

Michigan

NMTC Allocatee

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Wurlitzer Building

Community Profile

Detroit, MI

Poverty Rate 21.6%

Project Highlights

- Investor: Chase
- Co-Allocatee: Chase New Markets Corporation
- Total Project Costs: \$22.7M
- NMTC: \$9M
- Jobs: 60 construction, 48 permanent FTEs in hotel, restaurant, bar and café
- Other Financing: Historic Tax Credits, Michigan Community Revitalization Program

Located in downtown Detroit, the Wurlitzer is an iconic 14-story historic property at 1509 Broadway under development by owner and developer ASH NYC. Opened in 1926, the 47,060 sq. ft. tower was designed and built for the Wurlitzer Company, a famous manufacturer of organs, pianos, radios and jukeboxes. Following the company's departure from downtown in the 1970s, the building housed offices until it was shuttered in 1982. ASH NYC will restore the Wurlitzer as a community anchor, operating a 106-room hotel and providing space for guests to interact with residents in a restaurant, bar and café on the building's ground floors that will be run by local operators. ASH NYC co-founder Jonathan Minkoff pointed to demand for a competitively-priced, independently-branded hotel in downtown. The project seeks to build on the neighborhood's entrepreneurial spirit, with the hotel serving as an ambassador to experiencing Detroit.

The project is the first in the city for ASH NYC, the developer and operator of the Dean Hotel in Providence, Rhode Island. The prospect of an independent hotel in downtown Detroit operated by a firm new to Detroit made financing challenging. However, Detroit economic development leaders viewed rehabilitation of the property as critical for downtown, and ASH NYC connected to Invest Detroit CDE through Detroit native Steve Maun. Along with Chase – which invested in the NMTC tax credits and provided \$1 million in NMTC allocation – Invest Detroit CDE provided \$8 million in NMTC allocation.

ASH NYC projects that the hotel will open in the third quarter of 2017. The project will provide an estimated 60 construction jobs. The hotel will employ approximately 16 full-time equivalent (FTE) jobs, with an anticipated 32 FTEs created by third-party tenants and operators. The project aligns with NMTC goals to provide accessible jobs with paths for advancement, with positions ranging from food and beverage service positions to front desk and management. ASH NYC plans to build on experience gained in Providence by working with local universities and workforce agencies to hire locally. Prior to construction, the development team presented on contract opportunities associated with the project, and ASH NYC plans to work with Detroit Employment Solutions Corporation and D2D – a city initiative that connects buyers with local suppliers – to identify sources for staffing, products and supplies. The strategy is intended to minimize the building's environmental footprint while maximizing local economic impact. The project is expected to generate \$3.1 million in use, sales, income and other taxes over 10 years and more than \$8.4 million in property taxes over 25 years.

