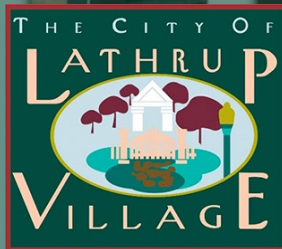


City Council Meeting

ANNIE LATHRUP SCHOOL
MIXED USE PROJECT SITE PLAN

September 15, 2025



SURNOW

CONFIDENTIAL

The Surnow Company

We're a family-owned real estate development firm that specializes in historic restoration, retail and commercial.

Our Mission

To create spaces for people to thrive.

- Family
- Teamwork
- Dependability
- Best-in-Class
- Never Fear a Challenge



Our Commitment to Lathrup Village

1978

The Surnow Company
starting in Lathrup Village
with our first building
nearly 50 years ago

H&R BLOCK®
THE INCOME TAX PEOPLE

Angeles
Fashion For All Occasions

Panera
B R E A D

MIDDLE EATS
BOWLS • WRAPS • SALADS

B **BIGGBY®**
COFFEE



LANE BRYANT

20+

We've been committed
to transforming this
school site for 20+
years

Our Track Record in Adaptive Re-Use: Birmingham Post Office

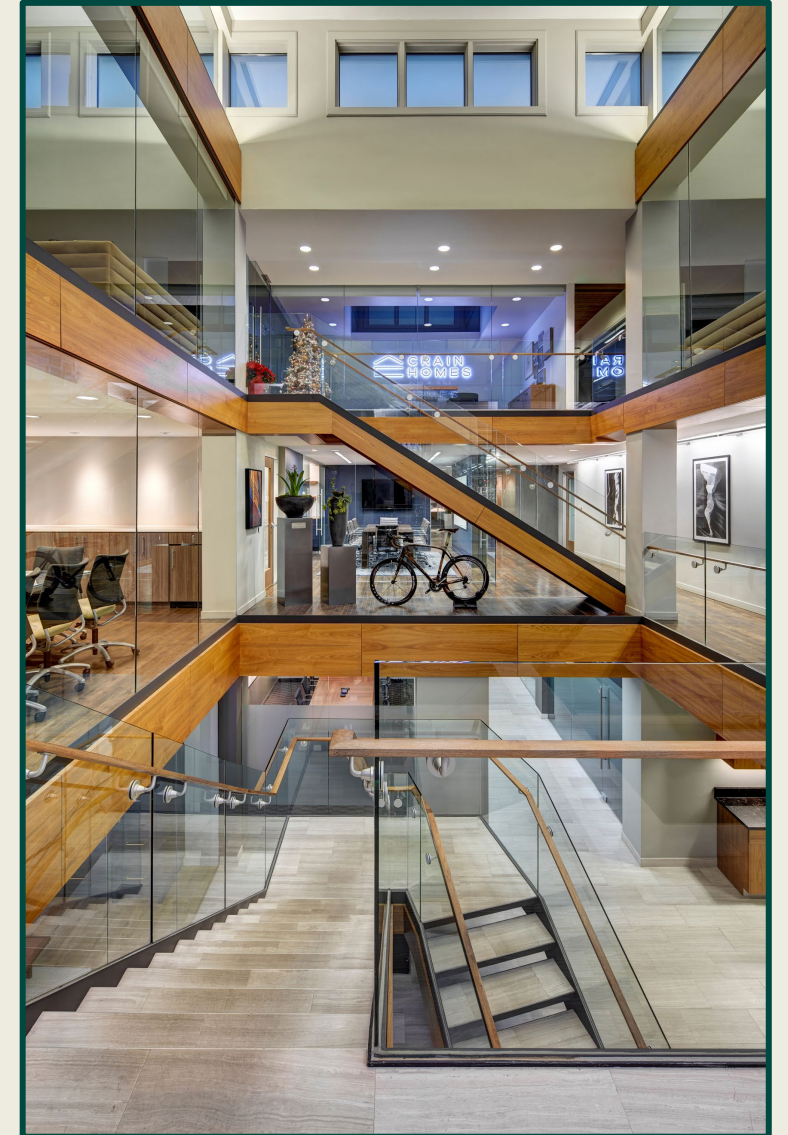
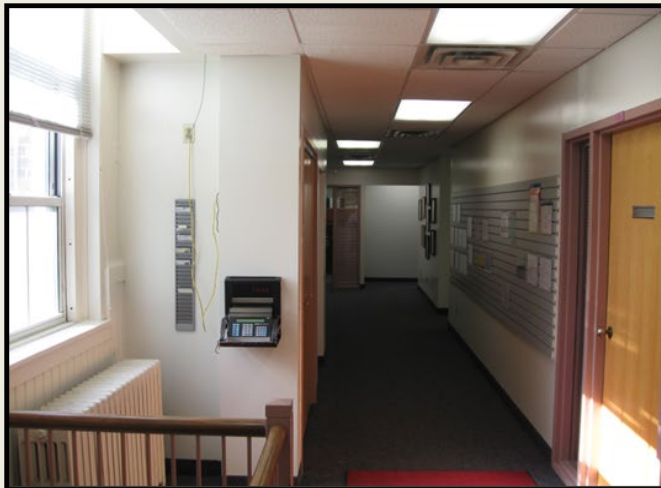
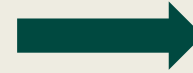


1940

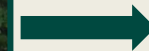


2025

Our Track Record in Adaptive Re-Use: Birmingham Post Office



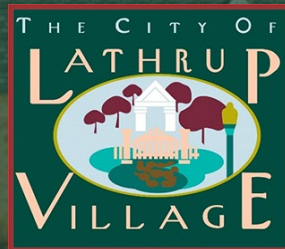
Our Track Record in Adaptive Re-Use: Church; Birmingham Administration Building



MACROECONOMIC BACKGROUND

ANNIE LATHRUP SCHOOL MIXED USE PROJECT SITE PLAN

September 2025



CONFIDENTIAL

“Build Baby Build”

Governor Whitmer announces new investment to expand affordable housing across Michigan



State-Wide Affordable Housing Criss

Whitmer proposes \$2 billion boost to combat Michigan's crippling housing shortage

by Courtney Bennett | Fri, February 28th 2025 at 12:08 AM



Michigan agency wants developers to ask for help getting housing projects off the ground

Michigan Public | By [Tracy Samilton](#)
Published August 22, 2025 at 8:58 PM EDT




Crain's Content Studio

Unlocking Michigan's potential starts with housing

Michigan is scaling housing solutions to meet urgent statewide demand

By Amy Hovey, CEO and Executive Director, Michigan State Housing Development Authority

 Reprints

 Share

Why These Programs Exist



Amy Hovey, CEO and
Executive Director, Michigan
State Housing Development
Authority (MSHDA)

"We definitely have a housing crisis still happening. MSHDA estimates the state is short by 140,000 housing units, a significant hurdle in addressing the crisis. The cost of building and rentals continues to rise. The difference between what Michigan families make and the cost of housing remains a significant gap." – *May 26, 2025*

Progress is Being Made ... Quickly

‘We are moving fast’: Whitmer gives update on 5-year housing goal

Published: Aug. 27, 2025, 8:55 a.m.

LOCAL NEWS

Whitmer awards \$4 million for 171-unit apartment complex in Grand Rapids

Gov. Whitmer Announces 96 New Jobs in Shelby Township, 56 Residential Units in Downtown Clawson

February 25, 2025

Gov. Whitmer Announces 140 New Housing Units in Hastings, Coldwater Redevelopment Projects

June 18, 2025

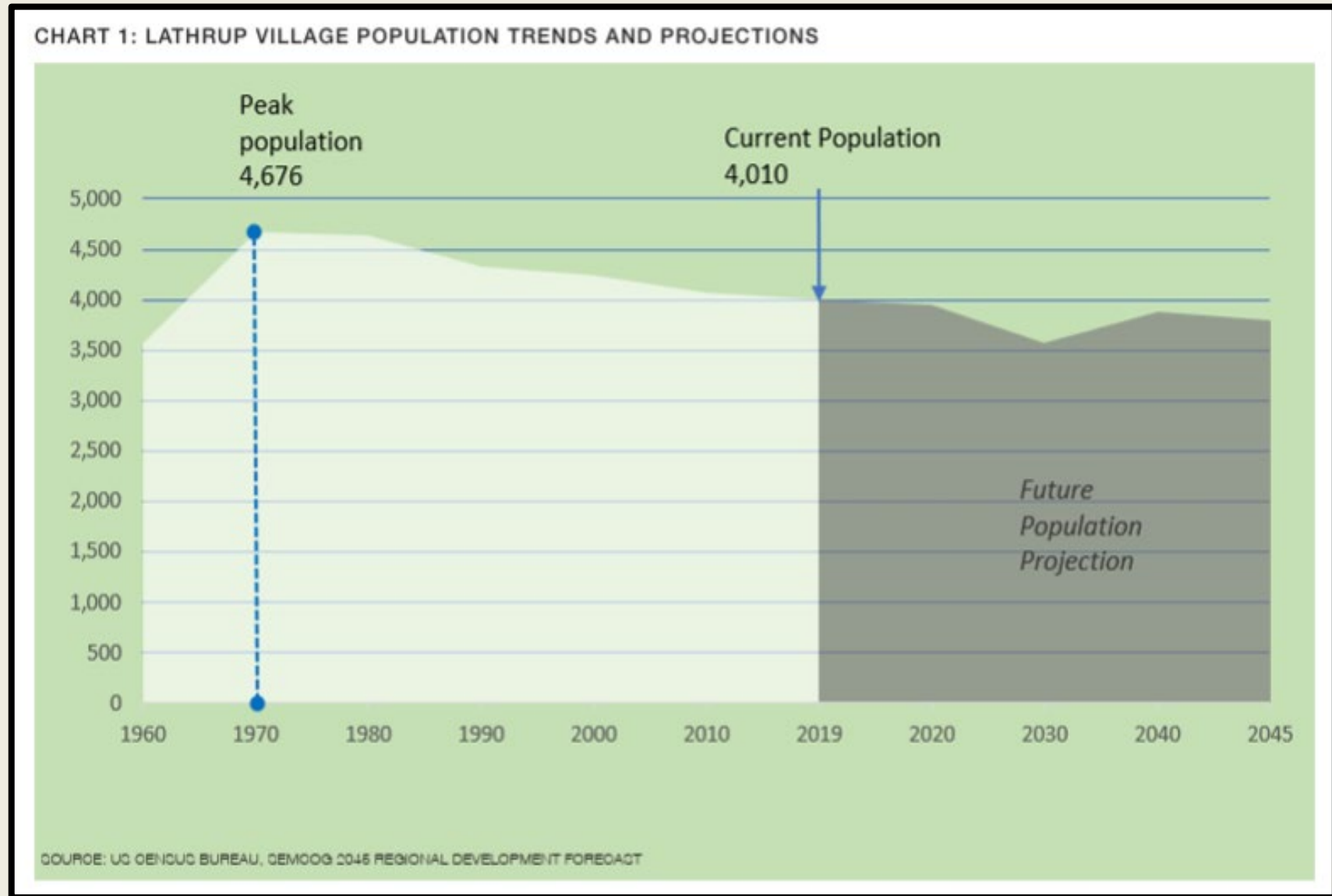
Gov. Whitmer Announces Funding for New Housing in U.P., Adding 22 Homes

MEDC Communications

Tuesday, May 20, 2025

Lathrup Village Population Statistics

- Lathrup Village's population peaked in 1970
- Current population down 15% from that peak
- Projected to keep trending downwards thru 2045
- The City's current tax revenue shortage is connected to the overall housing shortage and the lack of housing turnover



Lathrup Village Master Plan's Commentary on Attainable Housing

“ **Finding attainable housing can be a challenge in Lathrup Village and it can stress family finances.** Many people find themselves spending more on housing, leaving less of their income available for other household expenses.

Lathrup Village Master Plan, April 2021

”

2021 Lathrup Village Master Plan Vision Outline for the Annie Lathrup School

Rehabilitation + Growth

"The existing structure will be rehabilitated while new buildings are also expected and should be placed in a way that complements the school"

Compliance?



Parking

"Off-street parking lots in front of buildings detract from the pedestrian-focused site layout that is desired"



Size

"Buildings are envisioned to be at least two stories in height and may be a maximum of five stories"



Gathering Spaces

"Opportunities for people to gather formally, such as for art fairs, concerts, or other events, as well as informally, for a rest, a chance meeting, or to people-watch."



Materials

"The use of low-impact design, pervious paving materials , and native landscape materials should be prioritized."



Master Plan Visuals

Imagery from Master Plan



Our Renderings



Aging Housing Stock

92% of all apartment units in the Lathrup Village area were developed prior to 1989.

Year Opened	Projects	Units	Vacant Units	Vacancy Rate
Before 1970	5	2,068	100	4.8%
1970 to 1979	4	914	3	0.3%
1980 to 1989	5	1,064	22	2.1%
1990 to 1999	0	0	0	-
2000 to 2009	0	0	0	-
2010 to 2014	1	85	1	1.2%
2015	1	114	3	2.6%
2016	0	0	0	-
2017	1	103	3	2.9%
2018	0	0	0	-
2019	0	0	0	-
2020	0	0	0	-
2021	0	0	0	-
2022	0	0	0	-
2023	1	78	0	0.0%
2024*	0	0	0	-
Total	18	4,426	132	3.0%

Source: VSI Telephone Survey

New Development Lacking

Since 2018, there have been **ZERO** new housing developments in Lathrup Village and only one new housing development in the entire market radius

Year Opened	Projects	Units	Vacant Units	Vacancy Rate
Before 1970	5	2,068	100	4.8%
1970 to 1979	4	914	3	0.3%
1980 to 1989	5	1,064	22	2.1%
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2022	0	0	0	-
2023	1	78	0	0.0%
2024*	0	0	0	-
Total	18	4,426	132	3.0%

Source: VSI Telephone Survey

High Demand for New Units

The only new housing unit is fully leased up and has a 0% vacancy rate – showcasing a high demand for housing.

Year Opened	Projects	Units	Vacant Units	Vacancy Rate
Before 1970	5	2,068	100	4.8%
1970 to 1979	4	914	3	0.3%
1980 to 1989	5	1,064	22	2.1%
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2022	0	0	0	-
2023	1	78	0	0.0%
2024*	0	0	0	-
Total	18	4,426	132	3.0%

Source: VSI Telephone Survey

Big Picture

1.
Aging Housing
Stock

2.
Lacking New
Developments

3.
Clear Demand
for Housing

4.
Overall Vacancy
Rate = Shortage

Year Opened	Projects	Units	Vacant Units	Vacancy Rate
Before 1970	5	2,068	100	4.8%
1970 to 1979	4	914	3	0.3%
1980 to 1989	5	1,064	22	2.1%
1990 to 1999	0	0	0	-
2000 to 2009	0	0	0	-
2010 to 2014	1	85	1	1.2%
2015	1	114	3	2.6%
2016	0	0	0	-
2017	1	103	3	2.9%
2018	0	0	0	-
2019	0	0	0	-
2020	0	0	0	-
2021	0	0	0	-
2022	0	0	0	-
2023	1	78	0	0.0%
2024*	0	0	0	-
Total	18	4,426	132	3.0%

Source: VSI Telephone Survey

Multi-Family Buildings Deep Dive

There are 4,426 total units in the Lathrup Village Proximity and 4,294 are occupied.

This represents a **97% occupancy rate** and showcases a low supply and high demand for housing

Map ID	Project Name	Project Type	QR	Year Built/ Renovated	Total Units	Vacant	Occupancy Rate	DTS			
1	42 West	MRR	N	2015	114	3	97.4%	0.8			
2	Keswick Manor Apts.	MRR	B	1981	50	1	98.0%	1.3			
3	Cambridge Square	MRR	C+	1964 / 2017	104	3	97.1%	1.8			
4	Spring Haven Apts.	MRR	N	2017	103	3	97.1%	1.3			
5	Country Court North & South	MRR	C	1971 / 2009	176	0	100.0%	2.1			
6	The Crossroads at Southfield	MRR	B+	1965 / 2023	588	23	96.1%	2.3			
7	Arbor Lofts	MRR	A	2013	85	1	98.8%	1.9			
8	The Loop on Greenfield	MRR	B+	1965 / 2017	717	55	92.3%	2.0			
9	Lincoln Towers Apts.	MRR	B	1974 / 2000	480	0	100.0%	2.3			
10	Chatsford Manor Apts.	MRR	B-	1976 / 2015	48	0	100.0%	2.6			
11	Monticello Apts.	MRR	N	1988 / 2021	106	0	100.0%	3.3			
12	Park Lane Apts.	MRR	N	1986 / 2010	184	0	100.0%	3.4			
13	The Addison at Southfield	MRR	N	1988 / 2015	396	10	97.5%	3.6			
14	Franklin River Apts.	MRR	N	1987 / 2010	328	11	96.6%	3.8			
15	Radius at Ten Mile	MRR	N	1971 / 2010	210	3	98.6%	4.2			
16	IVY Lofts	MRR	N	2023	78	0	100.0%	2.7			
17	The Oxley	MRR	B+	1966 / 2017	346	6	98.3%	3.4			
18	The Sapphire	MRR	B	1968 / 2023	313	13	95.8%	3.5			
Project Type		Projects Surveyed		Total Units		Vacant		Occupancy Rate		U/C	
MRR		18		4,426		132		97.0%		0	

Benefits to a PILOT Program

Increase the number of available
workforce housing units in the City



Encourage expansion of the population
of the City



Facilitate the addition of attractive and
viable housing units in locations consistent
with the goals & objectives of the City's
Master Plan



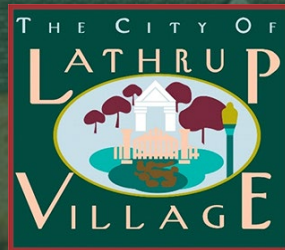
Protect and improve the health, safety and
general welfare of the City's residents,
business ownership, property owners &
community as a whole



SITE PLAN REVIEW

ANNIE LATHRUP SCHOOL MIXED USE PROJECT SITE PLAN

September 2025



CONFIDENTIAL

Historic Building

The project involves the adaptive re-use and rehabilitation of a historic structure which was originally built in 1927 and is now a non-utilized building



Current Situation State of the Building

- Building has been vacant & unusable since 2012
- Requires massive financial investment into crumbling infrastructure to sustain
- Insurance companies reluctant to insure
- Time is running out to make the existing structure viable



Current Situation State of the Building



Architectural Renderings



Current State of The Building



Architectural Renderings



Renderings: New Tenant Entrance



Current State of the Building



Renderings: Historic Building Interior



Renderings: Historic Building Interior



Renderings: Historic Building Interior



Historic Gymnasium



Renderings: Restored Gymnasium into Clubhouse



Current State of the Building



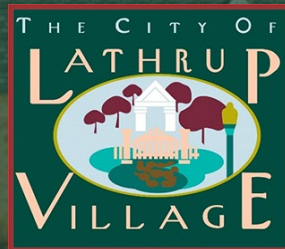
Renderings: Amenities for Tenants



HISTORIC

ANNIE LATHRUP SCHOOL MIXED USE PROJECT SITE PLAN

September 2025



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Renderings: Historic Notch



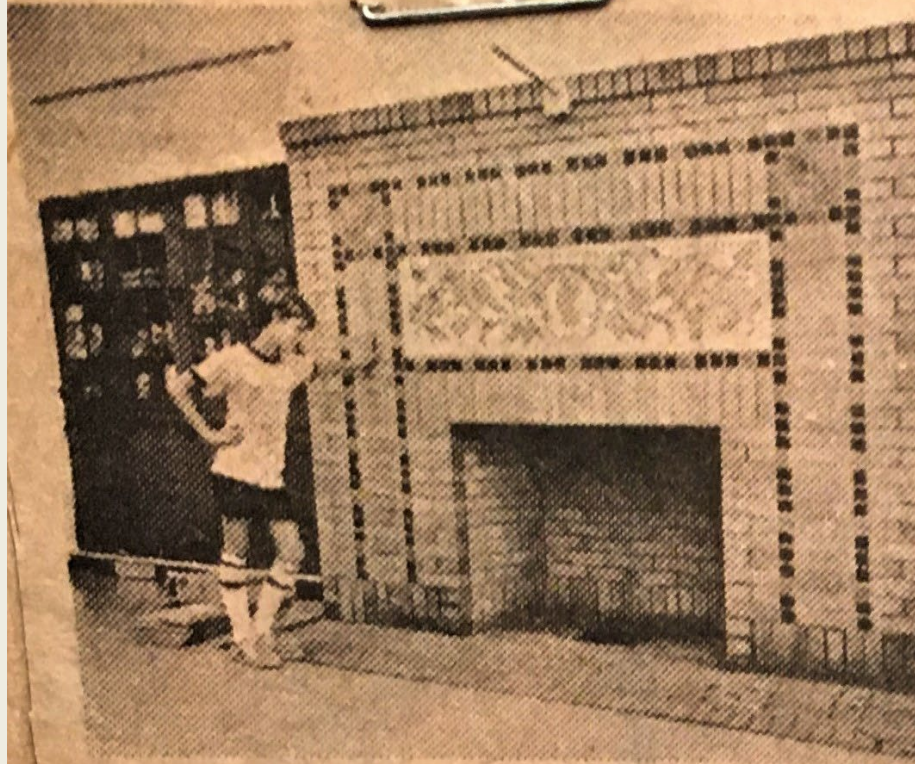
Architectural Renderings: Historic Notch

The recommendation from the Historic District Commission was to add in a singular notch on the Southfield Road View to increase chimney visibility. **We've since increased this notch by 300% post HDC approval** for even greater visibility on both sides of the building.



Historic Image

Inside Life...



**Lathrup Village:
America rusticana**

Page8A

Current State of the Building



Renderings: Restored Pewabic Fireplace



Renderings: Historic Entrance



Project Specifics



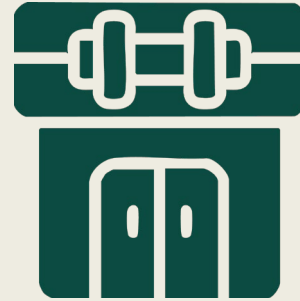
24/7 Property Management

Surnow Company will hire a full-time property management company and manager to live on-site



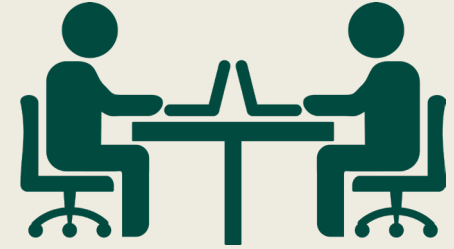
Dedicated Security

Surnow Company will hire a dedicated security team to monitor the property



Tenant Amenities

- Clubhouse
- Open Workspaces
- Workout facilities
- Breakrooms



Commercial Elements

Classrooms will be commercial co-working accessible for the Lathrup Village Residents and Tenants

Site Plan Overview

BUILDING AREAS PER FLOOR	
FIRST FLOOR AREA	54,312 s.f. TOTAL
SECOND FLOOR AREA	53,930 s.f. TOTAL
THIRD FLOOR AREA	43,358 s.f. TOTAL
FOURTH FLOOR AREA	41,168 s.f. TOTAL
TOTAL BUILDING AREA	192,768 s.f. TOTAL

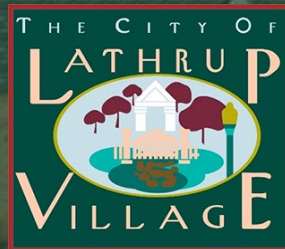
UNIT COUNT PER FLOOR					
UNIT TYPE	FLOOR 1	FLOOR 2	FLOOR 3	FLOOR 4	TOTAL
1 BEDROOM	23	23	22	15	83
2 BEDROOM	15	15	15	17	62
				TOTAL	145



DEAL OVERVIEW

ANNIE LATHRUP SCHOOL MIXED USE PROJECT SITE PLAN

September 2025



CONFIDENTIAL

PILOT Program

~Total Annual Rent	\$3,378,240																
~3% Growth Per Year																	
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	TOTAL Payment	~City/DDA Revenue
Current Taxes	\$ 23,000	\$ 23,690	\$ 24,401	\$ 25,133	\$ 25,887	\$ 26,663	\$ 27,463	\$ 28,287	\$ 29,136	\$ 30,010	\$ 30,910	\$ 31,837	\$ 32,793	\$ 33,776	\$ 34,790	\$ 427,775	\$ 205,332.01
4% - PILOT	\$ 135,130	\$ 139,183	\$ 143,359	\$ 147,660	\$ 152,090	\$ 156,652	\$ 161,352	\$ 166,192	\$ 171,178	\$ 176,313	\$ 181,603	\$ 187,051	\$ 192,662	\$ 198,442	\$ 204,396	\$ 2,513,264	\$ 1,206,366.62
5% - PILOT	\$ 168,912	\$ 173,979	\$ 179,199	\$ 184,575	\$ 190,112	\$ 195,815	\$ 201,690	\$ 207,740	\$ 213,973	\$ 220,392	\$ 227,004	\$ 233,814	\$ 240,828	\$ 248,053	\$ 255,495	\$ 3,141,580	\$ 1,507,958.28
6% - PILOT	\$ 202,694	\$ 208,775	\$ 215,038	\$ 221,490	\$ 228,134	\$ 234,978	\$ 242,028	\$ 249,289	\$ 256,767	\$ 264,470	\$ 272,404	\$ 280,576	\$ 288,994	\$ 297,664	\$ 306,593	\$ 3,769,896	\$ 1,809,549.93
7% - PILOT	\$ 236,477	\$ 243,571	\$ 250,878	\$ 258,405	\$ 266,157	\$ 274,141	\$ 282,366	\$ 290,837	\$ 299,562	\$ 308,549	\$ 317,805	\$ 327,339	\$ 337,159	\$ 347,274	\$ 357,692	\$ 4,398,212	\$ 2,111,141.59
8% - PILOT	\$ 270,259	\$ 278,367	\$ 286,718	\$ 295,320	\$ 304,179	\$ 313,304	\$ 322,704	\$ 332,385	\$ 342,356	\$ 352,627	\$ 363,206	\$ 374,102	\$ 385,325	\$ 396,885	\$ 408,791	\$ 5,026,528	\$ 2,412,733.24
9% - PILOT	\$ 304,042	\$ 313,163	\$ 322,558	\$ 332,234	\$ 342,201	\$ 352,468	\$ 363,042	\$ 373,933	\$ 385,151	\$ 396,705	\$ 408,606	\$ 420,865	\$ 433,491	\$ 446,495	\$ 459,890	\$ 5,654,844	\$ 2,714,324.90
10% - PILOT	\$ 337,824	\$ 347,959	\$ 358,397	\$ 369,149	\$ 380,224	\$ 391,631	\$ 403,380	\$ 415,481	\$ 427,945	\$ 440,784	\$ 454,007	\$ 467,627	\$ 481,656	\$ 496,106	\$ 510,989	\$ 6,283,159	\$ 3,015,916.55
Minimum Payment	\$ 120,000	\$ 126,000	\$ 129,780	\$ 133,673	\$ 137,684	\$ 141,814	\$ 146,069	\$ 150,451	\$ 154,964	\$ 159,613	\$ 164,401	\$ 169,333	\$ 174,413	\$ 179,646	\$ 185,035	\$ 2,272,877	\$ 1,090,980.89
~Taxable Value Payment	\$ 670,000	\$ 690,100	\$ 710,803	\$ 732,127	\$ 754,091	\$ 776,714	\$ 800,015	\$ 824,015	\$ 848,736	\$ 874,198	\$ 900,424	\$ 927,437	\$ 955,260	\$ 983,918	\$ 1,013,435	\$ 12,461,272	\$ 5,981,410.71

**The applicant and the City have agreed to a 4.5% annual fee, as reflected in the payment and revenue projections outlined in the attached spreadsheet.*

PILOT Resolution: High Level Deal Terms

\$22,000

Current Real
Estate Taxes

4.5%

PILOT
Percentage

\$120,000

Minimum Yearly Real
Estate Taxes Collected

\$158,500

Year 1 Taxes Collected at
100% Occupancy

120% AMI

All units must be attainable
housing units priced up to
120% area median income

2026

Estimated date to begin
construction

2027

Estimated date for initial
increased tax payment

Oakland County PILOT Percentages

13 of the 19 PILOT Programs in Oakland County are 4% or lower

#	City	Facility Name	Address	Units	MSHDA Notice	PILOT Percentage
1	Township of Milford	Heritage Place @ Ridge Valley	700 Napa Valley Dr	130	10/4/2006; 06/27/2012	1%
2	City of Pontiac	Village of Oakland Woods I (Pres. Village)	420 S Opdyke	150	1/20/2022	3%
3	City of Birmingham	Baldwin House	200 S Chester St	130	6/21/1993	4%
4	City of Ferndale	Vester Flats Apartments	141 Vester Street	72	4/23/2025	4%
5	City of Ferndale	Devon Trace Apartments	1225 Orchard St	60	5/21/2010	4%
6	City of Hazel Park	Baldwin House	749 E Woodward Hts	125	6/19/1990; 12/22/2021	4%
7	City of Hazel Park	Hazelcrest Place	100 Hazelcrest	241	4/11/1979; 12/22/2021	4%
8	City of Pontiac	American House Oakland (Lakehaven)	1915 Baldwin Ave	161	12/07/2021 (06/26/2019)	4%
9	City of Pontiac	North Hill Farms I & II	550 W Kennett Rd	525	1/13/2022	4%
10	City of Pontiac	Phoenix Place	47251 Woodward	201	8/4/2010	4%
11	City of Pontiac	Crystal Lake Apartments	850 Golf	144	5/20/2020	4%
12	City of Pontiac	Spring Lk Village (Aub Hls Twnhs)	252 Carriage Circle Dr	250	1/6/2011	4%
13	City of Pontiac	Village of Oakland Woods II	440 S Opdyke	66	2/2/2006	4%
14	City of Ferndale	Raymond E. Shepherd House	410 Vester St	53	10/2/2024	4.5%
15	City of Pontiac	Winston Commons	69 Douglas St	54	07/20/2022 (11/16/2020)	6%
16	City of Pontiac	The Hamilton	5 Carter St	42	9/3/2019	6%
17	City of Pontiac	Carriage Place Apts.	255 Carriage Circle Dr	234	8/10/2021	6%
18	City of Pontiac	Newman Court Apts	630 Kettering	172	7/16/2018	7%
19	Village of Milford	South Hills II / MHT	101 Gwendolyn Blvd	120	12/13/2006	10%

Oakland County PILOT Percentages

At 4.5% the proposed PILOT Program for Annie Lathrup School would be among the highest percentages of shelter rents captured in Oakland County

#	City	Facility Name	Address	Units	MSHDA Notice	PILOT Percentage
1	Township of Milford	Heritage Place @ Ridge Valley	700 Napa Valley Dr	130	10/4/2006; 06/27/2012	1%
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13	City of Pontiac	Village of Oakland Woods II	440 S Opdyke	66	2/2/2006	4%
14	City of Ferndale	Raymond E. Shepherd House	410 Vester St	53	10/2/2024	4.5%
15	Lathrup Village	Annie Lathrup School	20700 Southfield Road	145	TBD	4.5%
16	City of Pontiac	Winston Commons	69 Douglas St	54	07/20/2022 (11/16/2020)	6%
17	City of Pontiac	The Hamilton	5 Carter St	42	9/3/2019	6%
18	City of Pontiac	Carriage Place Apts.	255 Carriage Circle Dr	234	8/10/2021	6%
19	City of Pontiac	Newman Court Apts	630 Kettering	172	7/16/2018	7%
20	Village of Milford	South Hills II / MHT	101 Gwendolyn Blvd	120	12/13/2006	10%

Proposed Real Estate Taxes Breakdown

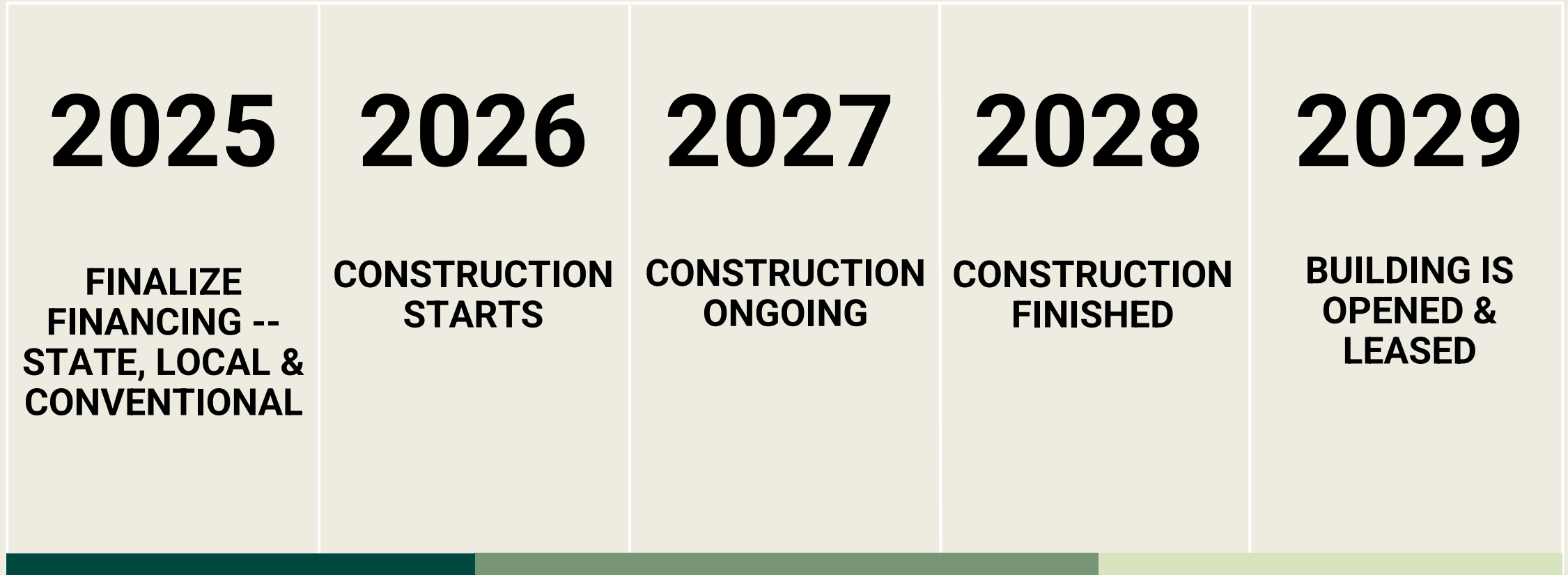
Total Real Estate Taxes	\$22,318	→	Total Real Estate Taxes at 4% PILOT	\$152,000
Lathrup Village Tax Collection	\$9,678	→	Lathrup Village Tax Collection at 4% PILOT	\$64,462
DDA % Share of Taxes	100%	→	DDA Share of Taxes	TBD

Debt Service: Funding Sources

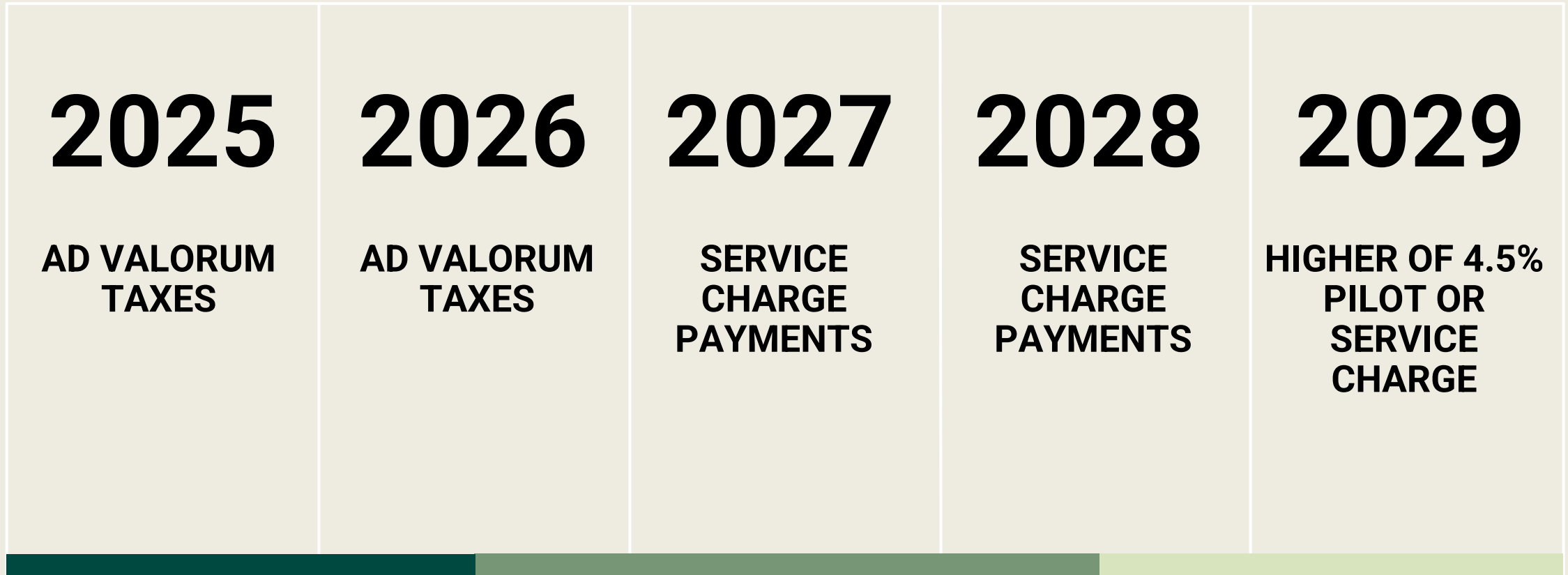
Line Item	Yearly Cost	Term	Interest Rate	Annual Payment
Bank Permanent Financing	\$31,500,000	40 years	5.00 %	\$1,822,703
MSHDA CPE Program	\$6,300,000	10 years	5.00 %	\$315,000
Developer Funding	\$4,200,000	n/a		
Local Funding	\$0	n/a		

Total Debt Service Payment Per Year	\$2,137,703
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Sample Timeline



Sample Timeline



Debt Service Ratio: Sensitivity Analysis

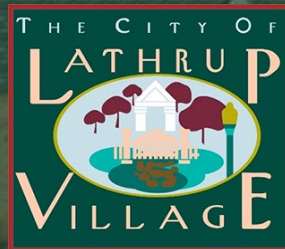
Various PILOT Rates

	Year 1	Year 2	Year 3	Year 4	Year 5
5% PILOT	1.15	1.18	1.21	1.23	1.26
6% PILOT	1.14	1.17	1.19	1.22	1.25
7% PILOT	1.13	1.16	1.17	1.19	1.21
8% PILOT	1.11	1.14	1.16	1.18	1.19

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September 2025



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Estimated Income Breakdown

Bedrooms	Apartment Units	Square Feet	Monthly Rent Per Unit	Income at 100% Occupied
1	69	780	\$1,440	\$1,639,440
1	14	780	\$1,980	\$241,920
2	10	1,098	\$1,344	\$161,280
2	14	1,098	\$1,680	\$282,240
2	38	1,098	\$2,310	\$1,053,360
Gross Rent Collected				\$3,378,240

PILOT Payment Calculation

$$\begin{array}{ccccc} \text{Gross Rent} & & \text{Pilot} & & \text{Estimated Real Estate} \\ \text{Collected} & \times & \text{Percentage} & = & \text{Taxes Collected} \\ \downarrow & & \downarrow & & \downarrow \\ \$3,378,240 & \times & 4.5\% & = & \sim \$152,000 \end{array}$$

Net Operating Income

$$\begin{array}{ccccc} \text{Total Project} & & \text{Operating} & & \text{Net Operating} \\ \text{Revenue} & - & \text{Expenses} & = & \text{Income} \end{array}$$

Total Project Revenue

Bedrooms	Apartment Units	Square Feet	Monthly Rent Per Unit	Income at 100% Occupied
1	69	780	\$1,440	\$1,639,440
1	14	780	\$1,980	\$241,920
2	10	1,098	\$1,344	\$161,280
2	14	1,098	\$1,680	\$282,240
2	38	1,098	\$2,310	\$1,053,360
Gross Rent Collected				\$3,378,240
Non-Rental Income				\$155,000
Total Project Revenue				\$3,533,240

Operating Expenses

Line Item	Yearly Cost
Management	\$115,465
Administrative	\$248,488
Project-Paid Fuel	\$30,589
Common Electricity	\$76,478
Water & Sewer	\$45,887
Operating & Maintenance	\$157,914
PILOT Fees	\$152,000
Insurance	\$69,525
Replacement Reserves	\$30,000
Miscellaneous	\$79,701

**Total Operating
Expenses Per Year**

\$976,047

Net Operating Income

$$\text{Total Project Revenue} - \text{Operating Expenses} = \text{Net Operating Income}$$

Line Item	Yearly Cost
Total Project Revenue	\$3,533,240
Total Operating Expenses	\$976,047
Net Operating Income	\$2,542,193

Debt Service Ratio

$$\frac{\text{Net Operating Income}}{\text{Debt Service}} = \text{Debt Service Ratio}$$

Debt Service Ratio

$$\frac{\text{Net Operating Income}}{\text{Debt Service}} = \text{Debt Service Ratio}$$

Debt Service: Funding Sources

Line Item	Yearly Cost	Term	Interest Rate	Annual Payment
Bank Permanent Financing	\$31,500,000	40 years	5.00 %	\$1,822,703
MSHDA CPE Program	\$6,300,000	10 years	5.00 %	\$315,000
Developer Funding	\$4,200,000	n/a		
Local Funding	\$0	n/a		

Total Debt Service Payment Per Year	\$2,137,703
-------------------------------------	-------------

Debt Service Ratio

$$\frac{\text{Net Operating Income}}{\text{Debt Service}} = \text{Debt Service Ratio}$$

$$\frac{\$2,544,193}{\$2,137,703} = 1.20$$

Debt Service Ratios Years 1-5 at 100% Occupancy

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Project Revenue	\$3,533,240	\$3,621,571	\$3,712,110	\$3,804,913	\$3,900,913
Total Operating Expenses	\$974,047	\$1,003,268	\$1,033,366	\$1,064,367	\$1,096,298
Net Operating Income	\$2,544,193	\$2,602,853	\$2,662,830	\$2,724,155	\$2,786,855
Annual Debt Service	\$2,137,703	\$2,137,703	\$2,137,703	\$2,137,703	\$2,137,703
Cash Flow	\$406,490	\$465,149	\$525,127	\$586,452	\$649,152
Debt Service Ratio	1.20	1.22	1.25	1.27	1.30

Yield Comparison

$$\frac{\$2,544,193}{\$42,137,703} = 5\%$$

Capital Preservation (Ultra-Safe, Lower Growth)

Treasury Bills, Notes, and Bonds

Backed by the U.S. government, these are among the safest investments. Laddering maturities reduces interest rate risk.

FDIC-Insured Bank Accounts / CDs

Yields are lower, but the money is essentially risk-free up to FDIC insurance limits (though with \$42M you'd spread across multiple banks)

Money Market Funds (Government-backed)

Invest primarily in short-term government securities, giving liquidity and safety.

Return range: ~4–5% annually in today's rate environment.

Expenses Breakdown without PILOT Program

Line Item	Yearly Cost
Management	\$115,465
Administrative	\$248,488
Project-Paid Fuel	\$30,589
Common Electricity	\$76,478
Water & Sewer	\$45,887
Operating & Maintenance	\$157,914
Property Taxes	\$650,000
Insurance	\$69,525
Replacement Reserves	\$30,000
Miscellaneous	\$79,701

**Total Operating
Expenses Per Year**

\$1,474,047

Cash Flow without PILOT Program

Line Item	Year 1
Total Project Revenue	\$3,533,240
Total Operating Expenses	\$1,474,047
Net Operating Income	\$2,003,893
Annual Debt Payment	\$2,137,703
Cash Flow	(\$133,810)
Debt Service Ratio	0.94

Debt Service Ratio Without PILOT Program

Without a PILOT program in place; the project is not fundable to a 1.20 Debt Service Ratio until Year 15

Line Item	Year 1	Year 2	Year 3	Year 4	Year 5
Total Project Revenue	\$3,533,240	\$3,565,196	\$3,654,326	\$3,745,684	\$3,839,326
Total Operating Expenses	\$1,474,047	\$1,518,268	\$1,563,816	\$1,610,731	\$1,659,053
Net Operating Income	\$2,003,893	\$2,046,619	\$2,090,191	\$2,134,625	\$2,179,936
Annual Debt Payment	\$2,137,703	\$2,137,703	\$2,137,703	\$2,137,703	\$2,137,703
Cash Flow	(\$133,810)	(\$91,085)	(\$47,512)	(\$3,078)	\$42,232
Debt Service Ratio	0.94	0.96	0.98	1.00	1.02

Project Summary

Project Qualifications

- Adaptive reuse of vacant or under-utilized buildings
- New mixed-use or multi-family residential developments
- Significant commercial renovations or expansions
- Affordable housing developments



Public Benefits

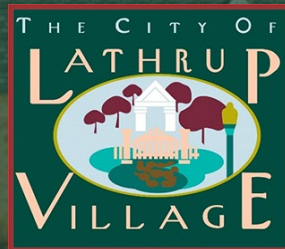
- Expansion of the City's tax base in the long term
- Improvement of blighted or vacant property
- Expanded provision of affordable housing units
- Creation or retention of permanent jobs



COMMUNITY BENEFITS

ANNIE LATHRUP SCHOOL MIXED USE PROJECT SITE PLAN

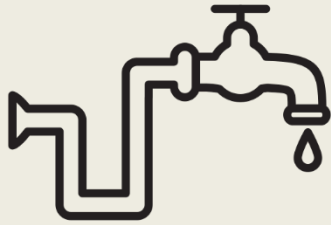
September 2025



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Potential Community Benefits

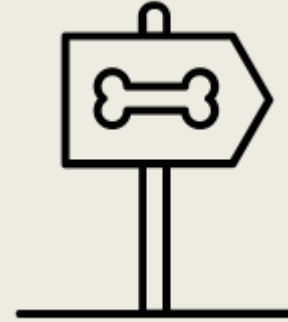
The Surnow Company is willing to invest into beautifying Annie Lathrup Park as part of our Community Benefits to the residents of Lathrup Village; examples include:



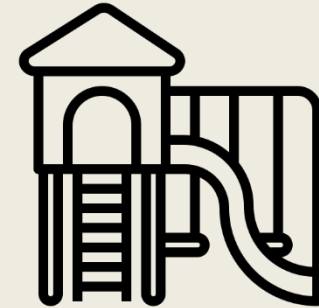
**Water Main
Repair**



**Walking Path
Enhancements**



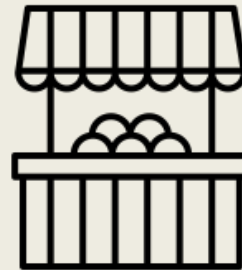
**Dog Park
Refurbishment**



**Children's
Playgrounds**



Landscaping



Farmers Market



Hosting Events

Current: Green Space Buffer Zone POV



**Walking Path
Enhancements**



Current: Green Space Buffer Zone POV



**Walking Path
Enhancements**



Project Summary

Project Qualifications

- Adaptive reuse of vacant or under-utilized buildings
- New mixed-use or multi-family residential developments
- Significant commercial renovations or expansions
- Affordable housing developments



Public Benefits

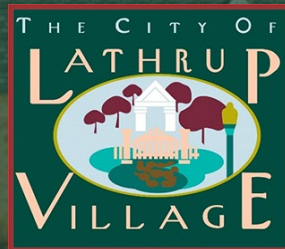
- Expansion of the City's tax base in the long term
- Improvement of blighted or vacant property
- Expanded provision of affordable housing units
- Creation or retention of permanent jobs



APPENDIX

ANNIE LATHRUP SCHOOL MIXED USE PROJECT SITE PLAN

September 2025



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HDC & Site Plan Approval Letters



City of Lathrup Village
27400 Southfield Road
Lathrup Village, MI 48076
www.lathrupvillage.org | (248) 557-2600

VIA Email

February 20, 2025

Lathrup Village Building Department
27400 Southfield Rd.
Lathrup Village, MI 48076

RE: 27700 Southfield Road – Lathrup Village HDC Decision

Lathrup Village Building Department:

This letter will be considered the Lathrup Village Historic District Commission (HDC) certificate of approval. On February 19th, 2025, the HDC met and acted on the application received for 27700 Southfield Road – Annie Lathrup School Partial Demolition & Rehabilitation plans. Below are the motions:

Moved by Warner, seconded by Johnson to approve the 27700 Southfield Road – Annie Lathrup School partial Demolition & Rehabilitation proposal.

Yes: Johnson, Roberts, Warner, Kenez, Khamo

No: N/A

Motion Carried

Moved by Roberts, seconded by Johnson to approve the 27700 Southfield Road – Annie Lathrup School partial Demolition & Rehabilitation plan.

Commissioner Warner – While Section 40-29(e)(8) remains a concern, when only one item does not meet the ordinance requirements, it shows the developer is making an effort. This is a rare project and if the project saves the truly historical portion of the site, then it should continue to move forward.

Secretary Khamo – The ultimate concern is the building being torn down and that may be a possibility. The size (Section 40-29(e)(8)) is still a concern.

Chair Johnson – Believes the petitioners have acted in good faith and the true historical building stays intact. To achieve 9 out of 10 elements of compliance is an achievement. The HDC must stop the potential of the building being demolished.

Vice-Chair Roberts – 9 out of 10 elements appear to be met. The economics make sense, and the original school stays intact.

Commissioner Kenez – The preservation of the building was a major concern. Maintaining the integrity of the area will be needed to showcase the property. Wants to see the relationship in the Village Center district expand if this project proceeds.

Yes: Johnson, Roberts, Warner, Kenez, Khamo

No: N/A

Motion Carried

Based upon the approved motion, this letter will serve as the certificate of approval and the HDC ask the building department to file this in its usual manner and take such action as necessary to require compliance with the approved building plan.

If you have any questions, please feel free to reach out.

Sincerely,

Dane Johnson
LV HDC Chairman

cc: Akiva Investments, LLC

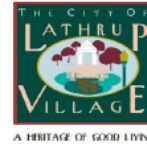
Kelly Garrett
Mayor

Bruce Kantor
Mayor Pro-Tem

Jalen Jennings
Council Member

Dalton Barksdale
Council Member

Jason Hammond
Council Member



27400 Southfield Road
Lathrup Village, MI 48076
(248) 557-2600
www.lathrupvillage.org

June 25, 2025

Akiva Investments, LLC
320 Martin Street, Ste. 100
Birmingham, MI 48009

RE: Site Plan Approval – 27700 Southfield Road (Parcel ID #24-13-303-021)

Site Plan Submitted: October 22, 2024

Revised Site Plan Submitted: March 21, 2025

Planning Commission Approval: April 15, 2025

Dear Akiva Investments,

The City of Lathrup Village has completed its review of the revised site plan submitted on March 21, 2025, for the property located at 27700 Southfield Road (PZE 24-019). On April 15, 2025, the Planning Commission granted approval for the site plan, subject to the conditions outlined below. This letter serves as the formal confirmation of that approval.

All signage must comply with Chapter 52 of the City of Lathrup Village Code of Ordinances. Any new or modified signage will require a separate sign permit and must meet the dimensional, placement, and illumination standards set forth in the ordinance.

The approved site plan includes improvements to the site layout, landscaping, and parking configuration, including the proposed use of 18 parking spaces located within the public right-of-way.

On June 3, 2025, the Lathrup Village City Council approved a revocable Encroachment License authorizing the installation of landscaping and a concrete parking pad for 18 parking spaces within the city right-of-way along the south side of Goldengate Drive East. As a condition of this license, you are required to:

- Maintain \$1,000,000 in liability insurance, naming the City as an additional insured.
- Ensure free flow of storm water drainage through the right-of-way area.
- Accept full responsibility for maintenance and repair of improvements being installed into right-of-way.
- Comply with all provisions for indemnification and relocation at the City's request, as specified in the license agreement.

City of Lathrup Village

Support Letters



P.O. BOX 30036
LANSING, MI 48205-7536
PHONE: (517) 373-7888
WEB: senatemoos@senate.michigan.gov
EMAIL: senjmoos@senate.michigan.gov

MICHIGAN SENATE
JEREMY MOSS
STATE SENATOR, 7TH DISTRICT
PRESIDENT PRO TEMPORE

COMMITTEES:
ELECTIONS & ETHICS (CHAIR)
REGULATORY AFFAIRS (CHAIR)
ECONOMIC & COMMUNITY
DEVELOPMENT
GOVERNMENT OPERATIONS
LOCAL GOVERNMENT

October 2, 2024

Michele Wildman, Chief Place Officer
Michigan Economic Development Corporation
300 N. Washington Sq
Lansing, MI 48913

RE: Lathrup Village Community Revitalization Program Request

Dear Ms. Wildman,

As the State Senator and State Representative serving the City of Lathrup Village, we are writing to express our support for the proposed adaptive reuse and revitalization project at the historic Annie Lathrup School, led by Surnow Companies and the City of Lathrup Village. This transformative development is seeking an investment from the Michigan Economic Development Corporation's (MEDC) Community Revitalization Program (CRP).

Originally built in 1926, the Annie Lathrup School is a beloved local landmark that has unfortunately stood vacant since 2013. The proposed project will restore this iconic building, preserving its historic English Gothic architecture while making essential updates to mechanical, electrical, plumbing, and elevator systems. Additionally, the project will construct a new 128-unit multi-family residential complex, offering one- and two-bedroom apartments to address local housing needs.

The redevelopment will not only provide attainable housing but also include co-working and event spaces, enhancing the area's appeal and creating new economic opportunities. This project will have a profound economic and social impact. It will attract new residents, create jobs during construction and long-term property management, contribute to the revitalization of the city and preserve a valuable piece of its history. By securing MEDC's financial commitment through the CRP, we can ensure the ongoing financial feasibility of the project and help bring this vision to life. We urge support for this important investment in the shared future of all residents of Lathrup Village and the surrounding areas.

Thank you for your consideration of Surnow Companies and the City of Lathrup Village's proposal. Please do not hesitate to contact our offices with any questions or concerns.

Sincerely,

Jeremy Moss, President Pro Tempore
State Senator, The Seventh District

Jason Hoskins, State Representative
The Eighteenth District



Commissioner Yolanda Smith Charles, District 17
(248) 807-4363 | CharlesY@OakGov.com

September 26, 2024

Michigan Economic Development Corporation
Attn: Michigan Strategic Fund Board Members
300 N. Washington Square
Lansing, MI 48913

RE: The Surnow Company Lathrup Village School Site Redevelopment Project Support

Michigan Strategic Fund Board Members:

I am writing in support of the proposed redevelopment of the historic former school site, a landmark location at the core of the City of Lathrup Village's Main Street District. As Commissioner of District 17 for the Oakland County Board of Commissioners, I can attest to the importance of this project in continuing to meet the community's needs. Over the years, I have had the pleasure of interacting with the community members in and around this site and enthusiastically support this much-needed improvement.

This project is not merely a construction endeavor; it is a transformative opportunity to reinvigorate a key hub of our community. This initiative offers an unparalleled chance to rejuvenate a vital area of our community, turning a longstanding eyesore into a dynamic space that supports the creation of a lively urban environment, and the preservation of our city's rich history.

I hope the MEDC will give careful consideration to the City of Lathrup Village's proposed redevelopment project. I am confident that it will have a profound and positive impact on Lathrup Village, fostering economic growth, enhancing the quality of life, and strengthening our local economy.

Thank you for your consideration of this request. We look forward to working together to bring this exciting development to life.

Sincerely,

Yolanda Smith Charles, Commissioner
District 17
Oakland County Board of Commissioners

Support Letters



P.O. BOX 30036
LANSING, MI 48205-7536
PHONE: (517) 373-7888
WEB: senatemoos@senate.michigan.gov
EMAIL: senjmoos@senate.michigan.gov

MICHIGAN SENATE
JEREMY MOSS
STATE SENATOR, 7TH DISTRICT
PRESIDENT PRO TEMPORE

COMMITTEES:
ELECTIONS & ETHICS (CHAIR)
REGULATORY AFFAIRS (CHAIR)
ECONOMIC & COMMUNITY
DEVELOPMENT
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Sincerely,

Yolanda Smith Charles, Commissioner
District 17
Oakland County Board of Commissioners

Term Language from Ferndale PILOT Ordinance (2023)

(E) “Restrictive Covenant” means a recorded agreement between Sponsor and the City of Ferndale running with the land that restricts the use of the housing project to workforce housing, as defined in this ordinance, for a period not to exceed 15 years, or such greater or lesser period of time as may be authorized by state law and as may be required by the PILOT Resolution.

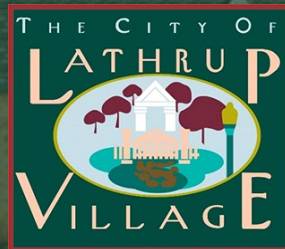
Term Language from Ferndale PILOT Resolution with Vester Flats (2023)

RESOLVED, that the PILOT for the Housing Project shall be for a period of fifteen (15) years beginning in year 2025. Provided, however, in the event that the Housing Project continues to provide workforce housing, as defined in Workforce Housing Ordinance, after expiration of the initial fifteen (15) years, the City shall administratively approve up to two (2) additional fifteen (15) year extensions of the PILOT for the Housing Project upon the Sponsor's recording of a new fifteen (15)-year Restrictive Covenant for each such extension in a form acceptable to the City Attorney and as executed by the City. Any such new Restrictive Covenant must be recorded with the Oakland County Register of Deeds;

THANK YOU

ANNIE LATHRUP SCHOOL MIXED USE PROJECT SITE PLAN

September 2025



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