
BARRINGTON PARK

The Ivanhoe Companies

September 8, 2014



BARRINGTON PARK

THE IVANHOE COMPANIES

Application Package:

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LETTER FROM THE IVANHOE COMPANIES

THE IVANHOE COMPANIES

September 3, 2014

Planning Commission
City of Rochester Hills
1000 Rochester Hills Dr.
Rochester Hills, MI 48309

Re: Barrington Park - 15.6 acres – located on the north side of Auburn Road, east of Barclay Circle

Ed Anzek:

The Ivanhoe Companies prides itself on well-designed developments for which we have won multiple planning awards. We are proud to present our Concept Plan for Barrington Park, a premiere residential community in Rochester Hills featuring attached single family residential units. We have conducted extensive studies of the site, and tested a wide range of development scenarios to determine the best use and design concept. As discussed with you, we are now requesting to be placed on the September 16, 2014 agenda of the Planning Commission to seek approval for our Barrington Park PUD.

The subject site was once expected to be developed into a medical facility by Crittenton. Due to changes in their business plan, Crittenton is no longer pursuing development of the site. The Ivanhoe Companies is now under contract to purchase the property. This booklet provides a summary of our development process and proposal, which has been the result of months of study and evaluation by our project team consisting of planners, market specialists, designers and engineers.

First, we evaluated the site, solicited a market analysis provided by The Chesapeake Group and reviewed existing planning and zoning policies. From our review of existing conditions, site surroundings, market analysis, and a need for more housing diversity in the City, we concluded that medical office or other uses allowed in the O-1, Office district are neither marketable nor appropriate for this site.

Second, over the last year we extensively evaluated a variety of uses and concept plans for the site. Many of these concept plans are included in this package. After our due diligence and evaluation of multiple development scenarios, including medical office, commercial, mixed use and multiple-family apartments, it was determined that attached single-family residential is the most appropriate use for the site. Other uses were considered but rejected for the following reasons:

- **Medical Offices are not a marketable use for the site.** Crittenton was a special case that is no longer a viable developer of this site. Future medical facilities or spin-off companies are more likely to locate around existing Beaumont or Crittenton locations or be visible along expressways or major arterial roadways.
- **Commercial is not appropriate for this site.** Demands for brick and mortar locations are waning in light of increasing internet shopping trends. This particular location is not ideal given its low exposure to traffic and its lack of a “hard corner” where commercial tenants prefer to locate. Retailers throughout metropolitan Detroit and the country are consolidating and redeveloping on high traffic corners which is evidenced by renovation and improvement plans on all four corners of Auburn and Rochester Roads.
- **Surplus of office space.** As we all recognize, Metro Detroit has an abundance of office space. Well beyond the foreseeable demand. Thus there are many vacancies. New office tenants are seeking locations with visibility to and more direct access from expressways which our site lacks.

- **Multiple-Family rental units are not appropriate for the site.** The City already has a good supply of apartments. Typical higher density apartment-style 3-story buildings are too intense for this location given the scale of surrounding single-family neighborhoods. In addition, such housing does not encourage home ownership, which is in part what distinguishes Rochester Hills from other communities.
- **Other uses considered.** In addition to those above, we also considered mixed use options, which were rejected for similar reasons as commercial. We attempted to attract neighborhood strip center tenants and niche services like fitness centers or boutique retailers, but all found this site was not desirable. Assisted living was considered but ruled out due to the abundance of similar facilities existing or planned in the area.

Third, after further market studies and research, we have determined and elected to propose attached, “for sale” condominium community of townhome units in an overall walkable design. Our evaluation indicates there is a pent up demand for owner occupied town homes that appeal to young professionals, independent seniors and people with young children. This site’s adjacency to shopping and convenient access to the freeway makes it an ideal location for this type of housing.

Unlike sites surrounded by a single use, this site is surrounded by an array of uses that does not strongly indicate a predominant land use pattern. To the west is a regional shopping center, to the north are offices and multiple family residential, and to the east are single-family neighborhoods and the City’s Department of Public Works facility. This mix of uses suggests a transitional development is needed to protect residents from non-residential impacts. An attached residential development as we propose will provide such a transition. Our market research demonstrates that we need the density proposed to support the amenities being provided and to meet today’s price range for units.

We have concluded that the best use is for either multi-family rentals or for sale condominium homes in a range from 144 to 343 units. Based on discussions with our planner, Brad Strader of LSL Planning, we believe this use at this density achieves the objectives of the city’s Master Plan to provide a transition between residential and non-residential uses. As explained by our planners, LSL Planning, Barrington Park development is consistent with the objectives for a Planned Unit Development in the City’s zoning ordinance. It will allow residents who previously could not afford a single-family home, but who still desire to live in the city and contribute to the community. Our proposal is for attached and/or detached residential housing, under a moderate density for a style of housing where there is a need but currently not available in Rochester Hills.

A concept plan has been thoughtfully designed to protect the neighboring high quality residential developments. Like all of our projects, we will also include design amenities to make this an attractive place to live.

We are working on refinements to the site plan details to incorporate typical quality of amenities reflected in other IlvanhoeCCommunities and we know are expected in Rochester Hills, such as, road design, pocket parks, walkability features, landscaping and other amenities. Given the City's desire for pedestrian linkage, we are going to attempt to secure an easement that will allow us to have an off-site pedestrian connection through the open space to the north to Hampton Circle.

We look forward to receiving the Planning Commission’s input on this exciting community at your meeting on September 16th. Based on your comments and our continued critique and study we will improve and finalize our plans. My project team and I are available at any time to answer any questions and we welcome any comments or suggestions.

Sincerely,

Gary Shapiro
The Ivanhoe Companies

LSL PLANNING LETTER OF SUPPORT

THE IVANHOE COMPANIES



September 3, 2014

Mr. Gary Shapiro
6689 Orchard Lake Road, Suite 314
West Bloomfield, MI 48322

Dear Mr. Shapiro,

As requested, we have been assisting you with your due diligence regarding the site located on the north side of Auburn road, east of Barclay Circle, in the City of Rochester Hills. You have asked for our professional planning opinion regarding the potential use of the site.

We have enjoyed working with you on many projects over the past 15 years. You are one of only a few developers that we work with and are currently our only private client. While the majority of our clients are municipalities, we do provide services to a select few private sector developers. In most cases, these are developers who have earned our respect after submitting projects in other communities where we serve in a reviewing capacity. In our selection of private work, we abide by the strict AICP code of ethics and our own set of adopted Core Values, paying careful attention to avoid any perceived conflict of interest with our positions on zoning matters for our client communities. As you know, we often decline private work when it conflicts with this principle, and only choose to become involved with projects that have merit and are consistent with good planning principles. The professional community planner opinions expressed in this letter are based on the following:

- LSL Planning's experience as professional land planners. As you know, LSL Planning is a community planning firm that works on an ongoing basis for dozens of communities. We have prepared over 80 land use plans and zoning codes for municipalities in several states.
- Our familiarity with the area from our previous work in the City of Rochester Hills including the SEMCOG funded Rochester Road Corridor Management Plan.
- Our work reviewing development proposals for hospitals, health care campuses, office, commercial, residential, and mixed use projects for municipalities.
- Review of the city's Master Plan and zoning ordinance.
- Analysis of basic traffic generation calculations.
- Site reconnaissance to observe first-hand the conditions in terms of land uses in the area, views, the transportation system, and site features.
- Information you provided including a variety of development layouts and two appraisal reports.
- Review of the market assessments by The Chesapeake Group (a firm that we have frequently worked with for 15 years).

We took the following approach to evaluate the site and provide guidance:

1. First we began with a visit to the site. It is generally flat with some vegetation, and is surrounded by a mix of land uses. Land to the west contains a regional shopping center; to the north is an office complex and attached residential at about 10 units per acre, and to the east are single-family neighborhoods, with the City's DPS complex along the Auburn Road frontage.
2. Then we reviewed the City's Master Plan and zoning ordinance. The City of Rochester Hills future land use map designates this site as office. The site is zoned Office, and is also designated Office in the Master Plan. We agree that offices can provide good transitions between commercial and non-commercial uses. However, the market study and our experience demonstrate there is not a need for more office or medical office. So we then looked at other uses that still provides the transition recommended in the Master Plan. Attached residential offers an excellent land use transition. The Rochester Hills Master Plan also encourages development of alternative housing types to provide diversity and higher density in appropriate locations. The development of attached single-family residential homes meets many of the city's residential goals to:

- Diversify housing types, sizes and locations to meet the needs of people of different ages, incomes and lifestyles within the community.
 - Protect residential areas from encroachment of incompatible non-residential uses.
 - Encourage visually attractive residential development and redevelopment.
 - Encourage some higher density development at appropriate locations.
 - Encourage the mixture of residential types of residential uses, i.e. multiple family, townhouses, single family residential, and/or non-residential uses (mixed use) that are compatible with the established character of the surrounding neighborhood. Since there is already attached multiple family housing just to the north, the compatibility is already well established.
3. Next, we reviewed market data which suggested a softer development environment where commercial and office markets are slowing and residential demand is rising. Medical related offices are the strongest segment of the office market. But most of the new medical offices have been built near hospital campuses (Beaumont, Providence, Genesys, etc.) or on much larger sites like the new campus settings in Genoa Township (St. Joseph Mercy Brighton), Canton (Oakwood), Northville (U of M Northville Health Center), and Ann Arbor Township (U of M East Medical Campus). We are not aware of a health care related user seeking a location similar to this one in the Rochester Hills area. With the loss of Crittenton as a future developer of the site, we believe there is little market to sell the site for medical office uses.
4. We reviewed various site plans prepared by the project team but do not suggest them for the following reasons:
- There is a surplus of office space in southeast Michigan. New medical and corporate offices that are being built are typically along expressways or around health care campuses. Existing office and medical office buildings in secondary locations like this one have low occupancy and value. More office space could also negatively impact the existing offices to the north of the site.
 - General commercial was not considered because the site lacks the “hard corner” location to attract viable businesses, and such a use would not provide the needed transition between residential uses to the east and commercial uses to the west. In addition, the rise in internet shopping is also reducing demand for brick and mortar locations, and the existing retail marketplace is recovering very slowly.
 - While we believe multiple-family residential is appropriate for this site, the options with three story buildings or large 12 unit buildings would be too intense for the site given the scale of adjacent single family residential neighborhoods.
 - Senior housing was another option considered, but there are better locations. In addition, there are already many senior choices available in the general area.

Based on the above, I believe residential use of the property is the most reasonable use for the site. Given all the features outlined, some type of attached owner-occupied residential is preferred. The layout and amenities as you have described are appropriate, as is the density. This will provide a good transition between commercial and single family uses similar to an office use. Residential development is a more desirable neighbor to adjacent residential neighborhoods than non-residential uses. A residential community will generate fewer traffic trips than commercial, office or more dense multiple-family alternatives. The demographic analysis by The Chesapeake Group also notes the city needs a wider diversity of housing choices at a lower price point. Development under the PUD option of the zoning ordinance helps ensure a high quality project.

It is our opinion that this project meets the requirements for PUD approval. In Section 138-7.103, D. Criteria for Qualification. This project specifically meets the following criteria outlined below:

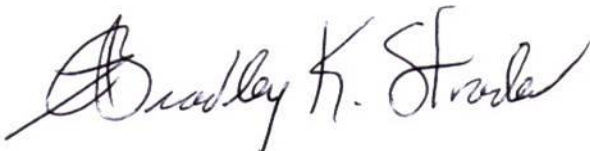
1. ***“To preserve, dictate or set aside open space or natural features due to their exceptional characteristics or their environmental or ecological significance in order to provide a permanent transition or buffer between two land uses, or to require open space or other desirable features of a site beyond what is otherwise required in this ordinance.”***
 - The Barrington Park plan contains off-site improvements and a sidewalk connecting the development to Hampton Circle along the detention pond to the north of the parcel. Those off-site improvements will improve walkability in the area and are beyond what the ordinance typically requires.

2. ***“To promote the goals and objectives of the master land use plan and other applicable long range plans such as the master thoroughfare plan.”***
 - The owner occupied condominiums at the moderate density shown on the plan achieves the same objectives of the city’s Master Plan designation for office use. That designation was probably influenced by Crittenton’s intent for office development at the time the plan was prepared. Barrington Park will provide a similar land use transition between the residential and non-residential uses. As noted, the development will also provide residential options to meet a need which is also an objective in the City’s Master Plan.
3. ***“To permanently establish land use patterns that are compatible with or will protect existing or planned use.”***
 - The Barrington Park development will be consistent and harmonious with surrounding uses. Additionally, the site serves as a buffer between commercial and business uses to the west and residential uses to the east and south. The existing multiple family residential northeast of the site provides a similar transition. Additional residential can also help support the existing commercial land uses nearby along Rochester Road.
4. ***“To provide alternative uses for parcels that can provide transition or buffers to residential areas and to encourage redevelopment of sites where an orderly transition or change of use is desirable.”***
 - The site is centered amongst a wide variety of uses – commercial, institutional, office, higher density multiple family and single family. The moderate density attached condominiums will serve as a buffer between the more intense land uses to the west and single family to the east and south.
5. ***“To enhance the aesthetic appearance of the City through quality building design and site development.”***
 - Ivanhoe has won awards for the quality of its developments, not only from builder associations but also the Michigan Association of Planning. Barrington Park will include an amenity package similar to our other developments, as illustrated in the packet provided. Elevations will use quality materials. Landscaping throughout the site will create pleasing views from surrounding streets. In addition, there will be amenities such as pathways, benches, attractive streetscape details and entryway features.

This PUD project is sure to be seen as a better neighbor than the previously approved ambulatory urgent care facility that would create more traffic, noise, light and other activities.

In summary, the proposed plan for attached condominium homes is a very well thought out concept for this transitional site. We believe it is consistent with the City’s Master Plan objectives, the PUD standards and sound planning principles. While the market analysis shows there is a demand, this type of townhouse community is not currently available in Rochester Hills. This is a great location for such a use. Your attention to design details meets the expectations for high quality development in Rochester Hills. We hope your proposal will be well received. We look forward to working with you through the final site plan process with the City.

Respectfully submitted,
LSL PLANNING, INC.



Bradley K. Strader, AICP
Partner

MARKET CONDITIONS

THE IVANHOE COMPANIES

April 18, 2014

Gary Shapiro

Ivanhoe Companies

6689 Orchard Lake Road, Suite 314

West Bloomfield, Michigan 48322-3404

The Chesapeake Group, Inc.

Building A Foundation For The Future

8516 Green Lane, Baltimore Maryland 21244 800-745-0185/tgroup@rcn.com/chesapeakegroup.com

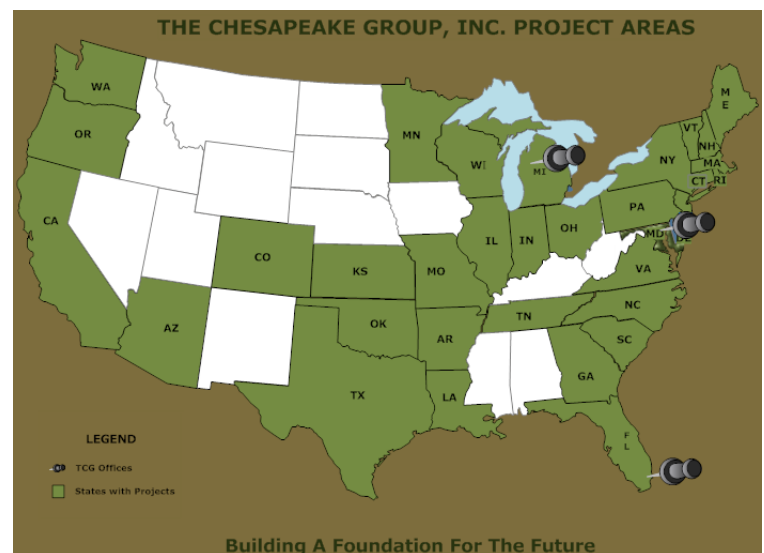
Development Site Review & Analysis: Barclay Circle & E. Auburn and in Rochester Hills, Michigan

Dear Gary Shapiro:

This letter is written to provide an overview development assessment of the 15.55 vacant acre site located on the northeast corner of Barclay Circle and E. Auburn Road in Rochester Hills in Michigan ("Barclay Site") and provide a summary of the "highest and best" for said site.

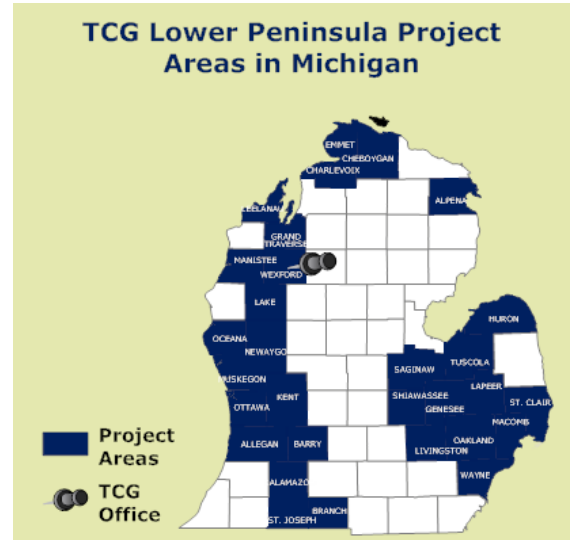
The Chesapeake Group, Inc. (TCG) is the premier economic analysis and development firm in the United States, having prepared more than 1,000 analyses since its inception. TCG was formed in 1974 and incorporated a year later. In addition to our home base in Maryland, we have satellite offices in Michigan and Florida. TCG has been involved with numerous projects in Michigan over the past 25 years, including several projects in Oakland County this year alone in Wixom, Novi and Lathrup Village.

TCG provides an integrated array of real estate and economic analyses and development services. TCG has extensive experience with all facets of the commercial, residential, industrial and entertainment sectors of the economy in Michigan. Key services include: economic revitalization, including "Main Streets" and mixed-use development plans; economic and community development strategies; assessments of site specific opportunities; defining opportunities for emerging R & D related to technology, agricultural production, natural resources and higher education institutions; identifying technology application shifting; tourism development; business, developer, and investor recruitment; and transit-oriented development for local governments, chambers of commerce, and private sector interests.



TCG has been involved with more analyses of neighborhoods, downtowns, urban, suburban and rural communities than any other firm in the country. TCG remains a go-to firm for both the private and public sectors, continuing to identify and define opportunities for sustainable economic development activity. And, our experience remains unmatched in the industry. Since our inception, Howard Kohn has been the Project Manager for the overwhelming majority of our efforts. Kohn has over 35 years of professional analysis and marketing experience in both the public and private sector. Before forming TCG, Kohn pioneered the renowned revitalization efforts in Baltimore, beginning his career as the initiator, economic analyst, and project planner for those efforts. He later established the Baltimore County revitalization program.

During his public sector career, Howard Kohn prepared major components of four comprehensive city and county-wide plans, defined development opportunities for heavy and light rail transit station development, defined the successful approach aimed at attracting tourists to the Inner Harbor in Baltimore, and planned and implemented more than 23 neighborhood revitalization programs.



Barclay Site Location Characteristics

The Barclay Site consists of 15.55 acres of vacant land, located at the northeast corner of the E. Auburn and Barclay Center Roads. The Barclay Site is approximately one-half mile east of the intersection of Auburn and Rochester Roads, which is roughly one-half mile north of M-59 and Rochester Roads interchange. The Barclay Site has no visibility from that interchange or the intersection.

To the west of the Barclay Site sits a large semi-regional shopping center which includes many local, regional and national retailers. The retailers include Best Buy, Target, Five Below, Famous Footwear, PETCO, Kohl's DSW, Panera Bread, Imagine Theatre, and a variety of food chain service establishments. In addition, many other retail establishments, along with auto dealerships and office buildings surround the regional shopping center.



On the east side of Rochester Road are numerous national chain establishments including Target, PETCO, DSW Shoes, Five Below, Famous Footwear, and a variety of chain food service establishments. On the east side of the road are several chain food service establishments, auto oriented establishments and large vehicle dealerships.

The overwhelming proportion of retail space is found along Rochester Road. The retail developments have few vacancies at this time. Importantly, the retail faces Rochester Road, turning its back to the site under review.



The surrounding area has substantial office space in multiple buildings. The office buildings contain both private and public sector users.

To the east of the Barclay Site there is a mixture of municipal maintenance Buildings and single-family residential

Generally the residential properties to the east of the Barclay Site are well maintained. There are a range of ownership and rental options in the area.

Traditional suburban character development and road system layout are the norm in the area at present.

The closest residential development to the site abuts the site to the east. This development is a traditional suburban configured community. The site is visible from the backyards of some of the homes in the area, although there is a landscaped buffer between those homes and the site.



Market Factors Impacting Site Development Opportunities

There are significant internal and external market factors that impact the development decision for the Barclay Site. The following is a synopsis of the primary market factors impacting the development decision.

Retail

- ✓ **SLOW RETAIL RECOVERY.** The retail sector continues to recover at a slow pace. Slow employment growth, limited financing opportunities, and continued growth of internet shopping among consumers continue to provide strong headwinds in the sector.
- ✓ **REPLACEMENT COSTS DO NOT SUPPORT NEW CONSTRUCTION.** The average for-sale asking price of retail buildings within the Rochester Hills’ submarket is approximately \$85 per square foot; while new construction costs continue to exceed \$100 per square foot. Moreover, recent reports from the Retail Trade Federation and some of the nation’s largest retail developers all indicate that future vacancy rates will rise as traditional shopping centers become less utilized by retail customers.

Medical Offices

- ✓ **NOT A PREFERRED LOCATION FOR MEDICAL OFFICES.** The Beaumont and Crittenden are the closest hospitals to the Barclay Site. In the event either builds medical offices in the area, the preferred locations would be on the hospitals’ campuses.

✓ **MEDICAL OFFICE RENTS DO NOT SUPPORT NEW CONSTRUCTION.** While automotive suppliers, medical users and technology companies continue to absorb local office space, the base rents for existing space is such that new construction is not practical. The overall average office rental rate is roughly \$17 per square foot. In the Detroit suburban office market, there is approximately 164 million square feet of office space, with approximately 28 million square feet of vacant space. There is no indication that there will be a substantial uptick in office demand in the foreseeable future either within the Detroit market or local Rochester Hills submarket that would create an opportunity to build new office on the Barclay site.

✓ **REPLACEMENT COSTS DO NOT SUPPORT NEW CONSTRUCTION.** The average for-sale asking price of office and medical office buildings within Rochester Hills submarket is approximately \$79 per square foot; while the cost of new construction continues to exceed \$120 per square foot, According to the “Market Trends” report on the LoopNet, the average asking rental rate per square foot for office properties in Rochester Hills as of November, 2013 was \$16.98. The average rental rates in Rochester Hills are -0.1% lower for office properties currently for lease.



Residential Housing

✓ **THE LOCAL HOUSING INDUSTRY CONTINUES TO GROW.** Oakland County continues to grow in terms of the number of housing units and households. In the first six months of 2013, the number of permits issued for new housing units exceeded the number permitted for the same time period in the previous year.

*New Unit Residential Building Permits for Oakland County**

| Units | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 (6) |
|---------------|------|------|------|------|------|------|------|------|------|------|------|------|------|----------|
| Single Family | 4654 | 4205 | 4386 | 4728 | 5017 | 4050 | 2004 | 1135 | 667 | 443 | 959 | 1266 | 1880 | 1069 |
| Two Family | 98 | 78 | 100 | 18 | 40 | 26 | 58 | 12 | 2 | 0 | 4 | 0 | 6 | 0 |
| 3 & 4 Family | 97 | 102 | 119 | 95 | 129 | 39 | 46 | 22 | 15 | 4 | 26 | 11 | 15 | 18 |
| 5 or + Family | 610 | 850 | 903 | 732 | 1179 | 523 | 374 | 49 | 117 | 0 | 241 | 0 | 0 | 65 |
| Total | 5459 | 5235 | 5508 | 5573 | 6365 | 4638 | 2462 | 1218 | 801 | 447 | 1230 | 1277 | 1901 | 1152 |

*Source: U.S. Census Bureau

✓ **INCREASE PACE OF NEW CONSTRUCTION.** The pace of new housing and redevelopment throughout the country has expanded this past year as market interest for different forms of residential units continues to evolve. Unless Oakland County and the localities embrace modest increases in density and changes in form, Oakland County and surrounding communities will likely lose market share in the future as a result of changing trends.

✓ There are variations both in numbers and proportion of non-single-family units built in each year as found in Table 2.

Table 2 – Type of Unit Built by Year from 2000 in Oakland County*

| Units | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 (6 m.) |
|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|----------------|
| Single Family | 85.3% | 80.3% | 79.6% | 84.8% | 78.8% | 87.3% | 81.4% | 93.2% | 83.3% | 99.1% | 78.0% | 99.1% | 98.9% | 92.8% |
| Two Family | 1.8% | 1.5% | 1.8% | 0.3% | 0.6% | 0.6% | 2.4% | 1.0% | 0.2% | 0.0% | 0.3% | 0.0% | 0.3% | 0.0% |
| 3 & 4 Family | 1.8% | 1.9% | 2.2% | 1.7% | 2.0% | 0.8% | 1.9% | 1.8% | 1.9% | 0.9% | 2.1% | 0.9% | 0.8% | 1.6% |
| 5 or + Family | 11.2% | 16.2% | 16.4% | 13.1% | 18.5% | 11.3% | 15.2% | 4.0% | 14.6% | 0.0% | 19.6% | 0.0% | 0.0% | 5.6% |

*Developed by The Chesapeake Group, Inc., 2014.

- ✓ **ROCHESTER HILLS NEEDS ALTERNATIVE FORMS OF MODERATELY PRICED HOUSING, INCLUDING MODERATELY PRICED SINGLE-FAMILY, CONDOMINIUM, TOWNHOME AND SENIOR HOUSING COMMUNITIES.** The median home value in Rochester Hills is \$249,800, according to Zillow.com. Rochester Hills submarket saw home values rise 14.1% over the past year; and Zillow.com predicts they will rise 4.7% during 2014.
- ✓ The median list price per square foot in Rochester Hills is \$120 per square foot, which is significantly higher than with the Detroit Metropolitan Area of \$89 per square foot. The average price for residential housing in Rochester Hills from October, 2013 to January, 2014 was \$240,000. The median home sales price increased 16.5%, or by \$34,000; and the number of home sales increased 22.7%
- ✓ There are currently 198 resale and new homes in Rochester Hills. In January 2014, the average listing price for homes for sale in Rochester Hills was \$317,854.
- ✓ Recent studies performed by TCG conclude that there is pent-up demand for the full-range of senior and other housing throughout the Detroit market. As housing market conditions continue to improve, the “latent” demand will be exercised, stimulating not just demand for the full range of senior housing but all housing. (The primary factors preventing the movement to senior communities by residents wishing to do so were a combination of low housing prices and few buyers. Younger professional households have not been able to move with a stagnant employment market)

TCG CONCLUDES THAT A MODERATELY PRICED RESIDENTIAL DEVELOPMENT IS THE HIGHEST AND BEST USE OF THE BARCLAY SITE

TCG believes that based on the neighboring site characteristics of the Barclay Site, along with the present demand for moderately priced residential housing in the local market, the highest and best use is a residential development that provides an affordable alternative to the housing demands within the Rochester hills submarket.

Respectfully Submitted,

Howard S. Kohn (Electronic Signature)

Howard S. Kohn
President

The Chesapeake Group, Inc., 8516 Green Lane, Baltimore, MD 21244
410-265-1784/tcgroup@rcn.com/www.chesapeakegroup.com

SITE ORIENTATION

THE IVANHOE COMPANIES

Site Orientation

Barrington Park

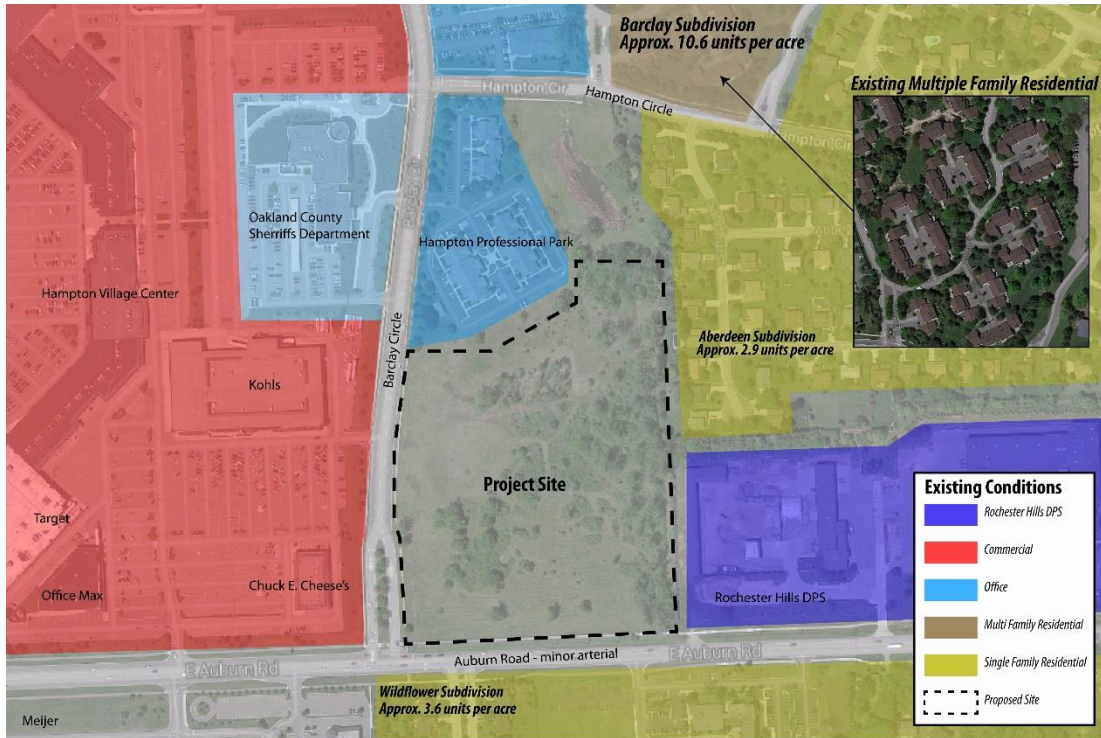
See aerial photo on next page



Subject Site



Barclay Cir. Intersection & Adjacent Commercial



Nearby Residential Uses



Adjacent DPS Facility

The site is surrounded by a wide array of land uses of various intensity.

Key Features:

- Site separates community scale commercial and institutional uses to the west from single family and institutional uses to the east; medical office and multiple family residential to the north, and residential to the south.
- Barclay Circle provides access to Auburn Road.
- Relatively flat with scattered trees, some woods concentrated along the east property line.
- Good views in all direction thanks to berm along Barclay Circle.

| | | | |
|--------------------------------|--|------|---|
| Site Area | 15.6 acres | | |
| Current Zoning | Office | | |
| Master Planned for | Office | | |
| Adjacent Land Uses and zoning: | | | |
| | North | O1 | Office |
| | | RM-1 | Multiple Family |
| | South | R4 | Single-Family Neighborhood |
| | East | R4 | Public Services Facility & Single-Family Neighborhood |
| | West | B3 | Regional Shopping Center |
| Natural Features | <ul style="list-style-type: none"> ▪ None of significance ▪ 2 non-regulated wetlands | | |
| Other Site Features | <ul style="list-style-type: none"> ▪ Transitional Site ▪ Served by both Auburn Road and Barclay Circle (both public roads) | | |



PRIOR CONCEPT PLANS CONSIDERED

THE IVANHOE COMPANIES

Prior Concept Plans Considered

Barrington Park

The Shapiro team including LSL Planning and the Chesapeake Group considered a wide range of uses for the site. Numerous concept plans for commercial, office, medical office, mixed use, and various types of residential were prepared (a few shown below, more included on the following pages). Uses considered and reasons for dismissal are described below.

| COMPARISON OF POSSIBLE FUTURE USES | | |
|--|---|---|
| USE CONSIDERED | | FACTORS |
| Medical/Office | Crittenton Hospital | <ol style="list-style-type: none"> 1. Given the dynamics of the health care industry Crittenton is no longer seeking to build a facility on this site. 2. Future medical facilities or spin-off companies are more likely to locate around existing Beaumont or Crittenden locations or be visible along expressways or major arterial roadways. 3. There are many office and medical office buildings in the general area. The market is saturated so some are struggling with low occupancy and value. |
| SOFT MARKET | | |
| Commercial | Up to 120,000 s.f. possible | <ol style="list-style-type: none"> 1. Existing retail marketplace is satisfied. 2. Increase in internet shopping is reducing demand for brick and mortar locations. 3. Site lacks the "hard corner" location or visible link to commercial to the west to attract viable businesses. 4. Would not provide a transitional use to the residential neighbor. 5. High traffic generator |
| NO MARKET | | |
| Mixed Use | | <ol style="list-style-type: none"> 1. Site is too small for mixed uses. 2. Not enough mass for viable residential |
| Multiple Family Residential | Various multi-family options considered | <ol style="list-style-type: none"> 1. Good transition use between commercial, institutional and single family uses. 2. Not an ideal site for age restricted (i.e. senior) housing; many senior housing options are already in the market. 3. 3-story options considered are too intense for the site given the scale of adjacent residential neighborhoods. 4. Apartment-style housing does not encourage home ownership, which is in part what distinguishes Rochester Hills from other communities. 5. City already has a good supply of apartments. |
| BEST USE AT APPROPRIATE DENSITY | | |

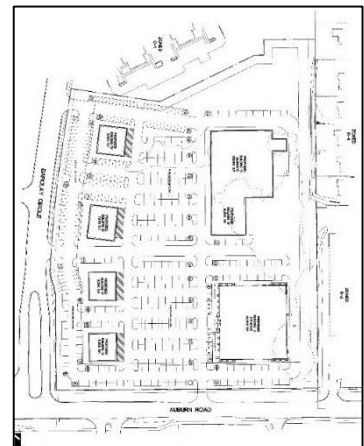
MULTIPLE-FAMILY
342 Units



MEDICAL OFFICE
120,000 s.q. feet

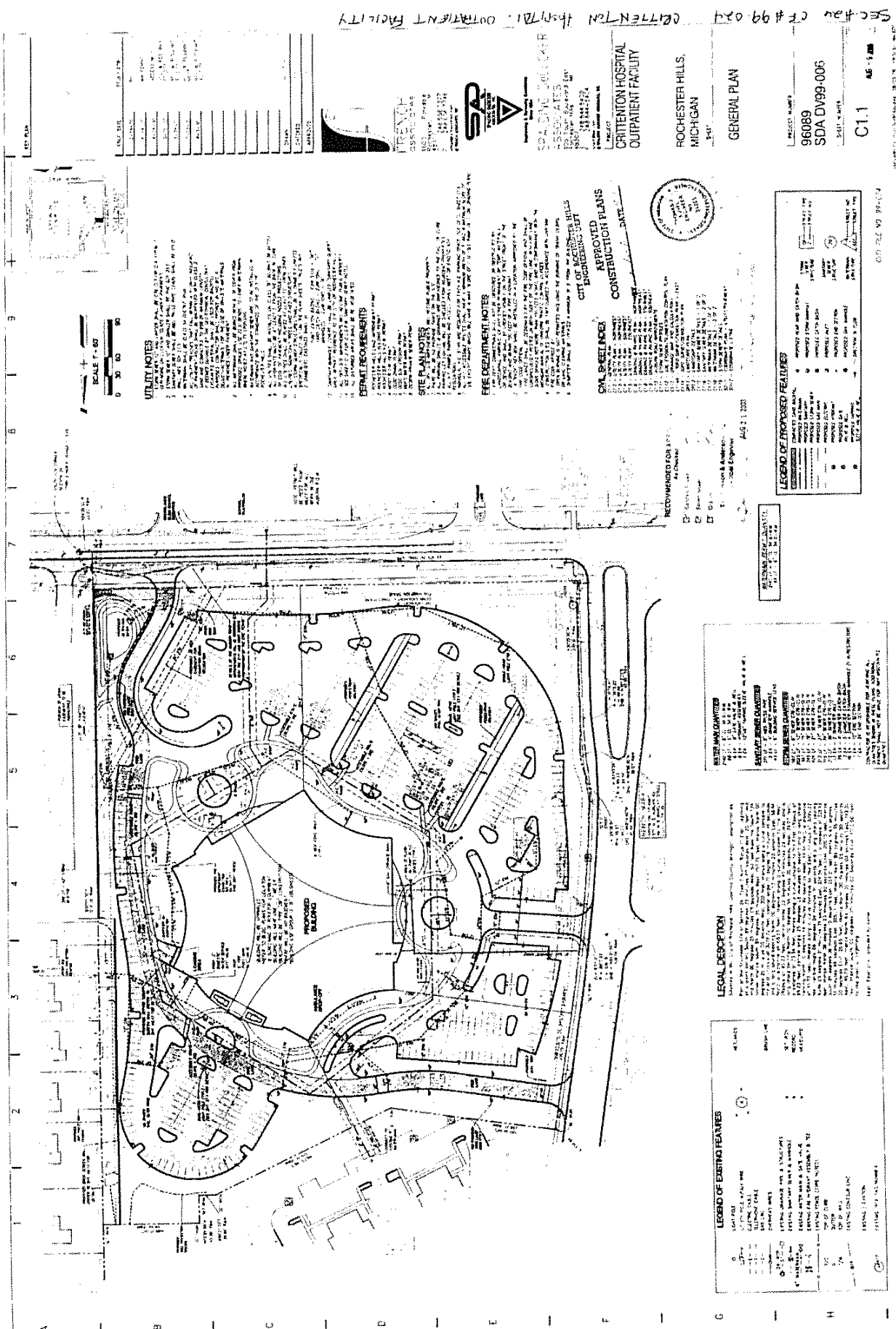


COMMERCIAL
120,000 s.q. feet




Prior Concept Plans Considered

1. Urgent Care and Medical Clinic (Prior Approved Plan)



SECTION CT# 99-024 CRITTENTON HOSPITAL OUTPATIENT FACILITY



SOLO DINE & DRIVE
 35500 STATES ROAD
 ROCHESTER HILLS, MI 48065-1524
 PHONE: 248-854-1524
 FAX: 248-854-1524

**CRITTENTON HOSPITAL
 OUTPATIENT FACILITY**
 ROCHESTER HILLS,
 MICHIGAN
 GENERAL PLAN

PROJECT NO: 960099
 SDA DV99-006
 SHEET NO: C1.1
 AUG 11 2000

UTILITY NOTES

1. ALL UTILITIES SHOWN ARE BASED ON RECORD DRAWINGS AND FIELD SURVEY.
2. ALL UTILITIES SHALL BE DEEPENED TO A MINIMUM OF 48" BELOW FINISHED GRADE.
3. ALL UTILITIES SHALL BE PROTECTED BY A MINIMUM OF 18" OF CONCRETE.
4. ALL UTILITIES SHALL BE PROTECTED BY A MINIMUM OF 12" OF ASPHALT.
5. ALL UTILITIES SHALL BE PROTECTED BY A MINIMUM OF 6" OF GRAVEL.
6. ALL UTILITIES SHALL BE PROTECTED BY A MINIMUM OF 3" OF SAND.
7. ALL UTILITIES SHALL BE PROTECTED BY A MINIMUM OF 1" OF SOIL.
8. ALL UTILITIES SHALL BE PROTECTED BY A MINIMUM OF 0.5" OF ORGANIC MATTER.
9. ALL UTILITIES SHALL BE PROTECTED BY A MINIMUM OF 0.25" OF WATER.

DEPARTMENTS

SITE PLAN NOTES

FIRE DEPARTMENT NOTES

CITY OF ROCHESTER HILLS ENGINEERING DEPT. APPROVED CONSTRUCTION PLANS

LEGAL DESCRIPTION

LEGEND OF EXISTING FEATURES

LEGEND OF PROPOSED FEATURES

WATER MAIN QUANTITIES

SEWER MAIN QUANTITIES

STORM SEWER QUANTITIES

RECOMMENDED FOR

PERSONAL SEAL QUANTITY

Prior Concept Plans Considered

2. Commercial Center with 120,000 sq. ft.

Issued for:

project:

Proposed
Commercial Development
NEC Auburn Road and Barclay Circle
Rochester Hills, Michigan

ROGVOY
ARCHITECTS

33500 TELEGRAPH ROAD
SUITE 200
BIRMINGHAM, ALABAMA
35205-2404
PH 205.833.7700 FX 205.833.7770
www.rogvoy.com

drawing:
Conceptual
Site Plan

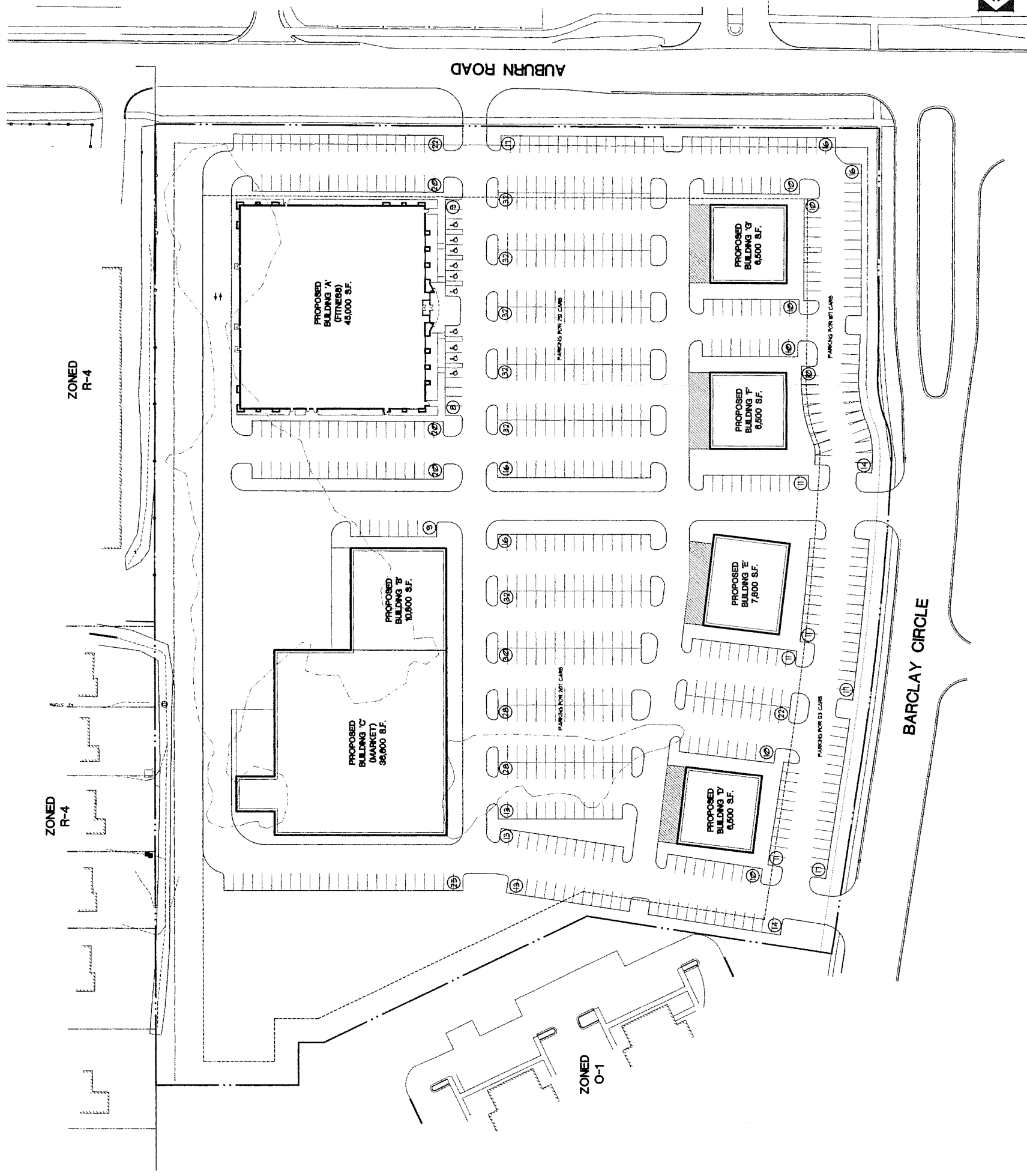
DO NOT SCALE DRAWING

Issue date: 20 NOV. 13
drawn: KL
checked: MD
approved: MD

file number: 13037
sheet:

SP-1

| | |
|---|---|
| LAND/ BUILDING/ PARKING DATA : | |
| ASSUMED ZONING: B-3 | |
| LAND DATA : | |
| LAND AREA: (GROSS & NET) | 13.6 ACRES |
| BUILDING DATA : | |
| BUILDING 'A' | 45,000 SF. |
| BUILDING 'B' | 36,600 SF. |
| BUILDING 'C' | 6,500 SF. |
| BUILDING 'D' | 1,800 SF. |
| BUILDING 'E' | 6,500 SF. |
| BUILDING 'F' | 6,500 SF. |
| BUILDING 'G' | 6,500 SF. |
| TOTAL BUILDING AREA : | 119,700 SF. |
| PARKING DATA : | |
| <small>COMMERCIAL CENTER 1 SPACE / 400 SF. / 1,100 SF. / 200 + 274 FINE LINE PARKING ALLOWED AT 114K OCCUPANCY: 200 / 1 - 200</small> | |
| TOTAL PARKING REQUIRED : | 649 SPACES |
| TOTAL PARKING PROPOSED : | 729 SPACES <small>(14 SPACES / AREA BY 600K)</small> |



CONCEPTUAL
SITE PLAN

SCALE: 1"=50'-0"

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Prior Concept Plans Considered

3. Commercial Center with 94,000 sq. ft.



Commercial Development
 Prepared by
 HEC Auburn Road and Barclay Circle
 February 1987

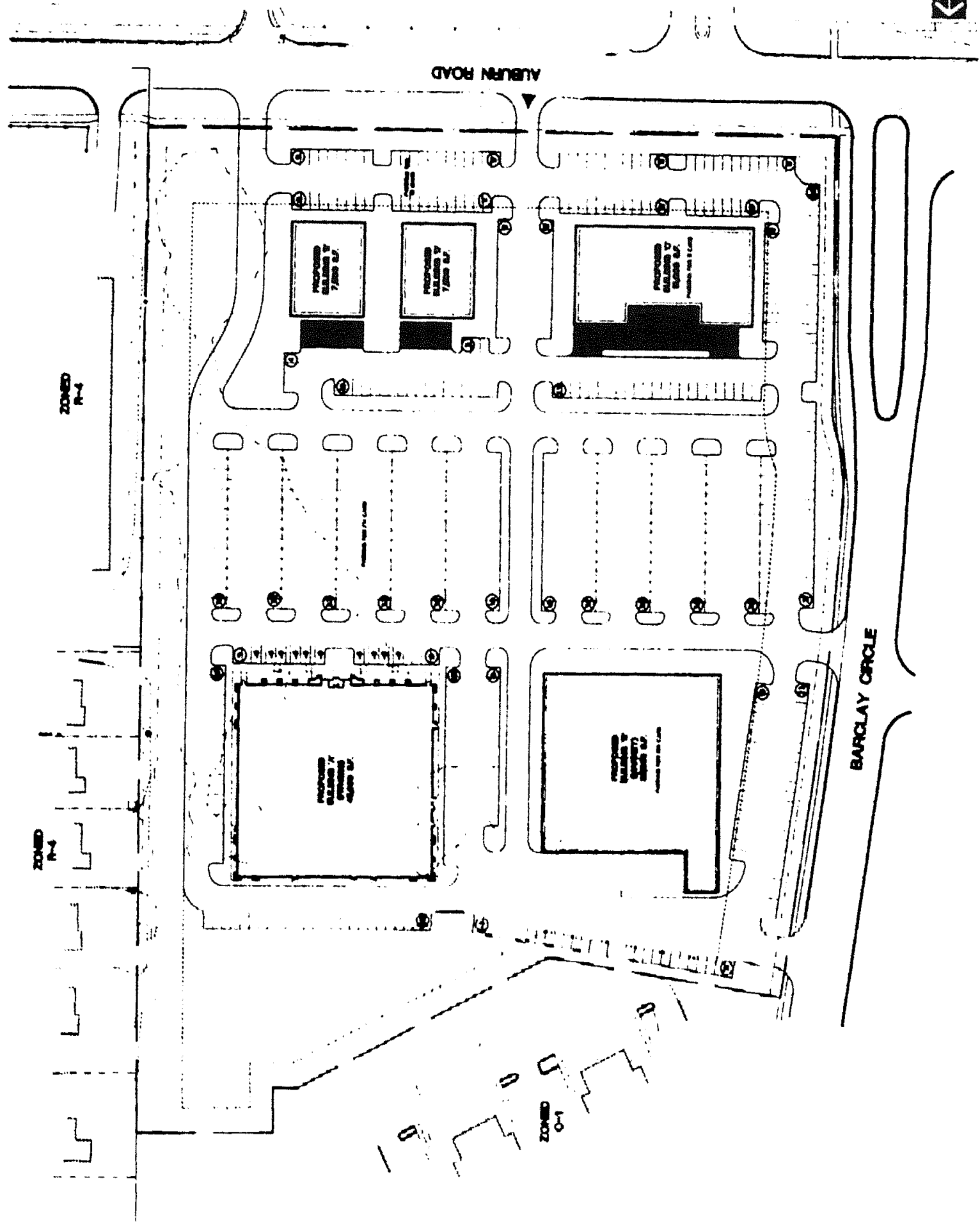
ROGVOY
 ARCHITECTS
 1000 UNIVERSITY AVENUE
 SUITE 100
 AUBURN, ALABAMA 36832
 TEL. (205) 833-1111

Conceptual
 Site Plan
 1987
 19087

SP-1

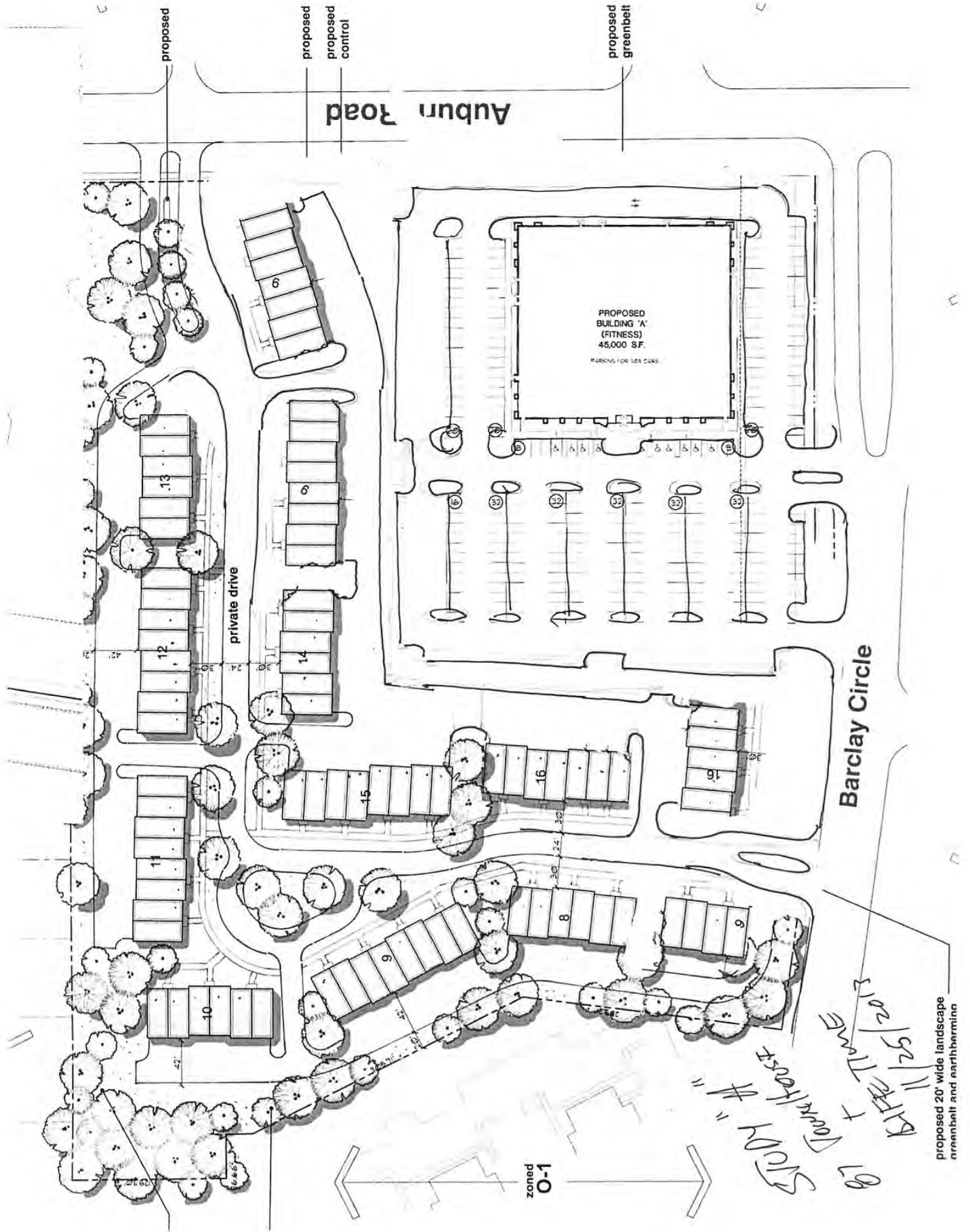
| LAND/ BUILDING/ PARKING DATA : | |
|--------------------------------|------------|
| APPROXIMATE ZONING : | P-4 |
| LAND DATA : | |
| LAND AREA (ACRES & NET) : | 5.0 ACRES |
| BUILDING DATA : | |
| BUILDING A : | 10,000 SF |
| BUILDING B : | 10,000 SF |
| BUILDING C : | 10,000 SF |
| BUILDING D : | 10,000 SF |
| BUILDING E : | 10,000 SF |
| TOTAL BUILDING AREA : | 50,000 SF |
| PARKING DATA : | |
| TOTAL PARKING REQUIRED : | 200 SPACES |
| TOTAL PARKING PROVIDED : | 200 SPACES |

CONCEPTUAL
SITE PLAN
 SCALE: 1/8"=1'-0"
 1987



Prior Concept Plans Considered

4. Mixed Use Town Homes and Fitness Center along Auburn Road



Prior Concept Plans Considered

5. Internally Oriented Townhouse Plan - 148 Units

FPA
FEINBO & PASCHAL
ARCHITECTS
 Community Land Planning and
 16000 W. 44th Road, Suite 100
 West Bloomfield, Michigan 48322
 ph: (248) 537-5588
 fax: (248) 537-5416
 website:



CLIENT:
IVANHOE
COMPANIES
 6689 Orchard Lake Road,
 West Bloomfield, Michigan
 48322
 ph: (248) 626-6114

PROJECT:
A Proposed
Residential
Community

PROJECT LOCATION:
 City of Rochester Hills,
 Michigan
 Auburn Road & Barclay
 Circle

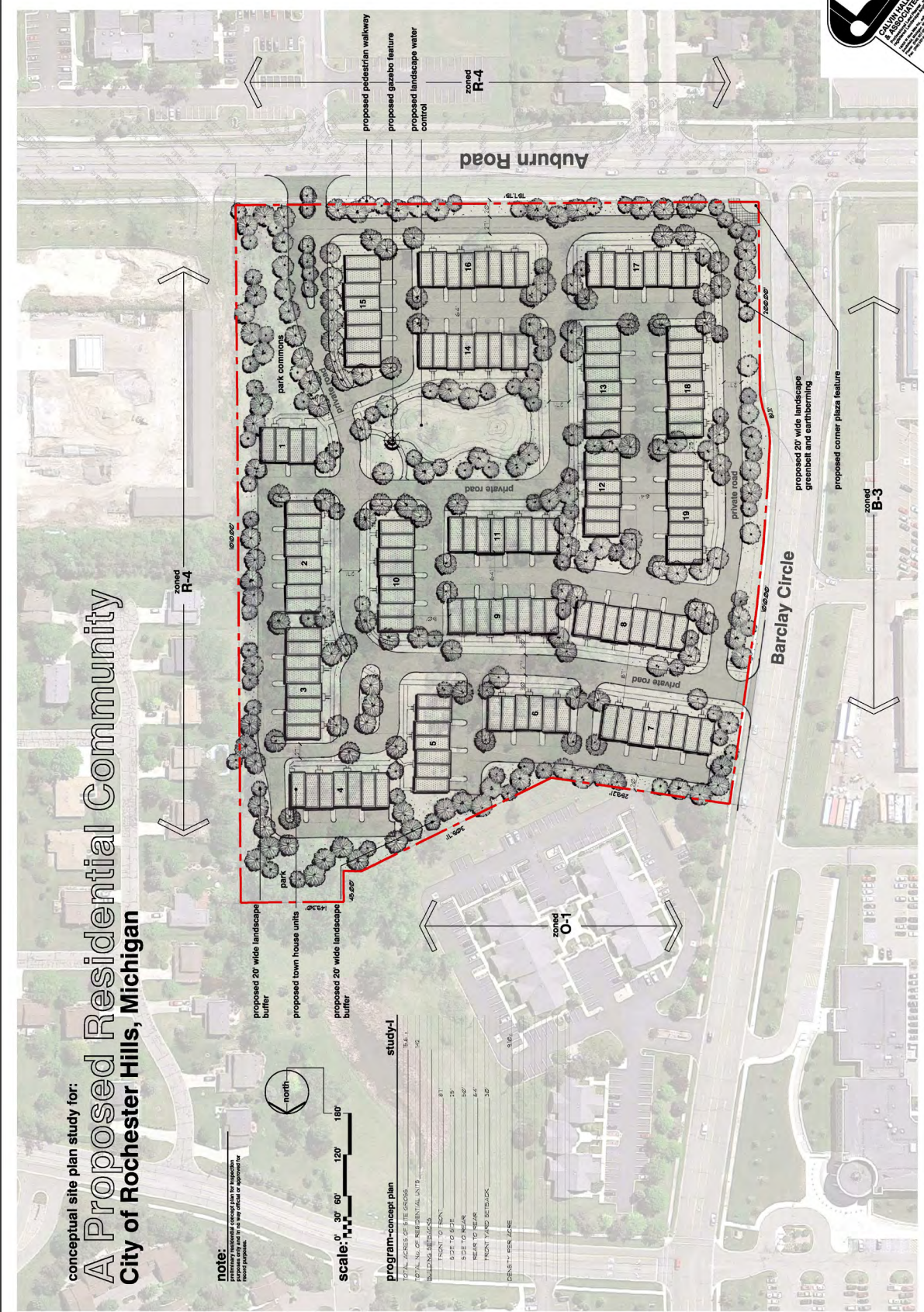
SHEET TITLE:
 concept site plan
 study-1

JOB NO./DATE/REVISION DATE:
 LP13.077.12 12.17.2013

DESIGNED BY:
 JP, CZ
CHECKED BY:
 FP
DATE:
 9/15/2013
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PROJECT NO.:
 LP13.077.09
SHEET NO.:
 LP-1



Prior Concept Plans Considered

7. Apartments - 2 Story Buildings with 162 Units

FPA
FERRIS ARCHITECTURAL
PLANNING AND ASSOCIATES
 Community Land Planning, and
 Planning Services
 15000 W. 9 Mile Road, Suite 200
 Southfield, Michigan 48075
 Tel: (248) 357-5416
 Fax: (248) 357-5416

CLIENT:
IVANHOE
COMPANIES
 6689 Orchard Lake Road,
 Suite 214
 Bloomfield, Michigan
 48322
 ph: (248) 626-6114

PROJECT:
Barrington
Park

PROJECT LOCATION:
 City of Rochester Hills,
 Michigan
 Auburn Road & Barclay
 Circle

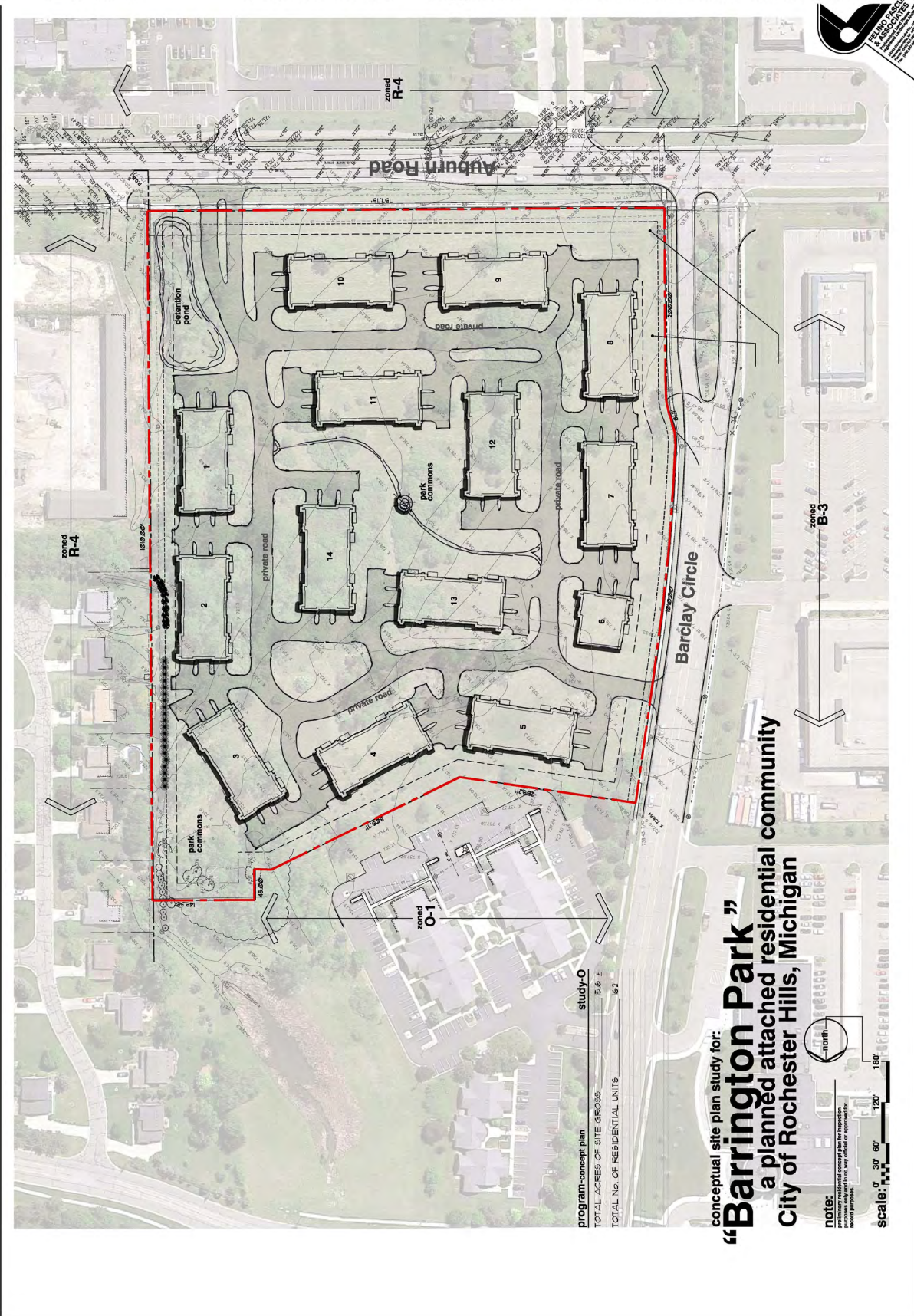
SHEET TITLE:
 concept site plan
 study-O

JOB NO./ISSUE/REVISION DATE:
 FPA.0506.03 01.12.2013

DESIGNED BY:
 J.P. CZ. JT
CHECKED BY:
 FP
DATE:
 9-15-2013

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PROJECT NO.:
 LP14.006.01
SHEET NO.:
 LP-1



PROPOSED PUD DEVELOPMENT PLAN

THE IVANHOE COMPANIES

PUD Development Plan - Overview

INTRODUCTION

Barrington Park is proposed to be developed on a 15.55 acre parcel that contains a small amount of non-vegetative wetlands. Other than that area, the site is largely flat with a low number of trees. The site sits on the north side of Auburn Road, a minor arterial road, and the east side of Barclay Circle, a collector street with a traffic signal along Auburn Road.

The site is zoned for Office, and the Rochester Hills future land use map designates this site as office. The Master Land Use Plan notes that non-retail uses are highly attractive in these zones.

RELATIONSHIP TO EXISTING LAND USES

The site is east of an area where typical highway commercial uses, such as big box stores, furniture stores, and similar types of uses are allowed. The commercial uses to the west are buffered by a large berm that blocks the site from view of the stores. This buffer may not be pass the scrutiny of those seeking to purchase a larger lot, single-family home, however, it is adequate to buffer such uses from a higher density residential option. Attached single-family uses are considered a good transition between commercial and non-commercial uses.

SUMMARY OF SURROUNDING

| | Zoned | Current Use | Master Planned |
|--------------|-------|---|-------------------------|
| Subject Site | O-1 | Vacant | Office |
| N | O-1 | Hampton Office Park | Office |
| S and E | R4 | Edinshire, Aberdeen, Barclay, and Wildflower subdivisions | |
| E | R4 | Rochester Hills Department of Public Safety | Special Purpose |
| W | B3 | Hampton Village Shopping Center | Business/Flexible Use 3 |

PROPOSED PUD DEVELOPMENT

Based on the evaluation process above, site characteristics, traffic impacts, adjacent land uses, market conditions, and input from our planning consultants, LSL Planning, the proposed plan includes attached single family residential units, with two bedrooms each. While our concept plan shows 144 units, our final design is still being designed and may include additional units, but certainly fewer than the potential 343 multi-family units allowed under RM-1 zoning.

The reasons this development type was chosen include:

1. Attached residential offers owner-occupied housing options that apartment-style units do not.
2. This type of housing is particularly attractive to young professionals and active seniors who do not want to own a home.
3. This particular site provides a good transition use between the commercial to the west and single-family to the east.
4. Attached single-family residential will generate less traffic than the site would under its current zoning or master plan designation. This is important given the current congestion experienced at Rochester Road and Auburn Road.
5. The proposed development will provide a viable use for the site formerly owned by Crittenton Hospital that is likely to remain vacant if non-medical uses are not considered.

For a preliminary engineering analysis, please see the following letter.

Preliminary Engineering Analysis



Civil Engineers & Land Surveyors

55800 Grand River Avenue, Suite 100
New Hudson, Michigan 48165-9318
248.437.5099 · 248.437.5222 fax
www.zeimetwozniak.com

September 1, 2014

Mr. Gary Shapiro
6689 Orchard Lake Road, Suite 314
West Bloomfield, MI 48322

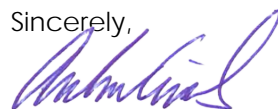
Re: Barrington Park – Engineering and Site Layout design criteria.
Rochester Hills, Michigan

Dear Mr. Shapiro,

During the due diligence phase of this project, we assisted you with research and analysis of the existing site conditions and proposed use. We would like to note some of the key findings regarding the site:

- Access to the site is provided at two locations. The Auburn Road access aligns with the existing school access located on the south side of Auburn Road. The Barclay Circle access aligns with the shopping center access located on the west side of Barclay Circle.
- Visitor parking will be provided along the 27' wide roads, located in front of the homes, within the development. As requested by the City's Planning Consultant, street parking will be provided for the homes that front on Barclay Circle.
- Pedestrian circulation will be provided by sidewalks throughout the development as well as a pedestrian link north, along an existing pond, to Hampton Circle.
- Existing on-site wetlands have been surveyed and are much less than five acres. They do not appear to be located within 500 feet of any lake, pond or stream, so MDEQ jurisdiction should not be an issue. All work will be completed in accordance with the City's wetland ordinance.
- The site is served by a regional detention basin located east of the site and connected via the Hampton Drain. The Hampton Drain is a legally established drain under the jurisdiction of the Oakland County Water Resources Commissioner. A permit for work involving said Drain is required. The Hampton Drain was designed to accept storm water runoff from this site with a site runoff coefficient of $C=0.70$. If the developed site has a runoff coefficient less than $C=0.7$, a detention basin is not required. Barrington Park will provide additional storm water detention, if needed, to meet City and County requirements.
- Existing sanitary sewer is located along the east side of Barclay Circle. Existing water main is located along the south side of Auburn Road, the west side of Barclay Circle and in the office park located north of the site. We will work with the City to determine the best connection locations.

We look forward to working with you on this exciting development.

Sincerely,

Andrew Wozniak



program-concept plan

| | |
|--------------------------------|--------|
| TOTAL ACRES OF SITE GROSS | 15.6 ± |
| TOTAL NO. OF RESIDENTIAL UNITS | 39 |
| BUILDING SETBACKS | 144' |
| FRONT TO FRONT | 81' |
| SIDE TO SIDE | 30' |
| SIDE TO REAR | 50' |
| REAR TO REAR | 64' |
| FRONT YARD SETBACK | 30' |
| DENSITY PER ACRE | 2.5 ± |

conceptual site plan study for:
“Barrington Park”
a planned attached residential community
City of Rochester Hills, Michigan

note:
preliminary conceptual plan for inspection
purposes only and in no way official or approved
for record purposes.

scale: 0' 30' 60' 120' 180'

CONCEPT ELEVATIONS
THE IVANHOE COMPANIES

Rochester Town Homes

Ivanhoe-Aberden Companies

Elevation Concept



Elevation Concept
SCALE 1/4" = 1'-0"

Barrington Park
Ivanhoe-Aberdeen Companies



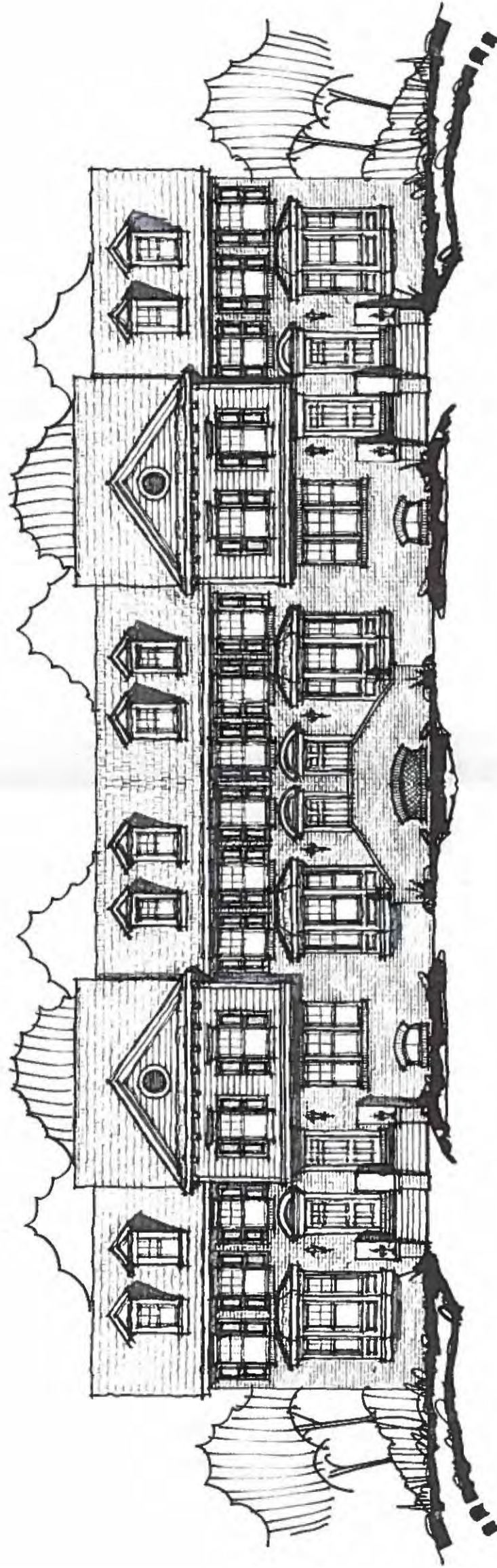
Elevation Concept
SCALE 1/4" = 1'-0"

Elevation Concept



Rochester Town Homes
Ivanhoe Companies

Elevation Concept



Elevation Concept
SCALE 1/4" = 1'-0"



Elevation Concept



TRAFFIC IMPACT ASSESSMENT

THE IVANHOE COMPANIES

Introduction

The subject parcel located north of E. Auburn Road and east of Barclay Circle in Rochester Hills, is currently zone O-1 Office Business. This traffic impact assessment will consider the impact for the parcel under its current zoning designation in comparison to other zoning options.

Existing Traffic Conditions

According to the SEMCOG regional travel demand model which provides a general assessment of traffic operations, E. Auburn Road, a minor arterial at Barclay Circle carried an average of 19,860 vehicles in 2005. A five lane road typically has a capacity of 25,000 to 30,000. To the east at John R Road, the AADT on E. Auburn Road is 16,750 vehicles (2005). To the west of the site, the AADT on E. Auburn Road, at Rochester Road is 15,423 vehicles (2007). On Barclay Circle, to the north of E. Auburn Road, the AADT is 7,254 vehicles (2000).

Trip Generation

If developed with medical offices under current office zoning, the site would generate an estimated 4,300 trips per day based on a permitted 120,000 sq. ft. building. The estimated traffic impacts of some of the other development scenarios considered are shown in the table below. The preferred development of a PUD with 144 attached condominiums would generate approximately 840 trips per day, much less than the other development options.

| Land Use | # of units/S.F. | Projected Traffic Trips | | |
|--|-----------------|-------------------------|---------|---------|
| | | Per Day | AM Peak | PM Peak |
| Urgent Care Clinic (per 1,000 s.f. of GLA) | 120,000 | 3,774 | - | - |
| Health/Fitness Center | 45,000 | 1,481.85 | 63 | 183 |
| Medical Office (per 1,000 s.f. of GLA) | 120,000 | 4,336 | 298 | 446 |
| Shopping Center (per 1,000 s.f. of GLA) | 120,000 | 5,153 | 124 | 450 |
| Apartments (per unit) | 342 | 968 | 73 | 89 |
| Attached Condos (per unit) | 144 | 844 | 63 | 75 |

Source: ITE Trip Generation Manual

Summary

This traffic impact assessment indicates that E. Auburn Road has some available capacity. The intersections of Auburn and Rochester Road does have some peak hour congestion. Based upon the sourced data, the traffic generated by the preferred 144 unit condominium development would have much less traffic impact than the other developments allowed by current zoning or could be considered given the site characteristics and current market trends.