January 16, 2013

Mr. Peter J. Dame, Manager
City of Grosse Pointe
17147 Maumee
Grosse Pointe, MI. 48230

Subject: Village Land Use Policies

Dear Peter:

As you requested, we have prepared an analysis of the land use regulations in the Village specifically as it relates to the preservation of retail and service frontage along Kercheval. The purpose of this analysis is to identify the potential impacts of this policy and how it applies to the policies in the recently adopted master plan.

Master Plan
The master plan lays out a series of goals that are intended to promote a vibrant, walkable, retail/entertainment oriented district.

“Maintain and enhance a viable mix of complementary retail uses and discourage domination of the Village by any single category of uses.

Create a retail-oriented mix of businesses that encourages an active pedestrian environment and promotes both convenience and destination shopping activities.”

The Village Future Land Use Plan identifies a wide range of uses that are encouraged in the Village including, retail, office, service, hospitality, residential, entertainment, and of course parking. When properly planned, these uses are complimentary and support each other to create a vibrant business district. Office, residential, and hospitality uses support retail and entertainment, and retail and entertainment attract residential, and hospitality uses.

Maintaining a balance of these uses is critical to the success of the Village. Balancing day and night activity; weekday and weekend activity can be achieved by maintaining the right mix of uses. Promoting retail, entertainment and service uses along Kercheval contributes to the vitality of the district. These uses are typically open six to seven days a week; they are typically open past 5:00pm, extending the life of the district into the evening and weekends.

Office uses are critical to provide economic activities and support the retail, entertainment and service uses. Office uses are permitted and encouraged throughout the Village.

Zoning
In order to implement these policies, the Zoning Ordinance allows retail, entertainment, and service uses along the prime building frontages along Kercheval. Offices uses are permitted in the rear 40% of the first floor of buildings fronting on Kercheval or 40 feet, whichever is greater resulting in the potential for 60% of the first floor area of the buildings fronting on Kercheval to be developed and utilized for retail, entertainment, and service uses. One hundred percent of the first floor area of buildings in the Village not fronting on Kercheval can be used for office use.

Existing Floor Area
Based on the existing development in the Village, there is a potential for 151,490 square feet of first floor office space and another 136,770 square feet of second floor space office. In contrast, 151,163 square feet of ground floor area is designated for retail, entertainment and service use.
Potential Floor Area
Based on the potential development in the Village the area designated for retail, entertainment, and service uses remains the same, the front 60% of the ground floor buildings or 151,163 square feet. In contrast, the future development potential in the Village for office uses is impressive, over 1.0 million square feet of space. This includes 274,891 square feet of first floor space.

Market Potential
As mentioned above and extensively in the Master Plan, the goal is to support a mix of complimentary uses. Based on existing development, there are 1,173 employees within a five minute walk from the heart of the Village and 10,761 employees within a five minute drive. According to a survey conducted by Accounting Principles (API) in 2011, the average employee spends $1,270 a year eating lunch at restaurants. This represents a significant opportunity for restaurant uses in the Village. That's $1,489,522 and $13,664,748 spent on lunch alone within a five minute walk or five minute drive of the Village respectively.

According to 2012 Environmental Systems Research Institute, Inc. (ESRI) data, the Village could support between three and seven additional full service restaurants.

Conclusion
The goals of the recently adopted master plan that relate to the Village emphasize the creation of a mixed-use, economically vibrant district. The zoning ordinance that is based on these goals creates opportunities for several different uses including a significant amount of office development. The existing policies maintain the balance of uses in a manner that maximizes the benefits of all uses.

Please feel free to contact us if you have any questions.

McKENNA ASSOCIATES

John R. Jackson, AICP
Executive Vice President

Attachments: Existing Retail and Office Development Map
Potential Retail and Office Development Map
Market Area Maps
Existing First Floor Permitted Uses

<table>
<thead>
<tr>
<th>Building</th>
<th>Retail Area</th>
<th>Office Area</th>
<th>Total</th>
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<tbody>
<tr>
<td>Kercheval Ave.</td>
<td>24,869 SF</td>
<td>12,678 SF</td>
<td>37,747 SF</td>
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<tr>
<td>Kercheval Pl.</td>
<td>19,280 SF</td>
<td>33,003 SF</td>
<td>52,283 SF</td>
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<td>Notre Dame</td>
<td>20,042 SF</td>
<td>52,600 SF</td>
<td>72,642 SF</td>
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<td>Cadleux Rd.</td>
<td>19,838 SF</td>
<td>17,385 SF</td>
<td>37,223 SF</td>
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<tr>
<td>Naff Ave.</td>
<td>27,655 SF</td>
<td>15,786 SF</td>
<td>43,441 SF</td>
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<td>Waterloo Ave.</td>
<td>10,433 SF</td>
<td>33,939 SF</td>
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Existing Second Floor Permitted Uses

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<th>Building</th>
<th>Retail Area</th>
<th>Office Area</th>
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<td>Kercheval Ave.</td>
<td>26,554 SF</td>
<td>17,365 SF</td>
<td>43,929 SF</td>
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<tr>
<td>Kercheval Pl.</td>
<td>23,513 SF</td>
<td>15,786 SF</td>
<td>39,299 SF</td>
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City of Grosse Pointe, Michigan
January 17, 2013
Potential /Future First Floor Use

Office Area: 47,493 SF

Retail Area: 23,513 SF

Total: 70,995 SF

Potential /Future Second Floor Use

Office Area: 28,237 SF

Office Area: 26,261 SF

Total: 54,498 SF

Potential /Future Third Floor Use

Office Area: 75,000 SF

Retail Area: 27,655 SF

Total: 102,655 SF

Quarter Mile/1 Mile Radius
City of Grosse Pointe, Michigan

January 17, 2013