City of Berkley, Michigan

Economic Development Strategy

June 2026 (Adopted August 2026)

This Economic Development Strategy positions the City to build on its strengths as a fully built-out, high-performing, inner-ring Oakland County community. The Strategy identifies priority redevelopment sites, financing tools, and market opportunities to guide investment, and outlines an entrepreneurial ecosystem strategy to strengthen local business growth.

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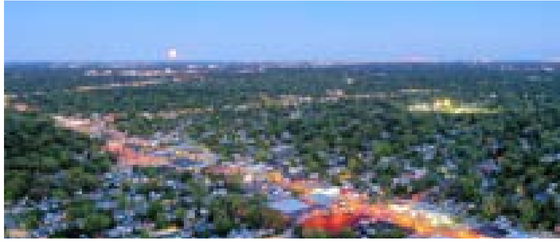
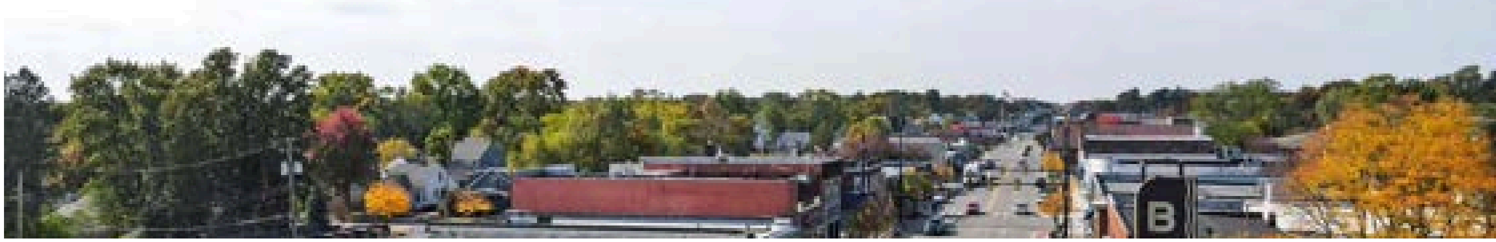



EXECUTIVE SUMMARY

Development Opportunity

Berkley is a high-performing, fully built-out, inner-ring community with a strong residential base, a recognizable downtown, and three commercial corridors with meaningful redevelopment potential.

At 2.62 square miles, Berkley's future depends on using existing land more strategically through:

- Redevelopment of underutilized properties
- Mixed-use and higher-density housing
- Reinvestment in existing buildings
- Stronger support for local businesses
- Targeted use of public incentives
- More proactive engagement with developers and property owners

The Economic Development Strategy provides a practical framework to guide these efforts and focus limited City and DDA resources where they can create the greatest public value.

Berkley at a Glance

Indicator	What It Means
15,300 residents	A compact, established consumer market
$116,239 median household income	Strong household purchasing power
36% of residents aged 25–44	A major market for housing, dining, retail, fitness, and entertainment
22.6% work remotely	A sizable daytime customer base
Walk Score of 77	Strong conditions for walkable commercial activity
Up to four-story development	Greater potential for residential-over-commercial projects
More than $60M in annual retail leakage	Significant resident spending currently leaves Berkley

Market Opportunity

Berkley has the potential to realistically reclaim between $25 million and $35 million in spending that is currently exiting the community. This can be achieved through initiatives such as:

- Attracting new restaurants and retailers
- Introducing experiential and entertainment concepts
- Supporting local services and fitness businesses
- Pursuing mixed-use redevelopment
- Strengthening commercial corridors
- Boosting property values and tax revenues

Berkley's Competitive Position

Berkley's strongest regional position is:

Authentic and approachable

- Family-friendly
- Walkable
- Independent and locally oriented
- Eclectic without being exclusive
- High quality without being overly upscale
- Small-town character within the Detroit metropolitan area

Nearby Community Market Position

		Berkley
Royal Oak	Nightlife, restaurants, larger-scale redevelopment	More family-oriented and retail-balanced
Ferndale	Arts-forward, younger, edgier	"Artsy, not edgy" with broader demographic appeal
Birmingham	Luxury and high-end retail	More accessible, relaxed, and authentic
Clawson	Small-scale and walkable	Stronger downtown identity and DDA capacity
Oak Park	Revitalizing commercial corridors	Traditional downtown and community gathering place

Berkley's Competitive Position

1. Strengthen the Development Ecosystem

Berkley should make desirable development easier to navigate, more predictable, and more competitive.

Priority actions include:

- Establish clear criteria for incentives and public-private partnerships
- Formalize the incentive application and review process
- Continue to offer early pre-application meetings
- Train City Council and the DDA on development finance tools
- Prepare a clear catalog of available incentives
- Conduct proactive outreach to developers
- Communicate development decisions more clearly to residents
- Provide expedited processing for priority projects where appropriate

2. Use Public Resources Selectively

City or DDA involvement should be considered when the following three conditions are present:

Decision Test	Key Question
Market Failure	Is a barrier preventing the market from delivering the desired outcome?
Community Interest	Would redevelopment create a meaningful public benefit?
Feasibility	Can City tools or partnerships materially improve the project?

Public involvement may be justified where projects address:

- Blight or deteriorated properties
- Brownfield or environmental conditions
- Fragmented ownership
- Parcel constraints
- Housing financing gaps
- Corridor activation
- Infrastructure or public-realm improvements
- Major catalytic redevelopment opportunities

Priority Development Sites

The Strategy identifies six priority redevelopment opportunities across Twelve Mile Road, Coolidge Highway, and Eleven Mile Road.

1. 2555 W. Twelve Mile Road
2. 3142 Coolidge Highway
3. 3784, 3750 & 3708 Eleven Mile Road
4. 1716 Coolidge + 2450 Eleven Mile Road
5. 4195–4105 Twelve Mile Road
6. 3490 + 3442 Twelve Mile Road

Site	Complexity	Recommended Direction
1	**Watch & Wait**	Maintain owner relationship and present long-term mixed-use gateway vision
2	**Moderate**	Support adaptive reuse through façade, rehabilitation, and targeted incentive tools
3	**Moderate**	Explore makerspace, artisan incubator, co-working, or incremental reuse
4	**Watch & Wait**	Preserve existing businesses while maintaining a long-term mixed-use vision
5	**High**	Pursue parcel assembly, parking agreements, and mixed-use redevelopment
6	**High**	Explore a regional entertainment concept when ownership and pricing conditions improve

Strengthening Berkley's Small Business Economy

Berkley's independent businesses are central to its identity and competitive advantage. The City and DDA should create a clearer, more proactive business-support function.

Recommended Actions

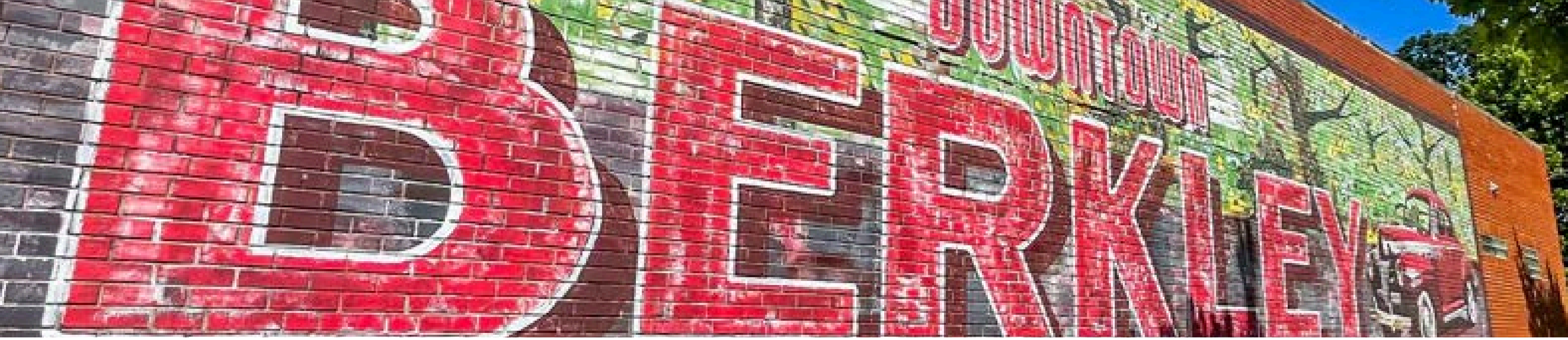
- Designate a clear business assistance point person
- Create a simple business intake and referral process
- Conduct corridor business check-ins twice annually
- Continue to offer standing pre-application meetings
- Connect businesses to financing and technical assistance
- Host loan-readiness and business resource workshops
- Promote business openings, expansions, and reinvestments
- Support façade, public art, and placemaking projects
- Evaluate establishing a Corridor Improvement Authority, potentially in coordination with Oak Park on Eleven Mile Road
- Coordinate closely with the Chamber of Commerce and DDA

The Path Forward

Berkley has the opportunity to become a stronger version of itself:

- More proactive
- More development-ready
- More supportive of local businesses
- More strategic with public resources
- More confident in shaping redevelopment
- More intentional about preserving its authentic character

With sustained collaboration among the City, DDA, businesses, property owners, developers, and residents, Berkley can convert its existing momentum into long-term economic and community value.



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Councilmember Dennis S. Hennen
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Councilmember Clarence Black

City Staff
Crystal VanVleck, *City Manager*
Kristen Kapelanski, *Community Development Director*

Consultant Team
Jason Godfrey, *Better City CEO*
Serra Gullu, *Better City Director*

Prepared by: Better City
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Downtown Development Authority
Nate Mack, *Executive Director*
Board: Crystal VanVleck, Matteo Passalacqua, Desiree Dutcher, Scott Francis, Anna Grace, Shawn Heath-Lee, Christine Gross, Katie Forte, Ashley Poirier, Uli Laczkovich, Brian Zifkin, Todd Schaefer

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Dan Winter, *Prime Development*
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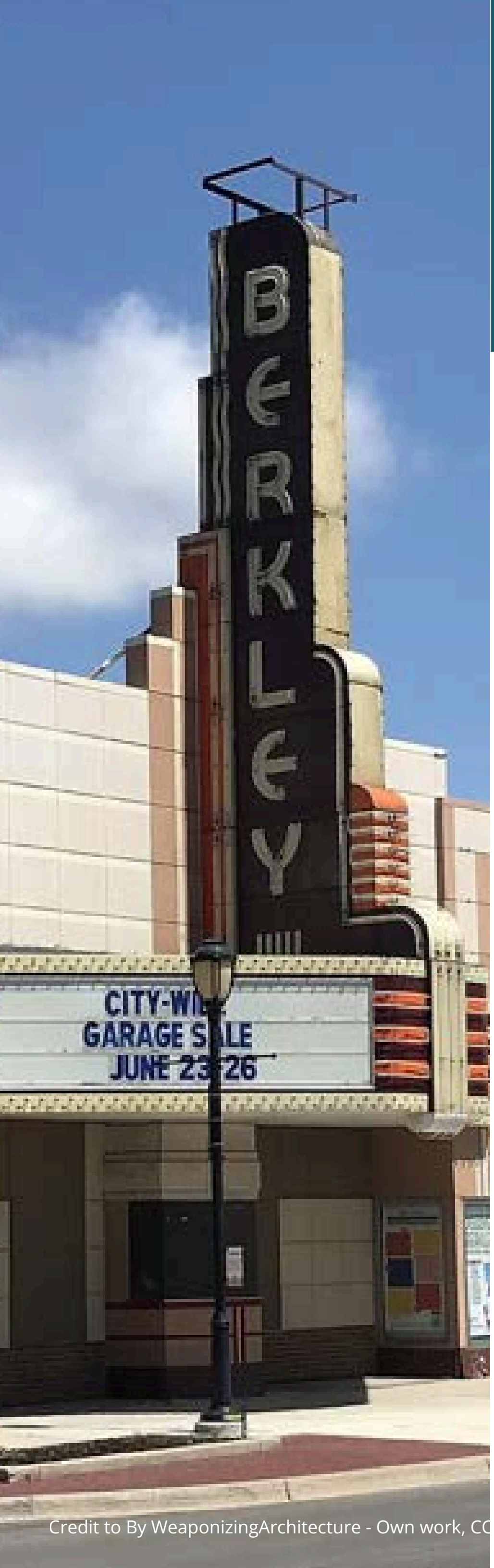


I. ABOUT THE PLAN

A. Plan Background

- After years of steady investment in its corridors, its community identity, and its infrastructure, the City of Berkley has built a compelling foundation:
  - A walkable downtown
  - A high-average median income for residents
  - Corridors with real momentum
  - A leadership team genuinely committed to getting more done
- The City initiated this Economic Development Strategy (EDS) in January 2026 to:
  - Document Berkley's market strengths
  - Identify the sites with the greatest redevelopment potential
  - Establish clear criteria for when and how the City engages
  - Equip decision-makers with the tools and confidence to be proactive partners to the developers and business owners who want to invest here
- Berkley is a fully built-out, 2.62-square-mile inner-ring suburb located in Oakland County, Michigan, with a population of approximately 15,313. Because the City cannot grow outward, every economic development opportunity depends on the strategic redevelopment of existing land.
  - In recent years, Berkley has experienced an uptick in both residential and nonresidential redevelopment — momentum this strategy is designed to accelerate and direct.
- The City selected Better City through a competitive RFP process to develop the strategy.

City Leadership Priorities

The City’s priorities are:

- **Advance downtown residential development to strengthen commercial vitality.** Increase foot traffic by drawing more residents to downtown living through densification and vertical redevelopment of housing, bringing enhanced vitality to existing businesses and creating opportunities for new ones. The City recently updated its zoning to permit four-story buildings in commercial corridors, encouraging higher density and making housing and mixed-use projects more financially viable.
- **Leverage Redevelopment Ready Communities (RRC) certification to strengthen development readiness.** Berkley has already completed many of the foundational planning, zoning, and economic development practices encouraged through the MEDC Redevelopment Ready Communities program. This strategy and its implementation actions will help position the City to pursue certification and access additional technical assistance, redevelopment support, and site marketing resources available through the program.
- **Activate priority redevelopment sites with market-ready packages.** Assemble site data, incentive options, and development scenarios in a format that answers the questions developers ask before they engage.
- **Strengthen the City's ability to communicate the case for incentives.** Create tools for the City and elected officials to explain the case for City involvement in public private partnerships when they are justified and how private development incentives serve the broader interest.
- **Connect existing businesses to capital and growth resources.** Berkley's commercial corridors are home to businesses ready to expand. The City can actively connect business owners to state and county financing tools, incentive programs, and technical assistance to help local businesses compete and grow.

B. Data Analysis

Market and Demographic Analysis

- Review of Berkley's:
  - Demographic profile
  - Income and consumer spending characteristics
  - Residential market trends
- Data sources:
  - Census ACS
  - CoStar
  - ESRI
- The purpose
  - Understand who lives here
  - How residents and visitors spend, so that site visions and corridor strategies reflect real demand

Site Research

- Site visits
- Property record analysis:
  - Ownership
  - Building and parcel data
  - Traffic counts
  - Area consumer spending
  - Zoning
  - DDA boundary
  - Development feasibility

Retail Leakage Analysis

- A 2025 consumer expenditure analysis comparing resident spending demand against local commercial supply across major retail categories
  - Data Sources: CoStar and ESRI

Existing Plans and Regulatory Review

- City of Berkley Master Plan (2021)
- Downtown Berkley Master Plan
- Downtown Design Guidelines
- Zoning Maps
- DDA strategic documents
- TIF district history
- Multi-Community Planning Study for Eleven Mile Road

C. Community Engagement

Community engagement provided some of the most critical insight on why sites are or aren’t moving, what rents are actually achievable, and what the City needs to do differently. Understanding which development types will realistically work came from people who operate in this market every day. The following individuals and groups were engaged between January and March 2026.

Interviews & Focus Groups

- Interviews with Elected Officials
  - Mayor Bridget Dean
  - Councilmember Steve Baker
- Focus Group with DDA Board Members
- Interviews with Real Estate Developers
- Interviews with Chamber of Commerce

Developer’s Process:

"The first thing to do is have a vision. Once you have established a vision, you have to understand what the ordinance is and what it allows. Then establish communication and a relationship with a tenant, franchisee, or long-term developer that’s going to be able to invest. Because I can draw something on paper and present it, but if it doesn’t go anywhere, why waste the City’s time and my time and everybody else’s time?”

— Berkley Real Estate Developer

"Everything has to work together — timeline with the city, tax incentives with the city. At the end of the day, if I can earn 10 to 12% on my investment, I'm happy. But in order to make that, the city has to work with a developer."

— Berkley Real Estate Developer

II. CITY / DOWNTOWN VISION AND POSITIONING

A. Brand

Berkley's brand is built on authentic, unpretentious community character — family-friendly, walkable, low-key, casual and genuinely eclectic. The following attributes define how Berkley competes in the greater Detroit region:

Core Brand Attributes

- Unpretentious and approachable
- Family-friendly with generational loyalty and strong schools
- Walkable neighborhood design
- Eclectic mix of independent businesses
- Authentic small-town feel within 20 minutes of downtown Detroit

Downtown Brand Statement / Tagline

"*Retro feel*, metro appeal"

Values (Master Plan):

- Caring
- Innovative
- Welcoming
- Active

City Brand Statement / Tagline

"We Care"

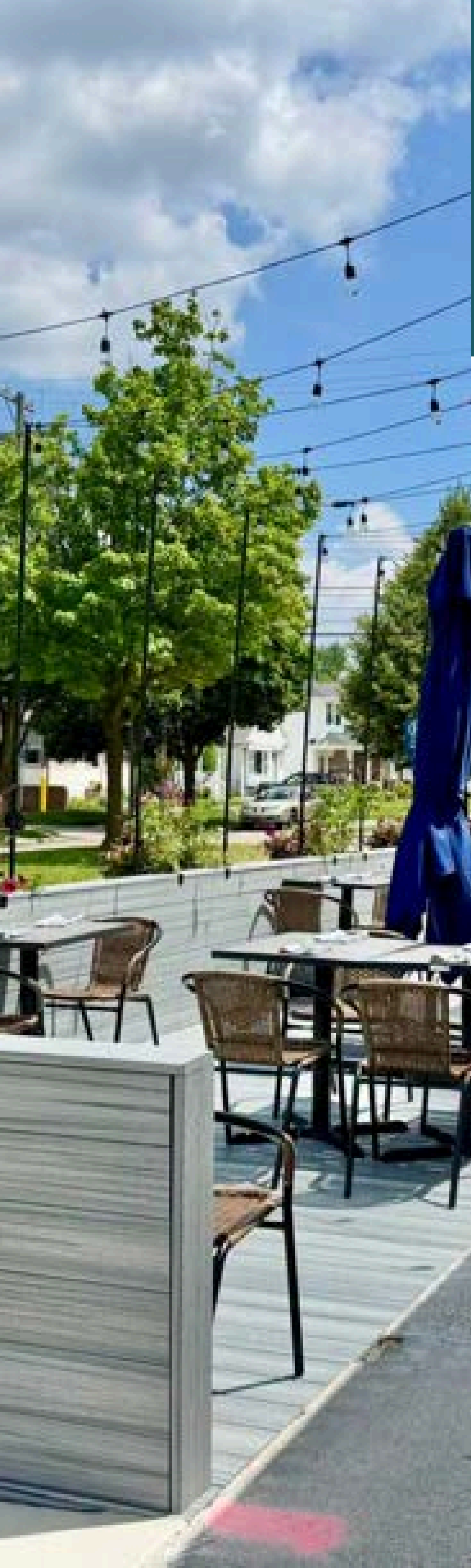
B. Regional Positioning

Berkley competes in a dense inner-ring suburb market where most competitors are within 10 minutes. The goal is intentional differentiation.

Competitive Landscape

Community	Character	Berkley Differentiation
Royal Oak	Young professional; bar/restaurant heavy; upscale redevelopment	More retail-balanced; family-oriented; offers a broader mix of everyday shopping and dining
Ferndale	Edgier, arts-forward; Vester Flats = proven mixed-use model	More family-friendly; "artsy not edgy"; broader demographic appeal
Birmingham	Very upscale, high-end retail	Accessible and authentic; attracts shoppers seeking a high-quality experience at a more approachable price point
Rochester	Upscale but approachable; strong suburban family market	Similar appeal with closer access to Detroit and major regional employment centers
Clawson	Walkable, close-knit community; similar housing stock	Stronger downtown identity and DDA infrastructure
Hazel Park	Emerging food scene (James Beard chef); blue-collar roots	Different demographic profile and market positioning
Oak Park	Revitalized commercial corridors without a traditional downtown district	Berkley benefits from a traditional downtown that serves as a community gathering place and economic focal point

Regional Positioning Map



III. OPPORTUNITY ASSESSMENT

A. Market Fundamentals

A community of approximately 15,300 people with a median household income of $116,239 — well above both Oakland County and national averages — represents concentrated purchasing power in a walkable, accessible footprint.

Prime Age Cohort

- 36% of residents are aged 25–44 — the prime household formation and spending years.
- This cohort has the highest consumption for food and beverage, fitness, apparel, and housing.
- It is the target demographic for mixed-use development.

Remote Work Prevalence

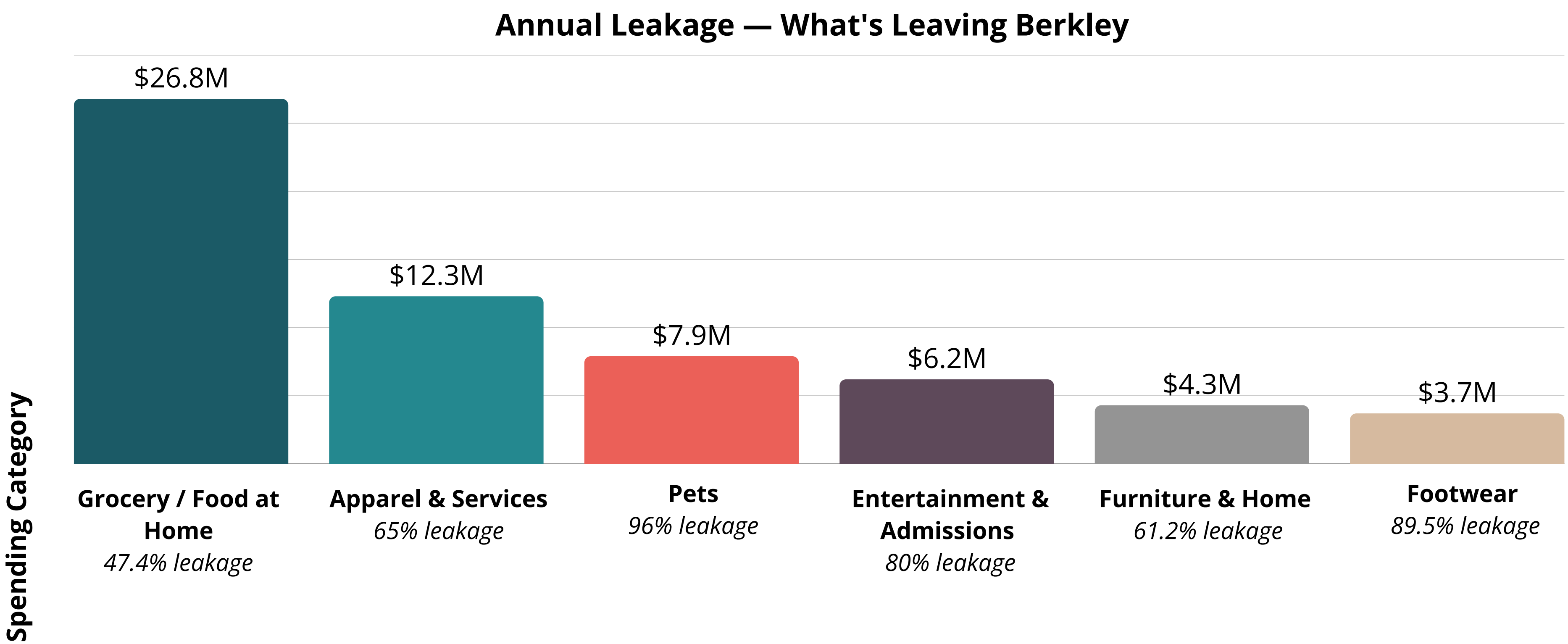
- 22.6% of workers work remotely - one in five workers is home during the day and can shop and eat locally.

Rising Home Values

- The median home sales price ($300K) is up 2.3% year-over-year.
- Rising home prices signal continued residential demand and growing household net worth — a consumer confidence indicator that supports spending on local retail, dining, and services.

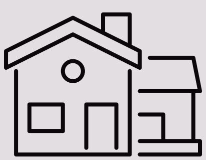
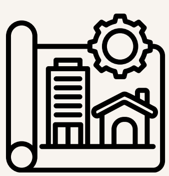
Estimated Retail Leakage

A 2025 retail leakage analysis comparing resident spending demand to local commercial supply quantifies the scale of unmet opportunity. Berkley residents generate more than $60 million in annual spending that currently leaves the community.



A realistic capture scenario — not full leakage recovery, but plausible market share gain through targeted new commercial development — puts the achievable annual revenue increase at $25–35 million. That figure supports multiple new commercial tenants across Berkley's retail corridors and justifies the mixed-use residential-above-commercial model that current market economics require.

Physical Market Conditions

Indicator	What It Means for Development
	**Walk Score: 77** • Strong walkability supports active ground-floor commercial and reduces car-dependent tenant requirements • Daily errands are achievable on foot for most residents
	**Twelve Mile ADT: ~16,500–19,200 (2025, varies by segment)** • Retail-viable traffic volumes along primary commercial corridor • Sufficient for neighborhood-scale anchors
	**Coolidge ADT: ~12,400–25,600 (2025, varies by segment)** • Traffic volumes vary substantially along the corridor — from ~12,400 near Rosemont to ~25,600 near the City limits. • Commercial viability differs meaningfully by location and should inform site-by-site underwriting
	**Zoning: Up to 4 stories** • Recent ordinance update enables the residential-over-commercial model that current construction economics require to support ground-floor rents
	**Parcel depth** • Select corridor parcels have sufficient depth for structured parking, enabling higher-density mixed-use without sacrificing ground-floor area • Shallower parcels — particularly on the east side of Coolidge Highway and the west side of Twelve Mile Road — constrain development configurations and may require assembly or alternative parking strategies

B. Proactive, Pro-Growth Municipal Leadership

Experienced developers know that a community's attitude toward development matters as much as its demographics. Permitting delays, unpredictable approval processes, and staff who treat development as a problem to manage — rather than an opportunity to facilitate — kill deals the market would otherwise fund. Berkley's current leadership posture is meaningfully different.

Development-Centered Approach

- Educate developers on the correct lines of communication.
- City leadership understands that its role is facilitation — not micromanagement of use mix or tenant selection.
- Direct access to the City administration removes a common source of project delay which often comes from developers seeking information or assistance from the wrong sources.
- Pre-application meetings identify obstacles before they become costly surprises.

Demonstrated Willingness to Act

- The Coolidge Highway diet is a concrete example of the City's willingness to reshape public infrastructure in service of economic development goals — and accept political risk to do it.
- The subsequent corridor revitalization validates the decision.
- The recent zoning update permitting four-story buildings reflects deliberate policy judgment that residential density is the precondition for commercial viability.

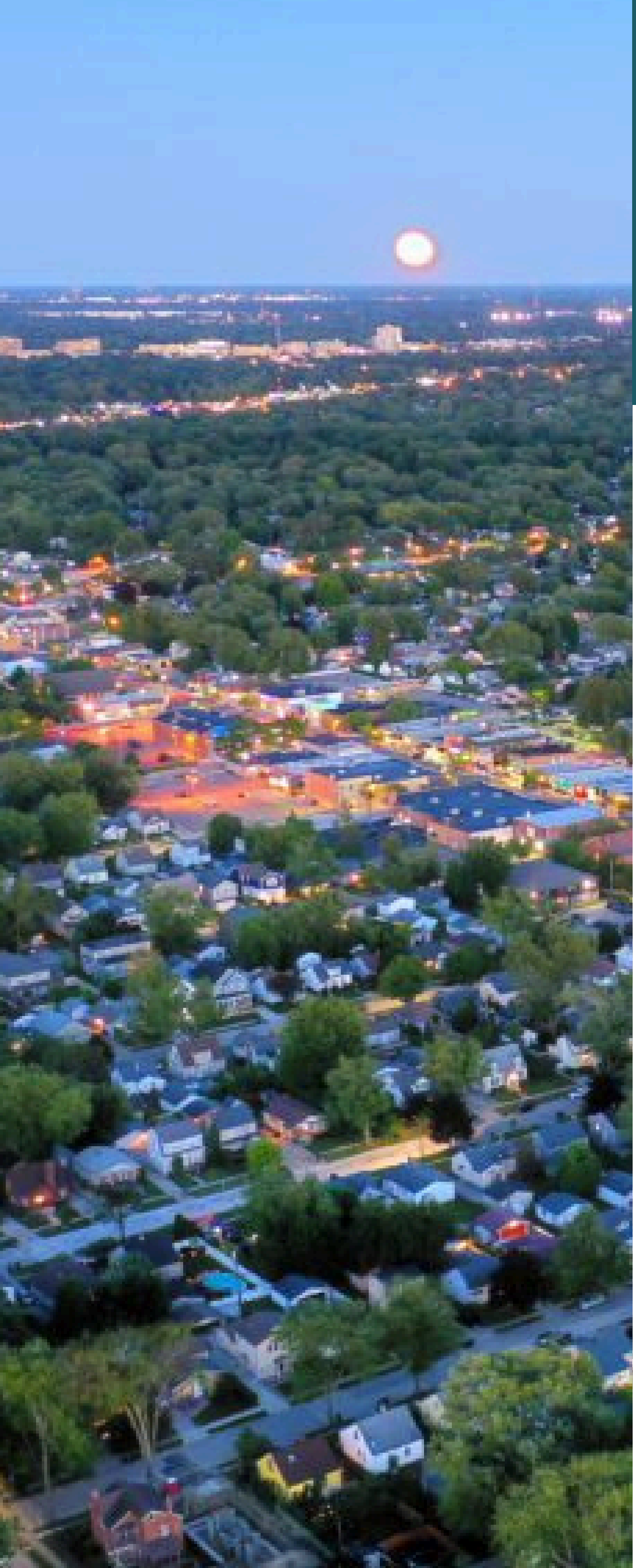
C. Redevelopment and Real Estate Finance Tools

Inner-ring suburban redevelopment frequently encounters a financing gap: land and demolition costs, combined with the need to support ground-floor commercial rents below market rate, make projects that are viable on paper difficult to finance in practice. Below are the tools that are available in Berkley.

Tool	What It Provides
DDA / TIF District	• Berkley's DDA, covering the Twelve Mile and Coolidge corridors, receives approximately $530,000 annually in combined TIF capture and DDA millage revenue. • Funds are fully committed to infrastructure, streetscape, property acquisition, events, and marketing that benefit the downtown area.
PILOT Ordinance	• Adopted spring 2025, enabling Payment In Lieu of Taxes agreements for eligible development projects. • City Council serves as decision-making authority. • Reduces and stabilizes property-tax costs for qualifying workforce-housing projects and may be combined with other state and local financing tools. • Critical for making mixed-use and residential development financially viable under current construction economics.
Michigan Community Revitalization Program (MCRP)	• State gap financing available as performance-based grants (up to $1.5M per project) or loans (up to $10M per project), capped at 25% of eligible investment and determined by needs analysis. • Eligible for contaminated, blighted, functionally obsolete, or historic resource properties located in traditional downtowns and high-impact corridors. • Berkley's underutilized corridor properties may align with MCRP priorities, subject to property eligibility, demonstrated financial need and MEDC underwriting.

Tool	What It Provides
Brownfield TIF	• Available for properties designated as environmentally contaminated, blighted, or functionally obsolete, and recently adapted for qualifying housing development activities. • Captures future tax increment to reimburse eligible development costs, including demolition, remediation, and infrastructure. • Brownfield and DDA tax capture must be coordinated. Taxes already captured by the DDA remain with the DDA unless it formally agrees to forgo or transfer the capture in support of the brownfield plan. • Administered through the County authority with state involvement.
Build MI Community Grant	• MEDC initiative focused on small-scale, incremental redevelopment projects and emerging developers. • Provides real estate development gap financing and technical assistance. • Best suited for smaller corridor infill, building reuse, and local developer-led projects that are too small for larger incentive packages but still face a financing gap. • Subject to state funding availability and confirmation with Berkley's MEDC Community Development Manager.
Federal Historic Tax Credits	• Provides a 20% federal credit for qualified rehabilitation expenditures on income-producing certified historic structures that are individually listed or certified as contributing to a registered historic district. • Applicable to eligible properties in Berkley but requires formal historic designation. • A future historic district nomination covering contributing corridor structures could open this tool to multiple priority sites.
DDA Façade Improvement Grants	• Matching grants of up to $10,000 have been available for eligible façade and parking-lot improvements within the DDA district, subject to current program funding and approval requirements. • A first-contact tool for building owner relationships and demonstrating DDA value.

Tool	What It Provides
Michigan State Historic Tax Credit	• Michigan offers a state historic preservation tax credit process administered through the State Historic Preservation Office. • The program can support place-based rehabilitation of historic resources and may be layered with the federal historic tax credit where eligibility allows. • Berkley should evaluate whether a future historic district nomination or individual building eligibility could open this tool for priority corridor buildings.
Revitalization and Placemaking Program (RAP)	• Provides gap financing for place-based infrastructure, real estate rehabilitation, public space improvements, and redevelopment of vacant, underutilized, blighted, or historic buildings. • Best suited for projects that combine redevelopment with public space, streetscape, façade, activation, or placemaking outcomes. • Engage MEDC regarding rolling RAP real-estate funding and monitor future competitive rounds for public-space, infrastructure and façade projects.
Neighborhood Enterprise Zone (NEZ) / Workforce Housing NEZ	• Can reduce property tax burden for qualifying residential development or rehabilitation in designated districts. • Recent Michigan changes expanded NEZ applicability and created workforce housing options tied to households up to 120% of AMI. • Best suited for housing projects where income-qualified workforce occupancy, annual reporting and reduced property-tax costs support the public benefit.



IV. CITY INVESTMENT CRITERIA

A. The Decision Tree for City Engagement

Berkley is nearly completely built out. With little vacant land remaining, virtually all economic development opportunities lie in the redevelopment of existing properties. There are buildings and lots that are underutilized, aging, or poorly suited to 21st-century commercial needs. Other lots need to be assembled to reach their highest and best use.

The City of Berkley and its DDA have limited staff capacity, finite financial tools, and must spend its political capital carefully. Expending efforts and resources on sites where progress is unlikely, community interest is light, or City involvement adds no value beyond what the market would produce on its own, is inefficient and diverts attention out to the sites that genuinely need and warrant public engagement.

The following establishes a consistent framework for evaluating when City or DDA involvement in a specific site is appropriate and justified. This is a decision-making standard — a set of questions that help distinguish between sites where the City can make a meaningful difference and those where the market, left to work, is the better path.

STEP 1 — GATE CONDITION

Market Failure OR Community Interest

① Market Failure

Market forces will not produce the highest and best use on their own. The site has one or more conditions preventing private investment without public facilitation.

- Blight or significant physical deterioration
- Brownfield or environmental conditions
- Fractured or unmotivated ownership
- Parcel too small or too constrained for viable development alone
- Housing finance gap

OR

② Community Interest

There is a meaningful public stake in the site's outcome — beyond what any private transaction would produce on its own.

- Community need: specialty retail, entertainment, housing diversity
- Raises property values and strengthens the tax base
- Synergies with adjacent public investments (roads, parks, streetscape)
- Corridor activation or catalytic redevelopment potential

IF EITHER ① AND ② ARE PRESENT ▼ PROCEED TO STEP 2.

If both are absent ▼ Do not engage. Revisit if conditions change.

STEP 2 — FEASIBILITY GATE

③ Feasibility: Can the City Make a Difference?

Does the City have applicable tools?

- DDA available capacity
- MCRP, Brownfield TIF, PILOT, Commercial Rehabilitation Act, façade grant, or other applicable incentive tools
- Corridor improvement, placemaking, or public realm funding that could support the project
- Staff capacity to manage owner outreach, developer coordination, and incentive review

Can development economics be made to work?

- Property owner is willing to cooperate
- Project can meet applicable timeline
- Comparable projects have succeeded in peer communities
- A developer could be recruited or is already interested
- Public tools can reasonably close the financing gap without over-subsidizing the project

Decision Outcomes

- **If ① Market Failure and ② Community Interest are both absent,** the City should not engage. Monitor the site, let the market work, and revisit if conditions change.
- **If either ① or ② is present, but ③ Feasibility Gate is uncertain,** explore further before committing resources. Conduct a preliminary project feasibility assessment, review the applicant's pro forma or prepare an independent high-level development model, test key cost and revenue assumptions, quantify the financing gap, and determine whether available tools can reasonably bridge it.
- **If ① or ② is present and ③ Feasibility Gate is confirmed,** engage actively. Commit appropriate staff time and City or DDA resources, begin owner outreach, prepare a site profile, and move toward a development-ready package. See the Priority Development Sites section.

B. City vs Developer Roles

Situation	City Roles	DDA Role*	Developer / Market Role
Willing owner, viable parcel, market-ready use	• Expedite permitting process • Provide design guidance • Connect project team to applicable City, County, and State resources and incentive programs	• Connect to incentive programs • Issue façade grants where applicable	• Conduct feasibility • Determine use mix • Manage financing and construction
Willing owner, but parcel too small for desired development	• Facilitate assembly discussions with adjacent parcels • Clarify zoning, parking, access, and site plan constraints • Identify whether public improvements could improve project feasibility	• Support shared parking, access, streetscape, or public realm solutions where consistent with the DDA plan • Help coordinate with nearby businesses and property owners	• Assess revised site for development viability • Determine whether assemblage, shared parking, or modified site design makes the project feasible • Proceed if economics work
Underutilized property, owner not actively seeking development	• Initiate owner outreach • Share development examples • Make the case for reinvestment • Identify applicable tools such as Brownfield TIF, OPRA, façade support, or MEDC programs	• Co-lead outreach on downtown corridor sites where the DDA has an established relationship • Maintain regular communication with business and property owners • Share available resources and improvement programs	• Evaluate if and when opportunity aligns with development pipeline • Respond when ownership, timing, and site conditions become viable

*Only applies to properties within the DDA boundary.

Situation	City Roles	DDA Role*	Developer / Market Role
Blighted or high-priority catalyst site with recalcitrant owner	• Use code enforcement, property maintenance tools, and direct owner engagement to address visible deterioration • Evaluate whether Brownfield TIF, OPRA, MCRP, or other redevelopment tools could support reuse or rehabilitation • Consider acquisition only where there is a clear public purpose, legal authority, funding source, and Council direction	• Support district-wide improvements that improve site feasibility, such as streetscape, parking, pedestrian access, wayfinding, or public realm upgrades • Consider acquisition only where there is a clear public purpose, legal authority, funding source/available resources and alignment with the DDA's Strategic Plan	• Respond to site once City has created controlled, development-ready conditions • Determine whether acquisition, rehabilitation, or redevelopment is financially viable
Active business, long-term lease, stable occupancy	• Monitor conditions • Maintain regular contact with the business owner and property owner to understand expansion plans, lease concerns, building needs, and potential relocation risks • Note for future planning cycle • Maintain periodic contact with owner/operator to understand future plans	• Maintain regular contact with the business and property owner • Keep business connected to available resources, including façade grants, Match on Main, Oakland County resources, and technical assistance	• Market determines if and when intensification makes economic sense • Business or property owner identifies future expansion, relocation, or reinvestment needs

*Only applies to properties within the DDA boundary.

V. DEVELOPMENT ECOSYSTEM

In an urban environment like the Detroit metro area, there is stiff competition for the interest and investment of developers and retailers. To attract the best, being a developer-friendly community has to be an intentional commitment. The City has to overcome a legacy reputation in the development community for being hard to work with to get incentives. Following are actions the City can take to create policies and practices that will make it more appealing as a target for development.

Parameters for Evaluating Incentives

Determine decision-making framework for when and how the City/DDA deploys incentives, including:

- Threshold criteria: when does a project qualify for incentive consideration?
- Gap financing principles: how much public subsidy is appropriate relative to project scale?
- Community benefit expectations tied to incentive use (use mix, design standards, local hiring, etc.)
- Process: how does a developer or property owner initiate an incentive conversation with the City/DDA?

Education & Training

- Discuss with City Council the rationale for providing development incentives
- Educate on the benefits of policies that support development
- Train City Council on incentive criteria and parameters
- Train DDA on TIF and PILOTs
- Formalize incentive criteria
- Develop a formal application process

Incentive Catalog

Create a resource of available state and local financial tools applicable to Berkley development projects, including:

- Tax Increment Financing (TIF) / DDA TIF District
- Michigan Community Revitalization Program (MCRP)
- Brownfield Redevelopment / Act 381 Work Plans
- DDA Façade Improvement Grants
- Michigan Strategic Fund / MEDC Programs

Developer Outreach

The reality is that the current City leadership team is very progressive and wants to see growth. The development community needs to meet the Berkely Team – feel the energy and understand the commitment to positive development. The City can change the narrative by sponsoring a Meet and Greet with developers:

- Introduce the Berkley Team
    - Mayor
    - City Manager
    - Community Development Director
    - DDA Director

- Vision for the City
  - Mixed use
  - Residential
  - Experiential retail
- Talk about the City's Programs for and Commitment to execute on:
  - Development Incentives
  - Entitlement timelines – including providing expedited approval processing for priority projects.

Community Outreach

Public support for economic development is strengthened through proactive and consistent communication. A proactive PR campaign can help Berkley residents better understand new development opportunities, redevelopment initiatives, incentive tools, and long-term community goals. By clearly communicating the purpose, benefits, and community vision behind major projects and Council actions, the City can build trust, increase transparency, and foster stronger community alignment around Berkley's future.

- Develop a proactive public communication campaign tied to major redevelopment initiatives and City Council actions tied to "Education & Training" section
- Prepare press releases, website updates, and social media content for significant development-related decisions and milestones
- Prepare a talking points document with plain-language explanation of development incentives Council members can use with constituents
- Public Open House upon plan adoption:
  - Explain priority sites, incentive tools, DDA programs
  - City and DDA leadership present and available
- Share the adopted plan digitally through QR codes and City communication channels to increase accessibility and awareness

VI. PRIORITY DEVELOPMENT SITES

Complexity Level	Description
Watch & Wait	• Owner is not currently motivated to sell or develop. • City provides site vision to the owner including potential incentives, and/or public/private partnerships.
Low Complexity	• Motivated owner • Limited barriers to action • Clear path forward

Moderate Complexity	• Requires some public/private partnership:
	  ○ Incentives
	  ○ Public investment
	• Partnership with other agencies / organizations

High Complexity	• Has one or more of the following:
	  ○ Multiple owners
	  ○ Significant financing gaps
	  ○ Public infrastructure investment needed

The Economic Development Strategy identifies six priority sites across Berkley's three commercial corridors. Each site was selected based on redevelopment feasibility, community interest, and the City's ability to add value through facilitation, incentives, or partnership. Detailed profiles for each site follow.

SITE 1

2555 W. TWELVE MILE ROAD

WATCH & WAIT

SITE 1

2555 W. Twelve Mile Road

WATCH & WAIT

OWNER

Private (Kevin O'Mara), B P RealEstate Inc

CURRENT USE

O'Mara's Restaurant

SITE ACREAGE

39,204 sq ft / 0.9 ac

BUILDING SIZE (GLA)

6,079 SF (built 1977)

ZONING DISTRICT

Downtown - 40 ft height limit

DDA / TIF ELIGIBLE

Yes — within Berkley DDA boundary

TRAFFIC COUNT

16,500 ADT (2024) — strong retail exposure on primary corridor

CONSUMER SPENDING (1-MI)

$251 million annually — dense consumer spending base within 1 mile of site

Additional Site Context

- One of the City's prime locations:
  - Northeast 'Gateway' to Downtown
  - Should be a marquee location
- Property owner open to conversations about redevelopment but wants to continue to operate the restaurant

AI-generated rendering of Site Vision

Site Vision

- Zero lot line / shop front development along Twelve Mile and extending along Coolidge
- 14,000 square foot 1st floor
  - 6,000sf – O'Mara's
  - 8,000sf – other retail space
- 2.5 stories of residential
  - Mix of 2BR, 1BR & Studios = 20 units per floor
  - Rear apartments only on 4th floor - presenting a lower street profile
- Parking: 74 spaces
  - In the rear – 64
  - Coolidge Pharmacy excess ~10
  - Market Requirements:
    - Restaurant / Commercial ~30 spaces
    - Housing = 70 spaces

Financial Projections

- Construction Costs
  - Site Acquisition, Demolition & Site Work (including onsite detention): $2.26M
  - Other Hard Costs: $10.78M
  - Soft Costs / Contingencies / Fees: $3.47M
  - **Total: $16.51M**
- Capital Stack:
  - DDA TIF: $2.26M (Site acquisition, demo, & site work)
  - Equity: $4.02M
  - MEDC Grant: $1.0M
  - Debt (50% LTV, 6.5%): $8.25M
  - C-PACE**: $0.97M
- Annual Tax Impact:
  - Property Tax: $366K ($343K incremental)
- Annual Cash Flow: $60.6K

**C-PACE = Commercial Property Assessed Clean Energy

Project Details

- The project has below-market cash flow - $60.6K/year
  - Under current market conditions, the project isn’t finacially feasible, but the owner can be shown the preform and monitor market conditions or adjust the model.

Project Flow

- DDA bonds against future property tax receipts to purchase the property at fair market value (~$750K), and demolish existing structure, and do site work:
  - Utilities
  - On-site stormwater detention
  - Parking
- DDA conveys the property back to the current owner and development partner at $0 with a development agreement to build according to plan
- Project secures a MEDC grant

Next Steps

Owner Outreach

Present the site vision to the property owner. Discuss the potential for a public/private partnership and the financial model including TIF.

Developer Introduction

Because developing the property will require a significant equity investment, it may be necessary for the City to make introductions of several local developers to discuss a partnership where the developer could bring equity and development expertise.

Incentive Package

If the owner shows interest, work with the DDA to outline the parameters of TIF financing and get preliminary approval. Also look at other sources of potential funding including C-PACE, facade programs, and any MEDC tools that could improve project feasibility.

SITE 2
3142 COOLIDGE HIGHWAY

MODERATE COMPLEXITY

SITE 2

3142 Coolidge Highway

MODERATE COMPLEXITY

OWNER

Private (individual owner), Coolidge Collection, LLC

CURRENT USE

Vacant — building is unoccupied; no businesses to relocate, no demolition required

SITE ACREAGE

~12,196.2 sq ft / 0.28 ac

BUILDING SIZE (GLA)

5,408 sq ft (built 1949)

ZONING DISTRICT

Downtown

DDA / TIF ELIGIBLE

Yes — within Berkley DDA boundary

TRAFFIC COUNT

17,000+ ADT (2025) strong drive-by visibility

CONSUMER SPENDING (1-MI)

$29.8M annually on food away from home; $69.4M food and alcohol combined

Additional Site Context

The popular Beverly restaurant opened in January two doors north of the site, reinforcing the momentum of the corridor.

The property is across the street from the Berkley Public Library which satisfies any City parking requirements and provides customers easy access to the location.

While the building is considered to be structurally sound, it would require extensive interior renovations for any non-industrial use.

ASKING PRICE

$725,000 ($134/sf)

Parking Constraints

The physical constraints of the site present a structural challenge because of the limited parking. Depending on the configuration, the site could accommodate between 8 and 12 parking spaces which may limit it for some retail or restaurant uses.

While there is ample public parking across the street at the library, some local developers indicate that the lack of onsite parking could be an impediment to its being a viable retail location.

AI-generated rendering of Site Vision

Site Vision

The site is small and and onsite parking is somewhat limited. It isn't a strong candidate for extensive redevelopment.

Rehabilitating the current building is the most viable path forward. Potential uses could include:

- Office space
- Art or fitness studio (defined broadly – yoga, Pilates, fitness, martial arts, dance, etc)
- Restaurant

The cost of converting the internal space and exterior from its former industrial use may impede some of the intended uses. An incentive package for uses that are most advantageous for and synergistic with the surrounding commercial district should be prepared.

Next Steps

DDA TIF and Façade Grant

Should DDA create a proactive TIF incentive package for uses that meet the DDA's criteria.
Incentives could cover up to half of building improvements for a business that:

- Makes long-term tenancy commitments and accepts claw back provisions.
- Operates a business that will enhance the area's vitality by attracting foot traffic or has a public benefit.

Owner / Broker Outreach

DDA consults with the property owners & broker to discuss the potential for incentives and to understand their perspectives on what incentives would be of most benefit. DDA communicates that the incentive offer is contingent on the sales price not increasing beyond current listing price.

SITE 3

3708 - 3750 ELEVEN MILE ROAD

3728 ELEVEN MILE ROAD

MODERATE COMPLEXITY

SITE 3

3708 - 3750 Eleven Mile Road 3728 Eleven Mile Road

MODERATE COMPLEXITY

OWNER
TF Capital LLC

CURRENT USE
Underutilized / vacant

SITE ACREAGE
~33,976 sq ft / 0.78 ac

BUILDING SIZE (GLA)
12,640 sq ft / 0.6 ac (land area)

ZONING DISTRICT
Flex

DDA / TIF ELIGIBLE
Not in DDA district

TRAFFIC COUNT
14,450 avg daily trips on Eleven Mile Rd at Ellwood Ave (2025 count, CoStar/MPSI)

CONSUMER SPENDING (1-MI)
~ $240 million annually

ASKING PRICE
$975,000 ($77.14/SF)

Additional Site Context

The property is actively marketed on major CRE platforms, and the owner has indicated willingness to sell or lease.

The main building (3708–3750) offers 12,640 SF with 20-foot clear ceiling heights, two overhead doors, 240v/800a electrical service, a heated warehouse, and street-facing retail glass on Eleven Mile Road.

A second building at 3728 Eleven Mile Road adds approximately 5,760 SF on a 1.0 AC lot with two drive-in bays and divisible configurations of 2,500 and 3,260 SF.

Maps & Imagery

Site Vision

AI-generated rendering of Site Vision

Option 1:
No property consolidation. Utilize current buildings – tear down north annex to create more parking.

Potential uses:

- Artisan makerspace / market
- Co-working space

Lowest risk option. Would require public investment to run the incubator program and make necessary upgrades to the building.

The Artisan Incubator / Makerspace Model

Ground-floor artisan production and retail stalls: flexible spaces of 200–600 SF leased to independent makers, craftspeople, food producers, and creative businesses at below-market rents subsidized by public programming.

Shared back-of-house infrastructure: commercial kitchen, loading area, freight access, and storage — the resources small producers cannot afford individually but need to scale.

An Artisan incubator could be implemented through a regional partnership model. **Oakland Thrive**[1] is a strong county-level operating partner because it already provides free support to Oakland County entrepreneurs and small businesses, including one-on-one consulting, training, workshops, business development, market research, eCommerce support, legal/accounting referrals, and connections to local service providers.

1. https://oaklandthrive.org/

For Berkley, this partnership could translate into a practical **“maker-to-merchant” incubator model:** local artisans and home-based businesses receive technical assistance, test products in a shared retail or market environment, participate in DDA events, and gradually transition into permanent storefronts or expanded commercial activity. This approach fits Berkley’s scale, supports local entrepreneurship, and strengthens Eleven Mile Road as a more active small business corridor.

Funding support may be available through the **MEDC Small Business Support Hubs**[2] program, which supports nonprofit entrepreneurial hubs and community incubators that help small businesses start, grow, and access resources.

Explore a Corridor Improvement Authority for Eleven Mile Road

The City of Berkley could evaluate the creation of a Corridor Improvement Authority for the Eleven Mile Road corridor, particularly because this area falls outside the DDA boundary and lacks a dedicated tax increment financing tool. Michigan law allows cities, villages, and townships to establish CIAs for eligible commercial corridors, and the tool can support streetscape improvements, parking, pedestrian infrastructure, façade improvements, redevelopment support, and other corridor enhancement activities.

Because Eleven Mile Road forms a shared edge with Oak Park, Berkley could coordinate directly with Oak Park before proceeding. Oak Park already operates a Corridor Improvement Authority focused on Nine Mile Road and Coolidge Highway, including the Coolidge/Eleven Mile area. A coordinated approach could help both communities align streetscape standards, pedestrian improvements, business support, and redevelopment priorities along the shared corridor.

2. https://www.michiganbusiness.org/services/small-business-support-hub/

Option 2:
Consolidate lots and redevelop entire parcel.

- Mixed use development

Local developers had mixed assessments of the viability of this location as a mixed use development.

Some developers are bullish on the long-term prospects for Eleven Mile Road and think that it has a strong retail future and that this property could be a key piece of a renaissance along the north side of Eleven Mile Road – similar to what has happened on the south side. Others are more skeptical about the future of the property itself and question whether the costs of assembling the properties, and demolition, and construction could be recouped.

Option 1 – property upgrade, seems like the appropriate incremental step.

Next Steps

Explore Brownfield Grant Eligibility
Utilizing brownfield grant resources is likely the most realistic funding source to remove the back buildings and do site work to prepare the site for commercial use.

Makerspace Feasibility
Research comparable makerspace operators with Southeast Michigan expansion interest.

Explore grants for building rehabilitation.

Engage Owner
Present plans to building owner and ascertain their interest in either selling or pursuing the makerspace / incubator model.

SITE 4
1716 COOLIDGE HIGHWAY, 2450 ELEVEN MILE ROAD

WATCH & WAIT

SITE 4

WATCH & WAIT

1716 Coolidge Highway

OWNER
1716 Coolidge LLC

CURRENT USE
Hunt Sign
Home & Door Products

SITE ACREAGE
70,567 sq ft / 1.62 ac

BUILDING SIZE (GLA)
27,198 sq ft

ZONING DISTRICT
Flex

DDA / TIF ELIGIBLE
Yes — within Berkley DDA boundary

TRAFFIC COUNT
21,019 avg daily trips — Coolidge Hwy (2025 CoStar/MPSI)

CONSUMER SPENDING (1-MI)
$291.8M total specified (2024 CoStar)

2450 Eleven Mile Road

OWNER
Edith Durst

CURRENT USE
Hurst Ace & Hardware

SITE ACREAGE
33,105 sq ft/ 0.76 ac

BUILDING SIZE (GLA)
11,275 sq ft

ZONING DISTRICT
Gateway Corridor

DDA / TIF ELIGIBLE
Not in DDA district

TRAFFIC COUNT
8,959–10,109 avg daily trips — Eleven Mile Rd at Berkley Ave (2024–25 CoStar/MPSI)

CONSUMER SPENDING (1-MI)
$291.8M total specified (2024 CoStar)

2450 Eleven Mile Road

Additional Site Context

- The combined buildings have nearly 35,000 square feet of retail space. The 1716 Coolidge Highway building totals 27,198 SF of rentable building area on its two floors (CoStar, 2026) — one of the largest single commercial structures in Berkley's corridor system.
- The owners of Durst Lumber & Ace Hardware are open to selling their property and winding up operations.
- The owners of Home & Door products want to continue operations.

Site Vision

As the southern entrance to Berkley's Coolidge retail corridor, the northeast corner of Coolidge Highway and Eleven Mile Road has the potential to be a marquee property that will set the design standards for the area. The highest and best use of the property would be as a mixed-use development:

- 20,300 SF of retail in a "L-shaped" configuration along Coolidge Highway and Eleven Mile Road
  - Retain current tenants (Home & Door Products, Hunt Signs) but economize and make more efficient use of their space with a 33% reduction in total square footage
  - Tenants pay market rates of $20/sf
- 113 units of market rate apartments
  - 27 X studios
  - 51 X 1 bedroom
  - 35 X 2 bedroom

AI-generated rendering of Site Vision

Details:

- Current property owners would sell their properties to the DDA at their appraised values.
- The DDA would demolition the current structures and do all site improvements including infrastructure.
  - Funding would come from bonding against future TIF revenues
- The DDA would provide the property at no cost to a developer, either:
  - Partnership including current property owners
  - A developer chosen through a competitive RFQ process
- The developer or partnership would complete the project in accordance with a development agreement signed with the DDA.

Mixed Use Development:

- **Eleven Mile Road (current lumber yard): 2 story apartments**
  - 27 X Studios
    - 500 SF
    - $1,400/mo rent
  - 27 X 1BR
    - 750 SF
    - $1,900/mo rent
      - 15 X 2BR
    - 1050 SF
    - $2,300/mo rent
- **Corner of Eleven Mile Road and Coolidge Highway – 20,300 square feet of retail with 2 stories of housing above**
    - Ground floor - 20,300 SF of retail to be allocated among Hunt Signs and Home & Door Products
  - 2nd & 3rd Floors:
    - Housing
      - 24 X 1BR
        - 630 SF
          - $1900/mo rent
      - 20 X 2BR
        - 990 SF
        - $2,300/mo rent

Pro forma:

Total Construction Costs:

- Demolition: $899,610
- Coolidge Building Construction: $15,623,500
  - $185/SF retail
  - $215/SF residential
- Lumber Yard Building Hard Costs: $9,958,500
- Soft Costs / Contingencies: $7,819,463
- **Total Construction Costs: $37,501,073**

With current market conditions this isn't a viable project. The projected annual negative cash flow for the project is $325K. There are three major factors that drive the gaps in profitability / cash flow:

- Current construction interest rates are higher than they have been at any point from 2007 to 2022. A reduction in rates would reduce the debt service.
- Construction costs are at historic highs. A reduction of 10% in construction costs leads to a 33% improvement in cash flow.
- While there has been healthy growth in residential lease rates, commercial retail rates in the metro Detroit area are still 10% lower than what they were pre-2008. This is a national trend a reflects the challenging retail environment.

Sources

Land Contribution from DDA	**$3,200,000**
Partner Equity	$9,756,348
TIF (Demolition, Site Work, Utilities)	$2,044,081
Debt (60% LTV, 6.5%)	$22,500,644
Total Sources:	**$37,501,073**

Uses:

Land Acquisition	$3,200,000
Hard Costs	$26,481,610
Soft Costs, Contingencies, Development Fees	$7,819,463
Total Construction Costs:	**$37,501,073**

Financials:

Effective Gross Income (EGI)	**$2,838,980**
Total Operating Expenses	**$1,243,418**
(Annual Property Taxes)	$850,000
Net Operating Income (NOI)	**$1,496,562**
Debt Service	**$(1,617,880)**
Cash Flow	**$(121,318)**

Next Steps

- Present Vision to owners of both properties:
  - Discuss the vision and financial model
  - Gauge their interest in pursuing

- Facilitate meeting between developers and the property owners
  - Explore potential for partnerships and possible financing models

- Durst property would need to be added to the DDA

DDA PURCHASE OF PROPERTIES

The strategies for sites 1, 4, and 5 include the DDA purchasing the properties at full market value, performing the site work - demolition, utilities, onsite groundwater detention, and parking, and then conveying the prepared properties to a developer at $0.

Michigan state statutes restrict what tax increment financing (TIF) can be used for. By purchasing the properties - at full market value before demolition, and doing all possible site work, the DDA would be maximizing the amount of funding it can contribute to the project. This would require the DDA to bond against future property taxes. This upfront capital is essential to closing the financial gaps for these projects and none of them would have any chance of moving forward without these tools.

SITE 5

4195–4105 TWELVE MILE ROAD

HIGH COMPLEXITY

SITE 5

4195–4105 Twelve Mile Road

HIGH COMPLEXITY

ADDRESS
4105 Twelve Mile Road
OWNERSHIP
Glen Markowicz
CURRENT USE
Commercial
BUILDING SIZE (GLA)
1,937 SF

ADDRESS
4111 Twelve Mile Road
OWNERSHIP
Glen Markowicz
CURRENT USE
Commercial
BUILDING SIZE (GLA)
1,260 SF

ADDRESS
4129 Twelve Mile Road
OWNERSHIP
Calvin Kassab
CURRENT USE
Commercial
BUILDING SIZE (GLA)
Land (no bldg.)

ADDRESS
4135
OWNERSHIP
Donald F. Moore
CURRENT USE
Commercial
BUILDING SIZE (GLA)
Not in CoStar

ADDRESS
4141
OWNERSHIP
Donald F. Moore
CURRENT USE
Commercial
BUILDING SIZE (GLA)
3,530 SF

ADDRESS
4195
OWNERSHIP
ALCO Glass & Mirror Inc
CURRENT USE
Commercial
BUILDING SIZE (GLA)
8,816 SF

SITE ACREAGE
35719 sq ft / 0.82 ac

ZONING DISTRICT
Gateway Corridor

DDA / TIF ELIGIBLE
Yes (all parcels — Twelve Mile corridor Greenfield to Coolidge

TRAFFIC COUNT
~19,170 vehicle per day — W. Twelve Mile Road at Ellwood Ave (2025 CoStar/MPSI) ~21,437 vehicle per day at Brentwood Street 0.08 mi west

CONSUMER SPENDING (1-MI)
~$219.3–$219.7M total specified (2024 CoStar — consistent across block)

4195	ASKING PRICE	$1,295,000
4129	ASKING PRICE	$195,000
4111	ASKING PRICE	$349,000
4105	ASKING PRICE	$439,900

Additional Site Context

- Walk Score: 87 — Berkley's most pedestrian-intensive zone
- D&D Bicycles is an active, successful, regional draw and a strong presence on Twelve Mile Road
- All parcels except those owned by D&D Bicycles are for sale
- Fragmented rear parking across multiple lots is the key development constraint
  - 20 total parking spaces:
    - The 9 to the west belong to Alco Glass
    - The 11 to the east belong to D&D Bicycles
  - The 3 lots to the east don't have any parking
- Downtown Design Guidelines: 2–3 stories at street edge with potential setback 4th story, brick/stone predominating

AI-generated rendering of Site Vision

Site Vision

To elevate this block – which serves as the western gateway to Berkley along Twelve Mile Road and eliminate the blight of the current undeveloped and underperforming parcels, the three western parcels – 4129, 4111, and 4105 need to be redeveloped. The challenge is that individually, the three parcels are too small to do anything at scale and none of them own any parking.

The vision is to redevelop the properties as mixed use developments with retail on the ground floor and two stories of rental residential units above. The parking in the rear would be reconfigured to accommodate the residences along with the increased retail.

The Alco Glass and D&D parcels are functional and viable. At their current valuations, they are not candidates to include in the redevelopment because the acquisition costs would be too high. The DDA can work with the Alco property to do facade improvements.

Details:

- DDA purchases and consolidates the three parcels - 4129, 4111, and 4105 (owned by Calvin Kassab and Glen Markowicz)
- DDA enters into agreements with the owners of the other three parcels on the block to reconfigure the parking in the rear in exchange for perpetual parking easements
    - Two rows of 45 degree parking with one-way traffic flowing from Greenfield Road to Ellwood Avenue
- Ground floor:
    - Retail – 10,000 SF
    - $20/SF NNN lease rate
- 2nd & 3rd Floors:
    - 12 X 1BR
        - 826 SF
        - $1900/mo rent
    - 16 X Studios
        - 552 SF
        - $1,400/mo rent

Pro forma:
Total Construction Costs:

- Site Acquisition: $983,900
- Demolition, Site Costs: $492,500
- Hard Costs: $6,150,000
- Soft Costs / Contingencies: $2,213,968
- **Total Construction Costs: $9,839,368**

Sources:

Equity	$2,953,361
C-PACE	$1,029,564
TIF (Site acquisition, demo, infrastructure)	$1,426,400
Debt (60% LTV, 6.5%)	$4,430,042
Total Sources:	**$9,839,368**

Financials:

Effective Gross Income (EGI)	$695,780
Total Operating Expenses	($322,122)
Net Operating Income (NOI)	**$373,658**
Debt Service & C-PACE Payments	**$(419,431)**
Cash Flow	**($45,773)**

This project has a projected negative cash flow of $45,000 per year. Developers would expect at least an 8% cash on cash return (~$236K) so the total gap is almost $300K per year.

To be viable, some combination of the following would be required:

- Secure Michigan State Housing Development Authority (MSHDA) incentives - either TIF or Direct Lending / Gap Financing programs
- Reduction in interest rates
- Decline in construction costs
- Increase in lease rates
- Value engineering to bring down costs

Next Steps

The next steps are to start the conversations with the DDA, development community, and property owners to determine if the gaps can be closed and a project created:

- DDA prepares a detailed development proposal that outlines:
  - The Project Plan
  - The parking adjustments
  - The Brownfield, and TIF financing strategy
- DDA Board agrees in principle to acquire the sites, demolish current structures, and do site / infrastructure work and then contribute the redeveloped property to the developer
- DDA presents plan to current property owners
  - Makes offers on parcels that are for sale – contingent upon securing a development agreement with a developer
  - Enter into MOUs with owners of other parcels to secure parking easements - contingent upon securing a development agreement with a developer
- Market the project to mixed-use developers through an RFP process
- Select a developer and enter into a development agreement

SITE 6

3490 & 3442 TWELVE MILE ROAD

HIGH COMPLEXITY

SITE 6

3490 & 3442 Twelve Mile Road

HIGH COMPLEXITY

ADDRESS
3490 Twelve Mile Road

OWNERSHIP
HARTFIELD LANES

CURRENT USE
Bowling alley (operating)

BUILDING SIZE (GLA)
53,306 SF

SITE ACREAGE
67,518 sq ft / 1.55 ac

TRAFFIC COUNT
~15,140 vpd — Twelve Mile Rd at Tyler Ave, 0.07 mi east (2025 CoStar/MPSI)

CONSUMER SPENDING (1-MI)
$229.3M total specified (2024 CoStar)

ADDRESS
3442 Twelve Mile Road

OWNERSHIP
RB & CG, LLC

CURRENT USE
Shoe repair (closing)

BUILDING SIZE (GLA)
580 SF

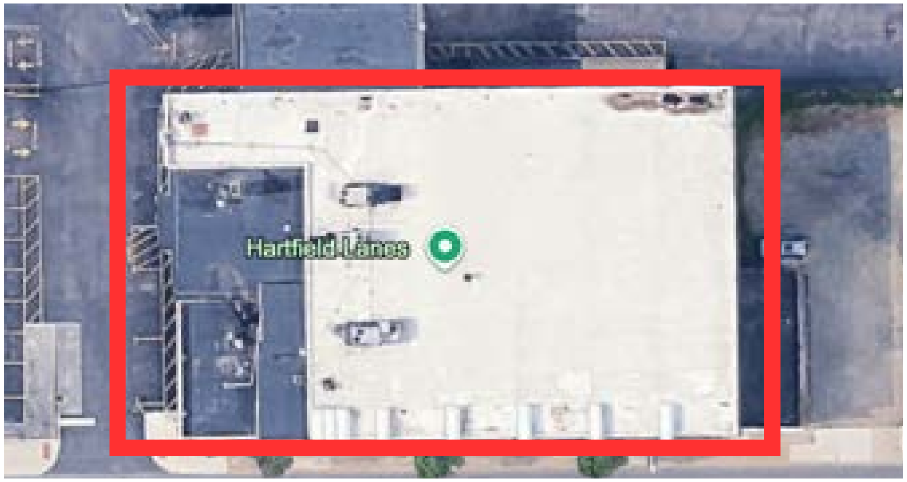
TRAFFIC COUNT
~15,140 vpd — Twelve Mile Rd at Tyler Ave, 0.05 mi east (2025 CoStar/MPSI)

CONSUMER SPENDING (1-MI)
$231.9M total specified (2024 CoStar)

LOT SIZE
2.5 Acres

DDA / TIF ELIGIBLE
Yes — within Berkley DDA boundary

ZONING DISTRICT
Gateway Corridor



Additional Site Context

- At 2.5 acres, the combined developable land of the combined parcels is the largest single available property in the Downtown area.
- Sewer and water mains run through the center of the lot and would either need to be relocated or the development would need to happen around it.
- Current building configuration does not lend itself to other uses or expansion. Would need to be torn down.
- Owner reportedly asking $6M for the Hartfield Lanes property (far exceeding market value).
- Community open house in Downtown Master Plan process identified this site as top design opportunity.

AI-generated rendering of Site Vision

Site Vision

Large-scale, multi-activity entertainment venues are growing in popularity. Part of the increase is generational: 78% of millennials and Gen Z prefer spending on experiences over things, according to Eventbrite's 2025 survey. The global immersive entertainment market was valued at $133.6 billion in 2024 and is projected to reach $473.9 billion by 2030, a CAGR of 23.5%.

Some of the leading brands in the space include: Fat Cats, Dave & Busters, Punch Bowl Social, Larks Entertainment, Lucky Strike Entertainment, Smash Park, and Chicken N Pickle. While the concepts vary the common denominators are venues that offer multiple types of entertainment combined with quality food options. These venues are regional draws and become economic development drivers both in terms of the sales tax they generate and also driving quality of life.

While these entertainment venues are typically sited on 5 acre lots, it is possible to economize on the lot size by adding a second story.

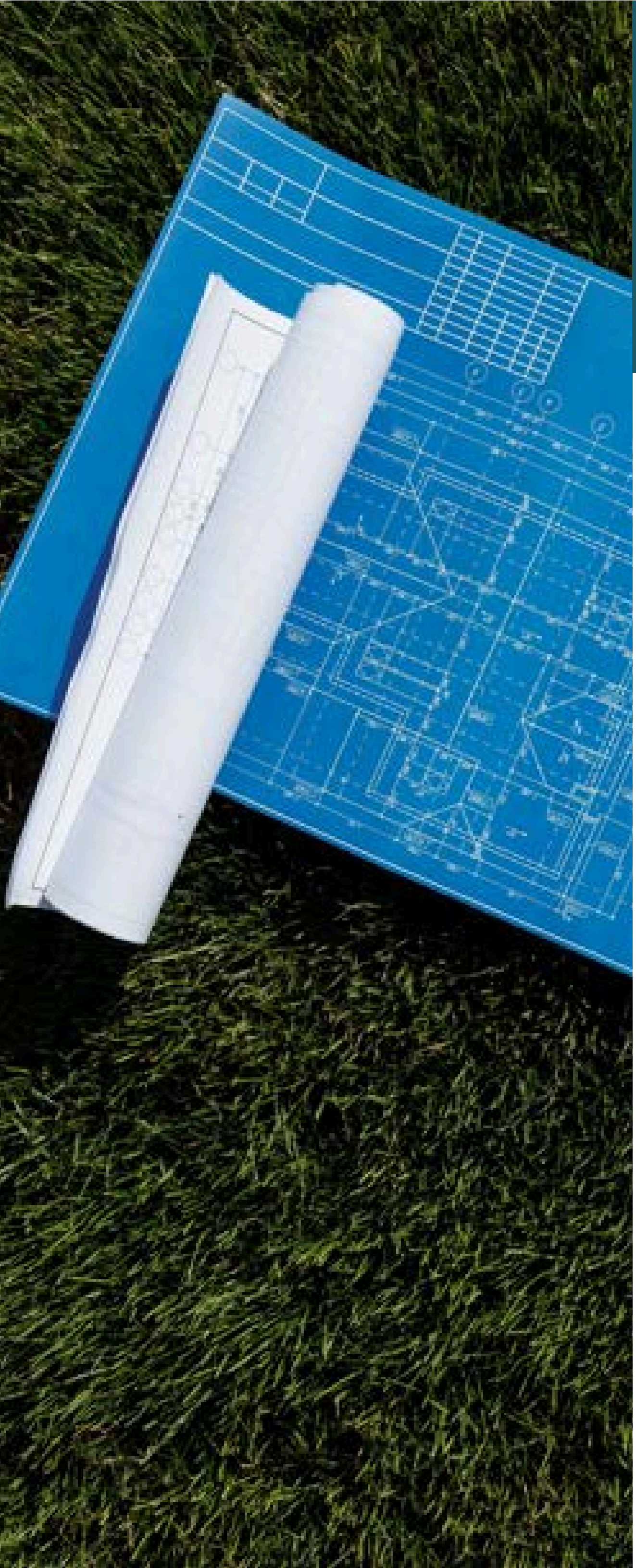
The vision for this site would be for the current owners to either partner with or sell to an entity that can bring a state of the art, high-volume entertainment venue to downtown Berkley. This would require the demolition of the current building in favor of a larger, purpose-built venue.

The challenge is that at the price the owner is currently asking for the property, the total acquisition and demolition costs of the project make it financially untenable.

Project Details:
Entertainment Complex – Regional Draw
- Current owner sells property or partners with a entertainment venue operator
- Demolish current structures
- Build purpose-built entertainment venue that combines in a single location multiple entertainment concepts like bowling, arcades, indoor miniature golf, axe throwing, and golf simulators.
- To accommodate an entertainment venue of this scale, the building would need to go vertical and have a 2nd story which would increase the construction costs by about 20%; meeting the typical requirement of 5-acres for a bowling, arcade, theater concept.
    - Total Construction costs are typically $20 - 25M for such buildings and FFE brings the total investment to more than $35M.
- The project would require significant equity investment and a partner experienced in the entertainment space to secure debt financing

Next Steps

- Determine if the owner is interested in pursuing a partnership to redevelop the property and upgrade the venue
- The City can help make introductions to entertainment venue operators and collaborate on incentives
- Present scenarios to City Council and DDA Board — assess appetite for significant public investment given catalytic upside



VII. DEVELOPMENT INCENTIVES

In an urban environment like the Detroit metro area, there is stiff competition for the interest and investment of developers and retailers. To attract the best development in the market, being a developer-friendly community should be an intentional commitment. The City – elected officials, the DDA Board, and City staff – needs to cultivate a reputation in the development community for being easy to work with and transparent in its process to secure incentives. Following are actions the City can take to create policies and practices that will make it more appealing as a target for development.

A. Parameters for Evaluating Incentives

Formalize a decision-making framework for when and how the City/DDA deploys incentives, including:

- Threshold criteria: when does a project qualify for incentive consideration?
- Gap financing principles: how much public subsidy is appropriate relative to project scale?
- Community benefit expectations tied to incentive use (use mix, design standards, local hiring, etc.)
- Process: how does a developer or property owner initiate an incentive conversation with the City/DDA?

B. Education & Training

- Discuss with City Council the rationale for providing development incentives
- Educate on why the City must be developer-friendly
- Train City Council on incentive criteria and parameters

- Train DDA on TIF and PILOTs
- Formalize incentive criteria
- Develop a formal application process

C. Incentive Catalog

Create a resource of available state and local financial tools applicable to Berkley development projects, including:

- Tax Increment Financing (TIF) / DDA TIF District
- Michigan Community Revitalization Program (MCRP)
- Brownfield Redevelopment / Act 381 Work Plans
- DDA Façade Improvement Grants
- Michigan Strategic Fund / MEDC Programs

D. Developer Outreach

The current City leadership team is very progressive and growth-oriented. The development community needs to meet the Berkley Team – feel their energy and understand their commitment to positive development. The City can change the narrative by sponsoring a Meet and Greet with developers:

- Introduce the Berkley Team
    - Mayor
    - City Manager
    - Development Director
    - DDA Director
- Articulate the Vision for the City
    - Mixed use
    - Residential
    - Experiential retail
- Talk about the City's Programs for and Commitment to execute on:
    - Development Incentives
    - Entitlement timelines – including providing expedited approval processing for priority projects.

VIII. ENTREPRENEURIAL ECOSYSTEM

Berkley is, at its core, a small business community. Its corridors run on independent, locally owned operators — and that characteristic is one of its strongest competitive advantages in the region. The City's role is to protect and extend that advantage: connecting businesses to the resources that exist, removing friction where it can, and creating the physical conditions where new businesses can take root.

A. Build a Business Resource Connection Function

- Compile a resource guide covering available small business support programs:
  - Oakland Thrive — free consulting and training
  - Oakland County Business Development programs and SCORE mentoring services
  - Michigan Small Business Development Center (SBDC) — free consulting and training
  - MEDC programs applicable to small business and microenterprise
  - Match on Main — reimbursement grants for eligible place-based businesses
  - DDA Façade Improvement Grants for properties within the DDA district
  - DDA Mural Program / Public Art Support for eligible visual improvements and corridor identity projects
  - Federal small business and workforce resources, including SBA, U.S. Department of Commerce, and U.S. Department of Labor programs, where eligibility aligns with a specific business need
- Post the guide on the City website and assign ownership of annual updates

- Designate a City or DDA point person to provide “front door” support for business questions
  - Help businesses identify the right resource instead of only referring them elsewhere
  - Coordinate internally on permitting, signage, zoning, and code questions
  - Make warm introductions to Oakland County, SBDC, MEDC, SBA, lenders, or technical assistance partners
  - Track recurring business questions to identify where City processes or communication can be improved
- Create a simple intake form for businesses seeking assistance
  - Type of need: permitting, financing, expansion, façade, hiring, relocation, or technical assistance
  - Business stage: startup, existing business, expanding business, or property owner
  - Referral made and follow-up date

B. Strengthen Business Retention and Expansion

- Conduct regular corridor check-ins
  - Complete informal outreach to businesses on Twelve Mile Road, Coolidge Highway, and Eleven Mile Road twice per year during the first two years of implementation
  - Focus check-ins on business health, lease status, expansion needs, property issues, permitting challenges, parking/access concerns, and emerging risks
  - Track responses in a simple business retention spreadsheet or CRM-style log
- Continue to offer pre-application meetings as a standing practice
  - Any business owner or property owner considering improvements should be able to meet with Community Development or the DDA before filing
  - Identify OPRA, DDA façade grant, DDA mural/public art, Match on Main, Brownfield, or other eligibility early
  - Clarify permitting, zoning, signage, parking, and design expectations before the business spends money on plans
- Connect expanding businesses to applicable state and county programs
  - Use MEDC programs when projects involve building renovation, obsolete space, contamination, blight, mixed-use redevelopment, or eligible small business expansion
  - Use Oakland Thrive, SBDC, SCORE, or SBA resource partners when businesses need coaching, planning, marketing, financial management, or technical assistance

    - Refer businesses to CEED Lending, local banks, and credit unions when they need working capital, equipment financing, or tenant improvement support
- Partner with local banks and credit unions on "loan-ready" workshops
    - Focus on what lenders need to see before approving a small business loan
    - Cover business plans, cash flow, collateral, credit history, lease terms, and project budgets
    - Prioritize institutions with a local or nearby footprint and an interest in Berkley business growth
- Celebrate and promote local business success
    - Use the City's newsletter, website, cable channel, YouTube channel, and social media to highlight new businesses, expansions, anniversaries, and reinvestment projects
    - Coordinate with the Berkley Area Chamber of Commerce and DDA on ribbon cuttings, business profiles, and promotional campaigns
    - Use success stories to build public understanding of why small business support and redevelopment tools matter

C. Activate Corridors to Support Commercial Vitality

- Evaluate a Corridor Improvement Authority for Eleven Mile Road
    - Eleven Mile Road is outside the DDA boundary
    - A CIA could create a dedicated tool for corridor reinvestment
    - Review parcel continuity, commercial frontage, zoning, and tax capture potential
    - Coordinate with Oak Park before proceeding
        - Confirm whether coordination or an interlocal agreement is possible
    - If feasible, use the CIA to support Eleven Mile Road improvements.
        - Fund streetscape improvements
        - Support signage, façade improvements, and public art
        - Create outdoor gathering or market space
        - Strengthen Eleven Mile Road as a small business corridor

D. Create a Light Entrepreneurial Hub Function

- Explore whether the Berkley Public Library, Community Center, DDA office, or available commercial space can host business workshops, coffee meetups, lender sessions, and startup resource events
  - Avoid creating a formal incubator unless there is demonstrated demand, operating capacity, and a sustainable funding model
- Host quarterly small business resource sessions
  - Potential topics include starting a business, becoming loan-ready, using façade grants, navigating permits, applying for Match on Main, and planning a business expansion
  - Invite Oakland Thrive, SBDC, SCORE, local lenders, the Chamber, and MEDC partners as appropriate
- Consider entrepreneurial space as part of future redevelopment negotiations
  - For larger projects receiving public support, evaluate whether a small community-facing business space, pop-up space, or shared meeting space could be included as a public benefit
  - This should be considered case-by case and should not be required if it weakens project feasibility

A. Small Business, Corridor and Main Street Support Tools

Sustaining Berkley's commercial corridors requires more than large-scale redevelopment. It also depends on the incremental health of existing businesses and the ongoing quality of the public-facing environment. Small businesses often lack the capital for storefront improvements, equipment upgrades, or activation investments that would meaningfully strengthen their presence and attract foot traffic. Below are the tools available in Berkley to address these gaps.

Tool	What It Provides
DDA Façade Improvement Grants	• Provides matching support for eligible storefront and exterior improvements within the DDA district, subject to current program guidelines and available funding. • Serves as a first-contact tool for businesses and property owners pursuing smaller building improvements. • Pair the application process with screening for Match on Main, RAP, historic tax credits, or the Commercial Rehabilitation Act where project scope and eligibility requirements are met.
DDA Mural Program / Public Art Support	• Supports public-facing art, murals, and visual improvements that strengthen downtown identity and corridor character. • Best used for highly visible walls, gateways, alleys, parking areas, and pedestrian routes where art can improve the public realm and encourage foot traffic. • Can be paired with façade improvements, placemaking projects, Public Spaces Community Places, DDA funds, sponsorships, or civic/philanthropic contributions. • Particularly useful for low-cost, high-visibility projects that build downtown energy while larger redevelopment projects move through planning and financing.

Tool	What It Provides
Match on Main	• MEDC reimbursement grant program offering up to $25,000 per project for new or expanding place-based small businesses. • Funds are reimbursement-only and are paid after the approved project is complete. • Best used for tenant improvements, equipment, activation, and growth projects that strengthen downtown and commercial districts.
Main Street Oakland County / Main Street America	• Provides technical assistance, downtown-management support, training and project-specific consulting. • Berkley participates at the Select Level and received Main Street America Accredited status in 2026. • Connects the DDA and local businesses with periodically available grant, loan and technical-assistance opportunities. • Funding opportunities are competitive and subject to individual program availability and eligibility.
Public Spaces Community Places	• MEDC crowdfunding-match program for qualifying public-space and placemaking projects. • Provides up to $50,000 when an approved project successfully raises its required crowdfunding amount. • Qualifying projects may receive additional support of up to $25,000 for universal-design elements under the 2026 guidelines. • Best suited for plazas, parklets, gathering spaces, accessible public amenities and other visible public-realm projects.
Oakland County Business Forward / Oakland Thrive	• Provides no-cost counseling and technical assistance to Oakland County small businesses and entrepreneurs. • Supports business planning, financing readiness, operations, marketing, growth and connections to partner resources. • Serves as Berkley's primary referral partner for businesses requiring individualized technical assistance.

Tool	What It Provides
Oakland County Business Loan Programs / CEED Lending	• Offers small-business loans of up to $50,000 for start-up and expansion needs. • Eligible uses include equipment, machinery, inventory, supplies, minor leasehold improvements and some working capital. • Best suited for businesses seeking smaller-scale financing for launch, expansion or operational needs.
MEDC Capital Access Programs	• Helps participating lenders finance Michigan businesses through collateral support, loan participation and related credit-enhancement programs. • Best used when a lender identifies an otherwise viable borrower with a collateral shortfall, uncertain projected cash flow or another financing barrier. • Businesses access the program through participating lenders rather than applying directly to the City or MEDC.
U.S. EDA Funding Opportunities[1]	• Provides a centralized listing of federal funding opportunities that support economic development, business growth, infrastructure investment, workforce development, innovation, and regional competitiveness. • Best used for communities, organizations, or partnerships seeking grant funding to advance economic development initiatives and strengthen local economies.
USDA Rural Business Development Grants (RBDG)[2]	• Provides funding to support the growth and development of small and emerging businesses in rural areas through technical assistance, training, business incubators, feasibility studies, and infrastructure improvements. Grants are awarded to public entities, nonprofits, and tribes that serve rural businesses. • Best used for organizations looking to expand entrepreneurship, business support services, and economic opportunities in rural areas.

1. https://www.eda.gov/funding/funding-opportunities/all-opportunities?f%5B0%5D=funding_status%3A6565
2. https://www.rd.usda.gov/programs-services/business-programs/rural-business-development-grants-9#overview

Tool	What It Provides
U.S. Small Business Administration (SBA) Grants[3]	• Federal grant programs available to small businesses, research organizations, nonprofits, and educational institutions, with a particular emphasis on innovation, research, and specialized business development initiatives. • Best used for entrepreneurs, startups, and organizations seeking innovation-focused funding opportunities.
Grants.gov Opportunity Search[4]	• Provides a searchable database of federal grant opportunities across all federal agencies. Find funding programs supporting business development, innovation, workforce training, technical assistance, and economic growth. • Best used for entrepreneurs, nonprofits, and organizations exploring a broad range of federal funding opportunities.

3. https://www.sba.gov/funding-programs/grants
4. https://simpler.grants.gov/search?utm_source=Grants.gov&query=entrepreneurship

B. Implementation Matrix

Timeline tiers: Immediate (0–3 months), Near-Term (3–9 months), Mid-Term (9–18 months), Ongoing (continuous, no end date), Year 2+ (18–36 months).

A. Build a Business Resource Connection Function

Action Item	Responsible Party	Timeline	Performance Measure
Compile a resource guide covering available small business support programs	Community Development Department	Near-Term	Resource guide drafted
Post the guide on the City website and assign ownership of annual updates	Community Development Department	Near-Term	Guide live on City website Annual update owner assigned
Designate a City or DDA point person to provide "front door" support for business questions	City Administration / DDA	Immediate, then Ongoing	Point person designated and publicly listed Recurring-question log reviewed quarterly
Create a simple intake form for businesses seeking assistance	Community Development Department	Immediate	Intake form live and in use

B. Strengthen Business Retention and Expansion

Action Item	Responsible Party	Timeline	Performance Measure
Conduct regular corridor check-ins	Community Development Department / DDA	Near-Term, then Ongoing	Two completed check-in cycles per year Log maintained with current data
Offer pre-application meetings as a standing practice	Community Development Department	Immediate	Meetings available on request Number held tracked annually
Connect expanding businesses to applicable state and county programs	Community Development Department / DDA	Ongoing	Number of businesses referred and outcome tracked annually
Partner with local banks and credit unions on "loan-ready" workshops	Community Development Department / DDA	Mid-Term	At least one workshop held per year
Celebrate and promote local business success	DDA / City Administration	Near-Term, then Ongoing	Number of business features published per year

C. Activate Corridors to Support Commercial Vitality

Action Item	Responsible Party	Timeline	Performance Measure
Evaluate a Corridor Improvement Authority (CIA) for Eleven Mile Road	City Administration / DDA	Near-Term	Feasibility evaluation completed Oak Park coordination outcome documented
If feasible, establish the CIA	DDA / City Council	Year 2+	CIA established (if feasible) First funded improvement completed

D. Create a Light Entrepreneurial Hub Function

Action Item	Responsible Party	Timeline	Performance Measure
Explore whether the Berkley Public Library, Community Center, DDA office, or available commercial space can host business workshops, coffee meetups, lender sessions, and startup events	Community Development Department / DDA	Near-Term	Host location(s) identified
Host quarterly small business resource sessions	Community Development Department / DDA	Mid-Term, then Ongoing	Four sessions held per year At least one outside partner present per session
Consider entrepreneurial space as part of future redevelopment negotiations on larger publicly-supported projects	Community Development Department	Ongoing	Evaluated on qualifying projects as they arise

Disclaimer

This report has been prepared by Better City LLC in collaboration with the City of Berkley for informational and illustrative purposes only. All pro forma data contained herein, including but not limited to construction cost estimates, building square footage, market lease rates, projected revenues, operating expenses, and financing assumptions, are preliminary in nature and have been developed solely to illustrate potential development scenarios.

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