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The Vision of Conner Creek Village

Stage I - 2004 to 2007

In 2004, the Conner Creek Village Campus began its transformation from a fully functioning hospital to a vision of a mixed use non-profit center and residential campus. As St. John Health (SJH) consolidated its operations, they began the transformation of the former St. John Northeast Community Hospital into the present, St. John Conner Creek Village.

In a shared vision with Detroit Community Initiative (DCI), SJH sold surplus campus land to DCI for the sole purpose of developing quality affordable housing for seniors. The first phase of the 96 unit complex was completed in December 2005. These 48 units are in high demand. Phase I has a waitlist for occupancy and over 20 families are awaiting the development of phase II scheduled to break ground in August 2009, subject to closing on the financing. The Michigan State Housing Development Authority (MSHDA), Local Initiatives Support Corporation (LISC) and the City of Detroit are key partners in the affordable housing development.

During this earlier time frame, SJH worked diligently to recruit tenants to the commercial facility while maintaining a 24 hour Emergency Room and an array of SJH programming and services. New tenants include Triumph Hospital, an acute long term care hospital; Eastwood Clinics, behavioral health; Advantage Family Health Centers, a federally qualified health center; Veteran Administration (VA); and the Oakland University School of Nursing.

Complementing these health related services is a great mix of community development groups and human service agencies. Such as: Detroit Community Initiative, The Heat And Warmth Fund, DTE , NCADD-GDA, Open Arms, Northeast Village CDC, Osborn Business Development Center, Wise Virgin Ministries, We Care and more...

St. John Health continues to provide tremendous community support by furnishing free space for community meetings, workshops or children/family services to area groups. Whether its 12 Step programs, Block Clubs, Community Health activities, or Detroit Police Community Relations Meetings, these activities are vital to the sustainability of the community. Conner Creek Village is an anchor for the community.

Stage II - 2008 to 2010

The next stage of this vision requires a re-configuration of the campus footprint to insure all the above mentioned programs and more can exist in a professional atmosphere that is cost effective and accessible to the community. The current foot print was built in several stages over a period of 40 years. The space layout and utility structure is not efficient. Since late 2007, SJH and DCI have discussed possible ways to make this transition while also providing additional space for affordable housing. DCI and SJH agree that three goals need to be met within this new plan.

1. Continue to provide health care to the community (primary/urgent care)
2. Support the development of job training programs for various careers but with an emphasis on the needs and opportunity within the growing health care field
3. To build low income housing that will meet the needs of students, tenants and area residents.

An additional positive outcome of the planning process has been the ability to offer space to the existing tenants while also building out space for new complimentary services such as: Adult Literacy Training provided by The Dominican Literacy Center, UCF Head Start, Foreclosure Counseling, Tax Filing Assistance for low income families provided by The Accounting Aid Society and additional job training assistance by various providers. We will be able to retain an undetermined level of community use access to support neighborhood groups, 12 Step meetings, local government outreach and community health programming.

DCI entered a letter of intent to purchase the entire campus. The purchase agreement was executed in July, 2008. DCI leads the project development and it has already initiated pre-development work as part of its due diligence period. DCI engaged three primary Detroit based companies to provide architectural, environmental, and construction management services. They are as follows: Steve Flum, Inc., AKT Peerless, and Jenkins Construction. The project is committed to The City of Detroit's Executive Order 2007 which encourages the hiring of Detroit certified businesses and hiring of Detroit residents during construction.

Early in the planning process, DCI received grant support from the Wayne County Port Authority to underwrite costs associated with environmental testing and development of a Brownfield Plan. In December 2008, DCI received approval for up to \$5.5 Million in Michigan Business Tax credits related to the redevelopment of this campus. The credits were derived from the initial Brownfield Plan supported by the City of Detroit and State of Michigan.

The **Conner Creek Town Center** commercial footprint will change from a current 370,000 sq/ft to a more manageable 180,000 sq/ft. In order to accomplish this transformation, the east wing and northeast buildings will be demolished after affected tenants are relocated into the existing north and south towers on the west edge of the commercial footprint.

The new commercial facility will be owned and operated by a newly formed non-profit subsidiary of DCI named: Conner Creek Village Development Corporation. It is designated as a non-profit center.

Construction cost estimates are nearly complete. It is projected that the commercial project will cost \$17.5 Million. The primary sources of revenue are anticipated to be MBT credits from a Brownfield Eligible Plan, New Market Tax Credits, Fund Development and Bank Financing.

The affordable housing component will entail a 90 unit townhomes development called **Conner Creek Townhomes** that will break ground after substantial completion of the non-profit center. Financing strategies include utilizing the 4% Credit MSHDA Bond program, MBT tax credits from the Brownfield Plan and MSHDA mortgage financing. Estimated costs: \$12,500,000

Concurrently, DCI and NRP, its co-developer of the senior housing, will be constructing the second phase of the senior living area. The project name is **NDNI Elderly**. Estimated costs: \$8,000,000. The partnership obtained a reservation for 9% tax credits in the August 2008 funding round through MSHDA. By the end of 2010, this shared vision that began in 2004 will result in nearly 186 units of affordable housing for all ages and a non-profit center that will provide jobs, education, health care access and a mix of human and social services that will compliment the various initiatives taking place in the Northeast Detroit/Osborn community. The investment from 2004 to 2010 will total approximately \$46,000,000.

Note: Conner Creek Village is located in a federally designated Renewal Community Zone (RCZ) and within the Osborn Next Detroit Neighborhood Initiative (NDNI) and The Skillman Foundation's Osborn Good Neighborhoods Initiative. DCI is a strong community partner within these various strategies that seek to revitalize and sustain this community.

The vision of Conner Creek Village is supported by The St. John Health "Healthy Neighborhoods Initiative".

Submitted by: Michael B. Fisher, President/CEO
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