

## Cost Of Demolition of Downtown's "Dirty Dozen"

Building Name	Demolition Costs
1) David Broderick Tower	\$3,005,776
2) David Whitney Building	\$4,218,750
3) Detroit Commerce Building	\$1,950,000
4) Farwell Building	\$570,339
5) Fine Arts Building	\$498,646
6) Lafayette Building	\$3,630,875
7) Madison-Lenox Building	\$1,082,646
8) Metropolitan Building	\$1,902,548
9) 600 Woodward	\$491,139
10) Statler Hotel	\$7,725,000
11) United Artist Building	\$3,259,635
12) Wurlitzer Building	\$440,287
	<b>\$28,775,640</b>

Environmental Remediation of these buildings must occur prior to their demolition. Cost estimates vary widely, but a conservative estimate would be \$9.5 Million.

Total Costs for Demolition of Detroit's Dirty Dozen (list slightly modified from Crain's July 8, 2002 article - David Whitney replaced Book-Cadillac and Detroit Commerce Replaced Detroit Opera House Garage)

**Total Demo Costs - \$38,275,640**

## **Economic Loss to City Due to "Dirty Dozen" Demolition**

### **Loss of Historic Tax Credits -**

<b>Federal</b>	<b>\$51,796,825</b>
<b>State -</b>	<b>\$12,949,206</b>

#### Assumptions -

Constructions Costs of \$125/sq. ft.  
Total Sq. Ft. of Dirty Dozen - 2,071,873

### **Number of Housing Units Lost**

#### **1854 Units**

#### Assumptions -

Total Sq. Ft. of Dirty Dozen - 2,071,873  
Less Commercial - 15% of Total - 310,781  
Each Unit - 950 Sq. Ft. (includes common areas)

### **Taxes Lost**

#### **Income Taxes - \$1,835,460 Per Year**

#### Assumptions -

One Half of Residents are new City Residents  
Ave. Income per Person - \$55,000  
1.25 Residents per Unit  
City Income Tax Rate - 2.4%

#### **Property Taxes \$9,986,169 Per Year**

#### Assumptions -

Property Value = \$150/ Sq. Ft.  
Total Sq. Ft. of Dirty Dozen - 2,071,873  
True Cash Value = \$310,780,950  
Assessed Value = \$155,390,475  
Non-Homestead Tax Rate of 64.265