604  
Phone: 914.428.4867  
Email: bzenkel@aol.com

**Real Estate Master Planner**

Michael Bailkin  
The Arete Group  
New York Limited Liability Corporation  
335 Madison Avenue  
New York, NY 10017  
Phone: 212.822.2201  
Email: michael.bailkin@ackerman.com

**Project Leadership**

Fritz Seyferth  
Fritz Seyferth & Associates  
Sub Chapter "S" Corporation  
PO Box 3104  
Ann Arbor, MI 48106  
Phone: 734.332.8020  
Email: fritz@fritzfsa.com

**Hotel & Conference Center Management**

Gemstone Hotel & Resorts  
Missouri Limited Liability Corporation  
1281 East Main Street  
Stamford, CT 06902  
Contact: Thomas Prins  
Phone: 203.327.0234  
Email: tprins@gemstoneresorts.com  
www.gemstoneresorts.com



**CONSULTANT TEAM**

---

**Architect**

Enrique Norten  
TEN-Arquitectos  
New York Professional Corporation  
22 West 19th Street  
New York, NY 10011  
Phone: 212.620.0794

**Civil Engineer**

Eric Wernette, PE  
Midwestern Consulting, LLC  
Michigan Corporation  
3815 Plaza Drive  
Ann Arbor, MI 48108  
Phone: 734.995.0200

**Associate Architect**

Carl Luckenbach  
Luckenbach / Ziegelman Architects PLLC  
Michigan Professional Limited Liability Company  
255 East Liberty Street  
Ann Arbor, MI 48104  
Phone: 734.997.9444

**Landscape Architect**

Deborah Cooper, RLA  
Beckett & Raeder, Inc./BRI, Inc.  
Michigan Corporation  
535 W. William, Suite 101  
Ann Arbor, MI 48103  
Phone: 734.663.2243

**Legal Counsel**

Bruce Elliott, Esq.  
Conklin, McKenney & Philbrick, P.C.  
Professional Corporation  
350 South Main Street  
Ann Arbor, MI 48104  
Phone: 734.761.9000

**Underwriter**

Paul Lamas  
Roosevelt & Cross  
Sub Chapter "S" Corporation  
55 Broadway  
New York, NY 10005  
Phone: 212.504.9297

**Construction Management**

Anthony Bango  
Skanska USA Building, Inc.  
Deleware Corporation  
26100 American Drive, Suite 200  
Southfield, MI 48034  
Phone: 248.351.8300



### MICHAEL BAILKIN INFILL EXPERIENCE

Michael Bailkin has extensive experience in projects of this nature both as a public official, lawyer/consultant and developer. Some illustrative projects are as follows:

#### Public Official

Roosevelt Island New Community - Mr. Bailkin was development counsel and primary negotiator in the Master Planning and initial development projects for Roosevelt Island, the only planned community in New York City. Two unique features of this project, in which Bailkin was involved were (a) an underground vacuum powered trash collection system (similar to the one at Disneyworld) and (b) a tramway over the East River connecting the Island to Manhattan.

Commodore/Grand Hyatt Hotel - Mr. Bailkin was New York City's Chief negotiator with regard to the renovation of the Commodore Hotel into a Grand Hyatt, the first project developed by Donald Trump. This project anchored the Grand Central area, which at that time was becoming blighted due to foreclosures and the spread of adult uses from Times Square. Bailkin created the economic development programs that were used first on this project and then which became the basis for the City's economic development strategy.

South Street Seaport – Mr. Bailkin was a primary member of the City team that planned the South Street Seaport District and created the air rights transfer mechanisms that enabled both the waterfront museum uses and development on pier and upland sites.



*Roosevelt Island New York*



*South Street Seaport*

#### Lawyer/Consultant

Javits Convention Center – Mr. Bailkin, as consultant to New York City, conceptualized the mechanism used to finance the development of this Center, which was the creation of a Convention Center Bond secured by the revenues of the Triborough Bridge and Tunnel Authority.

Pier 94 Conference Center – Mr. Bailkin conceptualized the plan to adaptively reuse piers 88 through 94 (which were then underused as ship terminals) for regional conference and trade center facilities, and arranged for the long term lease, improvement and operation of the main pier, 94, for a privatized trade facility.

Times Square Redevelopment – Mr. Bailkin, on behalf of the 42nd Street Redevelopment Corp (a private not for profit development entity), put together the initial plans and implementation strategy for the redevelopment of Times Square. Bailkin also planned and implemented the development of a series of infill projects on the periphery of Times Square, including a mounted police stable and headquarters.

**Developer**

Mr. Bailkin has acted as developer for both discrete in-fill projects that have had a significant catalytic impact on area or industry development, as well as large scale development of an area based on Master Planning/ Master Development. Set forth below are two examples of completed projects, and two projects currently in the pipeline.

**Completed Projects:**

Theatre Row – Mr. Bailkin acted as developer for the 42nd Street Redevelopment Corp. of two distinct but related projects that involved the acquisition and adaptive reuse of old tenement buildings formerly used for porno operations into a complex of off-Broadway and off-off Broadway theaters, comprising the full block along 42nd Street between 9th and 10th Avenues. This project became the main stimulus for the later Times Square Redevelopment.

Reference: Fred Papert, Theatre Row - 212.695.4242  
330 West 42 Street, 17th Floor, New York, NY 10036

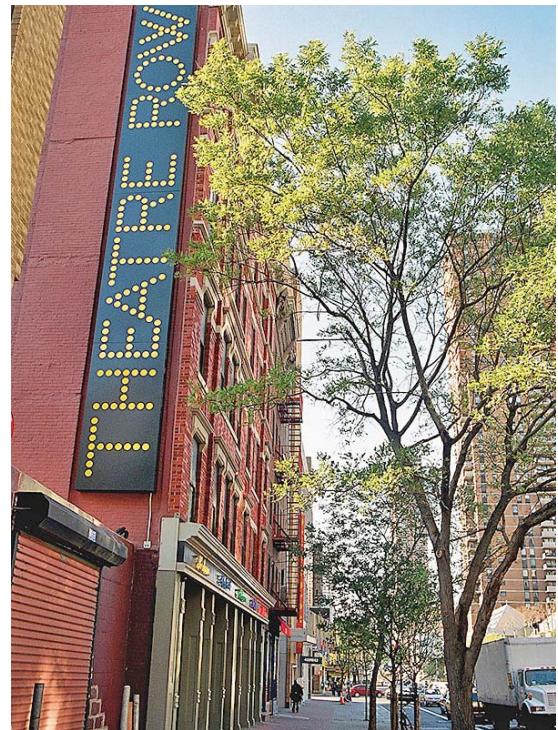
Metrotech – Mr. Bailkin did the conceptual planning and led the implementation of all public approvals (urban renewal plan, rezoning, infrastructure funding) of the 16 acre Metrotech project, which redeveloped the portion of downtown Brooklyn adjacent to Polytechnic University as a technology oriented office and research complex. This project is now complete, with 7 million sq. ft. of technology related office space, and was the catalyst for the broader renewal of downtown Brooklyn.

**Current Projects:**

New Britain, Connecticut – Mr. Bailkin has been designated as Master Developer to renew the downtown of New Britain, primarily by assembling and developing 7 sites for mid-high density market rate residential. He has also been designated turnkey developer of a new police station (with some retail space), which will anchor the development area. Bailkin has assembled sites, and is currently going through the approval process for 221(d)(4) FHA financing for the first project.

Reference: Tim Stewart, Mayor of New Britain - 860.826.3303  
City Hall, 27 West Main Street, New Britain, CT 06051

Philadelphia Amtrak Station – Mr. Bailkin is currently completing Master Planning for a pending large scale redevelopment of the area around the North Philadelphia Amtrak/SEPTA station. This project will involve approval of an Urban Renewal Plan, rezoning, and infrastructure including a new transit center. The project will be in the range of 5 Million sq. ft., for development related primarily to the Temple University Medical Complex, which is 2 blocks from the proposed transit center. Amtrak, which owns a number of parcels in this area, is participating as a partner by contributing its land in return for equity.



*Theatre Row - New York*



*Times Square - New York*



### CONSTRUCTION INFILL EXPERIENCE

Constructor experience with urban infill projects is an essential qualification for this type of project. The protection of life and adjacent property is of paramount importance, but other considerations such as the control of noise, dust and vibration are close behind, particularly to the neighbors. The lack of working room and lay-down space, and the scheduling of deliveries from busy streets, create added complications. **Skanska** has had extensive experience with urban infill in most of the major cities of the country. They have recently completed hotels in downtown Seattle and Cambridge, Massachusetts. Close to home, they have recently completed the Greektown Hotel and Casino in downtown Detroit and even closer, they built 350 South Main St., lot line to lot line, and with underground parking, in downtown Ann Arbor.

**ECONOMIES OF SCALE THAT LOWER COSTS** - Because of Skanska's size, we can achieve economies of scale when purchasing materials and equipment. In terms of procurement, this means that the project can get the best materials possible for a given budget. With strong supplier relationships around the world, the Company is able to deliver regardless of local conditions.



*Seattle Sheraton*



*Greektown Hotel and Casino*

**SAFETY** - If people are the greatest asset, then protecting them is our highest priority. As a company, Skanska will prioritize safety, both by protecting our employees and the communities in which we work. Company safety standards are strictly enforced, and the safety records offer proof that our efforts pay off.

**SUSTAINING COMMUNITIES** – Skanska's projects often affect the communities in which we live and work. For this reason, Skanska will engage in public dialogue whenever possible, in order to listen to and address public needs. When it comes to public-private partnerships, the Company takes a long-term approach and remains a committed stakeholder throughout the life of a project.

### ARCHITECTURAL INFILL EXPERIENCE

The architectural design of urban infill buildings has priorities that are different from other buildings on other sites. The visual relation to neighboring buildings is more important, and pedestrian scale and visual interest influence the design of the street frontage. Designing for building to the lot lines has its own set of constraints, and utilities, particularly storm water management, are handled differently than on greenfield sites. A collaborative working relationship between architect and construction manager is important.

**TEN-Architectos** is based in New York and does much of its work there and in Mexico City. One of its most interesting infill projects is One York, a condominium currently under construction in Tribeca. A new building not only fills in between two existing buildings, but also wraps over the tops of them and integrates all three components into a single, unified project. Included among many others are 550 Washington St., also in New York, and the Brickell Plaza in Miami, Florida.



*One York*



*Clinton Park*



*Brickell Plaza*

**Luckenbach|Ziegelman Architects** has completed several infill projects in Ann Arbor, most notably Ashley Mews, the Collegian on Maynard, Sam Wyly Hall at the U of M Ross School of Business, and the Forest Avenue Parking Structure. The firm has had a 20-year history of urban design endeavors and enhancement of the urban fabric, with numerous pedestrian improvement projects, most notably the Historic Street Exhibit program. The firm brings the added advantage of detailed familiarity with the underground garage and with the District Library and its goals for the future.



*Ashley Mews*



*Sam Wyly Hall*



*Forest Avenue*

Valiant Partners LLC was formed in July 2008 as a Limited Liability Company solely for the purpose of organizing and developing a Mixed-use complex, including a Conference Center, Hotel and Residential Condominium on the Library Lot site in Ann Arbor, Michigan. Since it is a newly formed entity, no historical certified financial statements are available. An unaudited Balance Sheet as of October 31, 2009 is enclosed in Appendix C.

Though individual members of the Company have extensive relationships in the financial community, due to its nature and purpose, the Company does not have such relationships. However, an individual Managing Member of the Company has a substantial net worth. The amount of this net worth, principally in marketable securities, can be confirmed in writing from Bessemer Trust and Morgan Stanley/Smith Barney. These letters may be available, upon request, to the Evaluation Committee.

Roosevelt & Cross will be responsible for evaluating, structuring and underwriting the bond financing for the Conference Center portion. The specific financing proposal is set forth in Section 13. As indicated in Section 8, Roosevelt & Cross is a financing firm that operates nationally and is one of the leading firms in terms of tax exempt bond financing, particularly for public/private projects that are owned by 501 C (3) entities.







**James O. Woolliscroft, M.D.**  
Dean  
Lyle C. Roll Professor of Medicine  
M4101 MSI  
1301 Catherine St., SPC 5624  
Ann Arbor, MI 48109-5624  
(734) 764-8175  
(734) 763-4936 fax  
woolli@umich.edu

November 4, 2009

City of Ann Arbor  
RE: Development of City-Owned Property RFP #743

To Whom it May Concern,

There has been a long standing need for a conference center and associated high quality hotel facilities in Ann Arbor. A conference center that will allow Ann Arbor to host large events is desirable and I support efforts to make this a reality.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Woolliscroft', written over a white background.

James O. Woolliscroft, MD  
Dean  
*Lyle C. Roll Professor of Medicine*

JOW:ld

DAVID C. MUNSON, JR.  
ROBERT J. VLASIC DEAN OF ENGINEERING  
PROFESSOR OF ELECTRICAL ENGINEERING AND COMPUTER SCIENCE



ROBERT H. LURIE ENGINEERING CENTER  
1221 BEAL AVENUE  
ANN ARBOR, MICHIGAN 48109-2102  
734 647-7010 FAX 734 647-7009  
munson@umich.edu

November 9, 2009

City of Ann Arbor

RE: Development of City-Owned Property RFP No. 743

To Whom It May Concern,

I strongly endorse the need for a convention center in downtown Ann Arbor. Faculty in the College of Engineering frequently are involved in organizing professional conferences. Currently, it is hard or impossible to host anything more than a workshop on campus or near the downtown area. We have a strong need for a centrally located venue that could handle plenary sessions of 500 participants and multiple breakout rooms of 75 participants and larger. The cultural amenities of downtown Ann Arbor and the adjacency to campus would be important contributors to the success of such a facility.

Sincerely,

A handwritten signature in black ink that reads "David C. Munson, Jr." in a cursive script.

David C. Munson, Jr.  
Robert J. Vlasic Dean of Engineering  
Professor of Electrical Engineering and Computer Science

DCM/mas



**ANN ARBOR CONFERENCE CENTER**

Ann Arbor, Michigan

Summary of Benefits - 24 Month Construction and 20 Years After Completion of Construction

	<u>AGGREGATE</u>	
	<u>TOTAL</u>	<u>NPV @</u>
<b>DIRECT BENEFITS</b>		<b>6.25%</b>
A. Construction	\$1.9 M	\$1.8 M
B. Regular Operations	\$72.0 M	\$38.3 M
<b>TOTAL</b>	<b>\$73.9 M</b>	<b>\$40.1 M</b>
<b>INDIRECT BENEFITS</b>		
A. Construction	\$1.0 M	\$0.9 M
B. Regular Operations	\$38.8 M	\$20.8 M
<b>TOTAL</b>	<b>\$39.8 M</b>	<b>\$21.7 M</b>
<b>TOTAL BENEFITS</b>		
A. Construction	\$2.9 M	\$2.7 M
B. Regular Operations	\$110.8 M	\$59.1 M
<b>TOTAL</b>	<b>\$113.7 M</b>	<b>\$61.8 M</b>

**SUMMARY**
**ANN ARBOR CONFERENCE CENTER**

 Ann Arbor, Michigan  
 Summary of Benefits

24-Month Construction and 20-Year Operations

**ECONOMIC BENEFITS**
**TO THE City of Ann Arbor/STATE OF MICHIGAN over 20 years**

	<u>AGGREGATE</u> <u>TOTAL</u>	<u>NPV @</u> <u>6.25%</u>	<u>AGGREGATE</u> <u>TOTAL</u>	<u>NPV @</u> <u>6.25%</u>	<u>AGGREGATE</u> <u>TOTAL</u>	<u>NPV @</u> <u>6.25%</u>
	<u>TAX REVENUES</u>		<u>PAYROLL TAX REVENUES</u>		<u>TOTAL TAX REVENUES</u>	
<i>All dollar figures in thousands</i>						
<b>CONSTRUCTION (24-month only)</b>	<u>TOTAL DIRECT</u>		<u>TOTAL DIRECT</u>		<u>TOTAL DIRECT</u>	
A. CONFERENCE CENTER	230	210	117	108	348	319
B. HOTEL	900	822	458	423	1,358	1,245
C. RETAIL	54	49	28	25	82	75
D. RESIDENTIAL	101	93	52	48	153	140
<b>Subtotal Direct Construction</b>	<b>1,286</b>	<b>1,175</b>	<b>655</b>	<b>604</b>	<b>1,941</b>	<b>1,779</b>
<b>REGULAR OPERATIONS</b>						
A. CONFERENCE CENTER	29	16	25	14	54	29
B. HOTEL (incl. Property & Occupancy Tax)	44,119	23,355	25,273	13,553	69,391	36,909
C. RETAIL	2,430	1,326	62	34	2,492	1,360
D. RESIDENTIAL	0	0	79	43	79	43
<b>Subtotal Direct Operations</b>	<b>46,578</b>	<b>24,697</b>	<b>25,438</b>	<b>13,644</b>	<b>72,016</b>	<b>38,341</b>
<b>TOTAL DIRECT IMPACT</b>	<b>\$47,864</b>	<b>\$25,872</b>	<b>\$ 26,093</b>	<b>\$ 14,248</b>	<b>\$ 73,957</b>	<b>\$40,120</b>
<b>CONSTRUCTION (24-month only)</b>	<u>TOTAL INDIRECT</u>		<u>TOTAL INDIRECT</u>		<u>TOTAL INDIRECT</u>	
A. CONFERENCE CENTER	114	104	59	54	173	158
B. HOTEL	445	407	229	212	675	618
C. RETAIL	27	24	14	13	40	37
D. RESIDENTIAL	50	46	26	24	76	70
<b>Subtotal Direct Construction</b>	<b>636</b>	<b>581</b>	<b>328</b>	<b>302</b>	<b>964</b>	<b>884</b>
<b>REGULAR OPERATIONS</b>						
A. CONFERENCE CENTER	23	13	20	11	43	24
B. HOTEL	19,998	10,723	17,199	9,222	37,197	19,945
C. RETAIL	1,517	828	27	15	1,544	843
D. RESIDENTIAL	0	0	37	20	37	20
<b>Subtotal Direct Operations</b>	<b>21,539</b>	<b>11,563</b>	<b>17,283</b>	<b>9,268</b>	<b>38,822</b>	<b>20,831</b>
<b>TOTAL</b>	<b>\$22,175</b>	<b>\$12,145</b>	<b>17,611</b>	<b>9,570</b>	<b>\$39,786</b>	<b>\$21,715</b>

**SUMMARY**

**ANN ARBOR CONFERENCE CENTER**

Ann Arbor, Michigan  
Summary of Benefits

24-Month Construction and 20-Year Operations

**ECONOMIC BENEFITS  
TO THE City of Ann Arbor/STATE OF MICHIGAN over 20 years**

	<u>AGGREGATE</u> <u>TOTAL</u>	<u>NPV @</u> <u>6.25%</u>	<u>AGGREGATE</u> <u>TOTAL</u>	<u>NPV @</u> <u>6.25%</u>	<u>AGGREGATE</u> <u>TOTAL</u>	<u>NPV @</u> <u>6.25%</u>
	<u>TAX REVENUES</u>		<u>PAYROLL TAX REVENUES</u>		<u>TOTAL TAX REVENUES</u>	
<i>All dollar figures in thousands</i>						
<b>CONSTRUCTION (24-month only)</b>	<u>TOTAL DIRECT AND INDIRECT</u>		<u>TOTAL DIRECT AND INDIRECT</u>		<u>TOTAL DIRECT AND INDIRECT</u>	
A. CONFERENCE CENTER	344	315	176	162	521	477
B. HOTEL	1,345	1,229	688	635	2,033	1,864
C. RETAIL	81	74	41	38	122	112
D. RESIDENTIAL	152	138	77	71	229	210
Subtotal Direct Construction	1,922	1,756	983	907	2,905	2,662
<b>REGULAR OPERATIONS</b>						
A. CONFERENCE CENTER	0	0	45	176	45	176
B. HOTEL	52	29	42,471	22,775	42,524	22,804
C. RETAIL	64,117	34,078	89	49	64,207	34,127
D. RESIDENTIAL	3,947	2,154	116	63	4,063	2,217
Subtotal Direct Operations	68,116	36,261	42,721	23,063	110,838	59,324
<b>TOTAL</b>	<b>\$70,038</b>	<b>\$38,016</b>	<b>\$ 43,704</b>	<b>\$ 23,970</b>	<b>\$113,743</b>	<b>\$61,986</b>
<b>TOTAL City, County and State</b>	<b>\$70,038</b>	<b>\$38,016</b>	<b>\$ 43,704</b>	<b>\$ 23,970</b>	<b>\$113,743</b>	<b>\$61,986</b>

**ASSUMPTIONS**

**ANN ARBOR CONFERENCE CENTER**

Ann Arbor, Michigan

Economic Impact Analysis - Project Information

<b>I. DEVELOPMENT COMPONENTS</b>			
<b>CONFERENCE CENTER</b>			
CONFERENCE CENTER - Existing buildings	32,000	USABLE SQ.FT.	
TOTAL GROSS CONF CENTER DEVELOPMENT	32,000	GSF	15.00% of total
Total Construction Cost (Hard Only)	\$7.68	millions	\$240.00 /sq.ft. Approx.
Conference Center - Tenant Improvements	0.00	millions	\$75.00 /sq.ft. Approx.
Construction Period	24	months	
<b>TOTAL HARD COST CONF CENTER</b>	<b>\$7.68</b>	<b>millions</b>	

<b>HOTEL/CONFERENCE CENTER</b>			
HOTEL	125,000	GSF	
TOTAL HOTEL DEVELOPMENT	125,000	GSF	67.75% of TOTAL
Total Construction Cost (hard Only)	\$26.25	millions	210.00 /sq.ft. Approx.
FF&E Hotel	\$3.75	millions	\$25,000 per room
Construction Period	24	months	150 Rooms
Parking	\$0.00	millions	\$11,000 per parking
Construction Period	24	months	0 Spaces
<b>TOTAL HARD COST HOTEL</b>	<b>\$30.00</b>	<b>millions</b>	

<b>RETAIL</b>			
Categories			
1. Grade retail	3,000		
2. Restaurants	5,000		
RETAIL	8,000	GLA	
TOTAL RETAIL DEVELOPMENT	8,000	GSF	4.34% of TOTAL
Total Construction Cost	\$1.20	millions	150.00 /sq.ft. Approx.
Retail Tenant Improvement	\$0.60	millions	75.00 /sq.ft. Approx.
Construction Period	24	months	
Parking	\$0.00	millions	\$11,000 per parking
Construction Period	24	months	0 Spaces
<b>TOTAL HARD COST RETAIL</b>	<b>\$1.80</b>	<b>millions</b>	

**ANN ARBOR CONFERENCE CENTER**

Ann Arbor, Michigan

Economic Impact Analysis - Project Information

<b>RESIDENTIAL/RENTALS</b>			
TOTAL RESIDENTIAL DEVELOPMENT	19,500	GSF	60.94% of TOTAL
Total Construction Cost	\$3.38	millions	165.00 /sq.ft. Approx.
Construction Period	24	months	
Parking	\$0.00	millions	\$11,000 per parking
Construction Period	24	months	0 Spaces
<b>TOTAL HARD COST RESIDENTIAL</b>	<b>\$3.38</b>	<b>millions</b>	
<b>TOTAL PROJECT GROSS</b>	<b>184,500</b>	<b>GSF</b>	<b>148.02% of TOTAL</b>
<b>TOTAL PROJECT HARD COST</b>	<b>\$42.86</b>	<b>millions</b>	

**ASSUMPTIONS**

**ANN ARBOR CONFERENCE CENTER**

Ann Arbor, Michigan

Economic Impact Analysis - Project Information

II. JOB CREATION annual (direct only)						
	Area	Total	FT	PT	FT EQUIV	Source
<b>Construction</b>			100.00%	0.00%		<b>Annual Salary</b>
CONFERENCE CENTER	32,000	57	57	0	57	\$33,750
HOTEL	125,000	194	194	0	194	Construction - 2 years
RETAIL	8,000	9	9	0	9	1 job/\$ of hard costs
RESIDENTIAL	19,500	0				
Construction Total	184,500	260	260	0	260	\$67,500

Annual Operations (Direct only)						
		Total	FT	PT	FT EQUIV	
Permanent <b>CONF CENTER</b> Operation			100.00%	0.00%		1 job/ sq. ft.
Potential New Jobs	32,000	20	20	0	20	1600
Jobs Relocating from within the City	50.00%					
Actual New Jobs to the City - GROWTH	50.00%					
	16,000	10	10	0	10	
CONFERENCE CENTER Subtotal		10	10	0	10	

Permanent <b>HOTEL</b> Operation			100.00%	0.00%		1 job/ sq. ft.
Management	8	8	8	0	8	1000
Maintenance	5	5	5	0	5	
Operations & Housekeeping	79	79	79	0	79	
Food & Beverage	58	58	58	0	58	
HOTEL Subtotal		150	150	0	150	

Permanent <b>RETAIL</b> Operation			60.00%	40.00%		1 job/ sq. ft.
1. Grade retail	3,000	8	5	3	6	400
2. Restaurants	5,000	20	12	8	16	250
RETAIL Subtotal	8,000	28	17	11	22	

Permanent <b>RESIDENTIAL</b> Operation			100.00%	0.00%		
Payroll						
Potential New Jobs	\$ 22,500	2	2	0	2	
Maintenance	\$ 15,000	3	3	0	3	
RESIDENTIAL Subtotal	19,500	5	5	0	5	

Assumes that two part time jobs (PT) equal one full time job (FT).

260 Total Construction Jobs

187 Total Permanent Jobs

**ANN ARBOR CONFERENCE CENTER**

Ann Arbor, Michigan

Economic Impact Analysis - Project Information

III. SALARIES	AVERAGE PER ANNUM
RETAIL - Average	18,750
CONSTRUCTION - Average	33,750
CONFERENCE CENTER - Other	33,750
CONFERENCE CENTER - Executive	52,500
CONFERENCE CENTER - Admin	37,500
CONFERENCE CENTER - Average	42,188
Hotel - Management	33,750
Hotel - Maintenance	24,750
Hotel - Operations and Housekeeping	18,750
Hotel - Food & Beverage	16,500
HOTEL - Average	19,000
RESIDENTIAL - Average	22,500
Annual Rate of Increase in Salary for Permanent Jobs	1.50% PER ANNUM

### ASSUMPTIONS

#### ANN ARBOR CONFERENCE CENTER

Ann Arbor, Michigan

Economic Impact Analysis - Project Information

XI. SALES TAX REVENUES - CONSTRUCTION/OPERATIONS						
	GROSS REVENUES	UNIT	OCCUPANCY	GROWTH	City Tax Rate (14% of state)	State Tax Rate
Construction Materials					0.84%	5.16%
CONF CENTER - Equipment, Tech and Suppl	2,000	per job	100%	1.50%	0.84%	5.16%
HOTEL- Equipment, Tech and Supplies	24.0%	of Room Revenue	100%	1.50%	0.84%	5.16%
HOTEL - Food & Beverage	84%	of Room Revenue			0.84%	5.16%
RESIDENTIAL- Utilities, Repairs, Reserve, Adm	2,790	per unit	100%	1.50%	0.84%	5.16%

XII. USE AND OCCUPANCY TAX						
	TAXABLE AMOUNT	Year 1		GROWTH	City Tax Rate (14% of state)	State Tax
Available Rooms		150	Rooms			
Rooms Available Annually		54,750				
Rooms Occupied Annually		30,222				
Average Daily Rate		\$ 179			5.00%	0.00%
HOTEL/CONFERENCE CENTER		\$ 5,418,502		1.50%	0.84%	5.16%

XIII. SALES TAXES ON RETAIL							
	TAXABLE AMOUNT P.S.F	SALES PSF	Percentage Subject to Sales Tax	Useable SF	Total Sales	City Tax Rate (14% of state)	State Tax Rate
1. Grade retail	\$225	225	100%	3,000	\$ 675,000	0.84%	5.16%
2. Restaurants	\$60	200	30%	5,000	\$ 1,000,000	0.84%	5.16%

XIII. 20- YEAR ANALYSIS Assumptions			
DISCOUNT RATE	6.250%	YEARLY GROWTH unless otherwise	1.50%

BURRUANO  
DOLAN &  
GLASER, LLP

*Certified Public Accountants & Consultants*

**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING  
AGREED-UPON PROCEDURES**

Valiant Partners, LLC

We have performed the procedures enumerated below, which were agreed to by the management of Valiant Partners, LLC solely to assist with respect to the accompanying schedule of capitalized project development costs as October 31, 2009. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described within this report either for the purpose for which this report has been requested or for any other purpose.

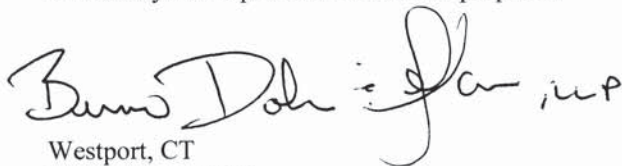
Our procedures are as follows:

- Using copies of bank statements and bank register supplied from Valiant Partners, LLC we analyzed all deposits and disbursements to calculate members' equity contributions and capitalized development costs.
- Using copies of other documents supplied from Valiant Partners, LLC we calculated accrued development costs.

Our results are presented in the accompanying schedule. The schedule is presented in a balance sheet format and reflects members' equity contributions, capitalized development costs, and accrued development costs.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the management of Valiant Partners, LLC and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



Westport, CT  
November 6, 2009

25 Sylvan Road South • Suite W • Westport, CT 06880-4619 • (203) 226-5511 • FAX (203) 226-0860  
One Byram Brook Place • Armonk, NY 10504-0000 • (914) 273-5300 • FAX (914) 273-5812

**Valiant Partners, LLC  
Balance Sheet  
As of October 31, 2009**

ASSETS

Current Assets		
Checking/Savings	\$	36,802
Other Assets		
Capitalized Development Costs		<u>290,198</u>
Total Assets	\$	<u><u>327,000</u></u>

LIABILITIES & MEMBERS' EQUITY

Liabilities		
Current Liabilities		
Accrued Development Costs	\$	103,000
Members' Equity		<u>224,000</u>
Total Liabilities & Members' Equity	\$	<u><u>327,000</u></u>



### **Identity**

#### **Purpose**

To bring strategic energy and resources to the Ann Arbor Community to make it an even more vibrant and desirable place to live, to do business, and to grow.

#### **Vision**

To aid Ann Arbor in becoming “the” conference destination, particularly for knowledge based niche market intelligence.

#### **Core Values**

**Partnering** – We are building a venue the community feels is theirs, and they are as important to its success as anyone.

**Creativity** – We seek new and innovative ways to accomplish complex challenges.

**Service** – In the development and execution of this project, our success will be determined by how well we serve the community, the clients, and each other.

**Excellence** – We seek to execute this project with excellence, such that all feel pride in every aspect.

**Positive Attitude** – We support each other at all times, seeking to find a way to make this project fulfilling for all.

Our team of Partners stands behind our Purpose, Vision and Core Values. We care about Ann Arbor’s needs and challenges, and together we provide a combination of strong local interests and national resources backing this goal. This Proposal is sub-mitted with the aim of making our Town a more vital place to do business and to live.