

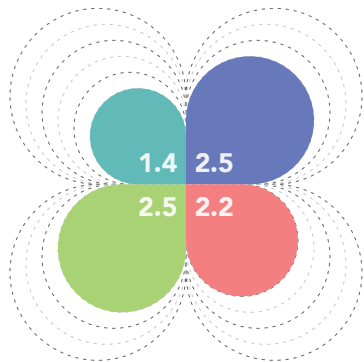
7 McKerrow



Address: 4800 Collingwood
 Parcel: 14012629
 District: 7
 SNF Area: Russell Woods/Nardin Park
 Owner: City
 Site Area: 3.15 ac
 Gross Floor Area: 49,900 sf
 Floors: 2
 Plan Type: U
 School Type: Elementary
 Year Built: 1926
 Zoned: R2
 Base Rehab Cost (est): \$1.8M
 Total Rehab Cost (est): \$12.2M

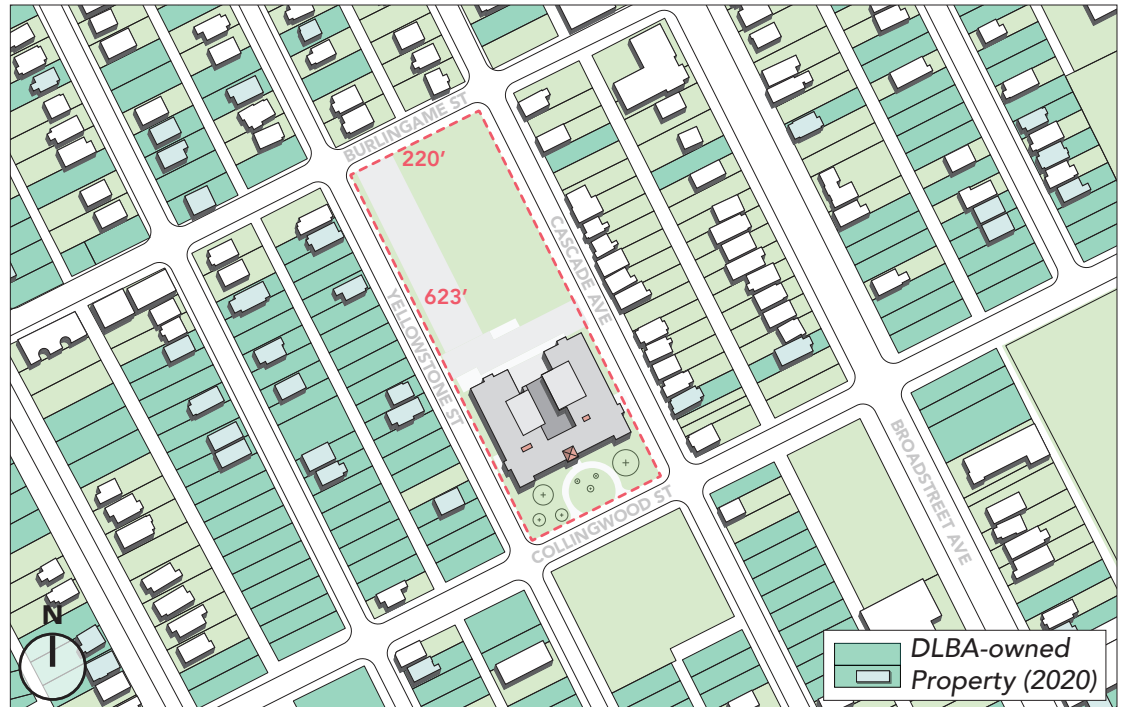
Condition

Market



History

Neighborhood



Building Overview

2-story symmetrical U-plan

Neo-Romanesque architecture with arched entrances and decorative brick arch motif throughout. Main facade is anchored by a central entrance tower with a pyramid roof.

Classrooms arranged around perimeter of building, with gym and auditorium located on inner courtyard.

32 classrooms, including large kindergarten

Secondary recreation space located above gymnasium; currently used as classrooms.

Inner courtyard is occupied by raised boiler room roof and is not accessible; it functions as a light and ventilation well only.

Wood windows missing throughout.

Significant water infiltration from failed roof drains.

Second floor corridor slab is in need of rehabilitation or replacement.

Neighborhood Overview

Located in Nardin Park neighborhood, in the near West Side.

Located in Russell Woods/Nardin Park planning area.

Surrounding neighborhood is predominantly single-family residential. The neighborhood is highly distressed, with many vacant, DLBA-owned houses and lots, particularly to the south and west.

There is a large, fenced-off vacant lot to the south of the school used as an off-leash dog park.

Near two major commercial corridors: Livernois Ave is less than a half mile to the west, and Grand River Ave is a half mile to the south. Dexter Ave. and Joy Rd are minor commercial corridors located just over a half mile to the east and south, respectively. All four corridors feature DDOT bus service.

There are two K-8 schools within a half mile of McKerrow: Hope Academy, a public charter, and DPSCD Keidan Special Education Center. There is also a Boys & Girls Club branch and a city park with playground, sports courts and a football stadium.

Development Overview

Opportunities

- In SNF area
- Near stable Russell Woods neighborhood
- Potential for bundling large assembly of adjacent DLBA parcels

Challenges

- Below-average building condition
- Distressed neighborhood

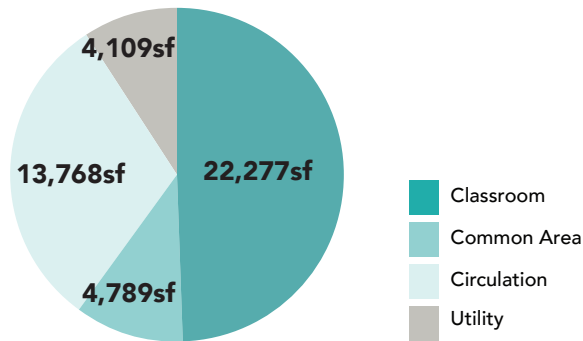
Real Estate Market summary: (1-mi radius, compared against subset of 39 City-owned vacant schools)

- Multifamily: Average
- Retail: Average
- Office: Below Average
- Industrial: Below Average

Market-based Use Recommendations

- Best market for mixed use with commercial or industrial.
- Large number of existing multifamily units in the area, with high vacancy and below-average rents.

Existing Floorplan + Program



44,950 sf net floor area

Structure

- Concrete frame
- Brick masonry

Roof System:

- Modified bitumen
- Asphalt shingle
- Internal drains

Facade:

- Brick with limestone accents

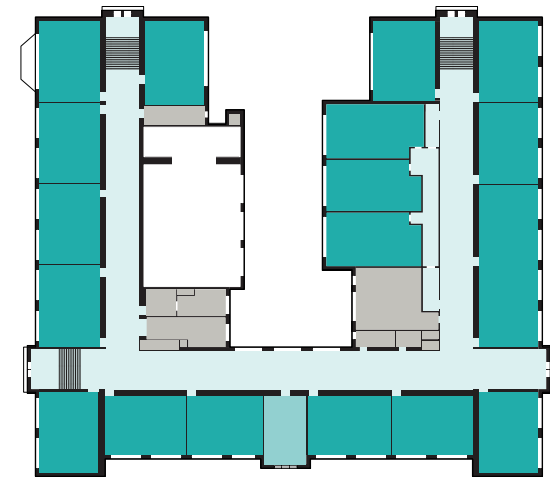
Floor System:

- Concrete joist and slab

Interior Walls:

- Gypsum block, metal lathe, plaster (corridor)

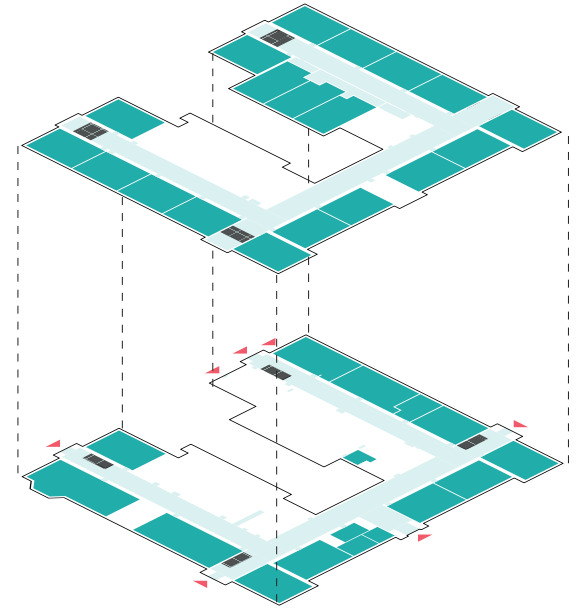
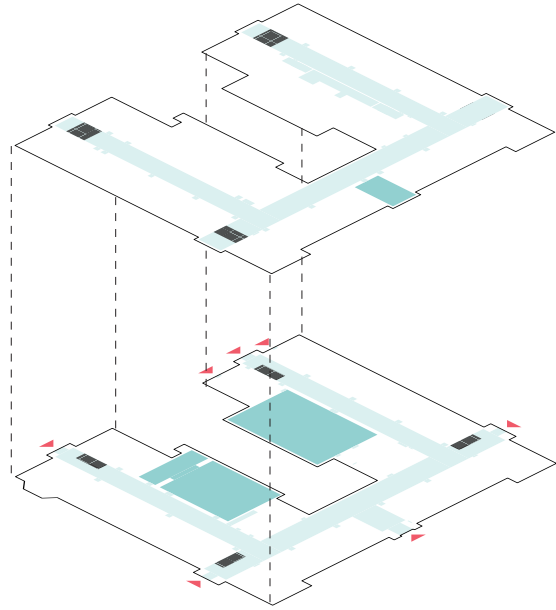
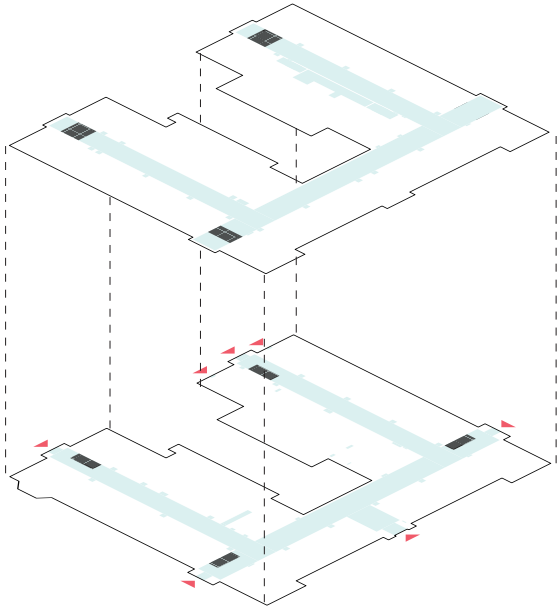
Second Floor



First Floor



Existing Floorplan + Program



Circulation

McKerrow has 3 main corridors arranged in a U. The upper and lower levels share the same layout. There are stairways located at the ends of each corridor.

There are five main entrances to the school building, plus one service entrance.

The south corridors are 14' wide, and east and west corridors are 12' wide. Ceilings are 12' on the first floor and 10' on the second.

Common Areas

McKerrow features a gym/cafeteria and auditorium, located on opposite sides of the inner lightwell/courtyard. Neither space is accessible from the exterior of the building, though the gym/cafeteria has service access from an attached kitchen.

The gym is 40x60', while the auditorium is approximately 35x57'.

Classroom Areas

Classroom areas are distributed throughout all three wings on both floors. Classrooms are typically loaded on the street side of the corridors only, except at the ends of the side wings. There are three long, narrow classrooms on a mezzanine level above the gymnasium.

Typical classrooms are 22x30' with 12' ceilings.

Building Distress

Roof

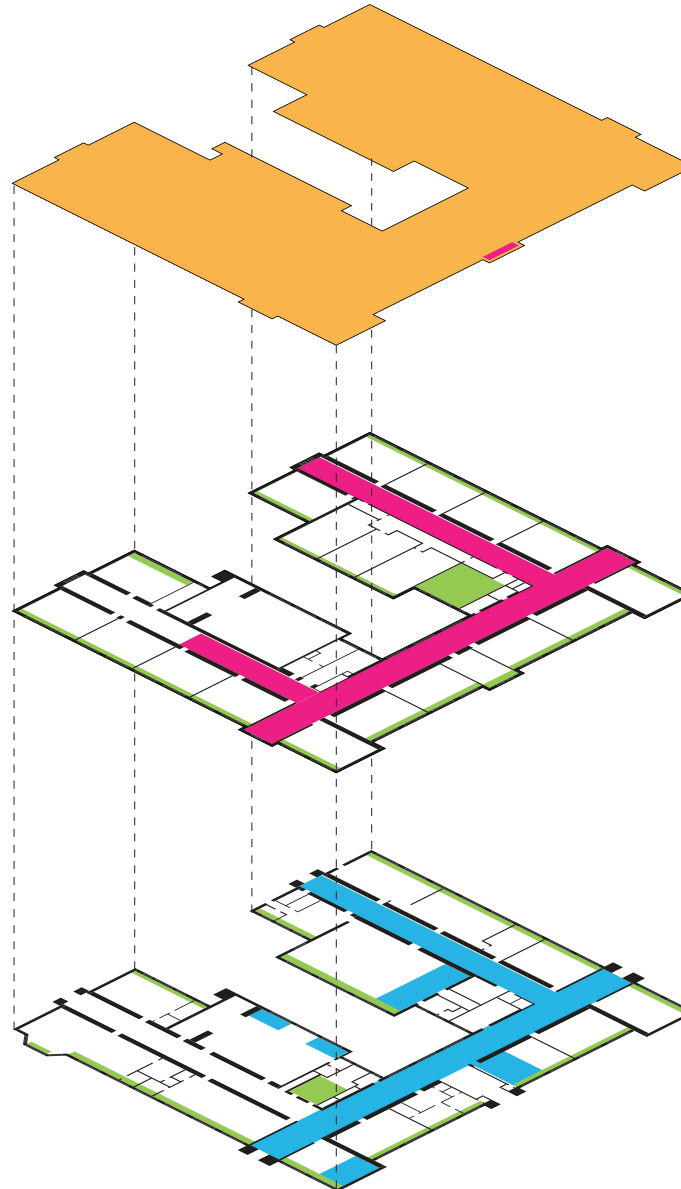
- Recommend repair or replacing entire roof
- Inspect and repair failed roof drains.
- Limestone cornice displaced on south tower over main entrance; stabilize to prevent falling object hazard.

Second Floor

- Corridor floor slabs distressed due to water infiltration; recommend replacement.
- Other structure is in serviceable condition.
- Windows and plumbing scrapped throughout.

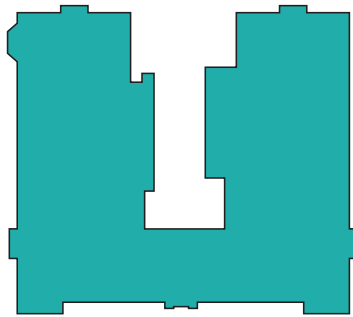
First Floor

- Extensive water damage to corridor finishes.
- Localized water damage in classrooms, gym, and auditorium.
- Windows and plumbing scrapped throughout.



- Roof Damage
- Structural Damage
- Water Damage
- Fire Damage
- Scrapping Damage

Building Evolution



Original Unit (1926)

McKerrow was completed in a single phase in 1926. The fact that such a large building was built all at once rather than incrementally suggests that the surrounding neighborhood was already well-established by the mid 1920s.

School History

Helen W. McKerrow School (John Deiter Center)

Helen W. McKerrow School opened in September, 1927. It was named after Helen W. McKerrow (1858-1925), a Scottish immigrant who worked for many years as a Detroit teacher and principal. The building was located on land costing \$164,530, and was constructed at a cost of \$372,310. Rather than being constructed in units, the building was built all at once. The school opened in 1927 to an enrollment of 1,750 students in kindergarten through eighth grade until the opening of Tappan and Durfee Intermediate Schools, at which time the seventh and eighth grades were transferred there. The school's enrollment declined to about 800 in 1950, but by 1961 increased to 1,845. Until 1931, this building served as a Detroit Teachers College training school.

McKerrow School was designed in 1926 by Verner, Wilhelm & Molby. William F. Verner resided in Ann Arbor, and partnered with Eugene B. Wilhelm in 1920. Frank Molby, formerly with Albert Kahn, Inc., later joined the firm, which then became Verner, Wilhelm and Molby. Molby began the practice of architecture in Washington, D.C. in 1892 where, for sixteen years, he was in the office of

the supervising architect of the Treasury before arriving in Detroit. The other Detroit schools by Verner, Wilhelm and Molby are Foch and Washington Schools (1924) and Coolidge School (1925). The Redford Theater (1927), listed on the National Register of Historic Places in 1985, and St. Matthias Episcopal Church are two other buildings in Detroit by the firm.

Excerpted from United States Department of the Interior National Park Service National Register of Historic Places Registration Form (Draft). McKerrow, Helen W., School. Goldstein, D., City of Detroit Historic Designation Advisory Board (2009)



The southwest and southeast (front) elevations of the school showcase the building's decorative brickwork and distinctive entryways.



The central courtyard viewed from the second floor south corridor. The courtyard allows light and fresh air, but is not accessible from inside or outside the building, due to the raised boiler room roof.



The auditorium features a suspended barrel-vaulted ceiling.



Water damage above the gym has caused the ceiling to collapse. There are three classrooms above this gym.



Water damage on the second floor has contributed to structural deterioration of the floor slab. The corridor floor slabs may need to be replaced.



The first floor corridors are heavily water damaged and scrapped, with no original finishes intact.

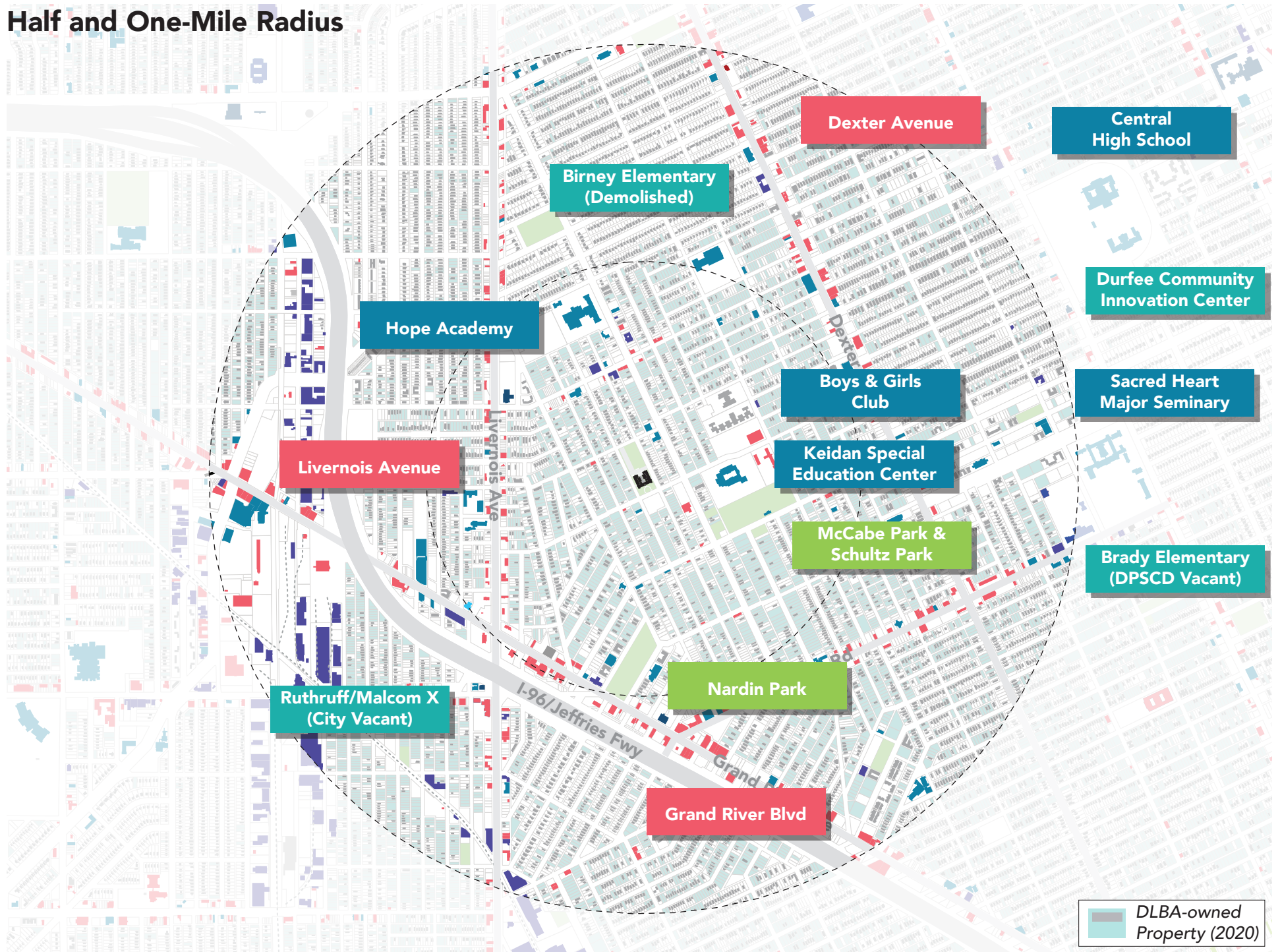


A typical classroom with plaster finishes in fair condition. The original wood-framed windows are missing throughout the school, and wood floors are buckled throughout.



A classroom on the mezzanine level above the gym. This space was likely a second-floor playroom with the same footprint as the gym below, but was later divided into three to create additional classroom space..

Half and One-Mile Radius



Neighborhood By The Numbers

58_{/100}

Walkscore
Somewhat walkable

0.2_{mi}

Transit Access
Less than 5 minute walk to nearest
DDOT Connect Ten or Key Route

0.6_{mi}

Freeway Access
Less than 5 minute drive
to nearest freeway ramp

0.2_{mi}

Park Access
Less than 5 minute walk
to nearest park (1+ acre)

1.8_{mi}

Nearest Recreation Center
More than 15 minute walk to
nearest city rec center

1.5_{mi}

Library Access
More than 15 minute walk
to nearest public library

64%

Vacant/DLBA Property
High rate of vacancy
within 0.25 mile radius (2020)

190

Building Alteration Permits
Moderate construction activity
within 1mi radius (2016-2018)

1.6%

Senior Population Growth
Low projected growth
within 1mi radius (2019-2024)

Financial Analysis Summary

Detroit Transition School West (McKerrow) is located in the Russell Woods/Nardin Park SNF area. The building is located at 4800 Collingwood St. in the Peto-sky-Otsego neighborhood in District 7. It is less than 1 mile away from the JLG and not near a commercial corridor. Total residential population in 2019 was approximately 16,000 and 2019-2024 projected annual population growth rate is -0.8%. The senior population annual growth rate is projected at 1.6%. McKerrow has 1,545 HRD units, well over twice as many as the average number of units across the schools profile. According to EMSI, 2019 estimated median household income for the area was much lower than the other schools in the Vacant School portfolio at \$22,000.

In terms of built conditions, there are approximately 850 buildings in the 1-mile radius around McKerrow, and 190 new construction or alteration building permits, according to City of Detroit data. This is an above average number of permits in 1-mile radius compared to other schools in the Vacant School portfolio, and if viewed as proxy for activity and investment, could indicate positive future trends and other development in the area. McKerrow scored a Walkscore of 58, 'somewhat walkable' – some errands can be accomplished on foot (Walkscore).

Owner-occupied housing units are expected to decrease at -0.2% annually (EMSI). In terms of multifamily development, the area has almost 1 million sf of market rate multifamily development according to CoStar and approximately 1,550 HRD units. Market rate rents as recorded by CoStar are lower than the Vacant School portfolio average, at \$10 psf or \$580 per unit. Average vacancy in the 1-mile radius around

McKerrow was high at 19.0%. McKerrow also has two senior living buildings with approximately 50,000 sf but no recorded rent information.

The 1-mile radius area around McKerrow contains slightly more retail sf than other schools in the portfolio, including five grocery stores. However, it records slightly much lower average retail rents, \$4 psf, and higher vacancy rates, 7% (EMSI / CoStar). Projected retail sales from EMSI are \$115 million annually, but actual annual sales are only \$98 million according to EMSI's retail gap analysis for the 1-mile radius around the school. This could indicate that more retail sf is needed in the neighborhood, but whether the site receives enough traffic is yet to be determined.

There are nine buildings categorized as commercial office in McKerrow's 1-mile radius according to CoStar. The market for industrial real estate is larger - there are 39 buildings categorized as industrial according to CoStar, with no recorded rent information.

From Profile Recommendation: *Recommended for mixed use with Commercial/Industrial because has average number of existing Industrial buildings and low Industrial vacancy rates. Multifamily residential may be challenging because high Multifamily vacancy rate at 19% and below-average Multifamily rent. There are an above average number of Multifamily units in the 1-mile radius, over 1,000.*

Market Information

McKerrow 1

Development Type	Gross Area (SF)
Rehabilitated Structure	17,636
Demolished Structure	-

High Level Funding Breakdown

Equity	\$1.12	10%
Debt	\$1.59	14%
Gap	\$8.50	76%

Total Project Cost \$11.22

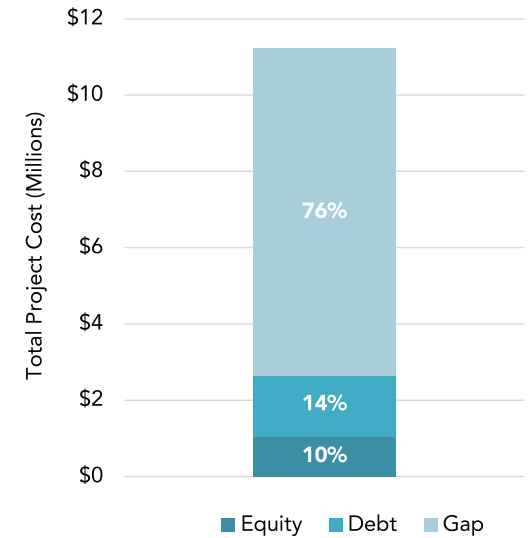
Income (PSF values)

Blended Rental Income	\$11.50
Less Vacancy	\$2.00
Less Expense	\$1.50
2022 NOI (escalated)	\$8.00
Blended Cap Rate	8.0%
Capped NOI	\$101
Total Value	\$1,800,000

2022 Costs

Total Rehab Cost	\$8,300,000
Total Fit-Out Cost	\$2,900,000
Total Project Cost	\$11,200,000

Gap \$ 8,500,000



McKerrow 2

Development Type	Gross Area (SF)
Rehabilitated Structure	49,858
Demolished Structure	-

High Level Funding Breakdown

Equity	\$2.05	10%
Debt	\$3.23	16%
Gap	\$15.19	74%

Total Project Cost \$20.47

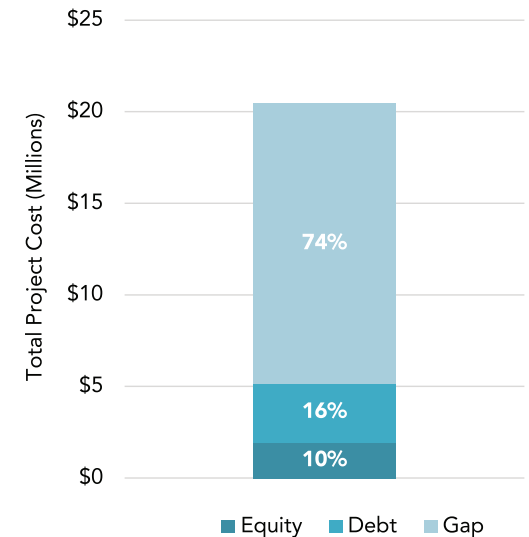
Income (PSF values)

Blended Rental Income	\$8.00
Less Vacancy	\$1.50
Less Expense	\$1.00
2022 NOI (escalated)	\$6.00
Blended Cap Rate	8.0%
Capped NOI	\$72
Total Value	\$3,600,000

2022 Costs

Total Rehab Cost	\$12,200,000
Total Fit-Out Cost	\$8,200,000
Total Project Cost	\$20,500,000

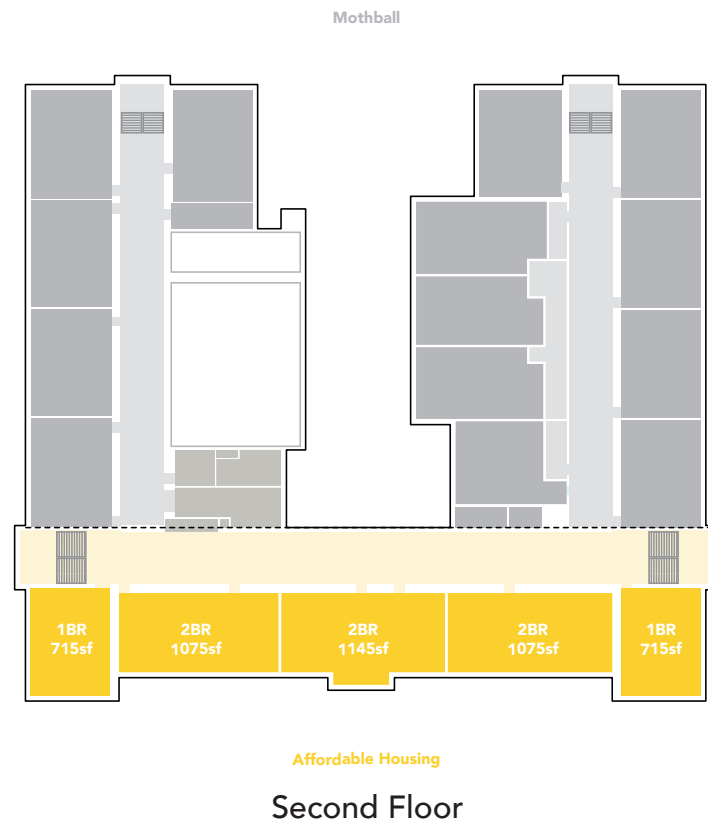
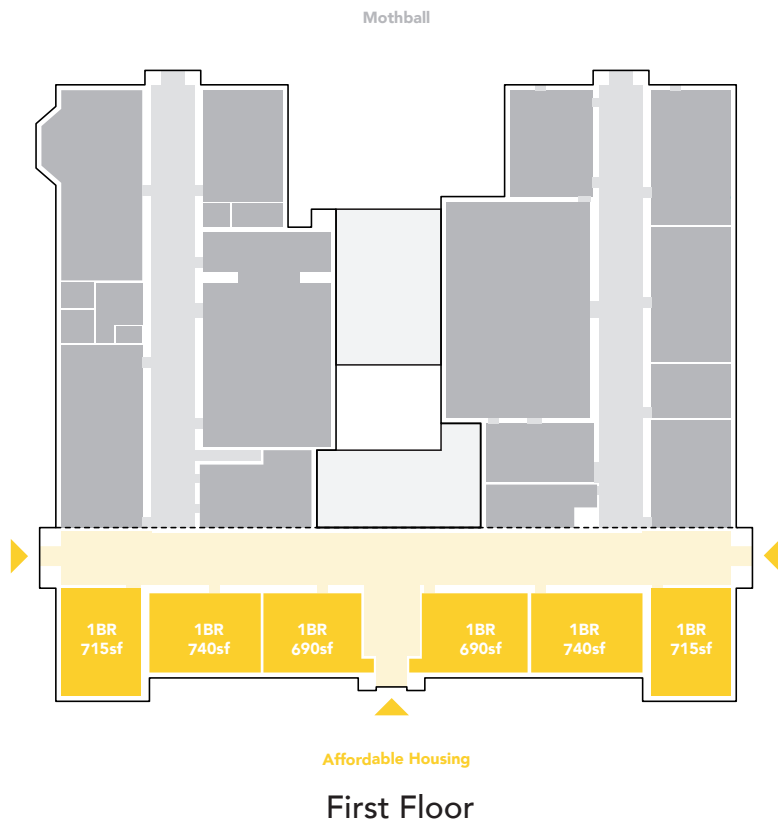
Gap \$ 15,200,000



Scenario 1: Frontage

Housing & mothball

This scenario proposes a tactical activation of McKerrow's front (south) wing. The front corridor is rehabbed as a small multifamily housing development consisting of one- and two-bedroom units. The two northern wings are mothballed for future redevelopment.





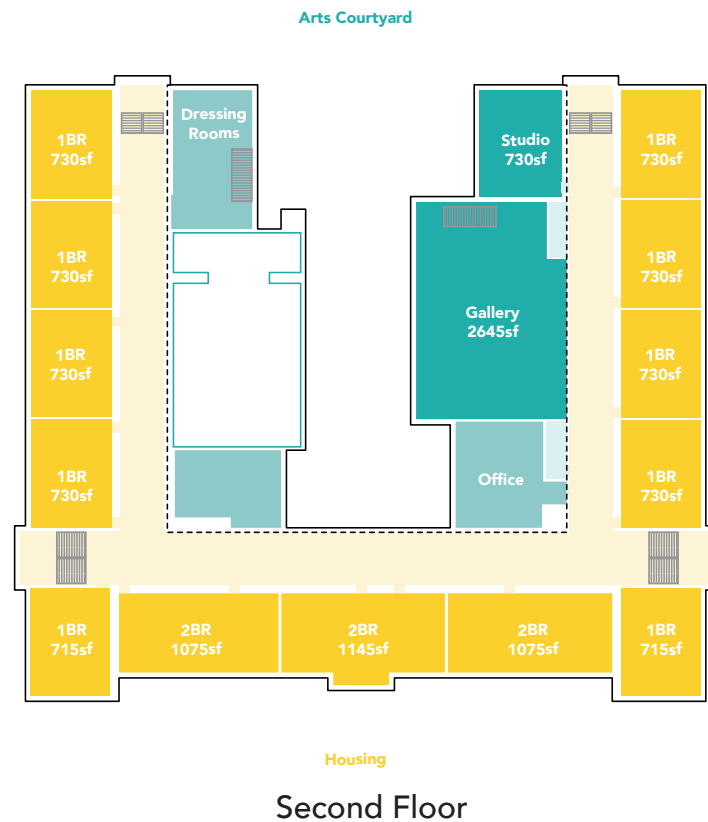
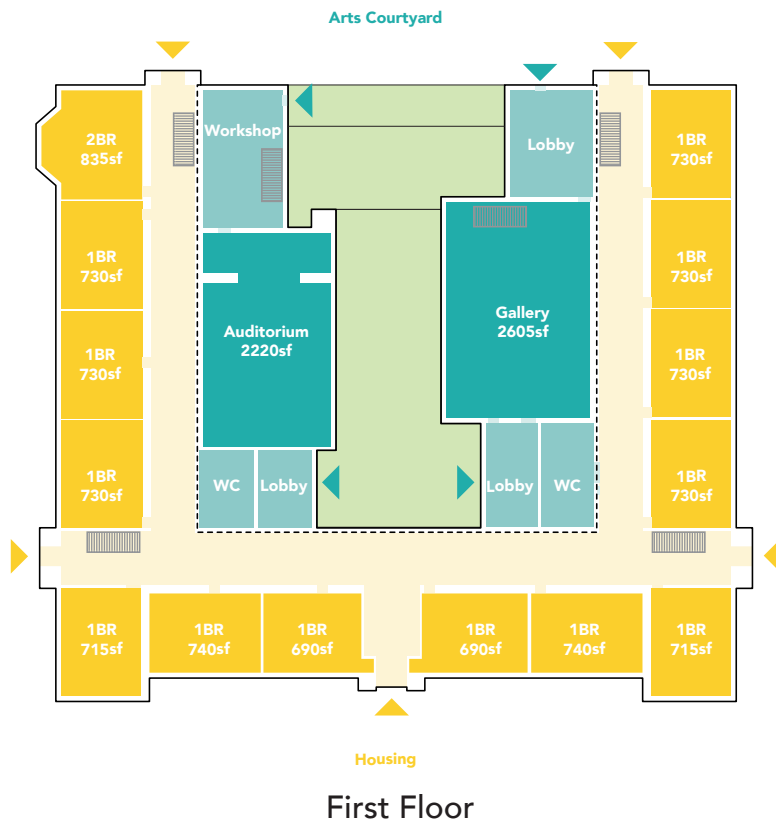
1BR (690-740sf)	8
2BR (1075-1145sf)	3
TOTAL UNITS	11

Program	Building Type	Finish Type	Area %	Gross Area (SF)	Volume (CU FT)	Unit Cost	Subtotal Cost
Affordable Housing	Plaster w/Conc Structure	Historic	35%	17,636		153 \$	2,698,308.37
Mothball			65%	32,222		0 \$	-
Parking						12000 \$	168,000.00
Developed Area (GFA)				17,636			
Fit-out subtotal							\$ 2,866,308.37
Rehab subtotal							\$ 8,348,721.92
COST TOTAL							\$ 11,215,030.29

Scenario 2: Arts Courtyard

Art courtyard with residential units streetside

McKerrow's classrooms are arranged around the perimeter of the building, while its large common areas form an interior core around the central light well. This scenario splits these two types of space into independently-functioning zones. The original corridors and entrances serve residential units facing the streets. The inner courtyard is activated by constructing green roofs over the raised boiler rooms and providing new access from the interior spaces. The new occupiable courtyard serves two separate arts spaces.





1BR (690-740sf)	23
2BR (835-1145sf)	4
TOTAL UNITS	27

Program	Building Type	Finish Type	Area %	Gross Area (SF)	Volume (CU FT)	Unit Cost	Subtotal Cost
Affordable Housing	Plaster w/Conc Structure	Historic	70%	35,105		153 \$	5,371,025.89
Community Art Space	Plaster w/Conc Structure	Historic	30%	14,753		153 \$	2,257,248.11
Parking						12000 \$	600,000.00
Developed Area (GFA)				49,858			
Fit-out subtotal							\$ 8,228,274.00
Rehab subtotal							\$12,241,423.52
COST TOTAL							\$20,469,697.52