

THE BOOK-CADILLAC HOTEL REDEVELOPMENT 220 MICHIGAN AVENUE, DETROIT



THE PROPERTY

The famous Book Cadillac Hotel was built in 1924 by Detroit's Book brothers as the premier hotel in Detroit. The thirty-three story skyscraper, located at the corner of Michigan Avenue and Washington Boulevard, was a landmark in Detroit's downtown, and featured over twelve hundred hotel rooms, a grand ballroom, a Venetian ballroom, and many restaurants and retail stores. Designed by architect Louis Kamper, it was one of the most elegant and well known hotels in the Midwest. Radio broadcasts of big band music from the ballrooms were regularly aired, and presidents, movie stars and the top major league baseball players all stayed at the Book Cadillac Hotel. As the decades went on, and downtown Detroit struggled, the

hotel was completely abandoned in 1984.

THE PROJECT

This site was targeted by the City of Detroit for its historical significance and to anchor the redevelopment of the once magnificent Washington Boulevard. The building is within walking distance of major entertainment venues including the Fox Theater, Ford Field, Comerica Park, and the Cobo Convention Center. The number of hotel rooms will be reduced to just under 500 and the top six floors of the building will be re-development into 67 luxury condominium residences. The project cost will be nearly **\$180 million** requiring 21 sources of equity and financing and three property tax abatements.

AKT PEERLESS' ROLE

AKT Peerless Environmental Services was selected to support the project team and identify Brownfield and other incentive programs necessary to offset the massive costs to redevelop the property. The diverse and talented nature of AKT Peerless' staff allows us to provide unique services for our clients that other firms often cannot provide:

- Brownfield Redevelopment Plans – Utilizing the two uses, separate brownfield plans allowed us to maximize Single Business Tax Credits.
- Brownfield Redevelopment Single Business Tax Credits – approval of a maximum of **\$15 million dollars** for this Project.
- Neighborhood Enterprise Zone District (NEZ)- established an NEZ District that will provide up to **15-year tax abatement** for investors and residents of the units.
- Obsolete Property Tax Abatement (OPRA) – established an OPRA District that will provide up to **12-year tax abatement** on the hotel portion of the project.

RESULT

In total, Brownfield and other financial incentives secured for this project are estimated to be in excess of **\$18 million dollars**.