

The Oakland Press (<http://www.theoaklandpress.com>)

## Royal Oak DDA in talks for apartment, retail development at Main St. and I-696

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Monday, May 9, 2016



After more than two decades of failed development proposals, Royal Oak may have a deal that will turn the vacant property at Main Street and Interstate-696 into a four-story apartment building with some retail space.

“I’ve been doing this for six years,” said Jay Dunstan, chairman of the Downtown Development Authority, which owns the land. “It seems to me this is the project that’s going to hit.”

Singh Development, LLC of West Bloomfield, is offering to pay \$2.5 million for the four-acre site at the south gateway to Royal Oak and, unlike more recent proposals, is requesting no tax breaks from the DDA.

“Singh has developed 20 luxury multi-family projects in southeastern Michigan, including nine projects of similar size,” said Avi Grenwal, project manager for Singh, in a letter to DDA officials.

The developer said the \$40 million project would include 225 townhouse and studio apartments ranging from 550 to 1,800 square feet built around a courtyard that would include a large swimming pool and patio area. Three corners of the building would have a fifth story.

Rent would range from \$1,000 to \$2,500 per month, and the lobby at the northeast corner would be two stories high and sheathed in glass windows.

The lobby would overlook a small urban park that may include public art, a water feature or splash fountain, benches and bike racks.

Plans call for about 10,000 square feet of retail space on the first floor of the apartment building facing Washington Avenue. The building would also include a fitness center and club room.

About 85 percent of parking for the building is underground, said Jason Krieger of Krieger Klatt architects in Royal Oak.

“It’s designed like a high-end luxury hotel with a lobby area, amenities and club areas and pool cabanas,” he said. “We’re being sensitive to where (the building) is located and wanted something with a more modern expression.”

Mayor Jim Ellison said he is cautiously optimistic about the development proposal given the history of failed development deals that have come and gone over the years.

“They seem to have their financing in place, and it looks like a project that could go through to fruition,” he said.

The DDA selected Singh's development after the last development proposal from Schostak Bros. to build an office building at the site fell through early this year.

Dustan said the DDA interviewed 11 different developers after the Schostak proposal collapsed.

"At the end of the day the Singh proposal was far above everyone else's," he said, adding that younger people are not looking for condominiums. "The trend with millennials is for apartments. I think this (proposal) is going to make a huge impact."

Singh has solid financing for the project and has been in business for more than 40 years, he said.

The next step for the DDA and Singh is to have a development agreement in place by mid July.

If that happens, Singh has indicated construction would start in March 2017, with the building being completed in August 2018.

The site was acquired from the city by the DDA years ago and has been vacant for about 35 years when work started on I-696. It is part of a much larger parcel of land in the area that was sold off in the late 1980s and 90s for two townhouse condominium complexes.

The last four acres of the property have been difficult to develop, partly because the site is not quite large enough for the mixed-use development of office and residential space that officials originally envisioned, Ellison said.

Detroit Medical Center considered building a \$50 million outpatient facility on the land but backed off in 2013 over the price of the property.

Other failed proposals for the site were for a hotel, fitness center, offices and a casino.

There were some proposal for a hotel in the most recent interviews DDA officials did with developers, Dunstan said, but they were rejected.

"The problem was we weren't willing to settle for less than a full-service hotel," he said.

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