Michigan State University
Urban and Regional Planning Practicum Group

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I. Executive Summary

Michigan State University's Urban and Regional Planning Practicum course focuses on integrating classroom work with "real-world" planning projects. Undergraduate seniors and graduate students work with communities or organizations on a semester-long planning project. The purpose of this collaboration is to apply course work experience to real-world problems or scenarios through the partnerships with the cities or organizations that the students serve for the semester.

The Van Dyke-Eight Mile Gateway Collaborative is seeking to address the feasibility of an incubator with the goal of promoting economic development through physical revitalization and increased social equity along the four-mile Van Dyke Corridor extending from McNichols Road in the City of Detroit, to Ten Mile Road in the City of Center Line. The project site is the Peacock building, located at 21045 Van Dyke Avenue in the City of Warren. The building sits at the corner of Van Dyke Avenue and Yacht Street, a quarter of a mile north of Eight Mile Road.

The project is intended to identify a feasible reuse of the Peacock Building, which was built in 1947, and is currently vacant. A feasibility study will determine what sort of uses the location could support and if it is an appropriate site for a business incubator. The incubator project is part of a larger, on-going neighborhood redevelopment strategy whose stakeholders include the cities of Center Line, Detroit, and Warren, and several non-profit and community groups. The Macomb County Department of Planning and Economic Development in partnership with the Michigan State University Practicum Program will conduct the feasibility by assessing a demographic analysis, market study, and incubator assessment for the study area surrounding the Peacock Building.

The socioeconomic profile, along with the industrial and market analyses, has portrayed clear trends and patterns within the study area, showing that the study area has seen an increase in its population between 1990 and 2000, and that the biggest age group is for the area is relatively young, '25-34' years. The study area has a lower median household income than Wayne and Macomb counties, however this may be attributed to the fact that the biggest segment of the population is between '25-34' years where careers and wealth have not yet been well established.

In terms of the built environment, the study area is within close proximity to parks, schools, and healthcare facilities, as well as higher education institutions and industrial and

technological parks. While the market potential index portrayed that consumers within the study area have a purchasing pattern greater than the national average in certain markets, the overall study revealed that there was not a surplus factor evident for a possible regional attraction of a specific industry group.

The industrial market analysis revealed that although the manufacturing sector is expected to decline, there is an expected growth in jobs in the next five years, especially in information, health, education, and service industries. The projected growth in these industries is relevant to the future use of the study area because of the Peacock Building's close proximity to health, education, and technological facilities.

The feasibility and market study for the Peacock Building was conducted with the intent of determining what type of uses the building would lend itself to. Because the market study revealed no evidence in support of a need for specific goods or services for the study area, this feasibility study has found no proof that a commercial incubator will succeed in the Peacock Building. Instead, based on the assessment of uses, if an incubator is chosen as the use for the Peacock Building, the site would lend itself well to a community resource or third place center to service the residents of the community. A community or third place center can still be housed within a business incubator, but the success of the incubator is heavily dependant on the incubator's management practices.

II. Project Background

A. Purpose of Project

Michigan State University's Urban and Regional Planning Practicum course focuses on integrating classroom work with "real-world" planning projects. Undergraduate seniors and graduate students work with communities or organizations on a semester-long planning project. The purpose of this collaboration is to apply course work experience to real-world problems or scenarios through the partnerships with the cities or organizations that the students serve for the semester.

The Van Dyke-Eight Mile Gateway Collaborative is a partnership of thirteen diverse organizations, primarily the cities of Center Line, Detroit, and Warren; the Eight Mile Boulevard Association; the Macomb County Planning & Economic Development; and the Van Dyke-Seven Mile Business Association, to name a few.

The collaborative is seeking to address the feasibility of an incubator with the goal of promoting economic development through physical revitalization, and increased social equity along the four-mile Van Dyke Corridor extending from McNichols Road in the City of Detroit to Ten Mile Road in the City of Center Line. The project site is the Peacock building, located at 21045 Van Dyke Avenue in the City of Warren. The building sits at the corner of Van Dyke Avenue and Yacht Street, a quarter of a mile north of Eight Mile Road.

B. Scope of Services

The project is intended to identify a feasible reuse of the Peacock Building, which was built in 1947, and is currently vacant. A feasibility study will determine what sort of uses the location could support and if it is an appropriate site for a business incubator. The incubator project is part of a larger, on-going neighborhood redevelopment strategy whose stakeholders include the cities of Center Line, Detroit, and Warren, and several non-profit and community

groups. The Macomb County Department of Planning and Economic Development in partnership with the Michigan State University Practicum Program will conduct the feasibility by assessing the following components:

- Market study of the target area
- Demographic analysis of target area
- Possible use for the building
- Evidence of the area's ability to support an incubator
- Case studies of successful incubators in similar circumstances
- Best management practices for incubators
- Funding resources to support reuse of the building

C. Practicum Partnership

The Macomb Department of Planning and Economic Development in partnership with Michigan State University Practicum Program is developing a feasibility study of a business incubator for the Peacock building, located at Van Dyke and Yacht Street, which is a quarter of a mile north of Eight Mile Road. The building is currently owned by the City of Warren's Tax Increment Finance Authority (TIFA), but also has the support of the cities of Center Line, Detroit, and Warren, and several non-profit and community groups. Pending the validation of a feasibility study, TIFA has committed to providing the majority of the funding required for the renovation of the Peacock Building, along with the financial backing of the Detroit Chapter of the Local Initiatives Support Corporation (LISC) and the City of Warren.

D. Methods

The feasibility of the Peacock Building was researched through completing a socio-economic profile; market analysis; strengths and weaknesses analysis; use assessment; and an incubator assessment. The feasibility study for the Peacock Building is based on demographic data and socio-economic analysis, which depict a neighborhood profile for the location. A

summary of the current and future land-use of the site and its surroundings is considered, as well as adjoining uses of the building.

The demographic data was obtained from the U.S. Census Bureau, from both the 1990 and 2000 censuses. The categories analyzed include population, race, age, education, employment, income, housing units, and housing occupancy. Due to the building's location at the Detroit-Warren border, census tracts rather than city data were examined for the demographic analysis. The census tracts used in this analysis encompass the area bordered by Ten Mile Road, McNichols Road (Six Mile), Hoover Road, and Mound Road, which creates a two-mile radius corridor around the Peacock building. The area defined by the following census tracts will be referred to as the 'study area':

Macomb County:	2626, 2631, 2632, 2633, 2638, 2639, 2640, 2680, 2681
Wayne County:	5049, 5050, 5051, 5061, 5062, 5063, 5064, 5065, 5066, 5067

The neighborhood profile also includes a quality of life assessment based on the area's access to health care, education systems, neighborhood amenities, and major transportation networks, as well examining crime statistics for the area. Proximity to the Peacock building is the main aspect in consideration of access to these facilities and services.

The market analysis was conducted by evaluating market variables in the area surrounding the site using a 1.0 mile, 3.0 miles, and 5.0 miles radius. These three boundaries were chosen due to available data through the Environmental Services Research Institute (ESRI), based on travel patterns established through average daily traffic volumes. The market analysis is comprised of three main sections including commercial, industrial, and residential.

Another component to the feasibility study is the analysis of strengths and weaknesses of the study area, which can lead to opportunities and threats, compiled through site visit observations and best-use criteria ratings based on site characteristics.

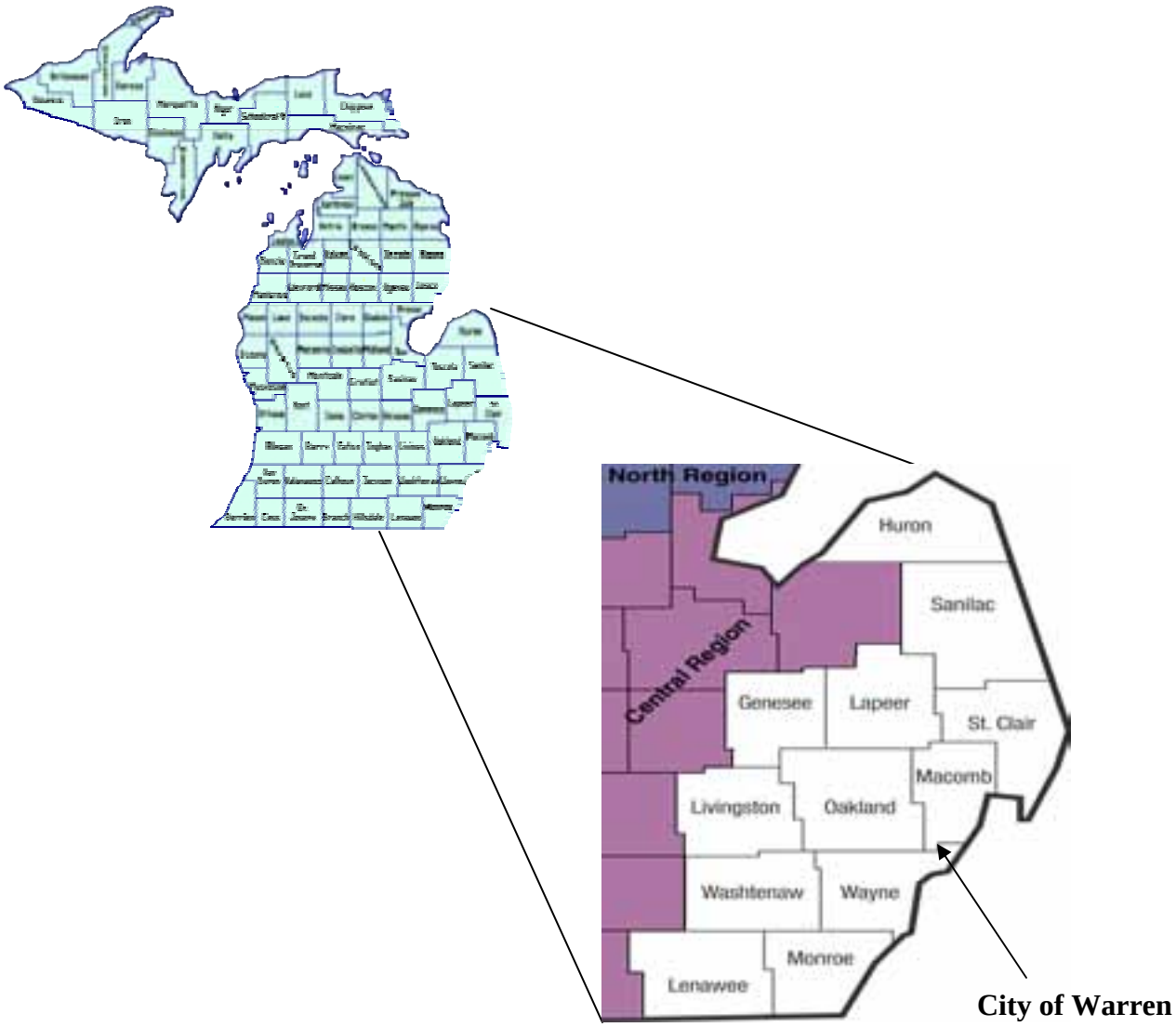
The analysis for the feasibility study will describe the social and economic characteristics of the area and will help determine the best use for the Peacock Building and if an incubator will be appropriate. An incubator assessment will also be conducted to define what an incubator is, different types of incubators, and best management practices. Cases studies of successful incubators with similar circumstances as the Peacock Building will be examined, as well as potential funding options.

III. Study Area Description

A. Study Area Location

The study area is located in Macomb and Wayne County (Figure III-1), which is situated in the southeastern region of Michigan's Lower Peninsula.

Figure III-1: Location of Study Area

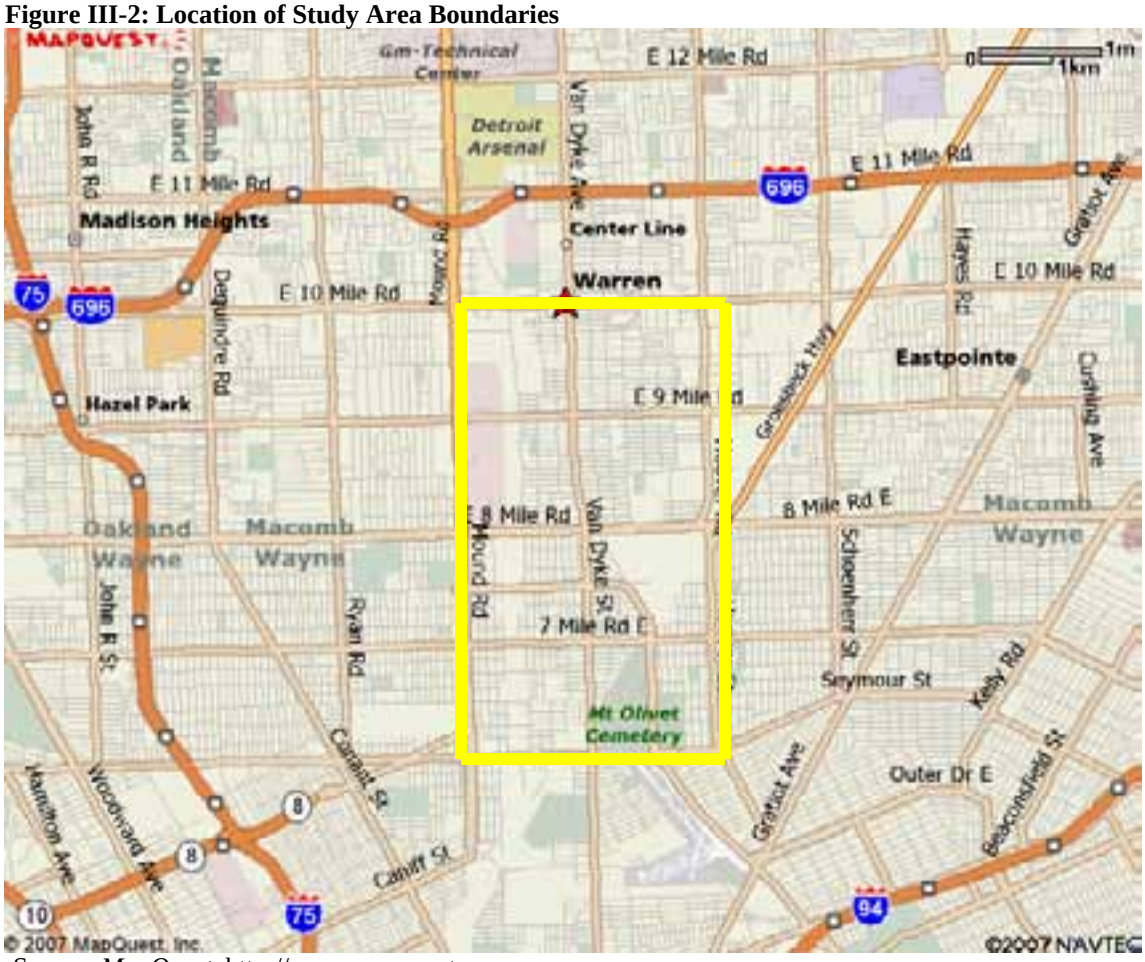


Source: *Google-Michigan Counties*, http://www.google.com

The study area lies within both Macomb and Wayne County, and spreads across three municipalities: the City of Center Line, City of Detroit, and the City of Warren. The study area

(Figure III-2) is located within the Van Dyke-Eight Mile (V-8) Gateway Collaborative District and is bound to the north by Ten Mile Road, to the east by Hoover Street, to the south by McNicols Road, and to the west by Mound Road.

Figure III-2: Location of Study Area Boundaries



Source: *MapQuest*, http://www.mapquest.com

1. Current Zoning

Figure III-3 illustrates the current zoning of the study area, which compiles zoning from the City of Centerline, the City of Detroit, and the City of Warren. The northern half of the study area is located within both cities of Center Line and Warren, with the southern portion of the study area (between Eight Mile Road and McNicols Road) within the City of Detroit. The main thoroughfares within the study site area include: Van Dyke Avenue (M-53), Hoover Street,

Mound Road, Mt. Elliot Street, Ten Mile Road, Nine Mile Road, Eight Mile Road, and McNichols Road. A more detailed review of these thoroughfares is included in Section IV.

Figure III-3: Current Zoning of Study Area

Source: Macomb County Zoning Map, 2004; City of Detroit Master Plan of Policies, January 2000

The current zoning portrays a common development pattern: commercial and general business establishments along the central corridors, with single-family, medium-density residential units along the side streets (Figure III-4 and Figure III-5), as well as industrial clusters. As illustrated in Figure III-6 and Figure III-7, industrial activity is dispersed among several sections of the study area, providing a strong industrial base;[1] the western portion of the

[1] *Macomb County Department of Planning & Economic Department*, www.macombcountymi.gov

study area houses the majority of the light and heavy industrial uses. Other uses found include parks, community centers, schools, and churches spread throughout these infill districts.

Figure III-4: Commercial – Van Dyke Avenue

Figure III-5: Residential – Bliss Street

Figure III-6: Industrial – Mt. Elliott Street

Figure III-7: Industrial – Hoover Avenue

The Eight Mile Road and Ten Mile Road corridors support a wide range of uses including commercial and industrial areas, clusters of mixed-use buildings, as well as medium-density and high-density residential areas (Figure III-8). One of the bigger commercial zones, the Bel Air shopping center (Figure III-9), is located along Eight Mile Road near Van Dyke Avenue, approximately one half mile away from the study site.

Figure III-8: High Density Residential

Figure III-9: Bel Air Shopping Center

2. Future Land Use

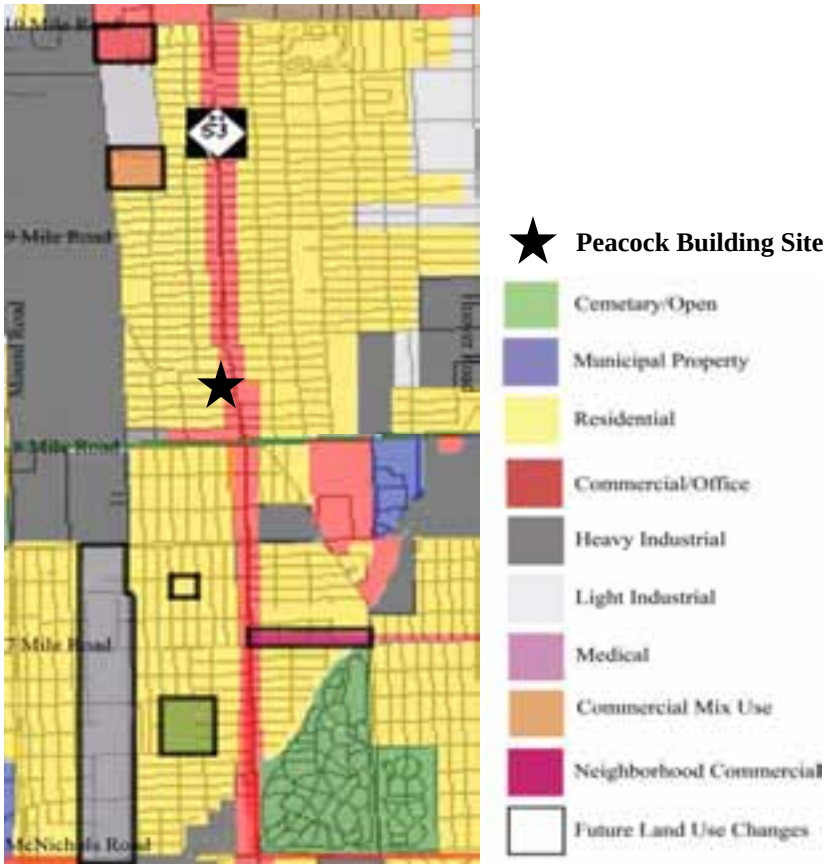
Future land uses, shown in Figure III-10, are similar in general to the current zoning with the exception of a few areas within the cities of Center Line and Detroit. The City of Warren is in the process of updating their Master Plan, which has not been updated since 1966. The updates will include a "visions for future land uses" section, but was not considered in describing the future land use patterns for the study area due to incomplete information.[2] The City of Center Line made minor changes for future land use within the City's current Master Plan including more commercial and office parcels in areas currently zoned commercial/mixed-use; and modifying some residential, medium-density uses to mixed-use zones. These minor changes are located in the southeast corner of Center Line along Lawrence Street, near the General Motors Hydramatic Plant.

The City of Detroit has taken an aggressive approach in trying to restructure the land uses to fit their future needs through zoning changes in the City's Master Plan. The current zoning shows a strong industrial corridor along Mt. Elliot Road and Gratiot Highway, while the future land use map shows a shift from general industrial to light industrial in the eastern and western corridors, and transferring the general industrial areas of the eastern and western corridors to the edge of Eight Mile Road. The City of Detroit is also changing two parcels located west of Van Dyke Avenue (M-53) from primary/secondary school use to low density residential and recreation. The biggest change in zoning classifications is along Seven Mile Road, which will be changed from thoroughfare commercial use to neighborhood commercial use. Because the City of Detroit has seen its greatest regional population growth between 1990 and 2000 within the

[2] *City of Warren- Planning Department*

neighborhoods in the study area, the City is focusing on keeping this community a residential neighborhood with the retail centers along the major corridors.[3]

Figure III-10: Future Land Use of Study Area



Source: City of Center Line, Future Land Use Map

B. Surrounding Area Description

The Peacock Building site is located at the corner of Van Dyke Avenue and Yacht Street, near Eight Mile Road, in the City of Warren. Figure III-11 illustrates the surrounding land use of the Peacock Building site. The area surrounding the site has a land use of commercial/general businesses along the Van Dyke corridor (Figure III-12). The Eight Mile corridor contains industrial facilities (Figure III-13) as well as commercial and general business facilities.

[3] *City of Detroit-March 2004 Draft Master Plan*, Cluster 2, pp.2-1

Figure III-11: Surrounding Area Parcel Map

Source: Macomb County Planning and Economic Department, 2006

Figure III-12: Van Dyke Avenue Corridor

Figure III-13: Eight Mile Road Corridor

Immediately behind the commercial/general business corridor is a small corridor of parcels zoned as 'single-family parking.' The majority of these 'single family parking' sites have been developed into single-family housing units; others are capable of being developed as 'right to build' for parking adjacent to businesses located along the commercial corridor.[4] An example of 'right to build' parking is the municipal parking lot (Figure III-14) which is located across from the Peacock Building site on Yacht Street.

Figure III-14: Single Family Parking

The rest of the surrounding area parcels are primarily zoned as single-family, medium density-residential with "special use" permits for schools and parks. These parcels consist of land use for residential housing with two institutional uses. The two institutional parcels are the Ascension Church and School, and The Word of Truth Church of God.

[4] City of Warren Zoning Ordinance

The commercial land uses within the immediate surrounding Peacock Building site area: to the north is a convenience/liquor store, to the south is a feed supply store (Figure III-15 and Figure III-16); and to the east is a recreational vehicle sales center (Figure III-17). Additional commercial land uses (Figure III-18 and Figure III-19) that can be found in the surrounding area are: seven types of automotive businesses; four financial institutions; four restaurants; three service stations; two furniture stores; four hardware/supply stores; and other individual stores ranging from clothing to books.

Figure III-15: Convenience/Liquor Store

Figure III-16: Feed Supply Store

Figure III-17: R.V. Trailer Center

Figure III-18: Gas Station and Automotive Sales

Figure III-19: Restaurant

Figure III-20: Vacant Building

Out of the 76 total parcels of commercial land use in the surrounding area there are three vacant buildings (Figure III-20) and one vacant parcel located along the Van Dyke corridor with four vacant parcels located along the Eight Mile Road corridor. These vacancies will have an impact in the analysis for the study site. Out of the 576 total parcels of residential land use, in the surrounding area there are 15 vacant parcels that are underutilized such as the parcel located on Yacht Street that is part of the study site. Since these vacancies are residential land use, they will not have a significant impact for our study site.

C. Site Description

The Peacock Building site consists of three parcels of land on the southwest intersection of Van Dyke Avenue and Yacht Street, illustrated in Figure III-21. The City of Warren Tax Increment Financing Authority (T.I.F.A.) owns all three parcels. The first parcel (#13-33-476-021), lot 61, located on Yacht Street, is vacant and zoned residential/parking. This parcel has street frontage of 72 feet with an average depth of 116 feet, consisting of approximately 0.20 acres. The lot 61 is flat and grassy, with trees lining the western edge. The second parcel (#13-33-476-042), lot 24, located at 21045 Van Dyke Avenue is zoned commercial. Lot 24 is a 45 feet by 90 feet parcel and consists of a one and a half-story concrete block building with additional green space. The third parcel (#13-33-476-043), lot 22 and 23, located at 21035 Van Dyke

Avenue, is zoned for commercial use. This parcel is 75 feet by 90 feet and consists of a two-story concrete block building with an attached parking lot.

Figure III-21: Location of Peacock Building Site

Source: Google Earth, Macomb County Planning Department

D. Building Description

The Peacock Building location, illustrated in Figure III 22, includes two attached structures (Figure III 23), with a combined total area of 8,500 square feet. The front facade on 21045 Van Dyke Avenue is a brick veneer with a glass entry door. The front facade on 21035 Van Dyke Avenue is a stone veneer with a glass storefront. The two buildings have concrete block walls and floors, and are connected with a common wall that has an approximately 8 feet by 8 feet door allowing for access between the two structures.

Figure III-22: Location of Peacock Building

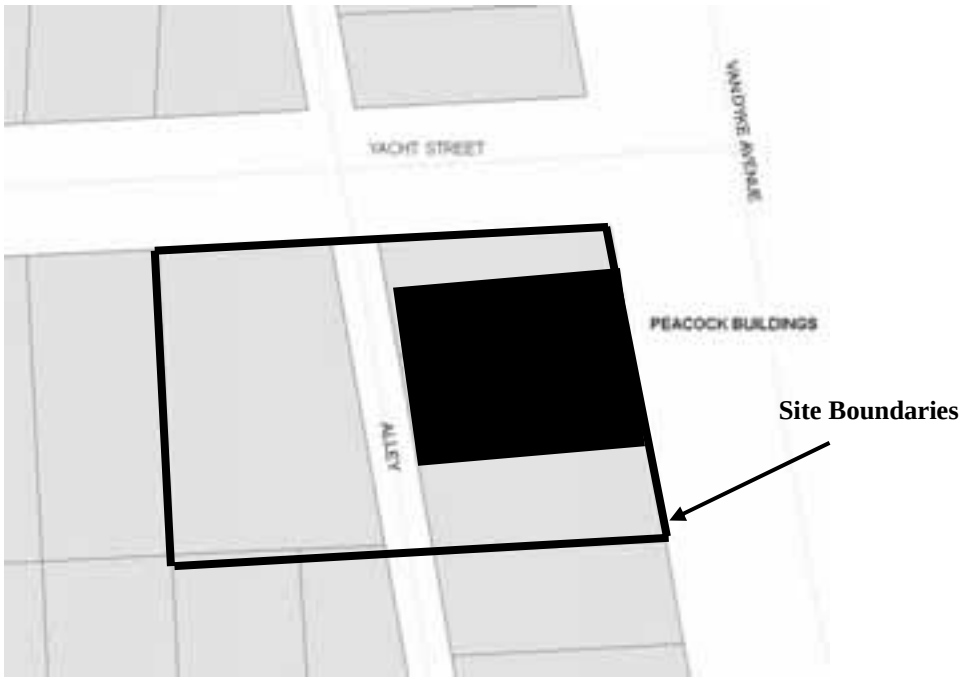


Figure III-23: Peacock Building from Van Dyke Avenue

The 21045 Van Dyke Avenue building is one and half stories at a height of approximately 14 feet and has an interior height of approximately 12 feet. The dimension of the building is 20 feet wide by 90 feet deep, with approximately 1,800 square feet of floor space.

The interior is finished with concrete block and a drop-down ceiling. This building has an open floor plan with no interior rooms except for the lavatories.

The building located at 21035 Van Dyke Avenue has two stories, reaching a height of approximately 20 feet, with 9 feet of interior height on both the first and second floor. The dimension of the building is 35 feet wide by 90 feet deep, with approximately 3,150 square feet of floor space on each floor. The interior finish on the first floor has 'knotty pine' paneling with a drop-down ceiling. Shelving is located throughout the first floor, as well as three small rooms including a bank vault and a lavatory (Figure III-24). The staircase leading to the second floor is located at the rear of the building (Figure III-25), adjacent to a loading area. The loading area is connected to a small, commercial-grade elevator that services both floors. The second floor has an interior finish of concrete blocks, wood floor, and exposed roof trusses with an 8 feet by 6 feet picture window.

Figure III-24: First floor interior of Peacock Building – 21035 Van Dyke Avenue

Figure III-25: Staircase leading to Second Floor 21035 Van Dyke Avenue

E. Building History

The Peacock building was built circa 1947 and originally housed the Peacock Bar Supply Company for about fifty years. Between 1997 and 2005, the City of Warren's Police Department used the building for a mini-police station and to house two non-profit organizations, the Police

Athletic League and the Good Fellows Organization. The building has remained vacant since 2005.

F. Summary

The Peacock Building site is located at the corner of Van Dyke Avenue and Yacht Street, near Eight Mile Road, in the City of Warren. It is situated along a commercial corridor, with some industrial parcels scattered throughout the area. The majority of the surrounding area is made up of single-family residential housing. Future land use maps are similar to the existing land uses, with a few exceptions. The Peacock Building was built in 1947 and will require some updates and renovations for any reuse.

IV. Socioeconomic Profile

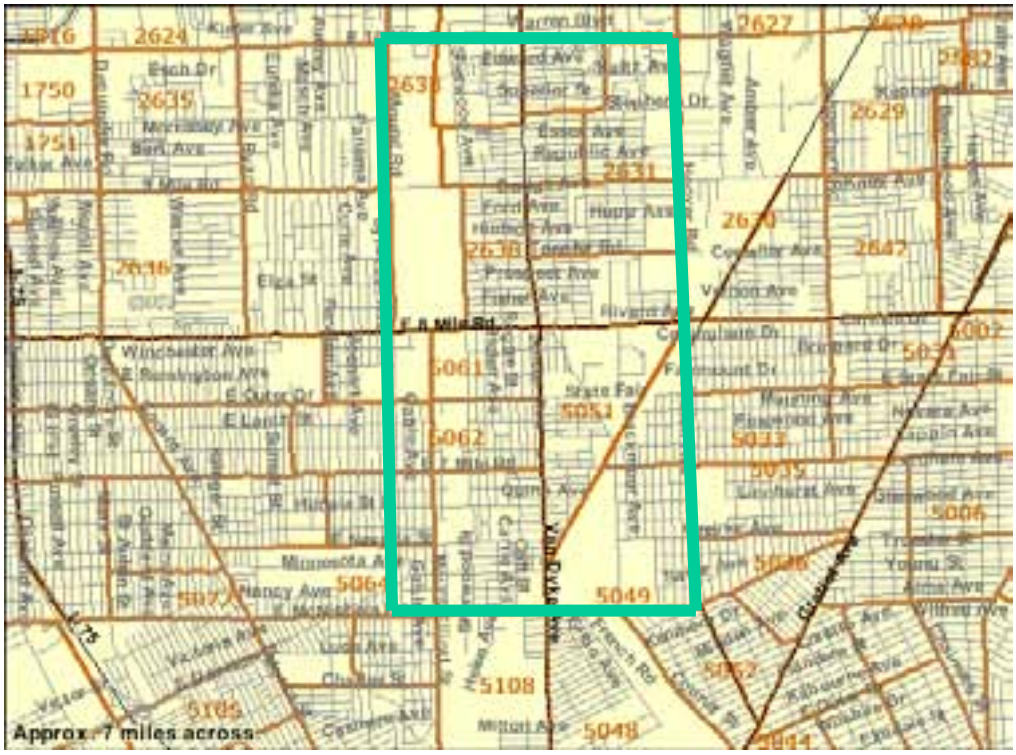
A socioeconomic profile was created using selected variables to help illustrate the characteristics of the study area. This profile is useful in comparing the study area with surrounding communities, and providing insight on what is abundant, sufficient, or lacking within the study area. The suggested use for the Peacock Building is partially dependent on what social and economic characteristics are evident for communities surrounding the study area.

A. Methods

The socioeconomic profile for the Peacock Building site includes several social and economic variables including population, race, age, education, unemployment, household income, poverty, housing units, housing occupancy, transportation (commuting times and vehicle ownership), major thoroughfares, public transportation, and quality of life components. The study area data were compared to surrounding municipalities including the City of Centerline, City of Detroit, City of Warren, Macomb County, and Wayne County, for a regional comparison, and also the State of Michigan for a comparison against the State as a whole. This information was gathered mainly through the United States Census, unless otherwise noted.

Boundaries were established for the study area based on client specifications of a four-mile corridor along Van Dyke Avenue. This corridor is rectangular in shape, with Ten Mile Road and McNichols Road as the north and south boundary, respectively, and Hoover Road and Mound Road as the east and west boundary, respectively. Data analyzed for the study area were collected at the census tract level using the United States Census: American Fact Finder. The map, shown in Figure IV-1 below, illustrates the boundaries and the 19 census tracts used for this profile.

Figure IV-1: Project Boundaries and Census Tracts



Source: U.S. Census Bureau, www.census.gov

B. Population

As of 2000, the study area has a population estimated to be 54,472 people compared to the 53,939 estimated in 1990. Minimal growth occurred at a rate of less than one percent. Regional characteristics indicate a steady decline in population throughout the cities of Center Line, Detroit, and Warren over the same ten-year span. The City of Detroit saw a decline in population of 7.5 percent. Warren and Center Line lost population at a lower percentage, 4.5 and 5.5 respectively. Census tract data indicates that the study area experienced a slight increase in population south of Eight Mile Road compared to minimal population loss to the north. This represents a six percent growth for tracts within the City of Detroit, compared to a three percent loss in tracts within both Warren and Center Line.

Table IV-1: Population Change

	1990	2000	Percent Change
Study Area	53,939	54,472	1.0%
Center Line	9,026	8,531	-5.5%
Detroit	1,027,974	951,270	-7.5%
Warren	144,864	138,247	-4.6%
Macomb County	717,400	788,149	9.9%
Wayne County	2,111,687	2,061,162	-2.4%
State of Michigan	9,295,297	9,938,444	6.9%

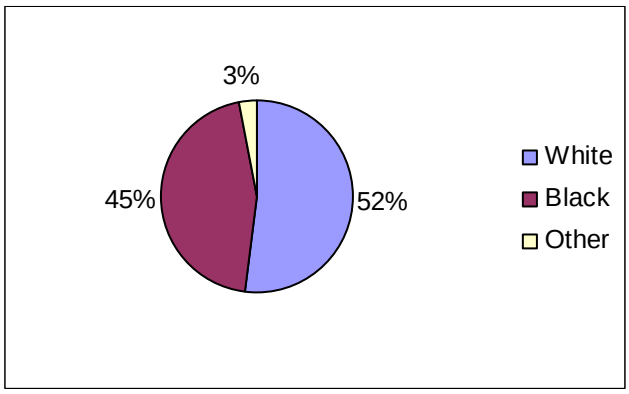
Source: U.S. Census Bureau

C. Race

The 2000 Census data were used to illustrate the distribution of racial groups in the study area and surrounding communities. The racial groups used in the comparison were White, Black, and Other (American Indian, Alaska Native, Asian, Native Hawaiian or Islander, Other Race, and Two or More Races).

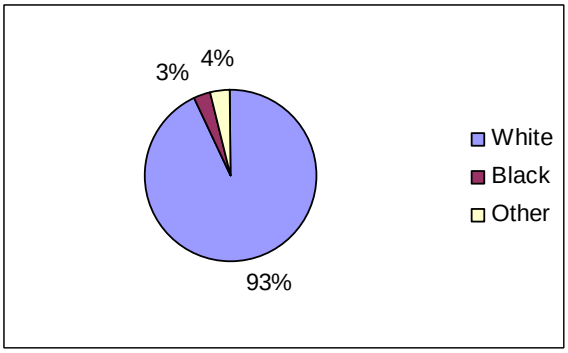
Racial distribution for the study area is comprised mostly of people of either Black or White descent, illustrated in Figure IV-2, with 52 percent of the population being White, and 45 percent being Black. At the county level, the study area's racial distribution is most similar to that of Wayne County than that of Macomb County, as shown in Figure IV-3 and Figure IV-4, respectively. Wayne County shows racial distribution with 52 percent White and 42 percent Black, while Macomb County has a population that is 93 percent White and 3 percent Black.

Figure IV-2: Race Distribution of Study Area



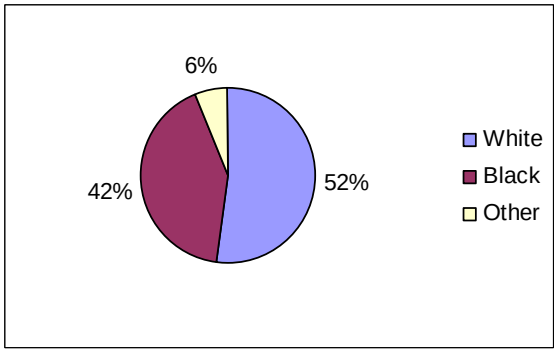
Source: U.S. Census Bureau, 2000

Figure IV-3: Race Distribution of Wayne County



Source: U.S. Census Bureau, 2000

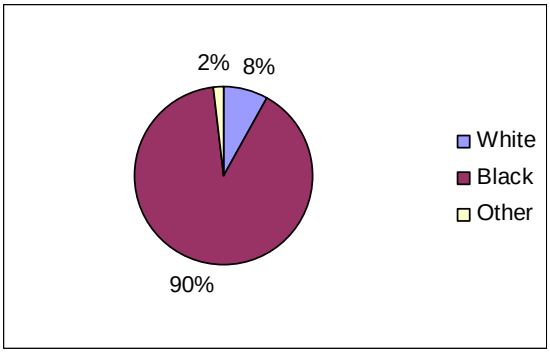
Figure IV-4: Race Distribution of Macomb County



Source: U.S. Census Bureau, 2000

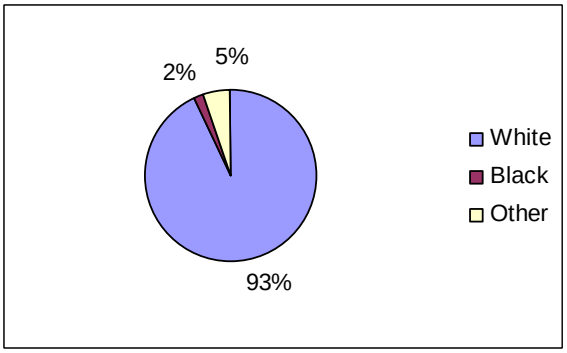
When analyzing the study area's spatial distribution of races, the White and Black races are segregated at the Eight Mile Road corridor. Evaluating data on racial composition separately for the census tracts north and south of Eight Mile Road created Figure IV-5 and Figure IV-6. This racial distribution shows a high concentration of Blacks south of Eight Mile Road, with the opposite occurring north of Eight Mile Road, mainly populated by the White race. This major difference in the population must be considered with other socioeconomic variables in evaluating the best use for the Peacock Building site.

Figure IV-5: Race Distribution of Study Area – North of 8 Mile



Source: U.S. Census Bureau, 2000

Figure IV-6: Race Distribution of Study Area – South of 8 Mile



Source: U.S. Census Bureau, 2000

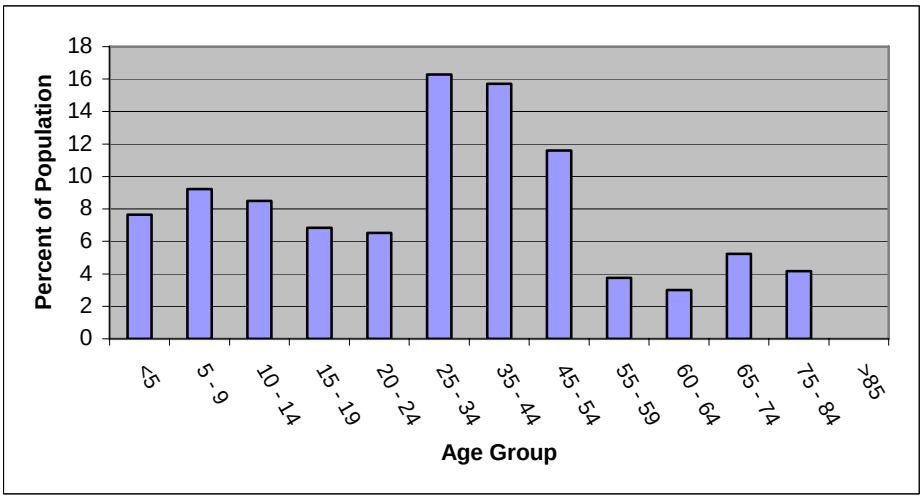
D. Age

The total population of the 19-census-tract-study area in 2000 was 54,472, of which 49.3 percent were male and 50.7 percent were female. The largest age group, comprising 16.2 percent of the population, is the '25 to 34' age group, followed by the age group '35 to 44,' which makes up 15.7 percent. The smallest portion of the population, making up 3.0 percent of the study area, is the '60 to 64' age group followed by the '55 to 59' age group, which is 3.7 percent of the population. The median age for the study area, regardless of sex, is 31.9 years. For Wayne County, the largest age group is '5 to 9' years old, which is 8.5 percent of the population; the smallest population group is '90 years and over' at .4 percent; and the median age for the County is 34 years, older than the study area's median age of 31.9 years. For Macomb County, the largest age groups are the '35 to 39' years and '40 to 44' years, both at 8.4 percent, and the smallest age groups 90 years and over, at .5 percent. The median age for Macomb County is 37, which, like Wayne County's median age, is older than that of the study area's 31.9 years.[5] The study area's age distribution is identical to that of the State of Michigan with the majority of the population falling between the ages of 25 and 54 years. Data is limited in showing increases or

[5] U.S. Census Bureau, 2000

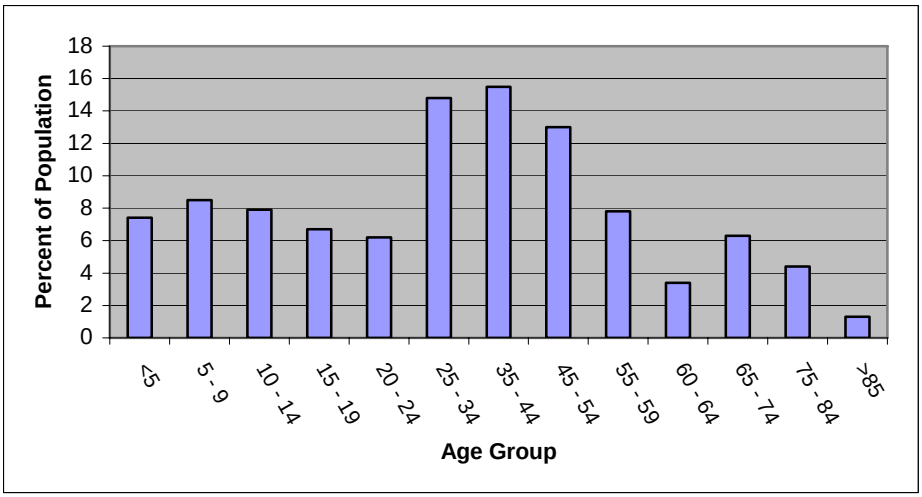
decreases in age-group portions of the population because the tract-level 1990 Census was collected at different age clusters than those used for the 2000 Census.

Figure IV-7: Age Group as a Percent of Total Population: Study Area



Source: U.S. Census Bureau, 2000

Figure IV-8: Age Group as a Percent of Total Population: Michigan



Source: U.S. Census Bureau, 2000

E. Education

In the census tract area surrounding the site location, 37 percent of people ages 25 and older obtained a high school diploma or its equivalency.[6] This percentage was higher than the State average of 31 percent. However, the study area had a lower percentage of people with a

[6] U.S. Census Bureau, 2000

bachelor's degree and a slightly higher percentage of people with no schooling completed when compared to the State.[7] All three cities, Center Line, Detroit, and Warren, had similar data to one another and to the study area.[8] The data, illustrated in Table IV-2, suggest that the education level of the residents in the City of Warren is comparable to that of the surrounding area.

Table IV-2: Comparison of Education Attainment

	No Schooling Completed	High School graduate	Bachelor's degree
Study Area	1.35%	37.00%	4.56%
Center Line	0.15%	37.14%	0.64%
Detroit	2.03%	30.05%	6.80%
Warren	1.03%	35.82%	9.24%
Macomb County	0.79%	32.76%	11.87%
Wayne County	1.51%	30.64%	10.87%
Michigan	0.85%	31.34%	13.70%

Source: Census Bureau, 2000

F. Unemployed Population

Statistics on the unemployed portion of the population were not available at the census tract level; therefore a summary of unemployment statistics was collected at the county level. Employment statistics are based on the population older than 16 years of age, who are working or have been looking for work in the past six months. The portion of the population that has been looking for employment for over six months is considered "discouraged" or "discouraged workers," and those not seeking employment are not considered in unemployment statistics. Based on these classifications, Wayne County's population is 53.7 percent employed, and 13.2 percent unemployed. The greatest number of unemployed is the '16 to 19' year-old portion of the population, who are 40 percent unemployed. Macomb County's population is 60.5 percent employed and 8 percent unemployed, with the greatest portion of the population also being the '16 to 19' year old group, 23.9 percent of who are unemployed.[9]

[7] U.S. Census Bureau, 2000
[8] *Ibid.*
[9] *Ibid.*

G. Household Income

The data collected to determine median household income for the study area were based on the 1990 and 2000 Census by census block group. Between 1990 and 2000, the median household income of the study area increased 38 percent from $24,479 in 1990 to $33,878 in 2000.[10]

Compared to county data, the study area had a lower median household income than those of Wayne and Macomb counties. Shown in Table IV-3, median household income for the study area is 17 percent less than that of Wayne County and roughly 35 percent less than that of Macomb County. Median household income for the study area is slightly higher than that of both the cities of Centerline and Detroit. Regional comparisons show that the study area's median household income is 25 percent less than that of the City of Warren.

Table IV-3: Median Household Income

	1990	2000	% Change
Study Area (Block)	24,479	33,878	38%
Centerline City	22,758	31,677	39%
Detroit City	18,742	29,526	58%
Warren City	35,980	44,626	24%
Macomb Median (Block)	25,156	36,985	47%
Wayne Median (Block)	21,667	32,976	52%
Macomb County	38,931	52,102	34%
Wayne County	27,997	40,776	46%

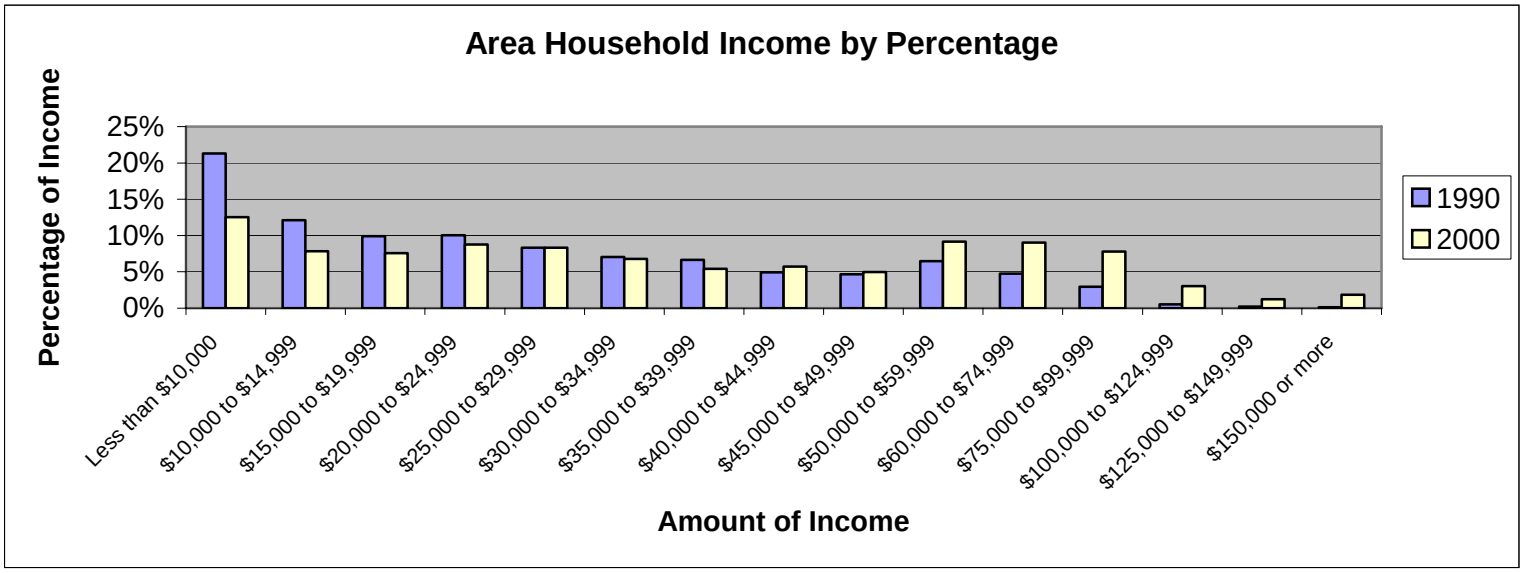
Source: U.S. Census Bureau, 2000

According to the 2000 Census, approximately 45 percent of households throughout the study area had a household income lower than $30,000, as shown in Figure IV-9. The regional comparison was comprised of Center Line, Detroit, and Warren, and concluded varying results;

[10] U.S. Census Bureau, 2000

the City of Detroit had 50 percent of households with income is less than $30,000, and the City of Centerline had 47 percent of households with an income less than $30,000.[11]

Figure IV-9: Study Area Household Income Expressed as a Percentage of Households



Source: U.S. Census Bureau, 2000

Approximately 32 percent of households in the City of Warren earn less than $30,000, as seen in Figure IV-9. When compared to county statistics, Macomb and Wayne Counties portray that 26 and 37 percent of households, respectively, earn less than $30,000. Between 1990 and 2000, census data shows a 15 percent decrease of the study area's households earning less than $30,000 per year. In 1990, 60 percent of households were earning less than $30,000; and in 2000, only 45 percent of households were earning less than $30,000.[12]

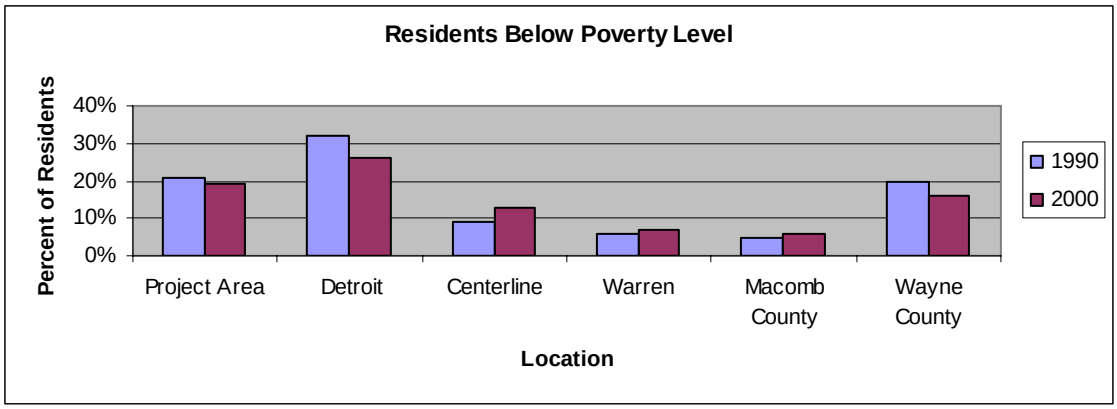
H. Poverty Level

The data collected to determine poverty status of the study area were based on 1990 and 2000 Census, selected and portrayed by census block group (based on the study area census tracts) to provide a detailed illustration of the study area. The study area's poverty rate, at 21 percent, is higher than that of the City of Warren's 7 percent, as is illustrated in Figure IV-

[11] U.S. Census Bureau, 2000
[12] *Ibid.*

10.This distinction may be the result of the increased rate of poverty for the City of Center Line (9% to 13%) and the high rate of poverty (26%) within the City of Detroit.[13] In 2000, the rate of residents below the poverty level in the State of Michigan was estimated to be 10.5 percent, a rate much lower than the rate of 21 percent for the study area.[14]

Figure IV-10: Residents Below Poverty Level



Source: U.S. Census Bureau, 2000

I. Housing Units

Housing is a major land use in the study area. From the land use maps and site observations, the area encompasses a commercial thoroughfare traveling north-south along Van Dyke Avenue, with residential housing on surrounding streets. The housing stock of the study area is similar to comparison areas, as shown in Table IV-4, especially Wayne County in the median year built. When comparing the median value of housing units, a wide range exists from $62,800 in the City of Detroit to $134,900 in Macomb County, with the study area portraying a median value of $68,700. The study area reveals a lower median value of housing stock than the comparison areas, excluding the City of Detroit.

[13] U.S. Census Bureau, 2000
[14] *Ibid.*

Table IV-4: Median Value and Year Built of Housing Stock

	Median Year Built	Median Value
Study Area	1954	$68,700.00
City of Centerline	1956	$104,800.00
City of Detroit	1948	$62,800.00
City of Warren	1963	$115,400.00
Macomb County	1970	$134,900.00
Wayne County	1954	$96,200.00
State of Michigan	1965	$110,300.00

Source: U.S. Census Bureau, 2000

Figure IV-11 through Figure IV-14 illustrate examples of the existing housing stock throughout the study area.

Figure IV-11: Housing on Yacht Street

Figure IV-12: Housing at McNichols Road

Figure IV-13: Housing at 9 Mile Road

Figure IV-14: Housing on Bliss Avenue

J. Occupancy

Data from the 2000 Census, using census tracts, shows that 63 percent of residential units in the study area are owner-occupied, as shown in Table IV-5. When compared to other communities and the State, the owner-occupied housing percentage for the study area is lower than that of Macomb County, Wayne County, and City of Warren, but is higher than that of the cities of Center Line and Detroit.[15]

Table IV-5 Percentage of Owner-Occupied Housing Units in 2000

Geographic Area	Percentage of Owner Occupied Housing
Study Area	63%
State of Michigan	73.8%
Macomb County	78.9%
Wayne County	66.6%
City of Centerline	59.1%
City of Detroit	54.9%
City of Warren	80.4%

Source: U.S. Census Bureau, 2000

K. Transportation: Commuting Times and Vehicle Ownership

Transportation patterns are a key component to the socioeconomic profile. The various means of travel by residents in the area can reveal if the Peacock Building site is better suited to a regionally based use, as opposed to a local use, depending on how far people are willing to travel for certain services. Within the nineteen census tracts of the study area, 91 percent of people employed over the age of 16 commuted to work by car, truck, or van, while only 4 percent utilized public transportation in 2000. It is important to note that these figures are slightly different than the entire City of Warren, which had less then 1 percent of its residents using public transportation and more than 96 percent of the people commuting by private vehicles, illustrated in Table IV-6.[16]

[15] U.S. Census Bureau 2000
[16] *Ibid.*

Table IV-6: Comparison of Means of Travel to Work by Percentage

	Car, Truck, or Van	Public Transportation
Study Area	91.77%	4.00%
Center Line	94.96%	1.01%
Detroit	85.66%	8.65%
Warren	96.15%	0.70%
Macomb County	96.45%	0.50%
Wayne County	91.78%	3.82%
Michigan	91.01%	1.01%

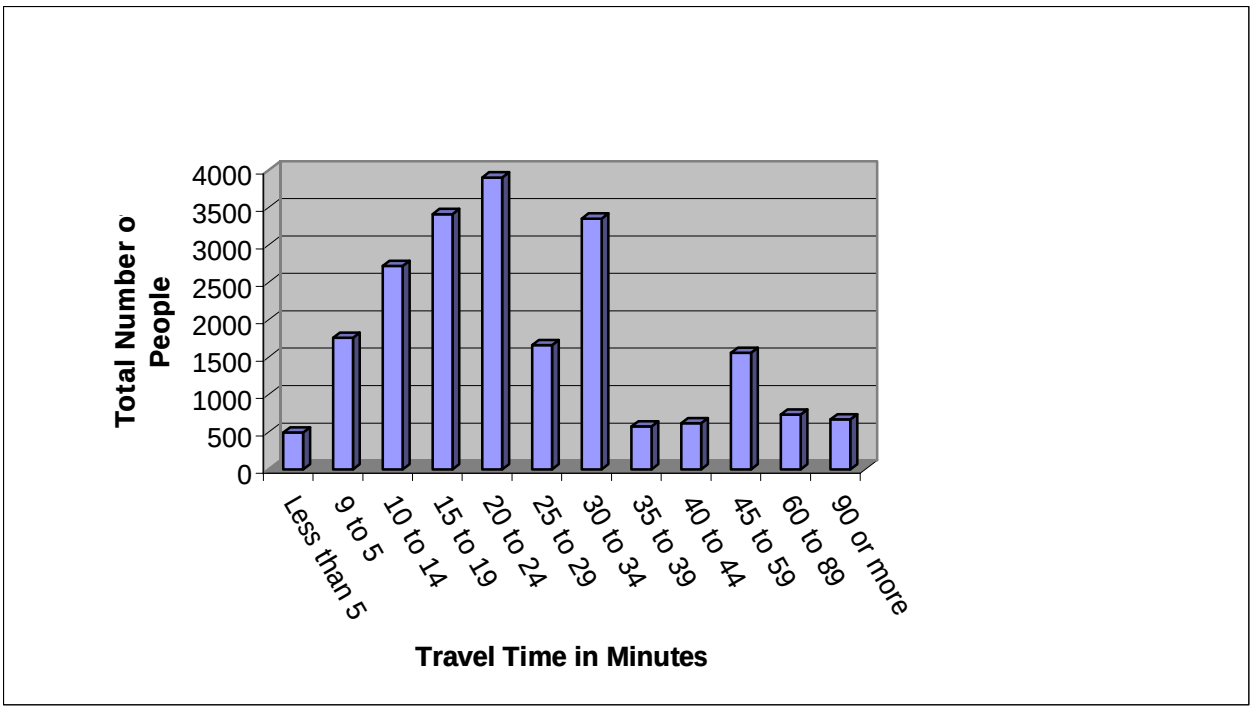
Source: U.S. Census Bureau, 2000

The City of Detroit, on the other hand, had less people commuting to work by car, truck, or RV (85 percent), and a higher amount of people utilizing public transportation (8 percent) than the study area. The State of Michigan had a lower rate of commute by public transportation and was more similar to the City of Warren at 1 percent then it was to the study area that had a higher percentage of public commuters.[17]

Commuting patterns of the study area are important to look at because it can indicate if there is excessive travel by residents to work. If this were the case, there could be a potential need for more local jobs, which could be serviced by the Peacock Building site. The commute times for the entire study area were comparable to the commute times for each individual tract, the biggest cluster being '15 to 30' minutes, indicated in Figure IV-15. This figure was very close to the State figure, with the heaviest number of commuters spending between '15 to 34' minutes on their trip to work. The average commute time for the study area was 22 minutes.[18]

[17] U.S. Census Bureau 2000
[18] *Ibid.*

Figure IV-15: Breakdown of Commute Times in the Study Area

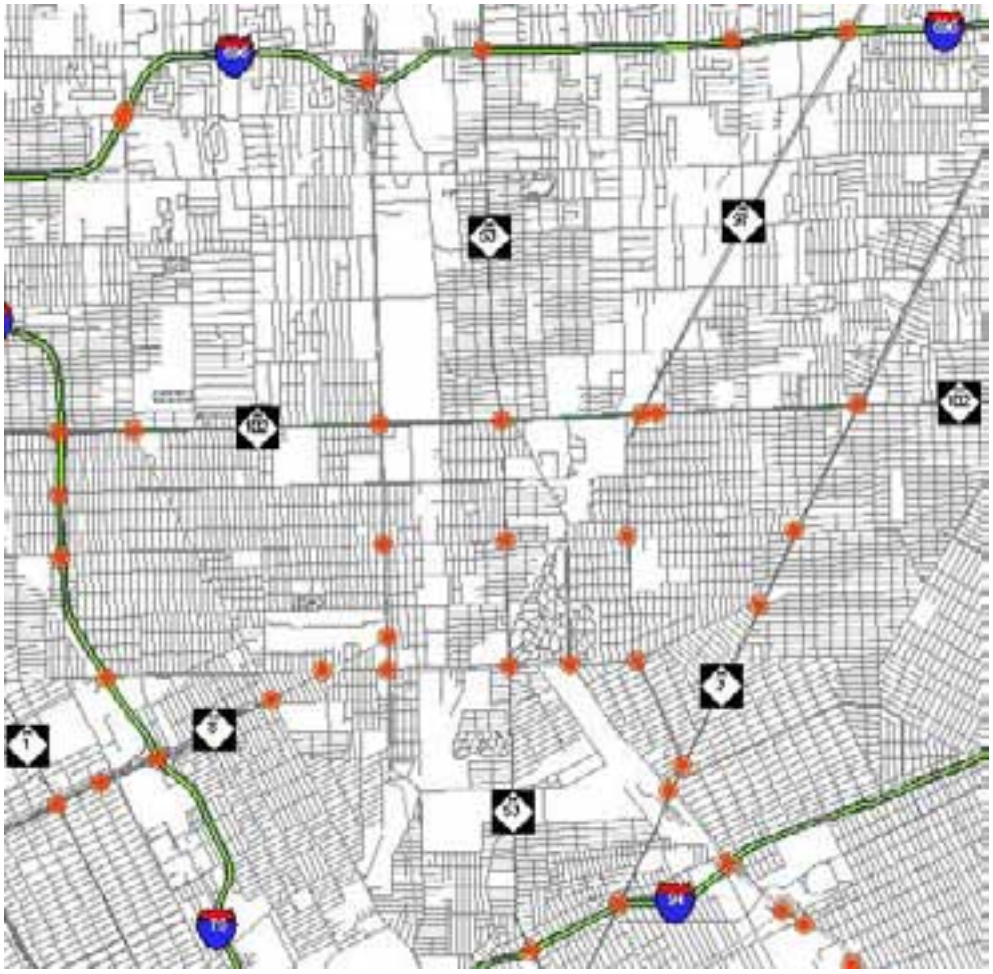


Source: U.S. Census Bureau, 2000

1. Major thoroughfares

The study area is near three major thoroughfares: I-94, I-75 and I-696. These highways were all built between 1940 and the 1960s. I-696 is north of Van Dyke Avenue and Eight Mile Road; I-94 and I-75 are south of the study area, with I-94 to east of the study area, and I-75 to the west, shown in Figure IV-16.

Figure IV-16: Major Thoroughfares and Exits near Study Area



Source: Michigan Highway Map. http://www.michigan.gov/documents/MDOT-State-Map-Detroit3_88862_7.pdf

Interstate 94 (I-94) is a highway that runs from Indiana through Michigan, and ends south of the state line of New Buffalo, Ontario. This highway also connects Port Huron, Michigan, with Sarnia, Ontario. I-94 was the first border-to-border highway in the United States, and is sometimes referred to as “Michigan Main Street,” because it is the longest highway in Michigan, running from the east to the south west of the State. The Michigan Department of Transportation created the I-94 Rehabilitation Project in 1994 after the 1989 Greater Detroit Freeway Study,

which showed that the highway segment between Conner Avenue and I-96 was in need of repairs. This project is likely to begin in a couple of years.[19]

Interstate 696 is commonly referred to as "The Reuther" freeway, named after a United Auto Worker Union leader who pushed for the rights of line workers in the automobile factories. I-696 was originally designed to run down to the Lodge Freeway going west from Van Dyke Avenue and Eight Mile Road. The next phase of the I-696 project opened traffic to I-75 to I-94, primarily the east side of Detroit.

2. Public Transportation

There are two different bus systems that service the project area: DDOT (Detroit Department of Transportation) and SMART (Suburban Mobility Authority for Regional Transportation), which serviced over 11 million riders in 2004. Since 2004, the ridership of the public transit system has risen 10 percent.[20] SMART is the largest bus transit carrier in Michigan and has approximately 7,000 bus stops throughout the Warren and the Detroit Metro area, several shown in Figure IV-17.[21]

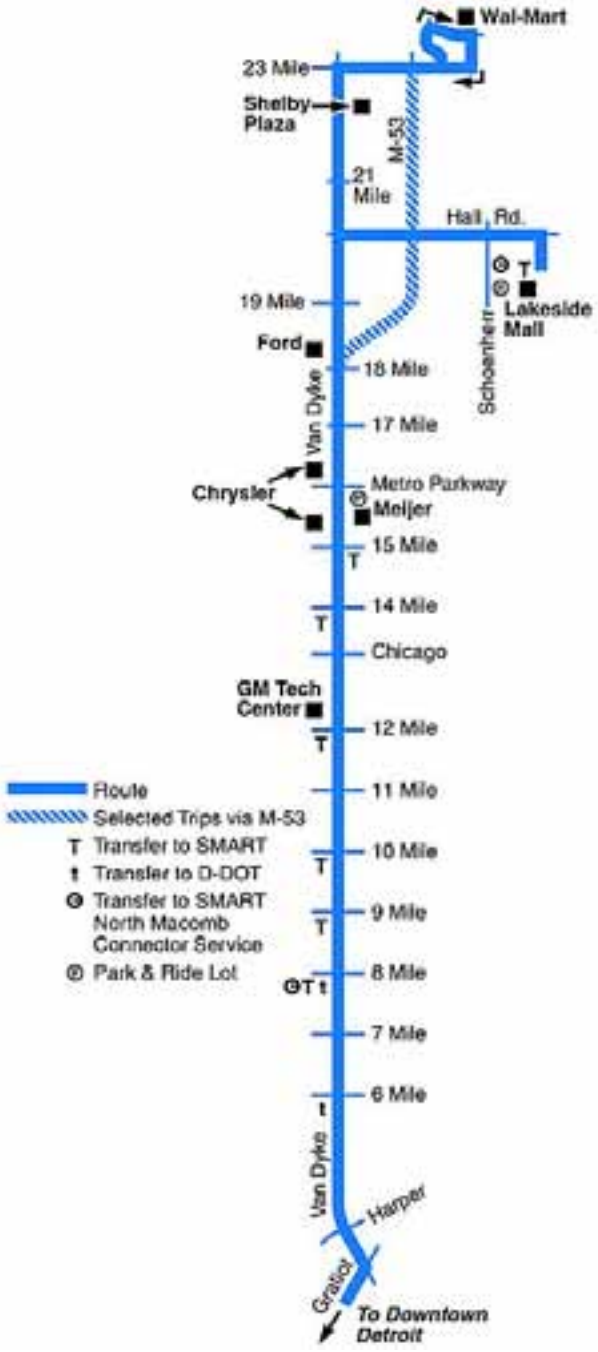
[19] http://www.michiganhighways.org/listings/MichHwys90-99.html#I-094
[20] http://www.theoaklandpress.com/stories/020706/loc_2006020703.shtml
[21] http://www.smartbus.org/Smart/News+and+Info/SMART+Facts/

Figure IV-17: SMART Servicing Routes

There are six different bus lines that run through the Van Dyke Avenue and Eight Mile Road area: Conner (Bus 13), McNicols (Bus 32), Gratiot (Bus 34), Seven Mile (Bus 45), Van Dyke-Lafayette (Bus 48), and Van Dyke Local (510). Understanding public transportation in

Detroit and Warren can be difficult because DDOT services only the Detroit area, not going north Eight Mile Road, while the SMART bus services riders who are traveling to and from the City into the suburban neighborhoods such as Warren, shown in Figure IV-18.

Figure IV-18: SMART Bus Route through Study Area



Source: http://www.smartbus.org/Smart/News+and+Info/SMART+Facts/

3. Traffic Counts

ESRI data, illustrated in Figure IV-19, shows that the intersection of Van Dyke Avenue and Meadow Avenue had a traffic count of 21,300 vehicles, which is located three blocks north of the Peacock Building site. At Van Dyke Avenue and East Eight Mile Road the count was 76,400 vehicles, which is the highest traffic count for the study area. Within the study area, Eight Mile Road and Van Dyke Avenue are the busiest streets and have the highest traffic volumes. The lowest traffic count, which is 11,200 vehicles, was Sherwood Avenue (adjacent to Van Dyke Avenue on the west) and Rivard Avenue. When traveling south on Van Dyke Avenue the traffic counts decrease to a range of 30,000 vehicles; but when traveling north of Van Dyke Avenue and Eight Mile Road, the numbers increased to upwards of 49,000 vehicles.

Figure IV-19: Traffic Counts in Greater Surrounding Area of the Peacock Building site

Source: ESRI and InfoUSA

4. Utilities

Utilities at the Peacock Building site include services such as water, garbage removal, telephone, internet, and electrical/gas. The City of Warren has several divisions that service the area for these utilities. The City of Warren Division of Water Supply transports the water from the Detroit Water and Sewerage Department Northeast Water Plant, which draws its water from the surface of the Detroit River.[22] The garbage removal is facilitated by the Sanitation Division in Warren and collects on a weekly basis.[23] For telephone services, SBS/AT&T offers multiple local service options and a discounted rate for qualified low-income households.[24] Internet providers are Comcast, whose prices start at $19.99 a month, and AT&T, whose prices begin at $14.99 a month. DTE provides electric and gas for the area, and offer online services such as paying bills and managing energy use.[25]

L. Quality of Life

Quality of life may be defined as the evaluation of all relations of an individual to his or her surroundings.[26] Various components for a quality of life study are outlined in *Economics in Context*. Such indicators that are found to be important include social investment, employment, health, education, housing quality, and land use.[27] A quality of life component is necessary to the study of the Peacock Building site because some employers are more likely to locate businesses in areas where there is a strong indication of a high quality of life. Access to healthcare, neighborhood amenities, educations systems, and crime statistics, have all been evaluated for the study area as a part of the quality of life assessment.

[22] City of Warren Water Quality Report: www.cityofwarren.org
[23] City of Warren Sanitation Division: www.cityofwarren.org
[24] ConnectMyPhone: www.whitefence.com
[25] DTE:wwwdteenergy.com/business
[26] Economics in Context (2000, pp. 128)
[27] Economics In Context (2000, pp. 129- 132)

1. Health Care Facilities

The 19-census-tract study area does not have any health care facilities; however, there are several hospitals and health care facilities in the surrounding area. St. John Macomb Hospital is located in the City of Warren on East 12 Mile Road, and provides a variety of services, such as behavioral medicine services, cancer care, an emergency center, physical medicine and rehabilitation. In addition, Children's Hospital of Michigan Macomb Rehabilitation Center, located on Schoenherr Road, has been dedicated to providing the highest quality of care to children and adolescents in a caring, efficient, and family-centered environment. Other health care facilities in close proximity to the study area are Arborview Hospital, Hutzel Health Center, and Kern Hospital.

2. Neighborhood Amenities

The study area is near many amenities that could add value to the Peacock Building site. The Bel Air Theater is located on Eight Mile Road, less than a mile away from the site, and other cultural and entertainment venues are located in the greater surrounding area. The newly completed Warren Downtown Center, portrayed in Figure IV-20, includes a public library, a two acre city square, the Beaumont Hospital Medical Building, office towers, and more than 500 residential units.[28] The new space made available for incoming businesses by the new downtown center could potentially draw clients away from the Peacock Building site. However, there is not enough data to suggest the validity of this scenario and is a limitation to this study that should be considered.

[28] Warren Downtown Center, http://www.warrendowntowncenter.com

Figure IV-20: Site Map for the New Warren Downtown Center

Source: Site Map from Purchasing Division:
http://www.thepropertywatch.com/propertywatch/marketingimages/warren/SOQ-W-7327.pdf

The Peacock Building is close to Groesbeck and Weigand Parks and within a short driving distance to 25 other parks, some of which are shown in Figure IV-21.[29] Engineering is currently being completed on a bike trail that will extend through the neighborhood adjacent to Van Dyke Avenue that travels north throughout Macomb County, and south into Wayne County along the Detroit River.[30] Other amenities in the area include community centers and nearby hospitals and medical offices, also illustrated in Figure IV-21.

[29] Macomb County, www.macombcountymi.gov
[30] Macomb County Department of Planning and Economic Development

Figure IV-21: Amenities Located Near Project Site

Health Care Facilities

H1. St. John Macomb Hospital
H2. Children's Hospital of Michigan
H3. Arborview Hospital
H4. Henry Ford Bi-County Hospital
H5. Kern Hospital

Community Centers

C1. Owen Jax Recreation Center
C2. St. Leonard
C3. Warren Community Center
DC. Warren Downtown Center

Parks

1. Wiegand Park
2. Groesbeck Park
3. Austin-Dannis Park
4. Busse Park
5. Center Line Memorial Park
6. Jaycee Park
7. Winters Park
8. Shaw Park
9. Fairwell Field

Project Site

Source: mapquest.com

3. Education Systems

The study area is included in the Van Dyke public school district, consisting of ten schools, including eight elementary schools, one middle school, and one high school. However, the Van Dyke public school district has lower students' performance for reading and math proficiency than the State and County averages.[31] The study area was also found to have lower average test scores to college entrance exams when compared to those of the state, illustrated in Table IV-7. Although the test scores for the area are lower than comparison areas, there is a strong higher-education network available in the surrounding area.[32]

[31] Center for Education Performance and Information, http://www.cepi.state.mi.us/scm/directory/step2.asp?intSearchType=1

[32] School matters- A SERVICE of STANDARD & POOR'S

Universities such as Central Michigan, Davenport University-Eastern, Macomb Community College, and Northwood University, all have campuses located within the City of Warren. There are ten private and parochial schools located in Warren, including DeLaSalle Collegiate.[33] The site is also close to several public school districts such as Center Line, East Detroit, Fitzgerald, and Warren Consolidated Public Schools. These districts scored just at or below the State averages on the 2005 high school MEAP score test in the areas of math, reading, science, social studies, and writing.

Table IV-7: 2005 College Entrance Exam Scores for Michigan and Study Area

College Entrance Exam	Study Area Score 2005	State Score 2005
ACT- Average Score	18.7	21.4
ACT- Participation Rate (%)	26.8	52.2
PSAT/NMSQT – Average Score	136	145
PSAT/NMSQT– Participation Rate (%)	9.5	25.9

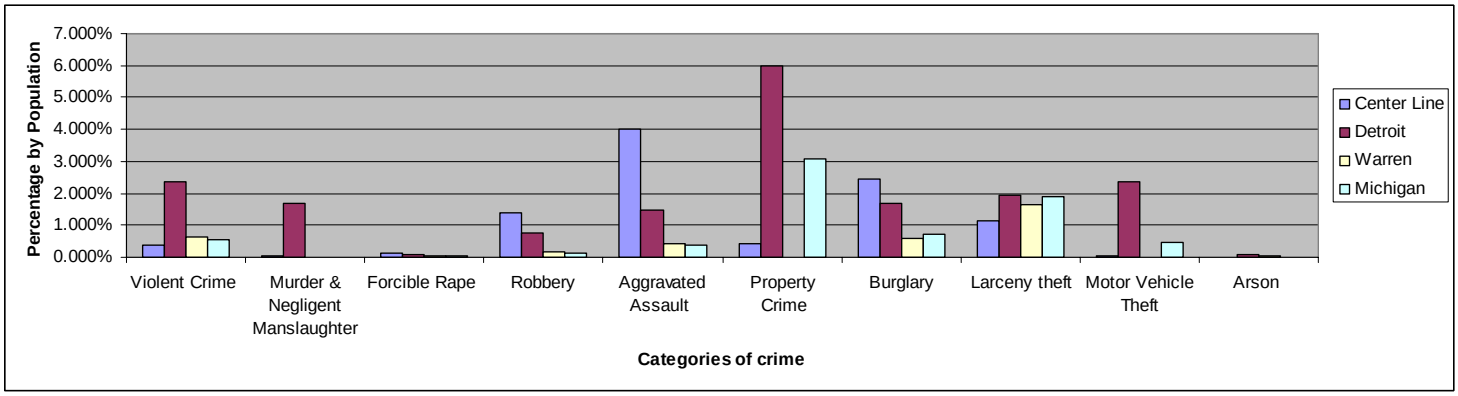
Source: School Matters – A Service of Standards & Poor's
http://www.schoolmatters.com/app/data/q/stid=23/llid=116

4. Crime

Crime statistics for the study area are shown in Figure IV-22. The City of Warren had a very low murder and negligent manslaughter rate, far below the State of Michigan's figures. All other sectors of crime including forcible rape, robbery, burglary, and larceny theft, were also well below State averages. Detroit had relatively higher crime rates, but the data suggest that the crime patterns are clustered in the southern part of the City, while the study area is located at the northern boundary.[34]

[33] City of Warren, http://www.cityofwarren.org
[34] Department of Justice-Federal Bureau of Investigation, http://www.fbi.gov/ucr/05cius/data/table_05.html

Figure IV-22: Comparison of Crime Rates



*The department of Justice-Federal Bureau of Investigation did not provide information on the amount of burglary or motor vehicle theft for Warren, Michigan.

Source: Department of Justice-Federal Bureau of Investigation, http://www.fbi.gov/ucr/05cius/data/table_05.html

M. Socioeconomic Summary

In comparing the study area to surrounding communities, the socioeconomic profile revealed several strengths and weaknesses in the area. The strengths include a slight growth in the population as compared to declining populations in the surrounding communities and the State of Michigan overall. Additionally, the study area's largest age group, comprising 16.9 percent of the population, is the '25 to 34' age group: indicating a relatively young and able workforce. There are also strong transportation networks and significant ridership rates among the various public transportation options. The quality of life portion indicates access to healthcare facilities, neighborhood amenities and education systems.

The socio-economic profile was also able to provide insight on variables about the study area that were lacking. When compared to Macomb and Wayne counties, the study area has a lower medium household income and higher levels of poverty at a rate of 21 percent. The study area also reveals a lower medium value of housing stock than all comparison area, excluding the City of Detroit.

V. Market Analysis

The market analysis was conducted by evaluating market variables in the area surrounding the site using 1.0 mile, 3.0 miles, and 5.0 mile radii. These three boundaries were chosen due to available ESRI data based our on travel patterns established through average daily traffic volumes. The market analysis is comprised of three main sections including commercial, industrial, and residential. Evaluating each of these components is useful to providing an overview of the area's market potential.

A. Commercial and Retail Market Analysis

The commercial market analysis was conducted by evaluating market variables in the area surrounding the site using 1.0 mile, 3.0 miles, and 5.0 miles radii, illustrated in Figure V-1. The ESRI boundaries, along with the portions of the municipalities that are being used as comparisons throughout this study (City of Centerline, City of Detroit, City of Warren, Macomb County, Wayne County) were evaluated. Several variables were used to analyze the commercial market for the area including spending potential index (SPI), market potential index (MPI), the surplus/leakage factor, and inventory of business type, including building vacancies.

Figure V-1: Market Analysis Study Area

Source: ESRI and infoUSA

An important variable in a market analysis is the spending potential index (SPI), which represents the amount of money spent in the area for certain products relative to the national spending average by households (ESRI). Evaluating the SPI gives an illustration of the study area compared to national trends in consumer spending. The evaluation is based on a 100-point scale, with 100 representing the national average. Points below 100 depict that consumer spending within the study area is less than the national average; and points above 100 represent

greater spending than the national average. Table V-1 portrays the SPI of the Peacock Building study area for 2006.

Table V-1: 2006 Spending Potential Index (SPI) for Study Area

Industry Group	SPI		
	1.0 Mile Radius	3.0 Mile Radius	5.0 Mile Radius
Apparel & Services	55	57	58
Computers & Accessories	73	74	76
Education	75	77	79
Entertainment/Recreation	70	74	76
Food at Home	75	77	79
Food Away from Home	75	77	79
Health Care	74	77	79
Household Furnishings & Equipment	61	64	66
Investments	60	65	58
Retail Goods	70	72	74
Shelter	70	74	76
TV/Video/Sound Equipment	76	78	80
Travel	70	74	76
Vehicle Maintenance & Repairs	72	74	76

Source: ESRI (received from other national databases)

The study area has a SPI lower than 100 in every category. This analysis shows that consumers in the study area spend less than the national average, especially in the Apparel & Services and Investments groups. It is also important to note that as the study area radius increases, the SPI increases, illustrating that there is more normal consumer spending compared to the national average farther from the Peacock Building site, in all industry groups except for Investments. From the SPI analysis, there are no industry groups in the study area that show a competitive advantage, as there are no indexes equal to or greater than 100, representing more consumer spending in the study area than the national average.

Due to the SPI evaluation indicating no consumer purchasing advantages for industry groups within the study area, the market potential index (MPI) was examined to provide a more detailed illustration. The MPI measures consumer behavior and purchasing patterns of adults/households for certain products compared to that of the United States (ESRI). An MPI of

100 represents that the study area is the same as the national average. MPIs below 100 illustrate the study area adults/households exhibit less consumer behavior, while MPIs higher than 100 represent greater consumer behavior for certain products or purchasing patterns. A retail market potential profile was used from ESRI to analyze the MPI of the study area. Table V-2 represents those selected products within the three study area radii that show a MPI greater than 100. This evaluation is used to identify the products and services consumers in the study area purchase and use more than the national average.

Table V-2: Market Potential Index (MPI) exceeding 100 for Study Area

Product/Consumer Behavior	MPI		
	1.0 Mile Radius	3.0 Mile Radius	5.0 Mile Radius
Apparel			
Bought apparel for child <13 in last 6 months	102	*	*
Bought any costume jewelry	104	107	105
Bought any fine jewelry	106	107	106
Bought a watch	114	114	112
Automotive Aftermarket			
Bought/changed motor oil	110	104	102
Beverages			
Drank regular cola in last 6 months	114	112	110
Convenience Stores			
Shopped at convenience store in last 6 months	100	*	*
Bought cigarettes at convenience store in last 30 days	139	114	114
Bought gas at convenience store in last 30 days	114	101	
Spent at convenience store in last 30 days: $20-$39	*	*	102
Spent at convenience store in last 30 days: $40+	108	*	*
Entertainment			
Spent $50-$99 on toys/games	107	110	108
Spent $100-$199 on toys/games	*	100	*
Grocery			
Used beef (fresh/frozen) in last 6 months	100	*	*
Used bread in last 6 months	100	*	100
Used fish/seafood (fresh/frozen) in last 6 months	102	103	102
Used fresh milk in last 6 months	100	*	100
Reading Materials			
Heavy magazine reader	100	111	108
Restaurants			
Went to fast food/drive-in restaurant in last 6 months	101	*	*
Fast food/drive-in last 6 months: home delivery	113	112	108
Fast food/drive-in last 6 months: take-out/drive-thru	105	*	*
Fast food/drive-in last 6 months: take-out/walk-in	102	*	*
Television & Sound Equipment (Households)			
Household owns 1 TV	110	100	104
Household owns 4+ TVs	*	104	101
Household subscribes to cable TV	*	103	104
Household purchased audio equipment	100	*	*
Household purchased CD player	100	101	*

*MPI less than or equal to 100

Source: ESRI (received from other national databases)

There are several product areas that revealed a MPI greater than the national average (100), as evident in Table V-2. Any MPIs close to 100 are assumed to be similar to the national average, so only products with MPIs over 110 were reviewed in more detail. Products showing

MPIs greater than 110 include "bought a watch," "drank regular cola in last 6 months," "bought cigarettes at convenience store in last 30 days," "bought gas at convenience store in last 30 days," and "received home delivery from fast food/drive-in restaurant in last 6 months." Generally the MPIs decrease as the study area radius increases, moving closer to the national average. The highest MPI in the analysis is 139 for "bought cigarettes at convenience store in last 30 days" within the 1.0 mile radius of the Peacock Building site. This index decreases by 25 points as the study area radius expands from 1.0 mile to 3.0 and 5.0 miles, showing a MPI of 114, which is closer to the national average.

The final variable used to analyze the commercial market analysis for the study area was the surplus/leakage factor. This factor is based on the activity in a commercial market, comprised of supply and demand. Supply and demand are the basis of market activity, illustrating how much of a product or service the market can offer consumers (supply) and the desire of the consumer for a product or service (demand).[35] The surplus/leakage factor measures the difference between the supply and demand of a market, representing if the supply is meeting the demand of the consumers or if consumers must travel outside of the study area for the product or service.[36]

The evaluation of surplus and leakage for different industries assists in measuring potential sales, which provide a basis for determining future uses of the Peacock Building site. These factors represent the difference between actual and potential sales, with a positive difference creating a surplus and a negative difference creating a leakage. A positive difference or surplus represents a market where people travel to the area for products or the residents of the area consume more of the product than the average person within the region. A surplus can

[35] Investopedia, http://www.investopedia.com/university/economics/economics3.asp
[36] *Ibid.*

indicate a possible regional attraction when a specific industry sector is concentrated enough to attract many people to the area for the main purpose of purchasing products from that sector. When residents travel outside the area for products, especially for price comparisons on large ticket items and specialty products, or consume less than the average person within the region, a negative difference occurs, representing a leakage.

The following figures (Figure V-2 - Figure V-7) illustrate the surplus/leakage factor for each study area radii (1.0, 3.0, and 5.0) by industry sub-sector and industry group. An evaluation of these factors will lead to an understanding of what is available to consumers within the study area and what products and services are purchased outside of the study area.

Figure V-2: Surplus/Leakage Factor by Industry Sub-sector for the 1.0 Mile Radius

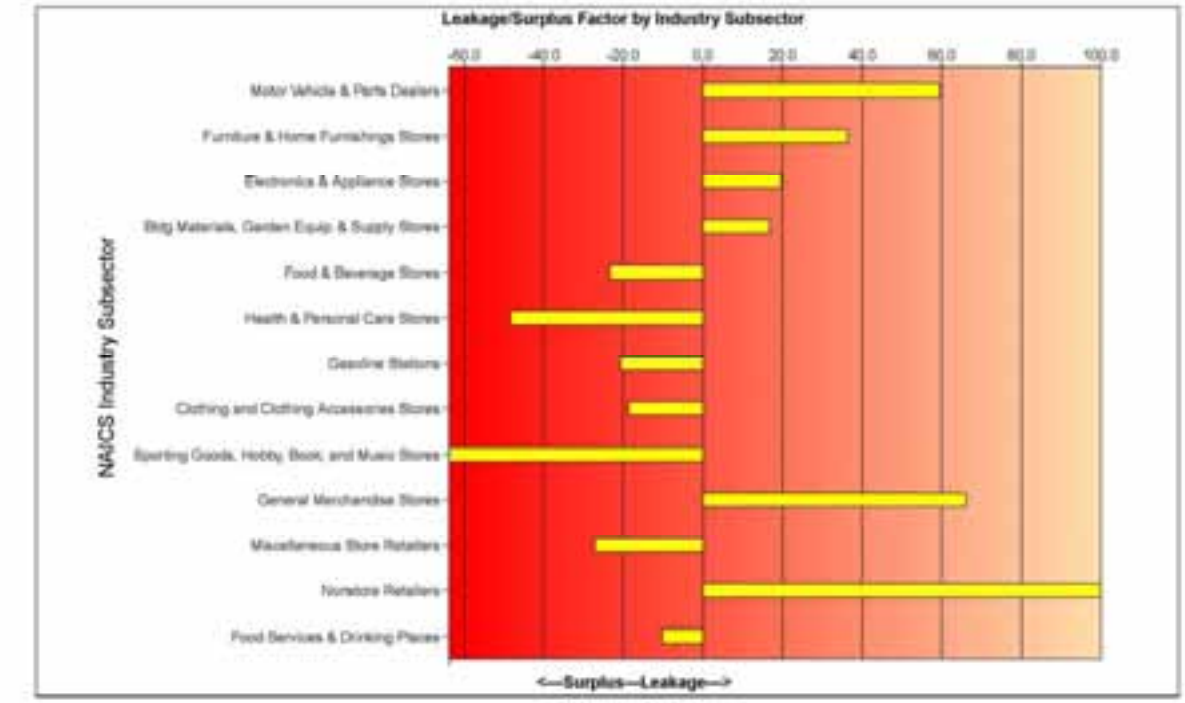
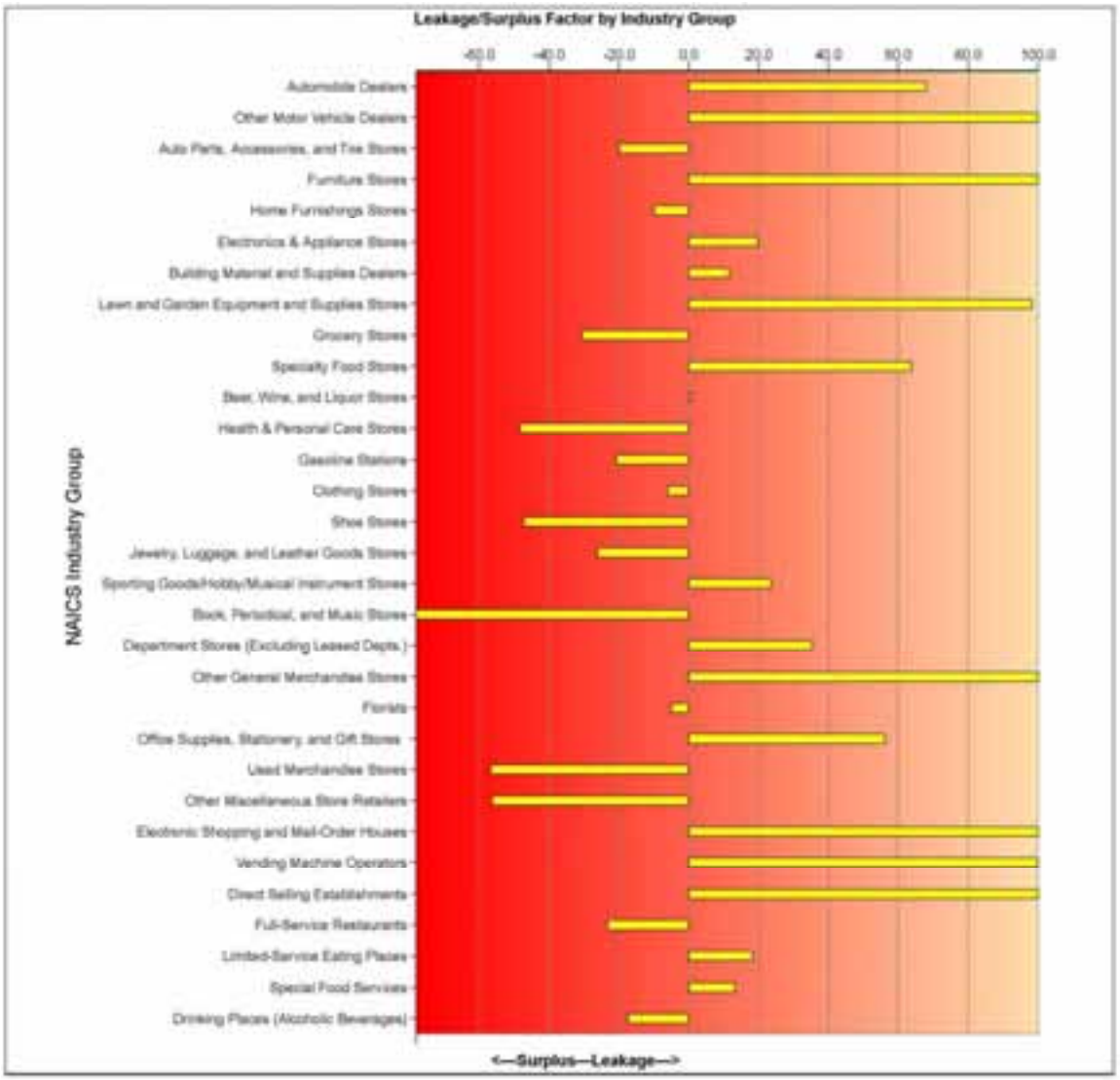


Figure V-3: Surplus/Leakage Factor by Industry Group for the 1.0 Mile Radius



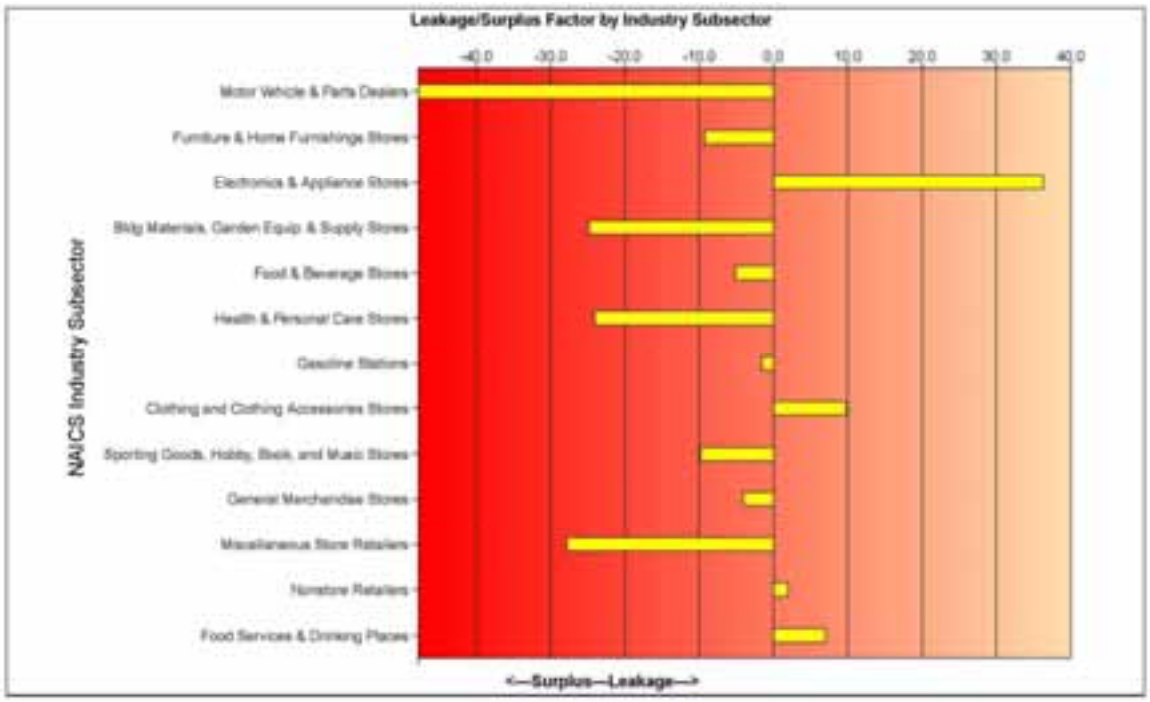
Source: ESRI and infoUSA

The 1.0 mile radius encompassing the area around the Peacock Building has many industry groups and sub-sectors that portray a large leakage, implying that people travel outside of the area to purchase certain products and services. The sub-sectors and groups with a leakage factor of over 50.0 include motor vehicle and parts dealers; general merchandise stores; non-store retailers, which includes electronic shopping and mail-order houses, vending machine operators, and direct selling establishments; vehicle dealers; furniture stores; lawn and garden

stores; specialty food stores; office supplies, stationery, and gift stores; electronic shopping and mail-order houses; vending machine operators; and direct selling establishments. In this radius a major surplus exists for book, periodical, sporting goods, hobby, and music stores.

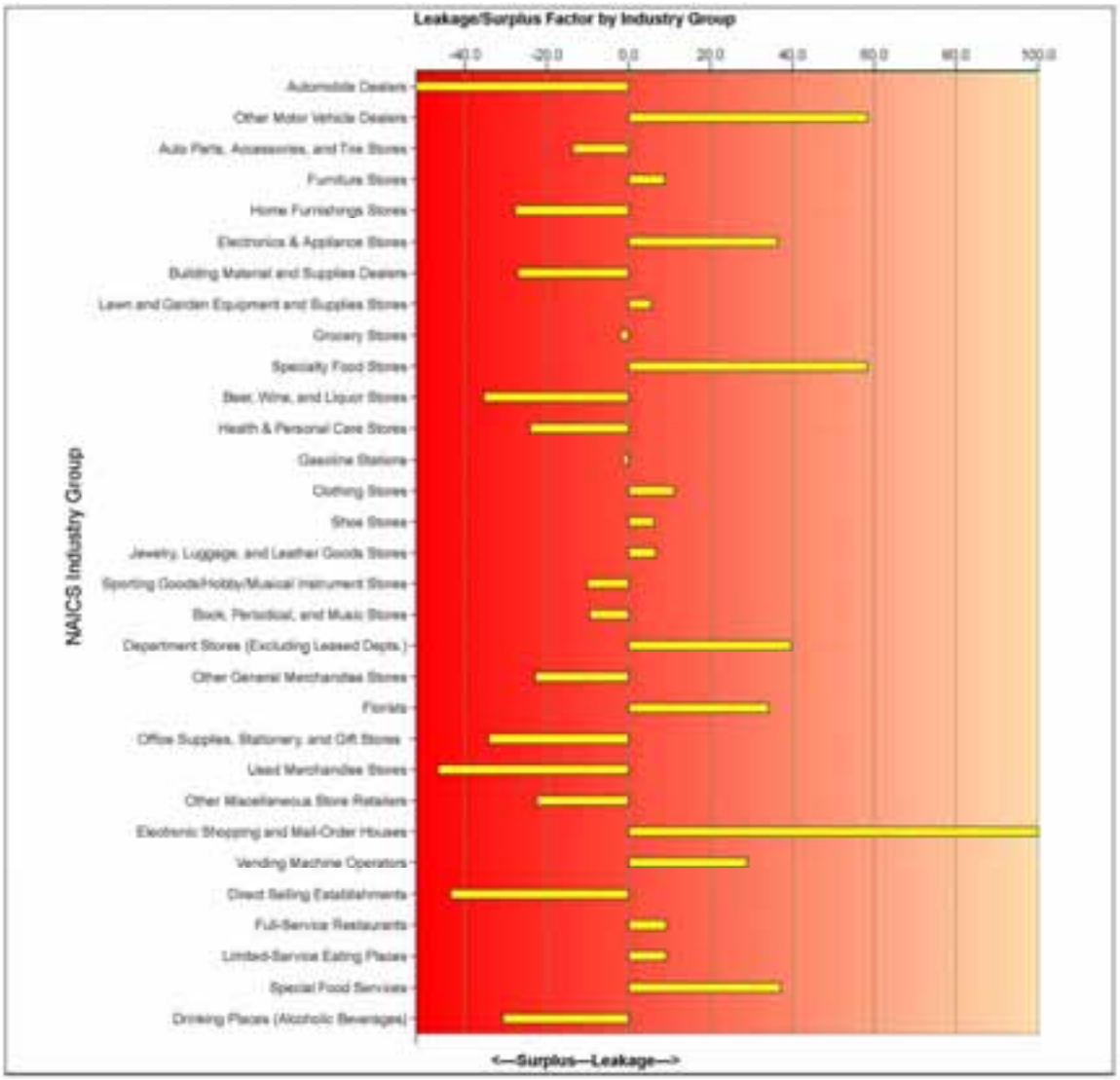
The number of leakages is not unusual because the study area is small, consisting of only a 1.0 mile radius. While these products and services are not currently purchased within this area, the leakages can serve as opportunities for future business by illustrating what types of commercial uses are needed.

Figure V-4: Surplus/Leakage Factor by Industry Sub-sector for the 3.0 Mile Radius



Source: ESRI and infoUSA

Figure V-5: Surplus/Leakage Factor by Industry Group for the 3.0 Mile Radius



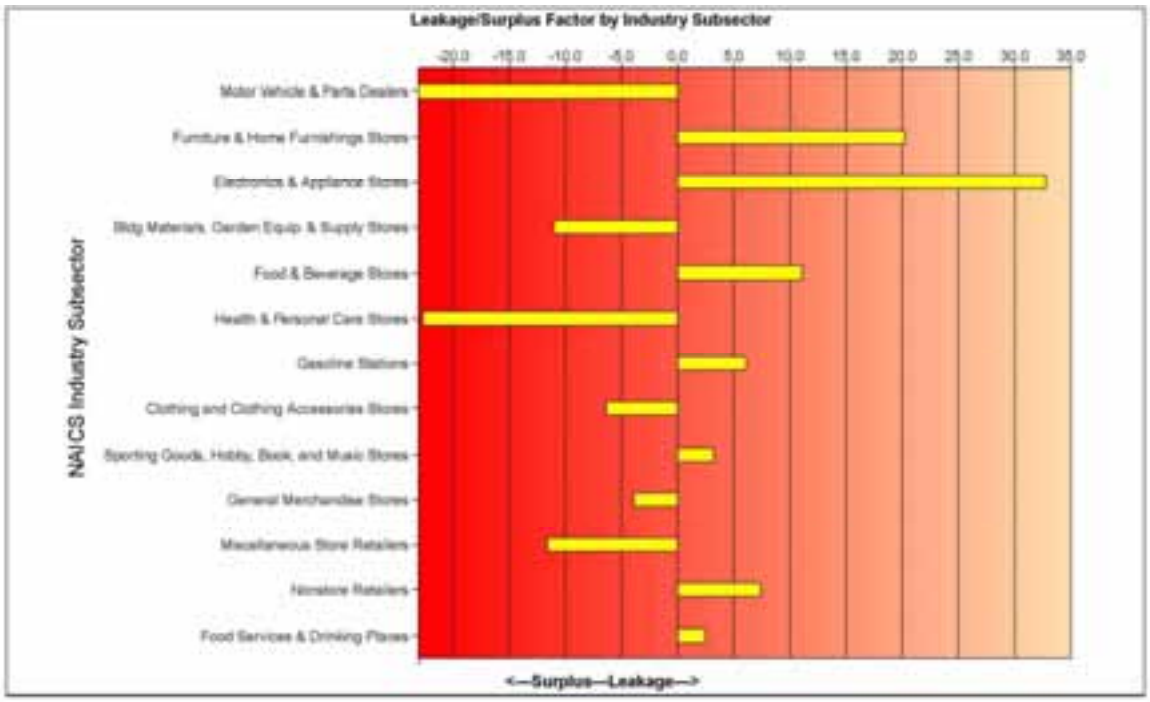
Source: ESRI and infoUSA

Increasing the study area from just a 1.0 mile radius to a 3.0 mile radius creates a large difference in the type of surplus and leakage for the area. There are fewer leakages and a greater number of surplus products and services, which is to be expected when increasing the size of the study area.

The leakages (over 50.0 factor) for this area consist of motor vehicle dealers other than automobiles and electronic shopping and mail-order houses. Evident surplus products and services, exhibiting a factor over 50.0, include motor vehicle and parts dealers, automobile

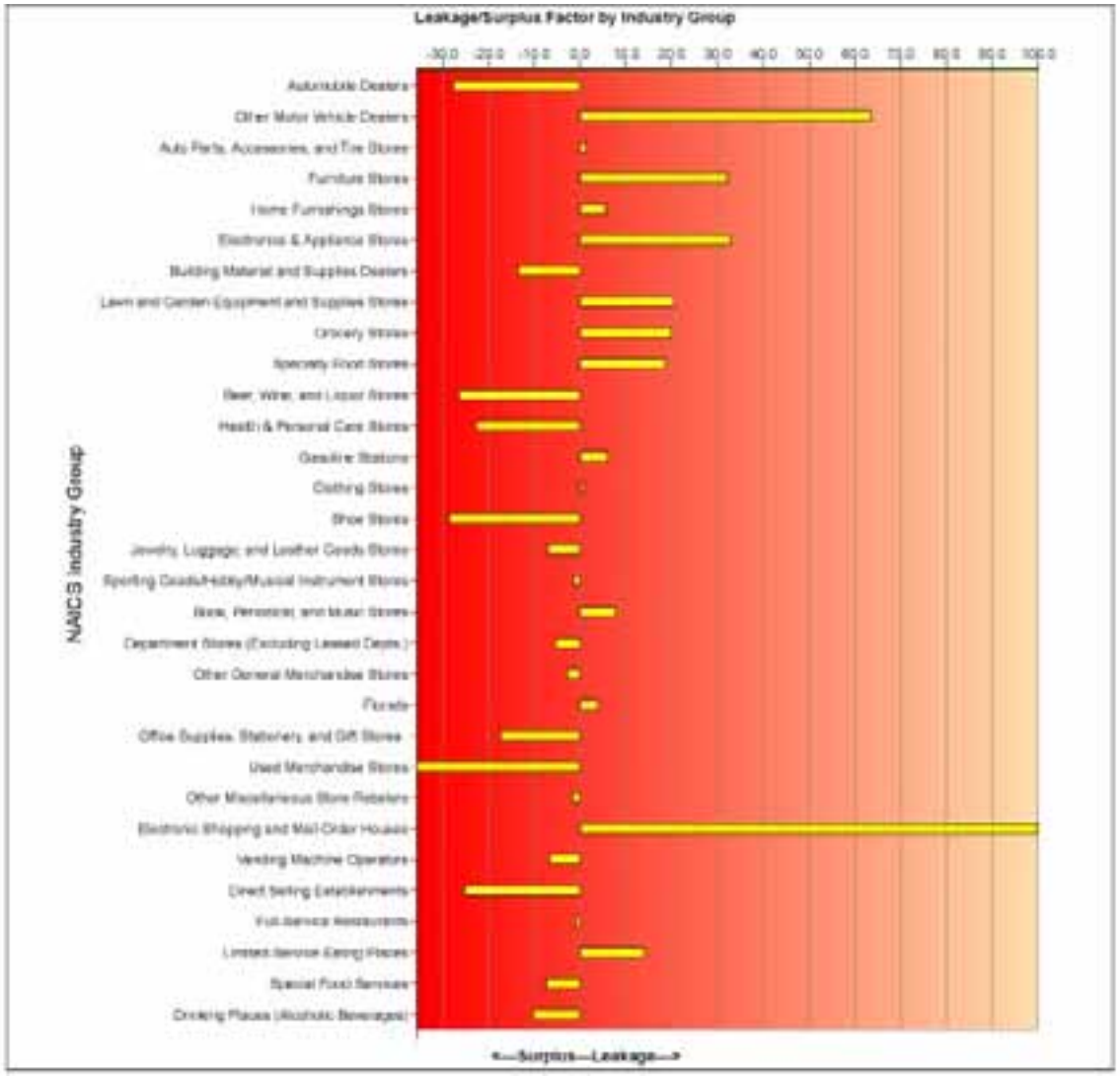
dealers, and used merchandise stores. Using the 3.0 mile radius around the Peacock Building, there are few major factors of surplus and leakage.

Figure V-6: Surplus/Leakage Factor by Industry Sub-sector for the 5.0 Mile Radius



Source: ESRI and infoUSA

Figure V-7: Surplus/Leakage Factor by Industry Group for the 5.0 Mile Radius



Source: ESRI and infoUSA

The final study area considered was a 5.0 mile radius around the Peacock Building to evaluate surplus and leakage factors for the area. This study area is similar to the 3.0 mile radius area with motor vehicle dealers other than automobiles, and electronic shopping and mail-order houses showing a large leakage factor (above 50.0); while a surplus above 50.0 is present in bothused merchandise stores and motor vehicle and parts dealers.

Within the 5.0 mile radius study area, many of the factors begin to decrease, moving closer to 0.0, which represents a normal purchasing pattern (no surplus or leakage); illustrated in

Table V-3. This represents that most people within the study area purchase needed products and services within the area instead of traveling outside, but also people from outside of the study area are not traveling inside to purchase products and services. Industries with high leakage or surplus factors will be considered when evaluating the possible uses for the Peacock Building site.

Table V-3: Surplus/Leakage Summary for Each Mile Radius (factors greater than 50.0)

Radius	Industry Type	Surplus/Leakage Industry	
		Leakage	Surplus
1.0 Mile	Industry Subsector	Motor Vehicle & Parts Dealers General Merchandise Stores Nonstore Retailers	Sporting Goods, Hobby, Book, and Music Stores
	Industry Group	Automobile Dealers Other Motor Vehicle Dealers Furniture Stores Lawn and Garden equipment and Supplies Stores Specialty Food Stores Other General Merchandise Stores Office Supplies, Stationery, and Gift Stores Electronic Shopping and Mail-Order Houses Vending Machine Operators Direct Selling Establishments	Book, Periodical, and Music Stores Used Merchandise Stores Other Miscellaneous Store Retailers
3.0 Mile	Industry Subsector	none	none
	Industry Group	Other Motor Vehicle Dealers Specialty Food Stores Electronic Shopping and Mail-Order Houses	Automobile Dealers
5.0 Mile	Industry Subsector	none	none
	Industry Group	Other Motor Vehicle Dealers Electronic Shopping and Mail-Order Houses	none

Source: ESRI and infoUSA

An inventory of businesses by industry group was created from the ESRI Market Profile, which provides insight to what types of products and services are available within the 1.0, 3.0, and 5.0 mile radii of the Peacock building. Table V-4 illustrates the number of businesses in the area. The 1.0 mile radius study area includes some industry groups that are not available, such as

motor vehicle dealers other than automobiles, furniture stores, lawn and garden equipment and supply stores, other general merchandise stores, electronic and mail-order shopping houses, vending machine operators, and direct selling operators.

A list of area businesses was also created by the Macomb County Department of Economic Development and Planning in 2005, which is provided in the Appendix F. This list provides a more detailed summary of the types of businesses in the study area. Increasing the study area to encompass a 3.0 and 5.0-mile radius provides more industry groups for the local consumer. The only industry group that is not present in any of the study areas is electronic and mail-order shopping houses. The businesses not found within the area may provide an opportunity of use for the Peacock Building site by incorporating a service that is not currently available to the local consumers.

Table V-4: Number of Businesses by Industry Group in Study Area

Industry Group	NAICS #	Number of Businesses		
		1.0 Mile Radius	3.0 Mile Radius	5.0 Mile Radius
Motor Vehicle & Parts Dealers	441	10	128	274
Automobile Dealers	4411	5	79	162
Other Motor Vehicle Dealers	4412	0	5	13
Auto Parts, Accessories, and Tire Stores	4413	5	44	99
Furniture & Home Furnishings Stores	442	1	25	67
Furniture Stores	4421	0	7	21
Home Furnishings Stores	4422	1	18	46
Electronics & Appliance Stores	4431	6	37	110
Building Materials, Garden Equipment & Supply Stores	444	5	69	163
Building Material and Supplies Dealers	4441	5	57	130
Lawn and Garden Equipment and Supplies Stores	4442	0	12	33
Food & Beverage Stores	445	11	119	341
Grocery Stores	4451	6	58	158
Specialty Food Stores	4452	2	15	53
Beer, Wine, & Liquor Stores	4453	3	46	130
Health & Personal Care Stores	446/4461	5	50	162
Gasoline Stations	447/4471	10	65	156
Clothing & clothing Accessories Stores	448	9	62	238
Clothing Stores	4481	6	42	152
Shoe Stores	4482	2	9	46
Jewelry, Luggage, & Leather Goods Stores	4483	1	11	40
Sporting Goods, Hobby, Book, & Music Stores	451	4	32	95
Sporting Goods/Hobby/Musical Instrument Stores	4511	2	21	56
Book, Periodical, & Music Stores	4512	2	11	39
General Merchandise Stores	452	2	36	108
Department Stores Excluding leased Depts.	4521	2	22	74
Other General Merchandise Stores	4529	0	14	34
Miscellaneous Store Retailers	453	17	110	275
Florists	4531	2	11	35
Office Supplies, Stationery, & Gift Stores	4532	2	35	103
Used Merchandise Stores	4533	7	28	57
Other Miscellaneous Store Retailers	4539	6	36	80
Nonstore Retailers	454	0	6	26
Electronic Shopping & Mail-Order Houses	4541	0	0	0
Vending Machine Operators	4542	0	3	14
Direct Selling Establishments	4543	0	3	12
Food Services & Drinking Places	722	33	300	777
Full-Service Restaurants	7221	1	6	19
Limited-Service Eating Places	7222	22	231	587
Special Food Services	7223	3	13	42
Drinking Places - Alcoholic Beverages	7224	7	50	129

Source: ESRI

Through site visits and a business inventory provided by the Macomb County Department of Planning and Economic Development, observations were made to provide more evidence of the dense commercial use within the study area, illustrated in Figure V-8 - Figure V-10. There are large anchor pharmacies at most major intersections within the study area, such as Walgreens at Nine Mile Road, CVS at Outer Drive, and RiteAid at Eight Mile Road. Banks and gas stations/convenient stores are also prominent throughout the corridor. There are several bakeries and restaurants, grocery store, and Shoppers Market at the Nine Mile Road and Van Dyke intersection. Also evident in the area are several entertainment facilities, including a banquet facility. Currently there are two commercial developments planned within the study area by private investors, a car wash two parcels south of the Peacock Building site on Van Dyke Avenue, and a strip on the south side of Eight Mile Road consisting of seven units of commercial property. Retail establishments surround the Peacock Building site across Van Dyke Avenue and on each side. There is a feed store and convenient store adjacent to the site, with an automobile dealership across Van Dyke Avenue.

Figure V-8: Retail at 7 Mile Road Intersection

Figure V-9: Retail at 9 Mile Road Intersection

Figure V-10: Retail across Van Dyke Avenue from Peacock Building site

Average rent for the commercial sites surrounding the Peacock building were calculated using the *Office Market Trends Detroit* for the fourth quarter of 2006, created by Grubb & Ellis Research. An assessment of the greater Detroit market will provide an idea of expectations for the Peacock Building site. The greater Detroit area has increased its market by 1.2 million square feet of development.[37] The trends indicate a fluctuating market, but vacancy rates and asking rents are expected to remain steady through 2007.[38] Currently, the average asking rent (stated per square foot per year) for the office space in the greater Detroit area is $26.13 for Class A buildings (premier spaces with above average rents) and $22.65 for Class B buildings (spaces serving diverse uses with average rents).[39] Class C buildings also exist, which includes functional space at rents below average. The Peacock Building site is considered for this study a Class B or C building, depending on the future reuse.

Although there is dense commercial use throughout the entire corridor, many building vacancies exist (Appendix F). Over one hundred vacant buildings are evident in the area through site observations and the building inventory provided by the Macomb County Department of Planning and Economic Development. Only a small portion of these vacancies exist between

[37] Grubb & Ellis Research, 2006.
[38] *Ibid.*
[39] *Ibid.*

Nine Mile Road and Ten Mile Road, with the majority south of Nine Mile Road, increasing in frequency between Seven Mile Road and McNichols Road, creating a more distressed commercial area traveling south. Figure V-11 provides an example of a vacancy within the area, located on Van Dyke Avenue. There are two vacant spaces attached to the existing convenient store located across Yacht Street from the Peacock Building. Another vacant building is located between Packard Street and Yacht Street with large windows, and ample, aesthetically pleasing frontage, providing visibility.

Figure V-11: Example Vacancy within Study area

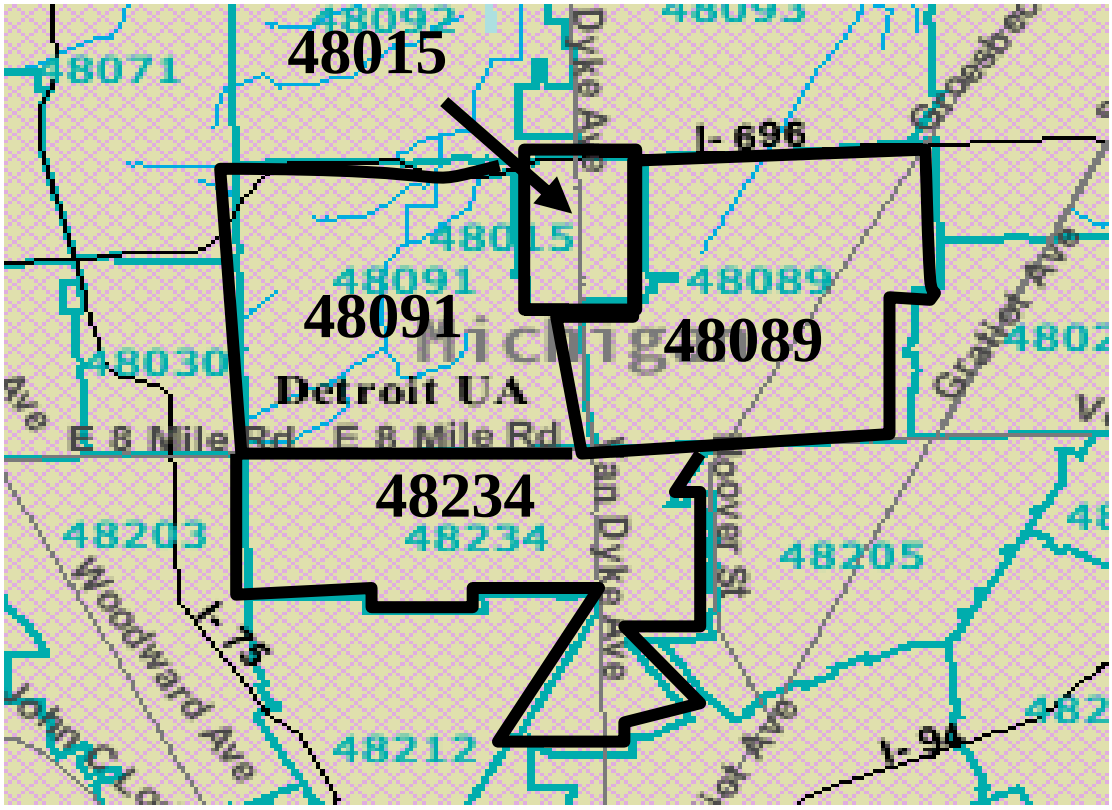
The large number of vacancies along the corridor, provided in Appendix F, should be considered throughout the process of finding the best use for the Peacock Building site. The vacancies increase competition between buildings for possible tenants, which creates a need for the site to have some competitive advantage for attracting users to the Peacock Building. In order to give the Peacock Building a competitive advantage in the market for commercial space, amenities such as low or subsidized rent, technological needs, shared space with other tenants, and marketing assistance, among others, should be provided. Many of these options can be provided through a management system such as and incubator, which is discussed in Section IX.

B. Industrial Market Analysis

1. Methods

The methods used for the following Industrial Market analysis were derived from a MSU Practicum study titled *Vanguard Community Development Corporation: Small Business Incubator Study.*[44] The Industrial Market analysis consists of primary data collected from the U.S. Census Bureau using numerous locales including Wayne County, Macomb County, Michigan, and zip codes that the project area resides within (Figure V-12).

Figure V-12: Project Area Zip Codes



Source: U.S. Census Bureau, 2000

The initial source of data was collected using County Business Patterns, a resource provided by the U.S. Census Bureau that identifies industrial trends for multiple locales

[44] Vanguard CDC: http://www.cedp.msu.edu/researchreports/vangaurdfanal.pdf

nationwide.[46] County Business Patterns measures economic growth per Industry by NAICS (North American Industrial Classification System) sectors, but two key limitations occurred in obtaining this data.

County Business Patterns provides data for State, County, Metropolitan Statistical Areas, and 5-digit zip codes. For Industrial analysis, the data used included Wayne County, Macomb County, and four zip codes (48015, 48089, 48091, and 48234.)[47] One of the limitations of County Business Patterns is that it does not include business data for municipalities or census tracts. Instead, zip codes were used because the project area is within at least a portion of each zip code area. A second limitation is that County Business Patterns does not include Non-Employer Statistics, which summarize the number of establishments without paid employees that are subject to federal tax. Separate data was collected from the resource Non-Employer Statistics, also from the U.S. Census Bureau, to analyze industrial growth for small businesses and potential incubator users. Analysis of Non-Employer Statistics will be used to measure the growth of possible entrepreneurship throughout the region and the potential for a successful incubator.

Using two-digit NAICS codes, the analysis compared business growth for the project area with industry growth throughout both Wayne and Macomb Counties. The data collected identifies two specific time frames, 1999 and 2004. Further analysis will identify the change in subcategories for Professional, Scientific, and Technical Services Sector.

2. County Business Patterns

The total business establishments for the State of Michigan grew at a slight rate of 0.65 percent between 1999 and 2004.[40] As shown in Table VI-5, growing sectors for Michigan

[46] County Business Patterns
[47] *Ibid.*

included Transportation and Warehousing, Finance and Insurance, Real Estate, Educational Services, Professional, Scientific, and Technical Services, Health Care, and Arts, Entertainment, and Recreation. Significant decline occurred for both sectors of, Wholesale Trade and Manufacturing.

Table V-5: Michigan Employee Statistics (County Business Patterns)

	Total Establishments			1-4 Employees			5-9 Employees			10+ Employees		
Industry Code Description	1999	2004	% Change	1999	2004	% Change	1999	2004	% Change	1999	2004	% Change
Total	236456	237984	0.65%	121719	122802	0.84%	48038	47827	-0.44%	66639	67355	1.07%
Forestry, fishing, hunting, and agriculture support	727	616	-15.27%	522	426	-18.39%	123	110	-10.57%	82	80	-2.44%
Mining	443	443	0.00%	246	260	5.69%	63	80	26.98%	134	103	-23.13%
Utilities	407	410	0.74%	108	118	9.26%	56	46	-17.86%	243	246	1.23%
Construction	26710	26593	-0.44%	17328	17885	3.21%	4873	4557	-6.48%	4509	4151	-7.94%
Manufacturing	15790	14447	-8.51%	4819	4580	-4.96%	2679	2556	-4.59%	8292	7311	-11.83%
Wholesale trade	13689	12260	-10.44%	6807	6119	-10.11%	2630	2377	-9.62%	4252	3764	-11.48%
Retail trade	39262	38533	-1.86%	17402	17277	-0.72%	10182	9679	-4.94%	11678	11577	-0.86%
Transportation & warehousing	4963	5427	9.35%	2778	3111	11.99%	757	761	0.53%	1428	1555	8.89%
Information	3565	3927	10.15%	1795	1962	9.30%	538	670	24.54%	1232	1295	5.11%
Finance & insurance	12816	13958	8.91%	6744	7480	10.91%	2965	3245	9.44%	3107	3233	4.06%
Real estate & rental & leasing	8565	8995	5.02%	5742	5971	3.99%	1616	1696	4.95%	1207	1328	10.02%
Professional, scientific & technical services	20991	22393	6.68%	14024	14708	4.88%	3286	3453	5.08%	3681	4232	14.97%
Management of companies & enterprises	1474	1472	-0.14%	430	458	6.51%	203	207	1.97%	841	807	-4.04%
Admin, support, waste mgt, remediation services	11484	11748	2.30%	6379	6595	3.39%	1731	1542	-10.92%	3374	3611	7.02%
Educational services	1879	2050	9.10%	872	921	5.62%	332	361	8.73%	675	768	13.78%
Health care and social assistance	23270	25087	7.81%	10311	10438	1.23%	5892	6333	7.48%	7067	8316	17.67%
Arts, entertainment & recreation	3341	3646	9.13%	1806	2034	12.62%	518	563	8.69%	1017	1049	3.15%
Accommodation & food services	18541	19222	3.67%	6390	6578	2.94%	3178	3343	5.19%	8973	9301	3.66%
Other services (except public administration)	24967	24826	-0.56%	14404	14168	-1.64%	6083	6076	-0.12%	4480	4582	2.28%
Unclassified establishments	3118	1931	-38.07%	2759	1713	-37.91%	258	172	-33.33%	101	46	-54.46%

Source: County Business Patterns

From 1999 to 2004, Table V-6 indicates that the project area experienced a loss of 179 total establishments (7 %). The rate of change per industry was measured by the number of employees per establishment. Overall, establishments with 1 to 4 employees experienced a minimal loss of 5 businesses (less than 1%) throughout the 5-year time period. Establishments with 5 to 9 employees dropped from 502 in 1999, to 439 in 2004; a rate of roughly 13 percent. By Industry Code Description, the sectors losing the most businesses include in Wholesale Trade

(43 lost), Information (3 lost), Real Estate and Rental and Leasing (10 lost), and Professional Scientific and Technical Services (6 lost). Sectors that experienced growth include Transportation and Warehousing (3 gained), Administrative, Support, Waste Mgt, Remediation Services (10 gained), Health Care and Social Assistance (11 gained), and Arts, Entertainment and Recreation (5 gained).

Table V-6: Study Area Employee Numbers (48089, 48091, 48015, 48234)

Industry Code Description	Total Establishments 1999	Total Establishments 2004	% Change	1-4 Employees 1999	1-4 Employees 2004	% Change	5-9 Employees 1999	5-9 Employees 2004	% Change
Total	2474	2295	-7.24%	1038	1033	-0.48%	502	439	-12.55%
Construction	201	177	-11.94%	91	95	4.40%	46	29	-36.96%
Manufacturing	503	429	-14.71%	126	130	3.17%	94	77	-18.09%
Wholesale trade	232	189	-18.53%	86	72	-16.28%	54	37	-31.48%
Retail trade	437	436	-0.23%	213	215	0.94%	97	99	2.06%
Transportation & warehousing	83	86	3.61%	34	35	2.94%	14	15	7.14%
Information	21	18	-14.29%	12	5	-58.33%	1	4	300.00%
Finance & insurance	64	72	12.50%	28	43	53.57%	17	9	-47.06%
Real estate & rental & leasing	77	67	-12.99%	47	43	-8.51%	17	13	-23.53%
Professional, scientific & technical service	87	81	-6.90%	45	41	-8.89%	15	10	-33.33%
Management of companies & enterprises	19	17	-10.53%		3		3		
Admin, support, waste mgt, remediation ser	97	107	10.31%	46	53	15.22%	14	15	7.14%
Educational services	10	11	10.00%	5	4	-20.00%	1	2	100.00%
Health care and social assistance	121	132	9.09%	44	50	13.64%	32	37	15.63%
Arts, entertainment & recreation	8	13	62.50%	6	6			3	
Accommodation & food services	184	177	-3.80%	75	72	-4.00%	34	29	-14.71%
Other services (except public administration	293	257	-12.29%	159	144	-9.43%	59	59	

Source: County Business Patterns

The Professional, Scientific, and Technical Services sector experienced a total of six businesses lost within the project area between 1999 and 2004, shown in Table V-7.[49] Of the 29 subcategories, eleven experienced a decline of at least one or more business. Human Resources (5), Landscape Architectural Services (3), and Computer Systems Design Services (3) experienced a larger rate of decline. Of gaining subcategories, only Tax Preparation Services and

[49] County Business Patterns

Photography Studios experienced a gain of more than one business. Overall, four business establishments were lost with one to four employees, five were lost with five to nine employees, and three businesses were added with 10 or more employees.[41]

Table V-7: Professional, Scientific, and Technical Sub Categories

	Total Establishments			1 to 4 Employees			5 to 5 Employees			10+ Employees		
Industry Code Description	**1999**	**2004**	**Change**	**1999**	**2004**	**Change**	**1999**	**2004**	**Change**	**1999**	**2004**	**Change**
Professional, scientific & technical services	**87**	**81**	**(6)**	**45**	**41**	**(4)**	**15**	**10**	**(5)**	**27**	**30**	**3**
Offices of lawyers	7	7	0	5	4	(1)	2	2	0	0	1	1
Other accounting services	3	3	0	2	2	0	1	0	(1)	0	1	1
Engineering services	24	22	(2)	7	10	3	3	1	(2)	14	11	(3)
Other computer related services	2	2	0	2	2	0	0	0	0	0	0	0
Admin & gen. management consulting services	3	2	(1)	3	1	(2)	0	0	0	0	1	1
Human resources & executive search consulting	6	1	(5)	3	0	(3)	0	1	1	3	0	(3)
Process, phys dist & log consulting services	1	1	0	0	1	1	0	0	0	1	0	(1)
Veterinary services	3	3	0	1	1	0	1	1	0	1	1	0
Tax preparation services	5	11	6	3	4	1	1	2	1	1	5	4
Architectural services	1	0	(1)	1	0	(1)	0	0	0	0	0	0
Offices of certified public accountants	2	2	0	1	2	1	1	0	(1)	0	0	0
Building inspection services	1	1	0	1	1	0	0	0	0	0	0	0
Landscape architectural services	3	0	(3)	2	0	(2)	1	0	(1)	0	0	0
Custom computer programming services	2	1	(1)	1	0	(1)	0	1	1	1	0	(1)
Computer systems design services	4	1	(3)	3	1	(2)	0	0	0	1	0	(1)
Marketing consulting services	2	1	(1)	2	0	(2)	0	0	0	0	1	1
R&D in physical, engineering & life science	1	2	1	0	1	1	0	0	0	1	1	1
Drafting services	1	0	(1)	1	0	(1)	0	0	0	0	0	0
Testing laboratories	2	1	(1)	0	1	1	1	0	(1)	1	0	(1)
Graphic design services	1	1	0	0	0	0	1	1	0	0	0	0
Other scientific & technical consulting services	2	2	0	1	1	0	1	0	(1)	0	1	1
Other services related to advertising	1	2	1	0	1	1	1	0	(1)	0	1	1
Photography studios, portrait	2	4	2	2	4	2	0	0	0	0	0	0
Computer facilities management services	1	1	0	0	0	0	0	0	0	1	1	0
All other prof, scientific & technical services	6	7	1	4	4	0	1	0	(1)	1	3	2
Payroll Services	1	0	(1)	0	0	0	0	0	0	1	0	(1)
Advertising material distribution services	0	1	1	0	0	0	0	0	0	0	1	1
Title abstract & settlement offices	0	1	1	0	0	0	0	1	1	0	0	0
Industrial design services	0	1	1	0	0	0	0	0	0	0	1	1

Source: County Business Patterns

[41] County Business Patterns

3. Business Establishment Comparison (County & Project Area)

The following assesses the trends in business growth throughout the project area compared with both Macomb and Wayne counties. Of the selected geographies, only Macomb County experienced growth within establishments between 1999 and 2004. Table V-8 gives a detailed account of the level of growth each industrial class has experienced between 1999 and 2004. Losses in establishments were experienced at all geographies in Construction, Manufacturing, and Wholesale Trade. Gains are noticeable for Transportation and Warehousing, Finance and Insurance, Educational Services, Health Care and Social Assistance, and Professional, Scientific, and Technical Services.

Table V-8: Business Establishment Comparison

Business Establishment Comparison	Change in Establishments (Zip Code Area) 1999-2004		Change in Establishments Wayne County 1999-2004		Change in Establishments Macomb County 1999-2004	
Industry Category	Loss/Gain	Percent	Loss/Gain	Percent	Loss/Gain	Percent
Total	(179)	-7.24%	(871)	-2.42%	499	2.7%
Utilities	-	-	(20)	-28.99%	(2)	-13.3%
Construction	(24)	-11.94%	(136)	-5.04%	(41)	-1.6%
Manufacturing	(74)	-14.71%	(348)	-15.51%	(207)	-9.9%
Wholesale trade	(43)	-18.53%	(295)	-12.83%	(121)	-11.6%
Retail trade	(1)	-0.23%	(70)	-1.06%	6	0.2%
Transportation & warehousing	3	3.61%	108	9.94%	28	8.1%
Information	(3)	-14.29%	25	5.20%	44	24.0%
Finance & insurance	8	12.50%	86	5.02%	153	18.4%
Real estate & rental & leasing	(10)	-12.99%	18	1.46%	41	6.3%
Professional, scientific & technical service	(6)	-6.90%	128	4.64%	110	7.3%
Management of companies & enterprises	(2)	-10.53%	(10)	-3.58%	(18)	-18.8%
Admin, support, waste mgt, remediation ser	10	10.31%	(68)	-3.81%	87	8.7%
Educational services	1	10.00%	25	7.89%	30	27.5%
Health care and social assistance	11	9.09%	98	2.43%	266	16.0%
Arts, entertainment & recreation	5	62.50%	16	4.38%	26	11.9%
Accommodation & food services	(7)	-3.80%	(8)	-0.25%	170	12.6%
Other services (except public administration	(36)	-12.29%	(95)	-2.29%	4	0.2%
Unclassified establishments	-	-32.35%	(221)	-43.50%	(54)	-29.5%

Source: County Business Patterns

When compared to county data from Macomb and Wayne counties, several industries for the project area experienced a decline in establishments where the Counties experienced growth. Both Macomb and Wayne counties experienced growth in the Information, Real Estate,

Professional/Scientific/Tech, and Management, while the project area suffered a loss in these sectors.[50] Data may suggest a possible need for business incubation to help support declining industries, but it also may suggest an unfavorable economic market for success in such industries.

4. Non-Employer Statistics

The U.S. Census Bureau defines a Non-Employer business as "a business that has no paid employees, has annual business receipts of $1,000 or more, and is subject to federal income taxes."[52] Analysis of Non-Employer data allows for the study of trends in small business growth at the county level. For the purposes of this report, both Macomb and Wayne counties were chosen to measure changes in non-employer data. Many of trends represented self-employed entrepreneurs that may or may not rely on their business as their main source of income. Representing all industries, many self employed business owners can be found in some of the fastest growing industrial sectors such as Professional, Scientific, and Technical Services, Information, and Health Care.

[50] County Business Patterns
[52] *Ibid.*

Table V-9: Change in Non-Employer Statistics (County)

	Change in Non-Employer Establishments Wayne County 1999-2004		Change in Non-Employer Establishments Macomb County 1999-2004	
Industry Category	**Loss/Gain**	**Percent Change**	**Loss/Gain**	**Percent Change**
Total	24,463	35.58%	8,976	22.8%
Utilities	na	na	na	na
Construction	1,189	15.72%	1,684	28.4%
Manufacturing	31	2.98%	61	6.1%
Wholesale trade	(237)	-13.84%	(107)	-9.7%
Retail trade	335	4.49%	651	14.9%
Transportation & warehousing	1,157	34.56%	495	43.1%
Information	71	6.62%	127	25.2%
Finance & insurance	(38)	-1.61%	143	9.5%
Real estate & rental & leasing	2,308	31.65%	1,620	34.2%
Professional, scientific & technical service	532	5.72%	140	2.5%
Management of companies & enterprises	na	na	na	na
Admin, support, waste mgt, remediation ser	2,197	46.24%	930	32.5%
Educational services	767	59.32%	226	37.3%
Health care and social assistance	8,201	123.40%	967	42.6%
Arts, entertainment & recreation	565	18.29%	236	15.4%
Accommodation & food services	532	55.42%	214	51.7%
Other services (except public administration	6,867	65.31%	1,535	27.2%
Unclassified establishments	na	na	na	na

Source: Non-Employer Statistics

Shown in Table V-9, of the 19 industry categories identified, only Wholesale Trade saw a decline in Non-Employer establishments between 1999 and 2004. Wayne County experienced an increase of 24,463 new establishments compared to only 8,976 in Macomb County. The largest growing sector for both Counties was the Health Care sector, which saw an increase of 123 percent in Wayne, and 43 percent in Macomb. Other large increases in establishments included Real Estate and Rental and Leasing, and Administrative Support, Waste Management, and Remediation Services. Professional, Scientific, and Technical services increased in non-employer establishments by 5.7 percent in Wayne, and 2.5 percent in Macomb.

5. Detroit MSA Industry Employment Forecast

Regional industrial growth forecasts were collected for the Detroit MSA (Metro Statistical Area) to indicate future industrial growth trends between the years 2002 and 2012. The Detroit MSA contains Lapeer, Macomb, Monroe, Oakland, St.Clair, and Wayne Counties and should provide a larger context of growth patterns for much of the area. The Michigan Department of Labor and Economic Growth (MDLEG) forecast that the overall employment for the region will increase by 210,400 jobs, or ten percent, by 2012. Employment trends over time show that an increase in larger share of employment will occur within the Professional and Business Services sectors at a rate of 25 percent. Table V-10 shows Construction, Service-Providing Industries, Information, Education and Health Services, Leisure and Hospitality, and Other Services, as well as other industries with growth forecasts higher than that of the region. While the region as a whole is expected to see an increase of 210,400 jobs by 2012, both Manufacturing and Good-Producing Industries sectors are expected to decline by 4.5 percent and .7 percent, respectively.

Table V-10: Michigan DLEG Employment Forecast (Detroit MSA)

	Employment		Change	
Industry Title	**2002**	**2012**	**Level**	**Percent**
Total, Wage, and Salary Employment	2,094,570	2,304,970	210,400	10
Goods - Producing Industries	424,110	421,120	(2,990)	-0.7
Construction	88,280	100,500	12,220	13.8
Manufacturing	334,550	319,380	(15,170)	-4.5
Service - Providing Industries	1,670,460	1,883,850	213,390	12.8
Wholesale Trade	98,970	110,830	11,860	12
Retail Trade	230,050	243,220	13,170	5.7
Transportation, Warehousing and Utilities	85,050	93,490	8,440	9.9
Information	38,680	43,280	4,600	11.9
Finance and Insurance	84,790	88,420	3,630	4.3
Real Estate and Rental & Leasing	30,250	32,920	2,670	8.8
Professional and Business Services	367,990	459,940	91,950	25
Education and Health Services	380,100	425,460	45,360	11.9
Leisure and Hospitality	179,390	200,250	20,860	11.6
Other Services	77,260	86,390	9,130	11.8
Government	97,930	99,660	1,730	1.8

Source: Michigan Department of Labor and Economic Growth

Table V-11 provides forecasts for each subcategory of the employment forecasts for Professional and Business Services. Increased employment is expected throughout all four subcategories with a gain of 91,950 jobs. Administrative and Support Services are expected to grow at a rate of 40.9 percent, followed by Professional, Scientific, and Technical Services at 15.3 percent.

Table V-11: Detroit MSA Professional and Business Employment Forecast

	Employment		Change	
Industry Title	**2002**	**2012**	**Level**	**Percent**
Professional and Business Services	367,990	459,940	91,950	25
Professional, Scientific, & Tech Services	170,610	196,730	26,120	15.3
Management of Companies and Enterprises	44,720	49,800	5,080	11.4
Administrative and Support Services	147,330	207,570	60,240	40.9
Waste Management & Remediation Services	5,340	5,840	500	9.5

Source: Michigan Department of Labor and Economic Growth

C. Residential Market Analysis

A residential market analysis was conducted to determine the residential market growth for the study area. The analysis evaluated residential building permits and non-residential building permits to compare the growth segments for the study area. Residential building permits were collected from 2002 to 2006 for the surrounding municipalities – City of Center Line, City of Detroit, City of Warren, Macomb County, and Wayne County. Through evaluating the surrounding municipalities, possible trends will portray what is likely to be occurring with residential building in the study area. Nonresidential information was collected for surrounding areas by square footage (constructed and under construction) to establish insight in to what type of other building projects are occurring in the area. This data was based on the comparison areas including City of Detroit, City of Warren, Macomb County, and Wayne County.

Table V-12 illustrates new residential building permits for each of the surrounding municipalities by total units, which includes both single and multi-family establishments. Demolition of units was not considered because the main objective was to identify new permits, which signifies growth. The City of Center Line has shown no increase or decrease between 2004 and 2006, which illustrates a stagnant market. Building permits in the City of Detroit have increased and decreased between each year, with 2006 indicating a decrease in the residential market. If the same trend continues, it is possible that 2007 will show an increase in residential

building permits in the City of Detroit, although some newspapers posted expectations of continuing decline.[42]

The City of Warren is currently experiencing an increase in residential building permits, up to 433 in 2006, from 138 in 2005, and 77 in 2004. Each of the three cities is portraying a different trend, with one staying constant, one decreasing, and one increasing. Expanding to the larger region, Macomb and Wayne County, indicates a slowing of the residential market with a decrease in residential building permits. Both Macomb and Wayne counties experienced a decrease beginning in 2004, and continuing through 2005 and 2006, with a decrease of 5,389 to 2,712 in Macomb County; and 6,452 to 2,806 in Wayne County.

The study area was assumed to be the most similar to the City of Warren since the City houses the Peacock Building site. The City of Warren is showing an increase in residential building permits, ranking third in number of residential permits for Michigan's southeast region,[43] indicating a growth in the residential market for the study area. This increase in residential building permits with the small increase in population for the City of Warren indicates that there is a possible market for residential uses in the study area.

Table V-12: New Privately-Owned Residential Building Permits (Total Units)

Municipality	2002	2003	2004	2005	2006
City of Center Line	3	0	1	1	1
City of Detroit	577	1,046	930	1,053	739
City of Warren	231	158	77	138	433
Macomb County	5,100	5,270	5,389	4,213	2,712
Wayne County	4,764	5,913	6,452	5,035	2,806

Source: SEMCOG Building Permits.

Residential vacancy rates, illustrated in Table V-13, were evaluated to provide an illustration of previously built structures that are currently unoccupied.

[42] Detroit News, 2007.
[43] *Ibid.*

Table V-13: 2000 Vacancy Rates

Municipality	Vacancy Rate
City of Center Line	*
City of Detroit	10.3%
City of Warren	3.0%
Macomb County	3.5%
Wayne County	7.0%
State of Michigan	10.6%

* Data not provided for the City of Center Line
Source: U.S. Census Bureau (2000)

The City of Warren, which includes the Peacock Building site, has the lowest vacancy rate when compared to surrounding municipalities and the State of Michigan. This provides evidence that owners or renters occupy most of the homes in the area, with only 3.0 percent being vacant. The low vacancy rate increases the possibility that more residential use may be successful in the area.

The residential information can be compared to the nonresidential information to establish what area of construction is growing in the study area. Table V-14 portrays types of nonresidential development for Macomb County, Wayne County, the City of Detroit, and the City of Warren. From the data, it is evident that there is growth occurring in each area, with retail/commercial projects having the most amount of square footage built in the counties and institutional projects encompassing the most amount of square footage built in both cities in 2005. The City of Warren shows projects being built of institutional, office, and retail/commercial types, which illustrates that there is a market demand for these types of projects.

Table V-14: 2005 Nonresidential Development in Comparison Areas (by square footage)

Project Type	Macomb County	Wayne County	City of Detroit	City of Warren
Entertainment/Recreational	220,660	959,524	877,000	*
Hotel/Motel	0	108,653	*	*
Industrial/Research/Hi-Tech	1,413,475	1,189,755	45,000	*
Institutional	555,026	2,096,457	1,175,650	110,000
Medical	218,186	959,480	588,000	*
Mixed-Use	197,730	223,387	30,000	*
Office	341,488	868,868	615,000	31,654
Other	27,066	650	*	*
Retail/Commercial	1,768,621	2,491,289	315,823	14,400
Transportation/Utility	0	0	*	*
Warehouse/Distribution	603,159	1,440,058	45,000	*
Total	**5,345,411**	**10,338,121**	**3,691,473**	**156,054**

*Data, including City of Center Line, was not available in the SEMCOG 2005 report.
Source: SEMCOG Nonresidential Development in Southeast Michigan, Summary 2005

While Table V-14 portrayed the type of nonresidential projects that were being constructed in 2005, a comparison of development for Macomb County and Wayne County was conducted from 2000 to 2005 to establish any possible trends for the area. Table VI-15 illustrates that there is growth of nonresidential development in the area, with square footage increasing from 2004-2005, actually doubling in Wayne County from 4,309,077 to 10,338,121 square feet. A decrease in square footage occurred from 2000-2004, but the trend indicates a growth in the last two years. Over the 5-year period, Macomb County portrayed a positive rate of change, while Wayne County experienced a negative rate of change. However, Wayne County may be at the beginning of another growth phase, with a major increase in developments between 2004 and 2005. Due to the growth of nonresidential development in these counties, it can be concluded that the study area will have a similar trend, and will also be experiencing growth in nonresidential development.

Table V-15: Nonresidential Development for Comparison Counties (by square footage)

County	Year						Rate of Change
	2000	2001	2002	2003	2004	2005	
Macomb	3,654,898	3,581,202	5,726,886	3,104,852	3,049,063	5,345,411	7.86%
Wayne	10,618,644	8,368,211	10,744,456	4,242,997	4,309,077	10,338,121	-0.53%

Source: SEMCOG Nonresidential Development in Southeast Michigan, Summary 2005

The southeast region of Michigan experienced over 33 million square feet of development in 2005, either under construction or completed.[44] Both counties being evaluated in this study led the region is new developments, with Wayne County accounting for 31 percent of the nonresidential development, and Macomb County accounting for 16 percent. The combination of the residential and nonresidential data illustrates a growing demand for both living and working within the municipalities evaluated.

D. Summary of Market Analysis

Conducting a market analysis of the study area provided an avenue to evaluate market forces and patterns, which illustrate specific uses that may be successful for the Peacock Building site. The project site is located on a commercial corridor, with residential and industrial uses in the surrounding area, each type of use were accessed.

The commercial/retail analysis focused on the spending potential index, market potential index, and surplus leakage factors of the area. The spending potential index indicated that consumers in the study area spend less than the national average, but their spending increases to the national average when the study area increases in size. The market potential index portrayed that consumers within the study area have a purchasing pattern greater than the national average in specific jewelry markets, purchases at convenience stores, specific entertainment, use of fast food/drive-in restaurants, and purchases of television and sound equipment. The surplus/leakage factors for the study area were typical of this type of analysis, as there were several industry

[44] SEMCOG News Regional Update, 2006.

groups that portrayed leakage factors in the small study area, but as the study area increased, the number of leakage industry groups decreased. As to be expected, a small study area can not house all industry groups, while as the area increases; more industry groups are available to the consumer. The study area did not have high leakage factors for neighborhood commercial and retail groups, such as grocery stores, gas stations, or restaurants. There was no surplus factor evident for a possible regional attraction of a specific industry group.

The industrial analysis was conducted to evaluate industrial trends such as economic growth per industry, non-employer statistics, and industry employment forecasts. The study area experienced a 7 percent loss of business establishments from 1999 to 2004, with Wholesale Trade, Information, Real Estate, and Professional Scientific and Technical Services losing several businesses. Growth was evident in areas such as Transportation and Warehousing; Administrative, Support, Waste Management, Remediation Services; Health Care and Social Assistance; and Arts, Entertainment and Recreation. Non-employer statistics revealed a large growth in the Health Care sector, but also Real Estate, Administrative Support, Waste Management, and Remediation Services. The MDLEG forecast that the overall employment for the region will increase 10 percent by 2012, although employment in Manufacturing and Good-Producing industries are expected to decline.

Due to the surrounding residential uses in the study area, an analysis of the residential market was conducted using new residential building permits and vacancy rates. This analysis indicated that the City of Warren, which houses the Peacock Building site, is currently experiencing a growth in the residential market. The City also portrays a low residential vacancy rate when compared to surrounding municipalities and the State of Michigan. There is also development occurring in the nonresidential market in the area, which will possibly attract more people to the area due to employment opportunities and available amenities.

An overall concern of the market analysis is the number of vacant buildings in the study area, which may indicate a market decline in the immediate area, but may also provide an opportunity for new businesses to locate to the area. While this market analysis provided an illustration of the study area in terms of commercial/retail, industrial, and residential uses, future research would give a more detailed profile. Each component of this analysis was evaluated through different methods and used different geographic areas, which was considered a limitation to the results and interpretation.

VI. Strengths, Weaknesses, Opportunities, and Threats Analysis

A method of evaluating the strengths, weaknesses, opportunities, and threats of an area through site observations, public input, and research, is called a SWOT analysis. SWOT analyses are particularly important business tools because they have the potential to help develop a strategic framework for companies or organizations.[45] Strengths and weaknesses encompass the current conditions of a place. These conditions are then evaluated as possible opportunities or threats, with the opportunities representing the goals that can be achieved if positive change occurs and threats representing what could occur if a threat is ignored or neglected. This tool is useful when communicating with the public, as a SWOT analysis is comprised of the strengths and weaknesses of an area. A SWOT analysis was conducted of the study area as a qualitative approach to enhance the quantitative data evaluated for the area. Table VI-1 demonstrates the findings of the SWOT analysis for the study area.

[45] Mindtools, http://www.mindtools.com/pages/article/newTMC_05.htm

Table VI-1: SWOT Analysis

Strengths	Weaknesses
• Location of building is on major thoroughfare (Van Dyke) and in close proximity to 8 Mile Road. • Access to highways such as: I-696 (3 miles), I-94 (4 miles), I-75 (3.5 miles). • The community is highly involved and contributes to the development of the area through neighborhood associations. • The community household income has increased 38% in the past 10 years. • Accessible to consumers and users.	• Depending on the use of the site parking may be inadequate. • The poverty percentage of the study area is high (21%) compared to the City of Warren, which is at 7 percent. • In the surrounding area there are over 100 vacant buildings. There is high traffic noise because the building is located on a major thoroughfare. • High rate of property crime in adjacent City of Detroit.
Opportunities	**Threats**
• There are several possible incentives for potential tenants. • The building has potential for residents in the area that are self employed entrepreneurs, looking for a space for business.	• Since the building is on a major thoroughfare, there are numerous offices and businesses located in the surrounding vicinity that offer diverse services, which could potentially become competition to the future use.

VII. Site Evaluation and Recommendations

A major component of the Peacock Building Study was to provide recommendations for the best use of the site. This section reviews methods used to assess different use options, provides summaries of each use assessment, and recommends two best uses for the site: neighborhood commercial/retail and community resource/third place.

A. Methods

The Peacock Building site use assessment compared several use options including residential, office, commercial/retail, industrial, community resource/third place, and open space, through a standard set of criteria, and assessed community needs that surfaced in the socioeconomic profile; market study; and strengths, weaknesses, opportunities, and threats (SWOT) analysis. Assigning a rank for each option by measure of the weighted criteria compared the use options for the site, and the best uses for the site were determined by the options that received the highest rankings.

The criteria chosen to evaluate the best use for the site consisted of six factors including infrastructure, visibility, accessibility, strength of economic development in the area, needs of the socioeconomic profile and market study, and surrounding land use/compatibility. A point range from 1 to 3 weighted each of these factors with 3 being the most important, and 1 being the least important. Criteria importance was based upon the goals and objectives of the community, the client, and the ability to renovate the site if needed. Table VIII-1 provides a summary of the assessment criteria, weights, and reasoning for weights.

Table VII-1: Use Assessment Method Summary

Use Options	Criteria Factors	Criteria Weights	Reasoning for Weights
• Residential • Office • Commercial/Retail • Industrial • Community Resource/Third Place • Open Space	Infrastructure	1	Weight is low because there are funds available for renovating the building to meet the needs of the chosen reuse.
	Visibility	2	Weight is given for moderate importance because the site does need adequate visibility for certain uses (commercial/retail, office, etc.), while other uses (residential) may prefer less visibility. There are solutions to increase or decrease the visibility of the site, such as putting out larger sign, or creating an aesthetically pleasing exterior.
	Accessibility	2	Weight is given for moderate importance because uses require different types of accessibility such as sufficient parking, alley size for service and delivery trucks, ease of entrance/exit for customers. Portions of accessibility, such as providing more parking, can be changed based on the use option. The on-street parking that is now available in the area increases the available parking for the site.
	Strength of economic development in area	3	Factor is given highest weight because it is a stated goal by the client, and viewed as very important for the surrounding area.
	Needs of socioeconomic profile and market study	3	Factor is given highest weight because these community assessments provide an illustration of the existing conditions for the area. The use must meet the needs of the community, which is illustrated in the assessments through data collection and analysis.
	Surrounding land use/compatibility	2	Weight is given for moderate importance because the use option should merge with the existing characteristics of the area, but should be adaptable to the possibility of change. The reuse process is easier if the use is under the current zone description for the site, but the zoning can be changed if needed to provide the most successful reuse.

Each of the use options was ranked from 1-3 based on how well the factors were met per the criteria. The rankings were summed for each use, creating a total possible score of 39. Three points were given if the use met the criterion well; two points were given for a fair ranking, which included some possible changes needed; and one point indicated that the use poorly met the criterion, which possibly included major renovations or changes to the site, or the criteria was unfeasible as it relates to the site.

B. Assessment

An assessment of the use compared to the chosen criteria is provided below for each of the six use options.

The residential use assessment, shown in Table VIII-2 was an important use to evaluate because there are several residential sections within close proximity to the Peacock Building site. The assessment includes the possibility of single and multi-family residential use for the project site, with the multi-family use housed in the existing structure including major renovations and the single-family use requiring the demolition of the existing structure.

Table VII-2: Residential Use Assessment Summary

Criteria	Rank	Total Points	Reasoning
Infrastructure	1	1	Building not compatible for residential living due to interior floor plan. Would require major renovations to be residential, may be beyond budget.
Visibility	1	2	Residential requires more privacy – currently on major thoroughfare, commercial strip. Area does not have the same downtown living atmosphere to create a desire for living on a busy commercial corridor. Most of the residential uses in the area are found on side streets of Van Dyke Avenue.
Access	3	6	Meets the needs of parking demand for residential site of building size (parking available for several tenants).
Strengthens economic development of area	1	3	Does not increase the economic viability of the area due to residential use requirement for large amount of services and low tax base.
Meets needs of Socioeconomic Profile and Market Analysis	3	9	City of Warren is experiencing an increase in residential permits, but surrounding areas are stagnant or declining. The City is also experiencing small increase in population, with the lowest vacancy rate of all comparison areas.
Surrounding Land Use / Compatibility	2	4	Adjacent to residential use, possible to be apartment/lofts, but residential use is not specified as current or future land use. The site is surrounded on three sides by commercial uses.
TOTAL		**25**	

Assessment of the site for office use included possibilities of an office park, specialized office use, or campus extensions. Table VII-3 summarizes the assessment of office use for the site.

Table VII-3: Office Use Assessment Summary

Criteria	Rank	Total Points	Reasoning
Infrastructure	3	3	Suitable for one or several office units, lower cost of renovations. Technology businesses may require more extensive renovations.
Visibility	3	6	Site on major thoroughfare. Renovations would need to include making the building more aesthetically pleasing and noticeable to people in vehicles.
Access	2	4	Small parking lot adjacent to building. There is an entrance and exit on main and side street. Potential increase in parking if on-street parking is allowed.
Strengthens economic development of area	3	9	May assist in attracting other businesses to the area. Increases tax base.
Meets needs of Socioeconomic Profile and Market Analysis	2	6	Meets analysis due to need for commercial uses, which can include specific types of office use, bringing economic activity to the area.
Surrounding Land Use / Compatibility	2	4	Not zoned for office, but can work within commercial corridor. There are no other offices within the immediate area or major office park near by.
TOTAL		**32**	

There are several sites close to the study area that house industrial and manufacturing businesses. The Peacock Building site was assessed for possible industrial use on a small scale, provided in

Table VII-4, potentially providing assistance to the larger industrial businesses in the area.

Table VII-4: Industrial Use Assessment Summary

Criteria	Rank	Total Points	Reasoning
Infrastructure	1	1	Major space limitations; building is only 8,500 square feet.
Visibility	3	6	Site on major thoroughfare.
Access	1	2	Service alley narrow, small amount of parking. Large trucks loading/unloading not compatible to site characteristics.
Strengthens economic development of area	3	9	May assist in attracting other businesses to the area. Increases tax base.
Meets needs of Socioeconomic Profile and Market Analysis	1	3	Industry is declining in area. There is not an evident need for industrial use in study area.
Surrounding Land Use / Compatibility	1	2	Not compatible with small commercial or residential in immediate surrounding uses, even though larger area includes some industrial use.
TOTAL		**23**	

Because Van Dyke Avenue is a major commercial corridor, the potential for commercial/retail use of the site was assessed, illustrated in Table VII-5. Due to the site characteristics and commercial types found throughout the study area, only small, neighborhood commercial/retail was considered.

Table VII-5: Commercial/Retail Use Assessment Summary

Criteria	Rank	Total Points	Reasoning
Infrastructure	3	3	Commercial space may require small amount of renovation costs.
Visibility	3	6	Site on major commercial thoroughfare.
Access	2	4	May need more available parking, loading alley may need updating. Entrance/exit on main and side street.
Strengthens economic development of area	3	9	May assist in attracting other businesses to the area. Increases tax base.
Meets needs of Socioeconomic Profile and Market Analysis	3	9	There are leakage factors evident for specific industry sectors in the market analysis, which indicate local residents traveling outside of area for product/service. Use would serve current and projected increase in population.
Surrounding Land Use / Compatibility	3	6	Within existing commercial corridor. Site zoned commercial.
TOTAL		**37**	

Throughout the socioeconomic profile and market analysis, the idea of a community resource or third place option use was discussed based on some characteristics of the study area. A community resource center or third place option is considered a special use because there is a potential that public funding and management may need to be included for this use. The community resource would create an avenue of support to local adults desiring job training, potential access to technology, or a place for the self-employed of the area to receive assistance on business-based management or processes. The third place option, which is defined as a place to spend time other than home or work, whether it is to conduct business or relax with friends, it can also provide the community residents with a place to meet, work, or study. Both the community resource and third place option are linked together due to the common characteristic of providing a place for local residents to accomplish work. The assessment summary is provided in Table VII-6.

Table VII-6: Community Resource/Third Place Use Assessment Summary

Criteria	Rank	Total Points	Reasoning
Infrastructure	2	2	Would require many renovations depending on type of community resources.
Visibility	3	6	Site on major thoroughfare.
Access	3	6	Site is accessible to customers that travel by several modes of transportation - site on bus route, sidewalks and crosswalks accommodate pedestrians. Entrance/exit on main and side street.
Strengthens economic development of area	2	6	Does not directly increase tax base or economic development of area, but will act as an avenue for economic opportunities to local residents.
Meets needs of Socioeconomic Profile and Market Analysis	3	9	Study area has higher poverty level and lower educational attainment than comparison areas, which illustrates a need for a community outreach program. The community centers in surrounding area have large focus on sports and youth programs.
Surrounding Land Use / Compatibility	3	6	Site would serve surrounding residents, with a focus on the adult population. Compatible with the commercial corridor.
TOTAL		**35**	

There is a small open space adjacent to the Peacock Building, which is included in the site discussed throughout this study. The idea of expanding on that small open space to provide a green space for surrounding residents was assessed, shown in Table VII-7.

Table VII-7: Open Space Use Assessment Summary

Criteria	Rank	Total Points	Reasoning
Infrastructure	1	1	Demolition costs and assessments for open space use are high. Will not be using existing building. Small parcel for open space – limits recreational uses.
Visibility	3	6	Site on major thoroughfare.
Access	2	4	Limited parking for a recreational use. Open space would require changing site set-up.
Strengthens economic development of area	1	3	Use does not provide an increase in tax base. Possible lost opportunity to use as business site. The City will be responsible for maintaining park/open space.
Meets needs of Socioeconomic Profile and Market Analysis	1	3	There are other parks within area that can meet the needs of the local residents.
Surrounding Land Use / Compatibility	1	2	Site on major commercial thoroughfare creates safety issues due to heavy traffic on Van Dyke Avenue. Would service small residential area adjacent to site.
TOTAL		**19**	

C. Recommended Uses for Site

Table VII-8 provides a summary of the six use options with the assessment total and rank. Based on the criteria used for this assessment, commercial/retail and community resource/third place option uses received the highest rankings. Office space and residential uses had the next highest rankings, with industrial and open space uses having the lowest assessment total. The assessment indicates that commercial/retail and community resource/third place option uses have the most potential for being successful at the Peacock Building site. The building has seen both of these uses in the past, beginning with the bar supply company, and the last tenant using it as an athletic site. Although the Commercial/Retail and Community Resource Center/Third Place uses ranked the highest, there is potential that office space could also be a successful match for the site, which creates the possibility of a mixed-use development for the site. The top two uses, Commercial/Retail and Community Resource Center/Third Place, were used in the incubator assessment to evaluate if an incubator would work as a management system for either use at the Peacock Building site.

Table VII-8: Use Assessment Summary

Use Option	Assessment Total	Assessment Rank
Residential	25	4
Office	32	3
Industrial/Manufacturing	23	5
Commercial/Retail	37	1
Community Resource Center/Third Place	35	2
Open Space	19	6

VIII. Incubator Option

A. Description of an Incubator

In determining the feasibility of the Peacock Building as a specific site for a business incubator, other incubators and the potential of the facility to house the appropriate support services needed in a successful incubator were assessed. According to the National Business Incubator Association (NBIA), a business incubator is a "support process that accelerates the successful development of start-up and fledgling companies by providing entrepreneurs with an array of targeted resources and services." Incubators are intended to nurture entrepreneurial companies by providing business services and resources that are tailored to a growing firm.[1] Such services include:

- Lower rent pricing
- Marketing assistance
- Networking activities
- Connections to higher education institutions
- Linkages to

B. Types of Incubators

According to the NBIA, incubation programs are categorized in to the following types of uses: Mixed Use, Technology, Manufacturing, and Service. The Small Business Technology and Development Center categorize the incubator services into four categories: Industry specific, empowerment, targeted, and mixed-use. In an industry specific incubator, all attention is concentrated to one particular trade. Empowerment incubators are usually geared towards female-owned or minority-owned firms. A target incubator has a unique niche or common

[1] National Business Incubation Association, http://www.nbia.org/resource_center/bus_inc_facts/index.php
[2] Claggett Wolfe Associates Market Feasibility Study for a Technology Based Incubator

service areas. Lastly, the mixed-use incubator supports a variety of uses, not necessarily similar to one another.[46]

C. Preconditions for a Successful Incubator

The strength and success of an incubator is greatly dependent on its management strategy. To address this, the National Business Incubation Association (NBIA) has developed a list of industry guidelines of best principles and practices for incubation.[5] According to the NBIA, the two principles that define effective business incubation include[47]:

- An aspiration to have a positive impact on its community's economic health by maximizing the success of emerging companies, and;
- The incubator itself is a dynamic model of a sustainable, efficient business operation.

According to the NBIA, best management practices for an effective business incubator are dependent on incorporating industry best practices. Best practices encompass quantitative and qualitative approaches to incubator management.

Qualitative and control strategies include; defining the core principles of an incubator, defining the core mission and the role of the incubator in the community and aligning core mission to community's economic growth strategy, recruiting and compensating management whose responsibility is defined by the mission of the incubator, building an effective board of directors to maximize management's role in realizing incubator's goals. Effective management should prioritize to place the greatest emphasis on client assistance, especially in early stages of incubation where building client networks is imperative to growth and success of an incubator; it is also important to develop stakeholder support and a broad resource network early on.[48]

[46] "Michigan Small Business and Technology Development Center, http://www.gvsu.edu/misbtdc/
[47] National Business Incubation Association, www.nbia.org
[48] *Ibid.*

Quantitative incubator management strategies include; developing and implementing a realistic business plan to ensure financial stability, including operating costs and the structure of profit-sharing; maintaining a management information system including relevant statistics for ongoing program evaluation, and financial growth models to ensure the success of growth and expansion.[49]

Incubator management is directly dependent on the type of incubator established. The main factor defining incubator management is the role of the incubator, namely whether it will serve a public mission or a financial objective. Once this is determined, a scope or goal should be defined, clearly stating the criteria for entry and exit of incubator candidates. Criteria should be dependent on building a successful business with both qualitative and quantitative measures of growth and success, defined by profitability and independence, as well as a method of relating this progress to the management. Clear entry and exit criteria should be defined by[50];

- Timetable for housing incubator candidates
- Growth and profitability outline for graduation
- Failure criteria for unsuccessful start-ups
- Defined rules for joint ventures
- Size and duration of investment

Management should foster resource and support networks through pursuit of partnerships or affiliation with appropriate industries or institutions, including, but not limited to; investors, colleges or universities, technology campuses and companies, government agencies, and entrepreneurs.[51] Once the role of the management and incubator itself is clearly defined, spatial and logistic planning and terms for building use should be established including a defined plan for sharing of space and resources.

[49] National Business Incubation Association, www.nbia.org
[50] Patwardhan, R. "Best Practices for Managing Incubators," www.indiaco.com
[51] *Ibid*

D. Case Studies

Several business incubators may serve as a guide for the potential of the Peacock Building as a potential small business incubator. Some examples of small business incubators include the Albion Industrial Incubator, Jackson Industrial Incubator, the Hasting Industrial Incubator, and TechOne Incubator. These types of incubators support existing small industrial or retail business and encourage the business development in the local area. The Albion Industrial Incubator is a good example of how financial benefits help encourage small businesses start-ups. The Jackson Industrial Incubator includes examples of linking with higher education institutions and access to marketing assistance to promote the local industries. The Hasting Industrial Incubator is an example of how providing services like rooms and space for the businesses helps attract employment.

1. Albion Industrial Incubator

309 N. Superior St.
Albion, MI 49224

The Albion Industrial Incubator was developed in the early 1980s, and has since seen many of its businesses integrate into the Albion industrial sector. The Albion Industrial Incubator is a part of the Albion Economic Development Corporation (EDC), which works to recruit new business to the Albion area. The EDC also works with existing companies in Albion, helping them face the everyday challenges of the business world.[52] The Albion Incubator provides a variety of incentives to encourage new business start-ups such as:

- Land Pricing
- Tax Abatements
- Grant Assistance
- Revolving Loan Fund

[52] Vanguard Community Development Corporation

The Albion area offers building sites and existing facilities that are available for lease or sale at competitive rates. Industrial park lots are priced at $6,000 per acre, with substantial incentives available based on the amount of investment and jobs created. Office and technology spaces lease at a rate of $10 per square foot, and manufacturing is $3.50 per square foot.[53] Manufacturers can apply for tax abatements of up to 50 percent for up to twelve years, for substantial investments on real or personal property. These incentives are meant to promote expansion and the development of new jobs, criteria upon which the applications are based.[54]

The Albion Industrial Incubator also assists businesses in applying for and obtaining grants to help fund aspects of expansion or development in Albion for services such as workforce development and job training.[55] The Economic Development Corporation's Revolving Loan Fund is designed to be a "lender of last resort"; a form of alternative financing for development projects by businesses in the Albion community. Any business is eligible to apply and all applications are subject to approval by the EDC or the Brownfield Redevelopment Authority Board of Directors.[56]

Financial sources include grants for the Albion Industrial Incubator consisting of Tax Increment Financing, Brownfield Redevelopment Authority, and Economic Development Council funds. In 2005, incubator fees amounted to about $38,000 and utility reimbursement equaled almost $6,000. Incubator fees and rent generated 86 percentage of the Albion incubator income for 2005, while reimbursements accounted for the remainder.[57]

The Albion Industrial Incubator considers finding tenants their biggest challenge, although realizes that flexibility and adaptability are important in attracting new business. The

[53] http://www.albionedc.org/
[54] *Ibid.*
[55] *Ibid.*
[56] *Ibid.*
[57] Vanguard Community Development Corporation.

Albion Incubator adapts to clients' needs for reconfiguring space, and they offer flexible lease agreement to tenants.[58]

In order to ensure incubator sustainability, subsidy-based funding contributions should be a smaller portion of operating costs than rent-based funding. Relying on rent-based revenues also helps encourage keeping the incubator occupancy at a certain threshold, usually between 75 and 90 percent.[59]

2. Jackson Industrial Incubator
One Jackson Square, Suite 1100
Jackson, MI 49201

The Jackson Industrial Incubator is a satellite division of the Michigan Small Business & Technology Development Center Network.[60] Since 1986, over 200 small businesses have utilized their services through a variety of programs. This incubator has encouraged and supported start-up businesses with at or below market office, warehouse, and manufacturing space, along with many shared services and amenities. The regional Small Business and Technology Development Center (SB-TDC) extends services to the tenant companies in the incubator, along with free membership to the Jackson Area Manufactures Association (JAMA).[61]

The Jackson Industrial Incubator provides following services:

- Counseling
- Training
- Research
- Advocacy
- Manufacturing and Office Space Leasing

The Jackson SB-TDC provides small businesses with technical assistance in the areas of: access to resources; market research; basics of business start-up (Vision to Reality Workshop);

[58] Vanguard Community Development Corporation.
[59] *Ibid*.
[60] www.enterprisegroup.org/SBTC/sbdev.html
[61] Vanguard Community Development Corporation.

understanding small business financial operations; business plan development; marketing strategy; pricing/selling; and access to financing options.[62] Workshops are offered throughout the year for new ventures as well as established businesses. The new venture workshops (Vision to Reality) are designed to provide a basic understanding of all facets needed to operate a business.

The Jackson Industrial Incubator is located near several education institutes, such as the University of Michigan, Michigan State University, Purdue University, and many secondary and community colleges. These institutes provide training and educational services to this incubator.[63]

As a part of the MI-SBTDC network, the Jackson Industrial Incubator has close ties with the Seidman School of Business at Grand Valley State University, and can access essential data and resources related to developing a new company, or for gaining a competitive edge. Any existing small business or new venture can access the research services provided by the Seidman School by becoming a client of the SB-TDC. This Incubator also has the support and assistance of Jackson-area professionals including bankers, accountants, and attorneys. It also works closely with the U.S. Small Business Administration, the Michigan Economic Development Corporation, and local partners advocating for small business programs and assistance.

In terms of leased space, Jackson Industrial Incubator tenants pay $3.00 per square foot, not including utilities. This incubator has the spatial capacity to provide large amount of floor space and offices, which help attract the manufacturing sector, which usually require the largest amount of floor space and storage in the facility because its use of large machinery.[64]

Acceptance into the Jackson Industrial Incubator is determined through an interview process. Client interest and commitment is a factor in the selection. The incubator is supported

[62] www.enterprisegroup.org/SBTC/sbdev.html
[63] *Ibid.*
[64] *Ibid.*

by several financial resources; the municipality pays the property taxes that equal $19,000 yearly, and the incubator gets a Community Development Block Grant (CDBG) of $10,000 each year.[65]

3. Hastings Industrial Incubator
1035 E. State St.
Hastings, MI 49058

The City of Hastings has lost a significant portion of their population to other cities; therefore, the primary purpose of the Hasting Industrial Incubator is to increase local employment. The programs offered by the incubator are focused on attracting and recapturing employment from other regions. The Hastings Industrial Incubator has created over 324 jobs between the current incubator participants and graduated companies; a success for Hastings that has lead to more residents staying to work in the area.

The Hastings incubator provides flexible manufacturing and office space to growing companies that occupy bays from 800 – 3,200 square feet.[66] Shared services consist of a copier and conference room supplementing the 2,000 sq. ft. office complex. As a result, four industrial incubator tenants and several local firms have committed to build 8,000 to 13,000 sq. ft. permanent facilities in the newly established Hastings Industrial Park; a 40-acre parcel that features all public utilities.[67] Hastings also owns an additional 30 acres of industrial property for future development.

The Hastings Industrial Incubator receives grants from the Department of Housing and Urban Development, CDBG, the U.S Department of Commerce Economic Development Authority, and the City of Hastings. In order to operate this incubator, funding is financed through both rent and subsides. The rent takes up about 33 percent of revenues, and the

[65] Vanguard Community Development Corporation
[66] *Ibid.*
[67] http://www.hastings.mi.us/incubator.html

remainder of the costs comes from subsidies.[68] The incubator staff provides tenants with management and financial assistance, which utilizes several state and national programs that assist small business.

This incubator has no formal selection criteria; however, it requires a business plan and a financial statement at a minimum. The programs of this incubator have relatively weak services and outside partnership compared with other incubators, and this incubator does not offer any educational services or graduation requirements.

4. TechOne
440 Burroughs – Entrepreneurial Suite
Detroit, MI 48202

The TechOne business incubator was chosen to illustrate specific mix-uses of technology businesses that could be incorporated at the study site location. The mix-use businesses that are located in TechOne include a community resource center and lab space for area start-ups. The TechOne Business Incubator is located on a 12-block research and technology park known as TechTown. TechTown was established in 2004 as a non-profit organization that collaborates with General Motors Corporation, Wayne State University, and Henry Ford Health Systems. For its start-ups, TechTown focuses on life science and technology and work force enterprises.[69] TechOne is TechTown's first business incubator, located on a historic 100,000 square foot building that has been renovated to accommodate a growing business. TechOne provides affordable office space, wet lab, and dry lab space. On-site amenities include business and technical resources, internet capability, access to investors, custom-designed work environments, and a supportive community of entrepreneurs.

[68] Vanguard Community Development Corporation
[69] www.techtownwsu.org

Figure VIII-1: TechOne Lab Space

Figure VIII-2: TechOne Cubicle Spaces

At TechOne, most of the cubicles are located on the first floor and have easy access to amenities. The sizes of the cubicles range from 100 to 225 square feet of workable space, allowing for flexibility in workstation and floor plan design. Entrepreneurs or businesses can lease cubicles that have access to a mailbox, large and small conference rooms, a chemical storage room, a hazardous waste storage room, and also a kitchen and a dining area, for $360 per month.[70]

TechOne is conveniently located within blocks of several major interstates and within 20 miles from Wayne County's Detroit Metropolitan Airport. Also in close proximity to TechOne are the major research institutions of the Detroit area; Wayne State University, Henry Ford Health Systems, Karmanos Cancer Institute, and NextEnergy, a nonprofit corporation founded to advance alternative energy.

TechOne assists businesses in applying for and obtaining grants to help fund themselves. Organizations that assist small businesses include the Michigan Economic Growth Authority, and the Great Lakes Angels, an in-house investment group that help in establishing new businesses.[71] TechOne also assists in the application process and training of new entrepreneurs to succeed in their new ventures. TechOne helps Detroit entrepreneurs gain a wide range of support through organizations such as the Detroit Economic Growth Corporation, the Michigan

[70] www.techtownwsu.org
[71] TechTown, Wendy Richardson, Director of Business Development

Economic Development Corporation, the Detroit Investment Fund, and the Small Business Administration.

The mixed-use businesses of TechOne include community resource center tenants as well as a third place tenant. TechOne's Community Resource Center Tenants include A.S.A.P. Community Services, Grade Check Corporation, Parent Child Computer Learning Foundation, and the Pixel it Productions. A.S.A.P. Community Services is a nonprofit venture that oversees community programs and assists students and parents with the college admission process. Grade Check Corporation is an academic counseling and scholarship-service company that helps aid high school athletes in qualifying for NCAA scholarships, and guides non-athletic students through the college application process. The Parent Child Computer Learning Foundation (PCCLF) is a nonprofit organization founded by Detroit parents to support children in achieving academic excellence in math, science, technology, reading, and writing. PCCLF also administers a tutoring program for public school students at TechOne. Pixel it Productions is a computer training and graphic design company that provides learning opportunities for both adults and youth. TechOne's also houses the Java Exchange Café; a cyber café that provides customers with desktop computer stations, free wireless Internet access, and opportunities to learn about entrepreneurship and finance through in-store events.[72]

5. Affinity Lab, LLC
2451 18th Street NW, Second Floor
Washington DC, 20009

Incubators are intended to nurture entrepreneurial, non-profit organizations or companies by providing business services and resources that are tailored to a growing firm. The purpose of illustrating these types of business incubators is to illustrate how the services the incubators

[72] www.techtownwsu.org

provide can be fit to the Peacock building. A private sector business can be used in conjunction with a profit or non-profit business incubator to increase the success of both ventures, such as with the Affinity Lab incubator.

The Affinity Lab business incubator illustrates how two different businesses can collaborate and help each other. This is similar to the Cool Cities concept adopted by the State of Michigan to attract young professionals and entrepreneurs to live and work in the cities. The Affinity Lab business incubator is located in Washington, D.C., one floor above a restaurant called The Diner. The Affinity Lab entrepreneurs loved the idea of having a diner below the lab; an alternative client or internal meeting place located so close to the lab.

Figure VIII-3: Affinity Lab Business Incubator over Diner

Source: www.affinitylab.com

The Affinity Lab, LLC, is a private entity which is an entrepreneurial launch platform serving the businesses community of non-profits and other start-ups. There are currently ten of these Affinity Lab business incubators located throughout the Washington, D.C. area. The Lab manages the shared operational needs of its member organizations, allowing them to better focus on mission and execution. Along with the business infrastructure, membership also helps

professionals connect with other professionals.[73] The mission of the Affinity Lab is to provide the member organizations with tiered business space, tools, and services in an environment that encourages the sharing of knowledge, resources, and opportunities.

The Affinity Lab offers its members dedicated work space with locking storage, bookcase and office chair, shared work areas, large and small conference rooms, welcome area, kitchen, and lounge areas, along with phone voicemail, DSL internet service, and faxing capabilities. The membership levels are designed to fit a variety of needs, starting with a full membership at $895/month, which entitles them to full use of the facility. The shared membership is designed for the client who spends a good portion of the day outside of the office, yet requires a desk. For shared memberships, members share a desk with other organization and have the same privileges of the full membership for a cost of $495/month. The virtual membership costs $195/month, and is the introductory membership to professionals with full time jobs who are trying to start a business or a non-profit organization on the side. Virtual members can access the Lab at all times; they may use the common and resource areas for a limited amount of time during traditional business hours or for an unlimited amount of time during non-traditional hours. There are some scholarships available to Affinity Lab members, including ones whose values are for free uses of the desk space or private business counseling and guidance.[74]

E. Funding Options

Currently there are two Michigan funding resources devoted toward the renovation of the Peacock building as a potential incubator; the Warren Tax Increment Finance Authority and the Detroit Chapter of the Local Initiatives Support Coalition. According to the Small Business and

[73] www.affinitylab.com
[74] *Ibid.*

Technology Development Center, there are several measures that need to be taken in order to properly assist in the creation of a business incubator, such as considerations to require an in-depth analysis of projected expenses for construction and renovation costs, operating costs, and sustainable record of funding to be obtained and dispersed over a sufficient time period. Substantial literature accounts suggest that business incubators frequently partner with non-profit organizations for the benefit of access to facilities, financing sources, and services to provide to their tenants.[75]

1. Michigan Core Cities Fund

The Michigan Core Cities Fund is devoted to development, revitalization, and improvement of local municipalities throughout the State of Michigan. Totaling nearly $50 million, funds are administered through the Michigan Economic Development Corporation to municipalities that are competitively evaluated. Two outlined goals incorporated within the Michigan Core Cities Fund are to "encourage mixed-use development in central cities," and "enhance the quality of life and strengthen the economic base while reducing sprawl.[76]" Selected communities are the beneficiaries of funds in the form of grants and subsidies, which are usually devoted to building demolition and environmental remediation.[77] Eligible municipalities must be considered a 'distressed community' in order to compete for Core Cities Funds, and as of February 2006, the Michigan Housing Development Authority listed the City of Warren to fall within the guidelines of a distressed community.[78] Once a city is approved for the endowment, the Michigan Economic Development Corporation appropriates funds that will contribute to local projects.[79]

[75] Small Business and Technology Development Center, www.sbtdc.org
[76] http://www.michigan.org/medc
[77] Citizens Research Council
[78] *Ibid.*
[79] Michigan Housing Development Authority

2. Macomb County Brownfield Redevelopment Authority

Under the Clean Michigan Initiative, the Michigan Department of Environmental Quality (MDEQ) provides numerous funding opportunities for qualified municipalities that may contain known or suspected contaminated Brownfield sites.[80] Brownfield Tax Increment Financing was incorporated in 1996 with the enactment of the Brownfield Redevelopment Financing Act, which allows local governments to use tax increment financing to repay the costs of eligible environmental activities on a distressed or obsolete site. The Brownfield Redevelopment Authority of the community in question determines the selection criterion for the eligibility of Brownfield TIF. Upon selection, the Brownfield Redevelopment Authority essentially freezes the valued property tax at the sites predevelopment stage. Increases in post development taxes are then leveraged to finance the cost of initial up-front costs for assessment, clean up, and demolition of certain projects.[81]

F. Summary

In brief, there are several factors that are present with the potential development of an incubator at the Peacock facility. At 8,500 square feet, the building is significantly smaller than four out of the five incubators assessed limiting incubation opportunities to the creation of smaller businesses of nine or fewer employees. Current small business patterns suggest that several key industries (Professional, Scientific, and Technical, Information, and Manufacturing) have decreased in establishments with nine or fewer employees throughout the study area between 1999 and 2004.

In addition, the Peacock Building would require significant infrastructure investment to be considered a potential incubator. A financial feasibility study would be required to assess both

[80] Michigan Department of Environmental Quality
[81] *Ibid.*

renovation and operating costs of a business incubator. Further analysis would also be required to determine access to institutional partnerships as well as potential support networks for success.

IX. Conclusion

The feasibility study for the Peacock Building site was conducted with the intent of determining what type of uses the building would lend itself to. Because the market study revealed no evidence in support of a need for specific goods or services for the study area, this feasibility study has found no proof that a commercial incubator will succeed in the Peacock Building. Instead, based on the assessment of uses, if an incubator is chosen as the management system for the Peacock Building, the site may lend itself well to a community resource or third place option to service the residents of the community.

A. Summary of Findings

The socioeconomic profile, along with the industrial and market analyses, has portrayed clear trends and patterns within the study area. The socioeconomic profile showed that the study area has seen an increase in population between 1990 and 2000, and that the biggest age group for the area is relatively young, '25-34' years. The study area has a lower median household income than Wayne and Macomb counties, however this may be attributed to the fact that the biggest segment of the population is between '25-34' years where careers and wealth have not yet been well established.

In terms of the built environment, the study area is within close proximity to parks, schools, and healthcare facilities, as well as higher education institutions and industrial and technological parks. While the market potential index portrayed that consumers within the study area have a purchasing pattern greater than the national average in certain markets, the overall analysis revealed that there was not a surplus factor evident for a possible regional attraction of a specific industry group.

The industrial market analysis revealed that although the manufacturing sector is expected to decline, there is an expected growth in jobs in the next five years, especially in

information, health, education, and service industries. The projected growth in these industries is relevant to the future use of the study area because of the Peacock Building's close proximity to health, education, and technological facilities.

B. Limitations and Constraints

Constraints to developing this feasibility and market study were mainly due to gathering data. This feasibility and market study was conducted by assessing data provided by various resources including the United States Census Bureau and the Environmental Services Research Institute (ESRI). The socioeconomic data was gathered primarily at the census-tract level; this translated into a limitation in attaining market and industry data which was not available at the same geographical subdivision. Also, because the study area encompassed boundaries within three cities, attaining data became a matter of finding consistent documents within several municipalities or jurisdictions.

Certain materials such as zoning maps were available for some but not all cities within our study area, and data available only at the city-level was not always applicable in analyzing trends within the study area. This was an obstacle when comparing regional zoning and land-use maps; the City of Warren, for example, is currently revising their outdated Master Plan.

C. Recommendations and Further Research

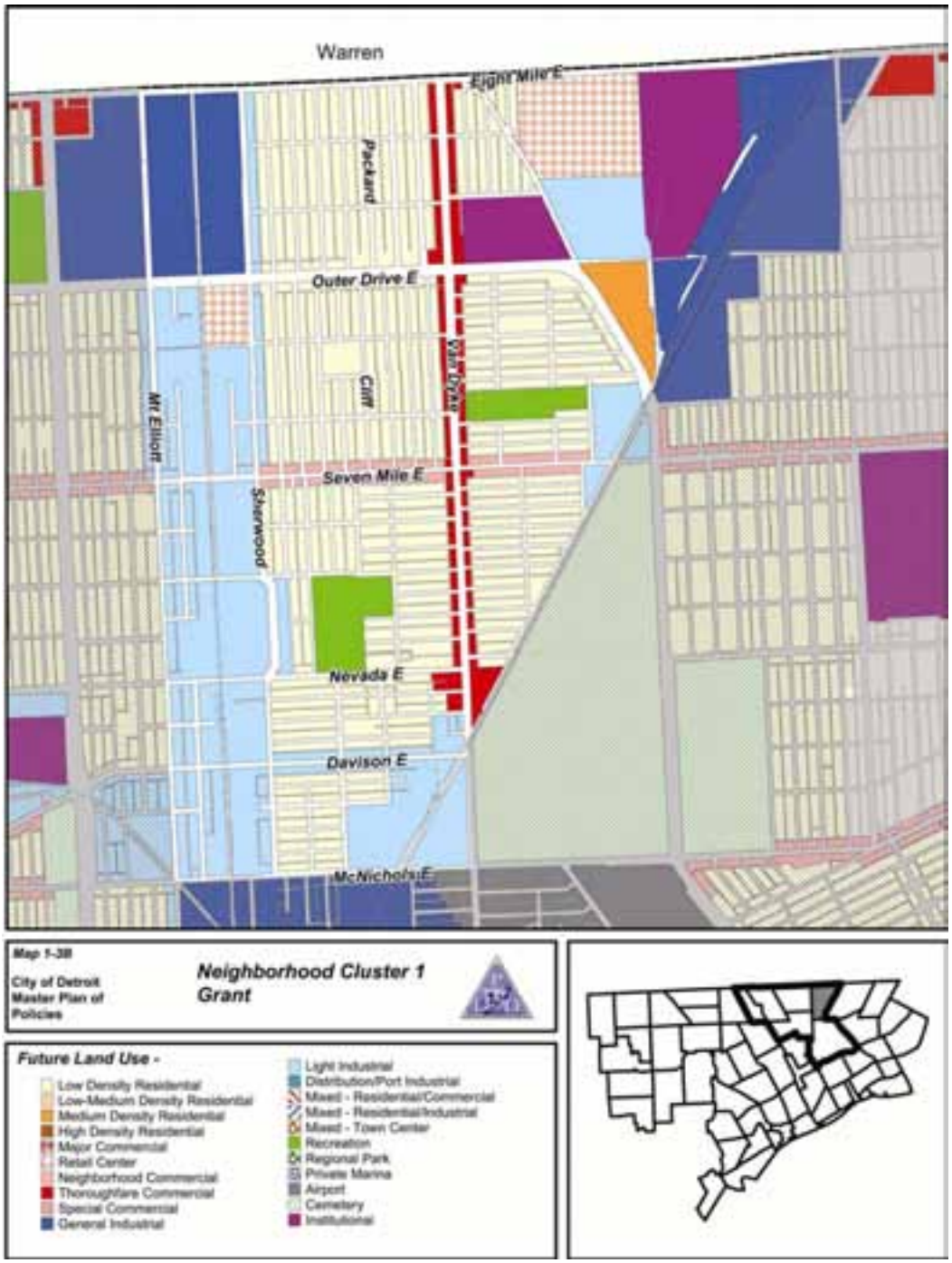
While this feasibility study attempts to set up a regional social and economic profile for the study area, a list of recommendations was developed to outline factors that need to be further addressed in order to designate an appropriate use for the Peacock Building site. Some of these recommendations are elements addressed within this study that need to be further examined, while others are additional proposed studies or goals that would supplement this feasibility study. The recommendations and further research suggested include:

- Conduct a financial feasibility study for rehabilitation and use of the Peacock Building.
- Hold a community visioning session for local residents and business owners, which will provide insight on community needs.
- Tailor weights of use assessment criteria and tailor it to community vision.
- Target developing businesses or organizations within the area for potential partnerships in an incubator.
- Contact local religious or community organizations for possible assistance in the community resource option.
- Follow V-8 Design Guidelines for renovations of the Peacock Building site.

Renovating the Peacock Building site for a future reuse will assist in the goal of economic development in the area. Using the assessments in this study in conjunction with public input may provide an avenue to a successful reuse of the site, providing an additional service to local consumers.

APPENDIX A

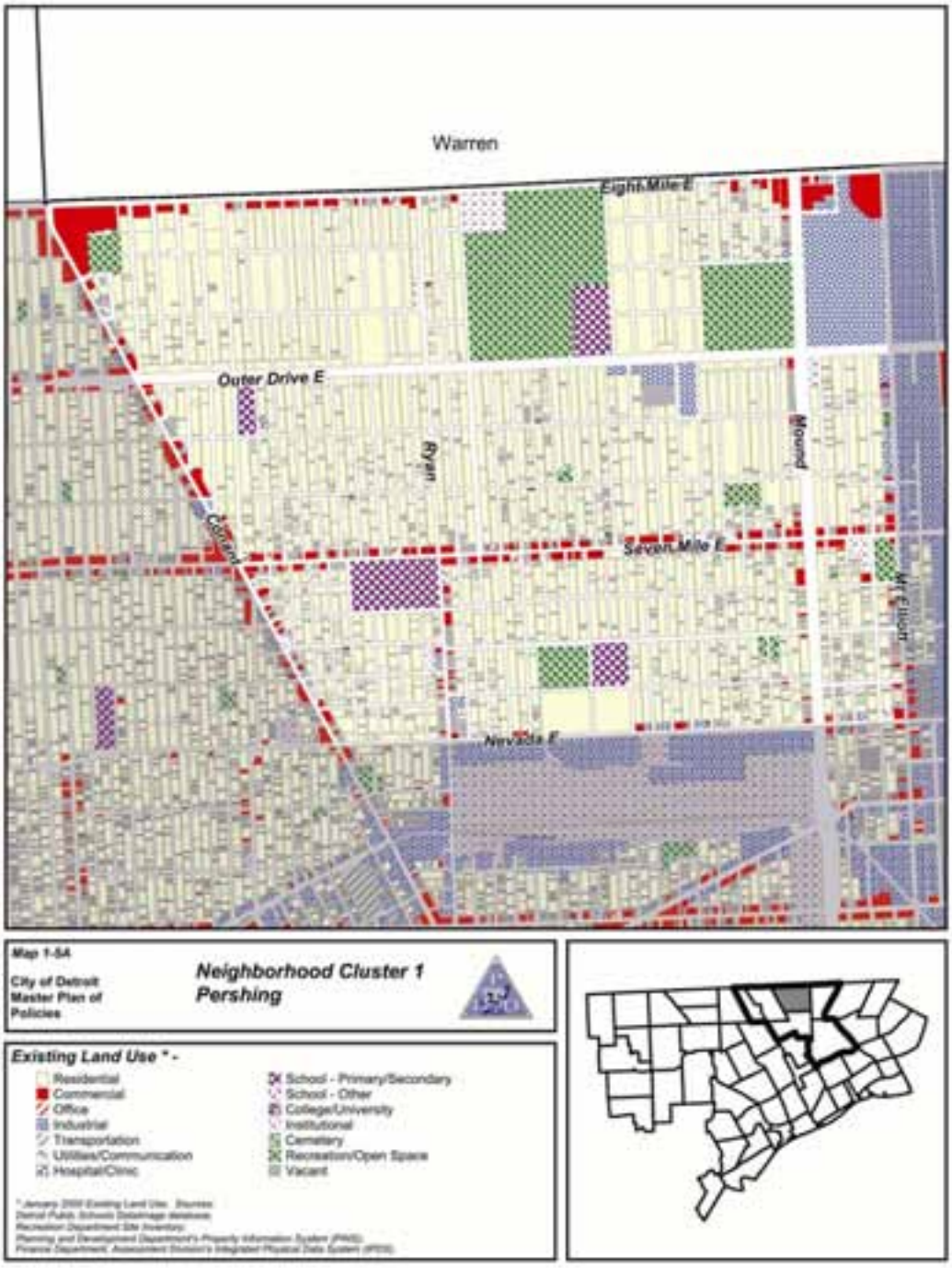
City of Detroit Mast Plan of Policies, Neighborhood Cluster One: Grant



Source: *City of Detroit-March 2004 Draft Master Plan*, Cluster 1, pp.2-1

APPENDIX B

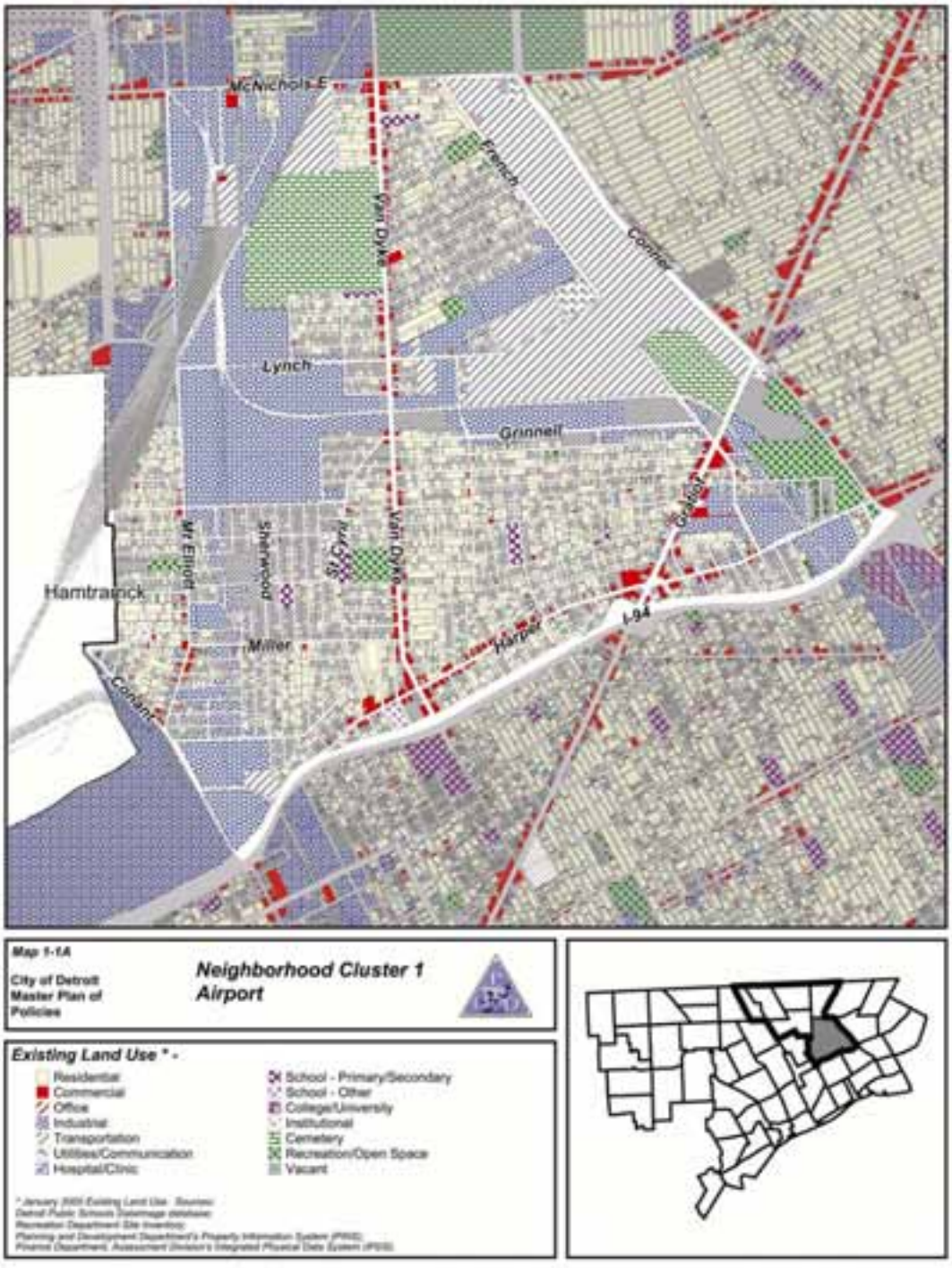
City of Detroit Master Plan of Policies, Neighborhood Cluster One, Pershing



Source: *City of Detroit-March 2004 Draft Master Plan*, Cluster 1, pp.2-1

APPENDIX C

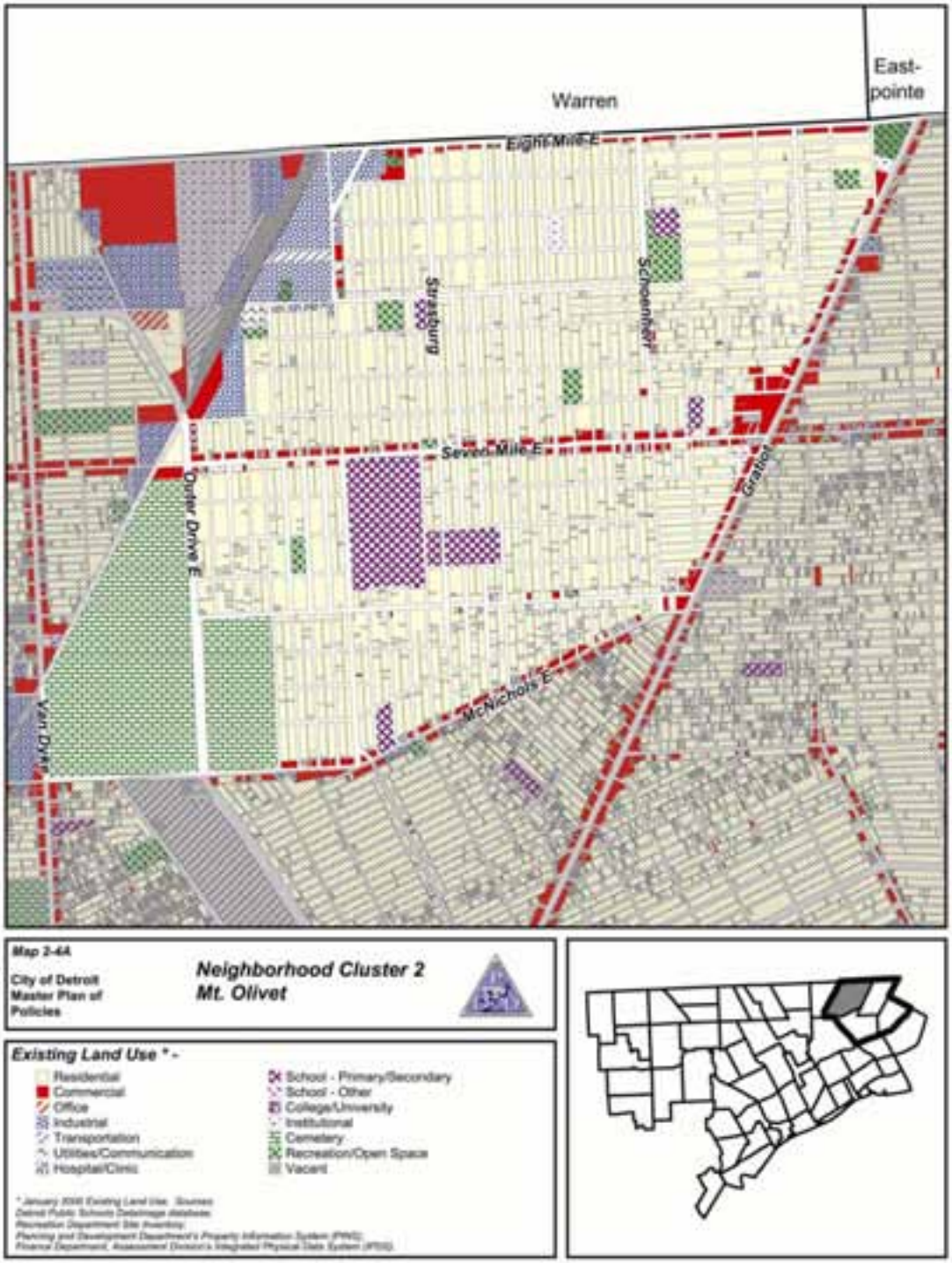
City of Detroit Master Plan of Policies, Neighborhood Cluster One: Airport



Source: *City of Detroit-March 2004 Draft Master Plan*, Cluster 1, pp.4

APPENDIX D

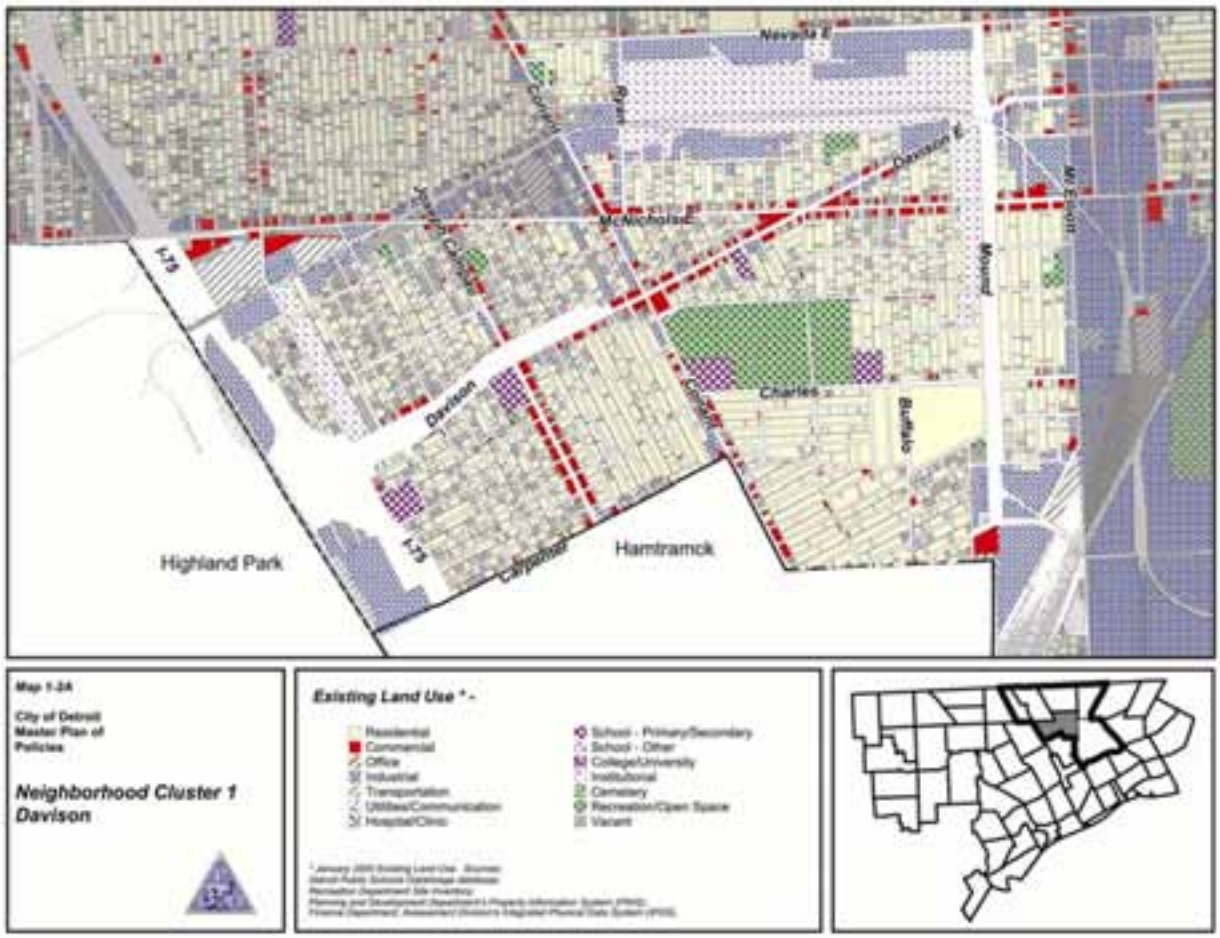
City of Detroit Master Plan of Policies, Neighborhood Cluster Two: Mt. Olivet



Source: *City of Detroit-March 2004 Draft Master Plan*, Cluster 2, pp.2-1

APPENDIX E

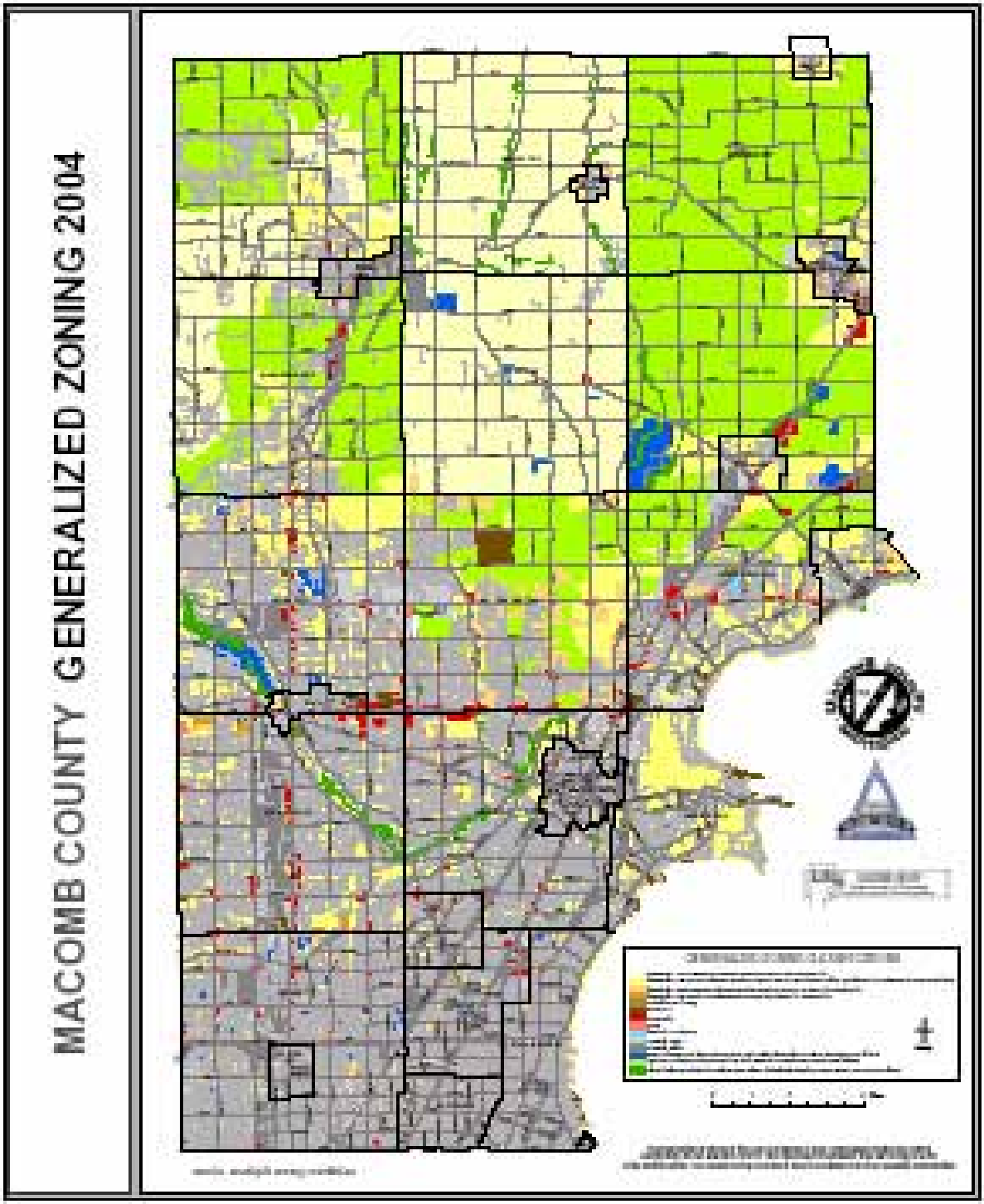
City of Detroit Master Plan of Policies, Neighborhood Cluster One: Davison



Source: *City of Detroit-March 2004 Draft Master Plan*, Cluster 1, pp.5

APPENDIX F

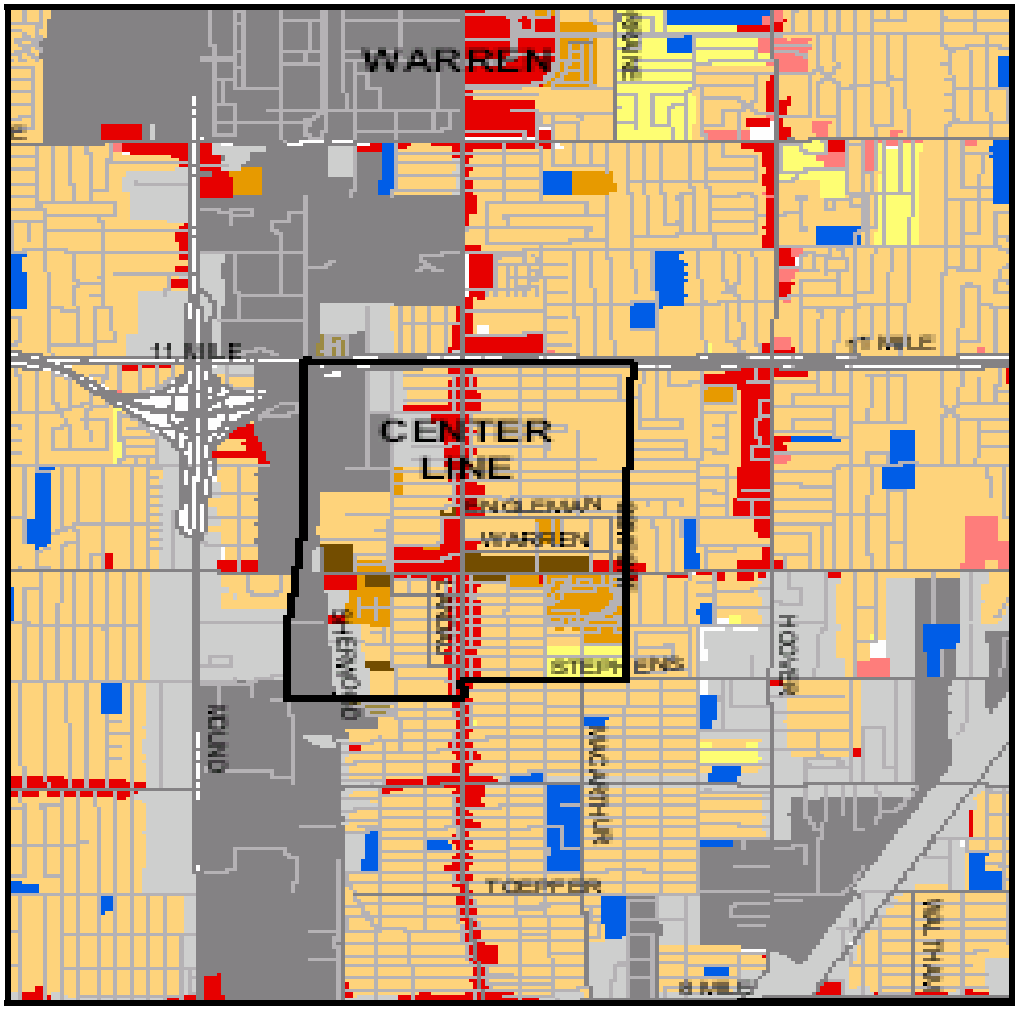
Macomb County-Current Zoning Map

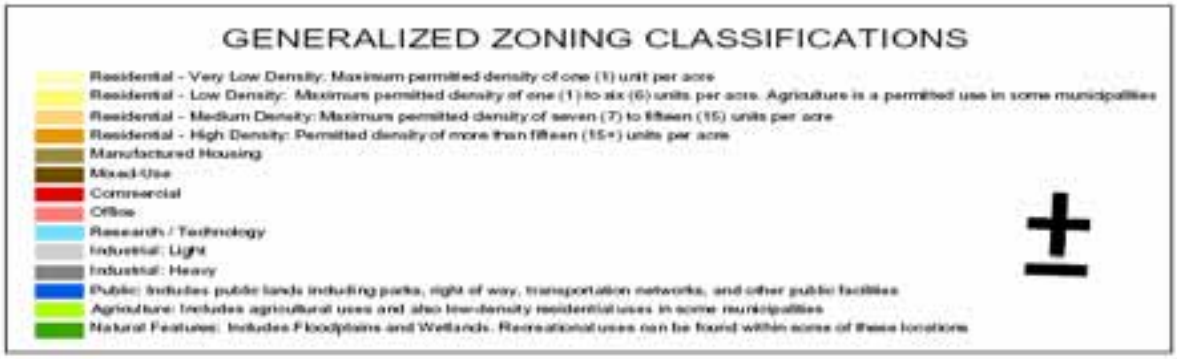


Source: Macomb County Planning and Economic Development Department, 2004

APPENDIX G

City of Center Line and City of Warren from Macomb County Zoning-2004

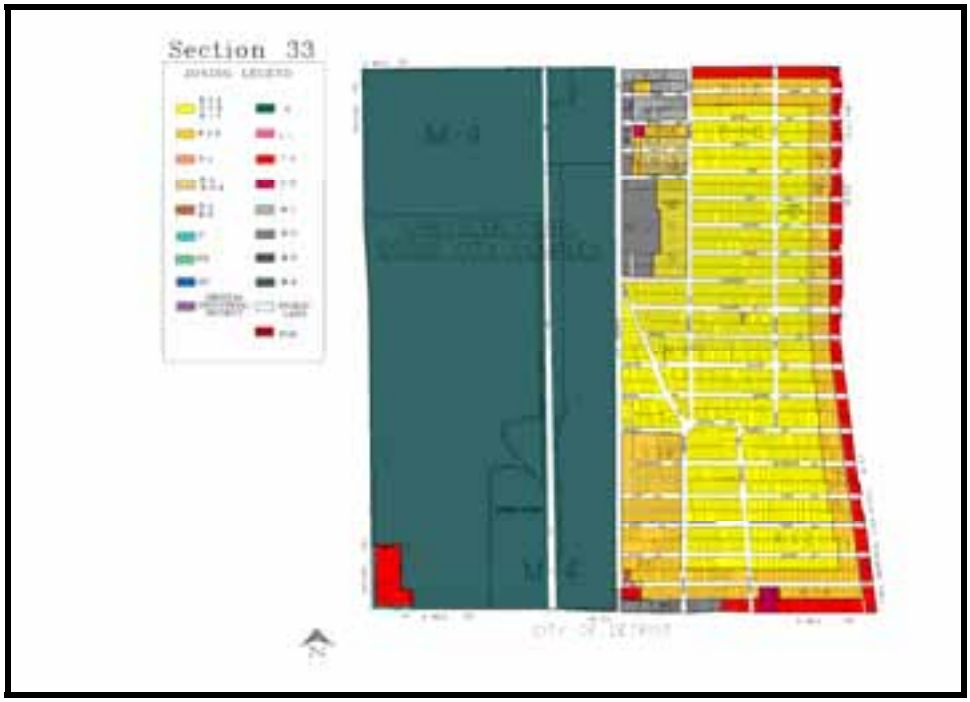




Source: Macomb County Planning and Economic Development Department. 2004

APPENDIX H

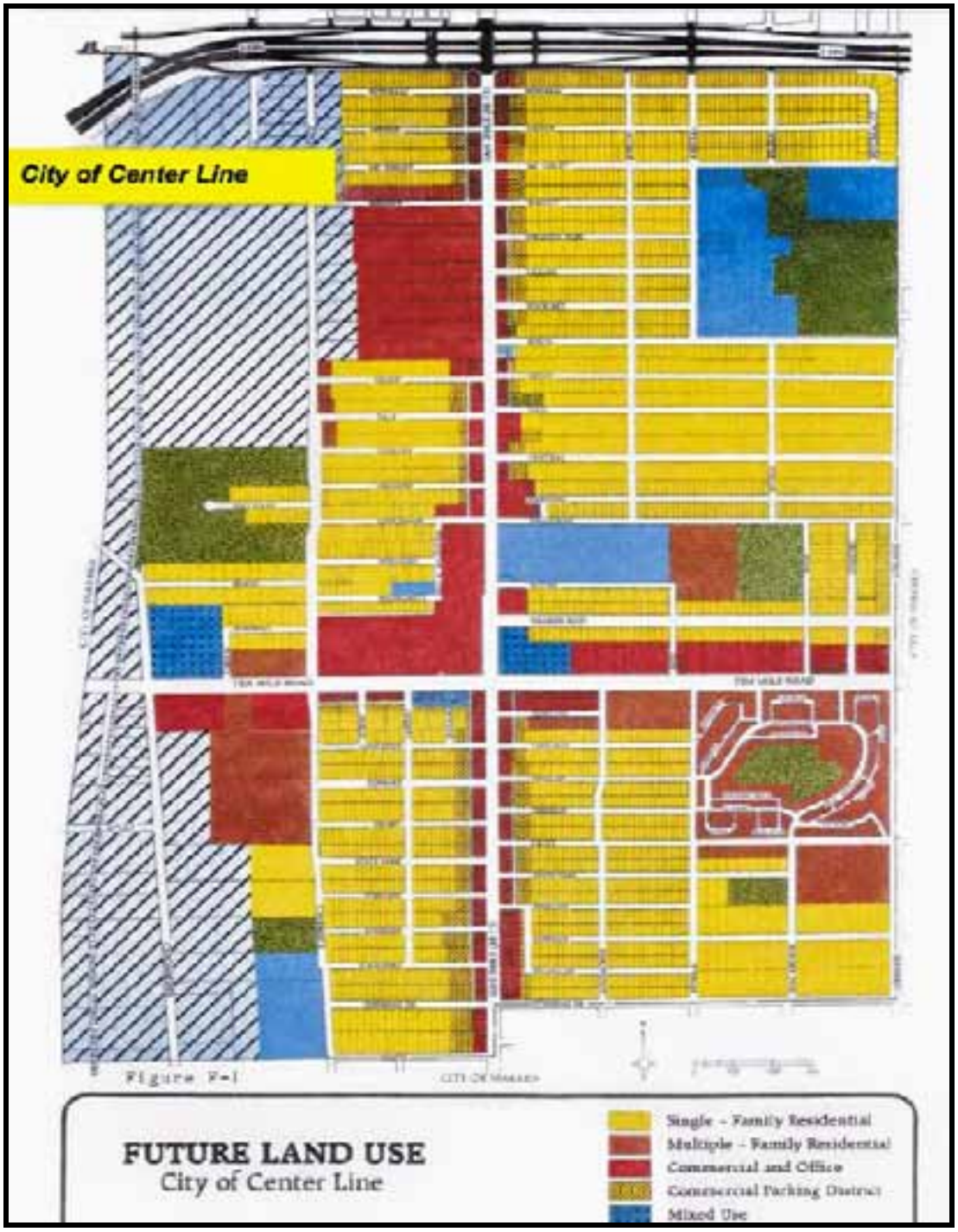
City of Warren – Section 33 and Section 34 Zoning Map



Source: City of Warren Planning Department

APPENDIX I

City of Center Line-Future Land Use



Source: Macomb County Planning and Economic Development Department, 2004

APPENDIX J

Vacant Buildings in the Study Area

Type	Location	Address	City
Vacant	13-28D South Address	24157 Van Dyke	Centerline
Vacant	13-28D South Address	24125 Van Dyke	Centerline
Vacant	13-28D North Address	24420 Van Dyke	Centerline
Vacant	13-28D North Address	24530 Van Dyke	Centerline
Vacant	13-28D North Address	24532 Van Dyke	Centerline
Vacant	13-28D North Address	24604 Van Dyke	Centerline
Vacant	13-28H South Address		Centerline
Vacant	13-28H South Address	23857 Van Dyke	Centerline
Vacant	Veach to Hoover	8600 8 Mile	Detroit
Vacant	Veach to Hoover	8680 8 Mile	Detroit
Vacant	Veach to Hoover	8880 8 Mile	Detroit
Vacant	Veach to Hoover	8920 8 Mile	Detroit
Vacant	Veach to Hoover	9500 8 Mile	Detroit
Vacant	Veach to Hoover	9510 8 Mile	Detroit
Vacant	Veach to Hoover	9540 8 Mile	Detroit
Vacant	Veach to Hoover	9660 8 Mile	Detroit
Vacant	South Van Dyke 8mile to McNicols	20501 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	20215 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	20165 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	20141 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	20017 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19731 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19725 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19503 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19431 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19349 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19301 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19149 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19125 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19041 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	19051 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18937 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18931 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18853 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18725 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18701 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18445 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18433 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18401 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18341 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18321 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	18319 Van Dyke	Detroit

Vacant	South Van Dyke 8mile to McNicols	17731 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	17157 Van Dyke	Detroit
Vacant	South Van Dyke 8mile to McNicols	17155 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	17910 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18300 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18338 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18340 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18344 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18504 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18626 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18624 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18628 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18800 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18900 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18920 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18924 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18930 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	18934 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	19358 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	19424 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	19436 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	19440 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	19500 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	19600 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	19714 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	20252 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	20260 Van Dyke	Detroit
Vacant	North Van Dyke 8mile to McNicols	20400 Van Dyke	Detroit
Vacant	13-28H South Address		Warren
Vacant	13-28H South Address		Warren
Vacant	13-28H South Address	23111 Van Dyke	Warren
Vacant	13-28H North Address	23146 Van Dyke	Warren
Vacant	13-28H North Address		Warren
Vacant	13-33H South Address		Warren
Vacant	13-33H South Address		Warren
Vacant	13-33H South Address	21363 Van Dyke	Warren
Vacant	13-33H South Address		Warren
Vacant	13-33H North Address	20934 Van Dyke	Warren
Vacant	13-33H North Address	20958 Van Dyke	Warren
Vacant	13-33H North Address	21314 Van Dyke	Warren
Vacant	13-33H North Address	21430 Van Dyke	Warren
Vacant	13-33H North Address		Warren
Vacant	13-33H North Address	21632 Van Dyke	Warren
Vacant	13-33H North Address	21636 Van Dyke	Warren
Vacant	13-33D South Address	22841 Van Dyke	Warren
Vacant	13-33D South Address	22831 Van Dyke	Warren
Vacant	13-33D South Address	22641 Van Dyke	Warren
Vacant	13-33D South Address	22645 Van Dyke	Warren

Vacant	13-33D South Address	22253 Van Dyke	Warren
Vacant	13-33D South Address	22051 Van Dyke	Warren
Vacant	13-33D South Address	21847 Van Dyke	Warren
Vacant	13-33D South Address	21823 Van Dyke	Warren
Vacant	13-33D South Address	21805 Van Dyke	Warren
Vacant	13-33D South Address	21715 Van Dyke	Warren
Vacant	13-33D North Address	22134 Van Dyke	Warren
Vacant	13-33D North Address	22600 Van Dyke	Warren
Vacant	13-33D North Address	22706 Van Dyke	Warren
Vacant	13-34H West 8 Mile Rd.	11429 8 Mile	Warren
Vacant	13-34H West 8 Mile Rd.	11415 8 Mile	Warren
Vacant	13-34H West 8 Mile Rd.	11311 Mile	Warren
Vacant	13-34F West 8 Mile Rd	8287 8 Mile	Warren
Vacant	13-34F West 8 Mile Rd	8281 8 Mile	Warren
Vacant	13-34F West 8 Mile Rd	8269 8 Mile	Warren
Vacant	13-34E West 8 Mile Rd	8205 8 Mile	Warren
Vacant	13-34E West 8 Mile Rd	7635 8 Mile	Warren
Vacant	13-34E West 8 Mile Rd	7635 8 Mile	Warren
Vacant		7047 8 Mile	Warren
Vacant		6767 8 Mile	Warren
Vacant	13-33D South Address	21747 Van Dyke	Warren
Vacant	13-33D South Address		Warren

Source: Macomb County Department of Planning & Economic Development 2005 Business Inventory

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