

CRAIN'S DETROIT BUSINESS

Dearborn reborn

\$250M-plus retail, residential plan takes aim at young professionals

By: Jennette Smith



Hakim Fakhoury said he views Dearborn as “an untapped jewel.”

Photo credit: Don Kurek

Dearborn’s downtown districts will look more like Royal Oak or Ann Arbor in a few years if more than \$250 million in planned real estate investment is completed.

But it’s more than a model makeover in the town that Henry Ford built: Developers, business and civic leaders hope the projects allow Dearborn to compete with those and other suburbs for young, professional residents.

Projects that call for more mid- and high-rise residential, restaurants and retail are in the works for redevelopment sites or on what are now parking lots.

“I think it’s an untapped jewel for its proximity to Detroit and the airport, said Hakim Fakhoury, managing member of **Fakhoury Ventures**, which is leading many of the projects. “For whatever reason, people have overlooked Dearborn. I grew up in Dearborn. The developments are a couple of blocks from my house. ... It feels great to be able to invest in my own town.”

The face of west Dearborn has already changed with what’s known as the “superblock” project and the West Village Commons project along Michigan Avenue. This summer, several tenants have moved in and opened at **Burton-Katzman Development Co.**’s West Village Commons, a former Jacobson’s store site, such as **Au Bon Pain**, **Cold Stone Creamery** and a cigar bar, **Le Cigar**. **Rocky Mountain Chocolates** and a **UPS** store are set to open within a month.

Across from that project, the first phase of the commercial portion of the Dearborn Village North project by Fakhoury Ventures is under construction that is to include **Buffalo Wild Wings**, **Panera Bread** and 24 lofts. Future phases of that and the proposed Dearborn Village South project off Village Drive are to add residential towers of up to nine stories and more than 350 new housing units. Plus, a number of smaller nearby retail or mixed-use redevelopments are planned.

In east Dearborn, the priority is a redevelopment plan for the city-owned former **Montgomery Ward** site. *(See story at right.)*

Community leaders say the projects showcase how the city is attracting more young

professionals as a place to live while its collection of restaurants, nightlife and cultural attractions grow.

The residential projects have a staggered development timeframe to avoid flooding the downtown with new housing. Dearborn Village's north residential portion will be built first, once 50 percent of the units are sold, said Jamie Murray, president of **Slavik Murray Investment Co.**, a partner with Fakhoury. The sales center is to be set up before the end of the year.

"Overall it's a five-year project from start to finish," Fakhoury said.

Dearborn Village still needs a development agreement with the city and rezoning approval. Dearborn Village Partners, including Fakhoury and Slavik Murray, was named the preferred developer.

Other, smaller sites are in store for reinvestment as well, including a new piano bar and a planned bar to be opened by the operators of Royal Oak's **Sangria**, Fakhoury said. Also, he is redeveloping an older retail center known as the Gateway Plaza.

Murray said while his involvement in Dearborn started with the partnership with Fakhoury to develop Dearborn Village's residential towers, Slavik Murray is now investing in commercial components of those and other projects.

Jamie Murray said while Slavik Murray's downtown Detroit projects have been able to sell well with prices up to \$300,000 because of neighborhood-enterprise zones, he thinks Dearborn projects can sell well up to about \$350,000, which is still less than higher-end units in Royal Oak.

"There's a certain point where the market will tail off," he said.

Robert Curran, president of **Century 21 Curran & Christie Inc.** in Dearborn, agreed downtown projects attract mostly young single professionals or young couples. Units priced up to about \$250,000 have moved well in Dearborn's residential resale market, Curran said. Average selling time in Dearborn is about eight months, he said.

Chuck DiMaggio, vice president of project development for Bingham Farms-based Burton-Katzman, said 29 of the 48 units at West Village Commons are sold, with the project going up one building at a time. Dearborn's downtown residential building boom is coming later than Royal Oak's, so the prices are lower even though the income levels are comparable, he said.

"Royal Oak was the first one to figure out we've got a lot of entertainment venues, restaurant venues. That's what these downtowns have evolved into, multifunctional centers to be entertained, eat and now live," DiMaggio said.

Barry Murray, director of Dearborn's economic and community development department, said in conjunction with the mixed-use projects, the city wants to make Dearborn more pedestrian friendly with more pocket parks at logical north-south pass-through sites.

The city and **Dearborn Area Board of Realtors** have contracted with Lansing-based **Public Sector Consultants** to conduct research on the attitudes of current and past residents toward the city.

The survey will provide data to support promoting the right assets, such as economic development and location, filtering out the factors it can control from those it can't, said Jennifer Giering, president of the Dearborn chamber.

What's new in Dearborn

- Dearborn Village North and South, proposed by **Fakhoury Ventures** and **Slavik Murray Investment Co.**

North plans include 174 condominiums, 74 loft apartments, 4 live-work units, and commercial space including a movie theater. Includes the redevelopment underway on a former F&M site. South plans include a 120-room hotel, 96 condos, 4 live-work units, 4 townhouses, and commercial space.

Expected average selling price for each residential unit: \$300,000-\$350,000. Residential units range from about 800 square feet to more than 1,500 square feet.

Value: \$180 million (combined).

- West Village Commons, **Burton-Katzman Development Co.**

Three-phase development including 35,000 square feet of retail and restaurants, 35,000 square feet of office space and 48 condos selling for \$160,000-\$220,000. Condos range from about 1,240 square feet to 1,920 square feet.

Value: \$65 million.

- A Dearborn welcome center, **Dearborn Chamber of Commerce** offices and community conference space is planned on the ground floor of the Bryant Branch Library.

Value: \$425,000, including \$200,000 in overall building upgrades

- Gateway Plaza redevelopment. Fakhoury Ventures' redevelopment of a 12,000-square-foot strip mall with new tenants and eight one-bedroom lofts.

Value: \$2.5 million.

- Montgomery Ward redevelopment. The city is weighing a mixed-use plan or a sports-entertainment complex including a minor-league ballpark.

Value: Unknown.

- Wagner Hotel redevelopment, Fakhoury Ventures. Restaurant and bar with four to six lofts above; seeking historic status.

Value: \$2 million.

New nightlife planned:

- Piano bar called **The Grand on the Avenue** at one of three buildings that formerly housed Brothers Tuxedo off Michigan Avenue.
- Dearborn bar by operators of Royal Oak's Sangria, Dearborn Jewelers building near Monroe.
- **Buffalo Wild Wings**, former F&M site.
- Possible **B.B. King's Club** franchise.

Future redevelopment of hotels being discussed:

- **Mercury Motor Inn** and vacant **Quality Inn** on Michigan Avenue.

