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11:52 am, November 26, 2007

## \$172M Ann Arbor mixed-use project to start

By [Daniel Duggan](#)

Construction will start this week on \$172 million mixed-use development that has been on the drawing board in Ann Arbor since 2003.

The Lower Town development, set to be built on seven acres near Broadway and Maiden Lane, will bring medical office, retail and apartments to an area near the University of Michigan medical campus.

"There is really very little supporting retail and medical (offices) available near the medical campus," said Scott Chappelle, president of the East Lansing-based **Strathmore Development Co.** which is developing the project. "It's been an underserved market."

Plans include 138,000 square feet of retail space, 153,000 square feet of general and medical office and a 760-car parking structure.

Chappelle said the commercial portion is 72 percent pre-leased but declined to name tenants.

The development will include two restaurants, medical offices, a financial institution, a real estate company and a high-end coffee and pastry shop.

The development also will include 185 rental residential units. Given the current market conditions, Chappelle said apartments are a smarter play than for-sale condos.

"The one market we believe to be underserved is upscale residential rental," he said. "These will be the nicest units in the area."

The project has received \$45 million in economic incentives for a parking structure and environmental remediation.

It is expected to be completed in the fourth quarter of 2009.

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