

Royal Oak getting Hyatt, \$48M mixed-use complex

Zlati Meyer and John Gallagher, Detroit Free Press 8:07 p.m. EDT July 29, 2015

Former used-car dealership slated to become Hyatt hotel, apartment building, retail and office space and parking deck



(Photo: Krieger Klatt Architects)

A busy corner of downtown Royal Oak could be home to a new Hyatt Place hotel as part of a larger mixed-use development with 56 apartments, retail and office space and a 325-car parking deck.

The \$48-million project, which received incentives this week from the Michigan Economic Development Corp., is planned for a 3.56-acre site at 400 N. Main that used to be the home of a used-car dealership at the northern edge of downtown. The 120-room hotel will be five stories tall.

Already known for its bars and restaurants and having seen lots of residential development in recent years, Royal Oak now hopes to attract a more daytime population with new office and retail development.

"This plays right into what we're trying to do, get business into town, have a hotel (where) they can stay. At night they can enjoy our downtown," Royal Oak Mayor Jim Ellison said Wednesday.



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He said the project contributes to the city's long-term goal of developing more upscale office space in downtown by 2020.

Developer Trailhead RO, a partnership of two real estate firms, Versa Development and CG Emerson Real Estate, estimated the project will create 144 jobs, according to a Michigan Community Revitalization Program loan document provided by MEDC. The tax value of the property is expected to increase by \$12 million after the project is completed.

The developer bought the foreclosed property in June 2012 and got the city's rezoning and site plan approval this past November. There is no set date for the groundbreaking, which could be next year.

A spokesman for the developer was traveling and unavailable to discuss the project.

Hyatt would not confirm that it will be part of the project, saying it only discusses business plans after final deals are struck. However, the company's involvement has been discussed in development circles and as part of the state tax incentives application to the MEDC.



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"We are certainly interested in increasing Hyatt's brand representation in Michigan, and we are actively pursuing opportunities to do so," Hyatt spokesperson Siân Martin said in an e-mail.

Royal Oak has added hundreds of residential units in its downtown core in the past 15 years and now is seeing new single-family houses built, some on vacant school sites and some involving tear-downs of older houses. As a result, Royal Oak's school enrollment is increasing, and the city's population has been creeping back up in the past few years after decades of decline.

The new mixed-use development will "generate a dynamic and long-term asset to the community by reactivating property ... that has been vacant since 2008 becoming an eyesore and drag on the community," the MEDC document said.

The dealership includes three 1970s-era buildings on the site for a total of 40,500 square feet, which are in a state of "significant disrepair" and need to be demolished as part of the project.

Timothy Thwing, Royal Oak's director of planning, said he hopes the project will help diversify Royal Oak's retail offerings away from restaurants and entertainment.

"We're really looking for office to generate more daytime traffic, more employees," he said. "In addition to that, we'd like to see retail outside of the restaurant-entertainment venues. We're thinking that some of the office employees, customers, will drive some daytime volumes to help with the retail."

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