

Ep.3.39 - Jill Ferrari

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SPEAKERS

Announcer, Ed Clemente, Jill Ferrari

A Announcer 00:01

Welcome to The Michigan Opportunity, an economic development podcast featuring candid conversations with business leaders across Michigan. You'll hear firsthand accounts from Michigan business leaders and innovators about how the state is driving job growth and business investment, supporting a thriving entrepreneurial ecosystem, building vibrant communities and helping to attract and retain one of the most diverse and significant workforces in the nation.

E Ed Clemente 00:30

Hello, I'm Ed Clemente, your host, and today we're fortunate to have Jill Ferrari. She's a managing partner at Renovare Development Company. And why don't you explain what that is, and welcome to the show, Jill, both.

J Jill Ferrari 00:43

Thanks for having me. And it's great to be here and spend time with you. Again, it's been a while since we've been able to work together. So I'm excited to be here. Renovare Development is a woman-owned, commercial real estate development company that focuses on transformational projects that serve a community need. We work on single family for sale development, to commercial development and mixed use. We are predominantly looking in the areas of the state where other developers don't have the patience to complete projects. And we work very closely with community partners on designing the project to really focus on those specific community needs that are the most important for that get that community.

E Ed Clemente 01:29

Yeah, and I mean, you said this in the beginning, but what you say woman-owned, is there, I

mean, I don't know. But is it predominantly like usually a male industry? I didn't even know. A lot of developers I have worked with had been, I think maybe more males? I didn't notice too much. But is that something you run into? Like, are you unique in this series?

J Jill Ferrari 01:52

We absolutely are. We don't find too many majority woman-owned companies at our level, we are focused on projects between five and 25 million roughly, I think there are a lot of emerging female developers who are getting started, have done projects around the state, that are focused on smaller projects. And we hope to kind of create a path for them and show them how they can use state tools and resources and develop partnerships to do larger projects. But we do often find ourselves alone in these spaces, and especially on a national level, there just really aren't that many women, commercial real estate developers out there. So we'd love to encourage more women to join this space.

E Ed Clemente 02:42

Well, before we get into exactly some of your projects, why don't we mention your path? Because I mean, I met you back when you were director of community development for Wayne County? [Yeah.] But I mean, you were in the commercial industry. First, why don't you kind of walk us even from where you went to, where'd you grow up, first? What city are you from, originally?

J Jill Ferrari 03:06

I grew up in northern Oakland County. I was the child of an assembly line worker for Ford Motor Company and a secretary. And my dad died when I was nine, leaving a single mom with not a huge salary. And my brother and I became very hardworking. We definitely learned our work ethic from our single mom, my brother who is now a doctor, and my dad's death really led me into a career in environmental health. He died of respiratory cancer. And it was from days in Vietnam, actually. And, yeah, Campbell Lejeune. I just grew up wanting to solve some of those problems for communities and really started looking at brownfield redevelopment as a career. So I started out as a real estate consultant in 1995, and went to law school at night. And really focused on binding sites, contaminated sites that would make good community assets until the crash, the first crash in 2007-2008. [Yes.] And it actually presented an opportunity for me to shift to a career that was more community centric. I had been doing a lot of market rate real estate on brownfield sites, but not a lot of community development work on infill sites. And so that's when I went to the county to work under their land bank, which was a whole new opportunity to use tools to get these community development sites done and learned a great deal, led the community development efforts there. A lot of the federal funding that came down, and I met my Renovare Development partner Shannon Morgan, while I was there. Came back to commercial real estate in 2017. Convinced Shannon to come with me. And we worked together for another company for a while, but just realized that we had such similar passion and vision for doing projects in areas around the state, not just in Southeast Michigan and doing different types of projects. And really being able to put pieces into our project that reflect who we are as women. We're mothers, we're daughters, we have siblings that are disabled.

And so we think about all these people in our life when we're planning real estate development projects. And we wanted to make projects that really served those underserved populations. And so that's how Renovare became our mission.

E Ed Clemente 05:55

And so are you an attorney as well? I didn't know. [Yeah.] Okay. So you're an attorney. So where did you go, did you go to law school in Detroit or where?

J Jill Ferrari 06:04

I did, I went to Wayne State law, I highly suggest it to anybody who is a working professional, because they offer a combined program that is unique, and really very grateful for that opportunity to keep my job as a real estate consultant and go to law school at night as well. And I actually finished in three and a half years. So I don't think I could have done that anywhere else.

E Ed Clemente 06:27

Well, let me ask a weird question. But like, because they have such a strong urban development program there, is there any cross pollination? Like were you able to take other classes that helped what you wanted to do, too? I don't think you get electives in law school. But I know they have a strong urban program there.

J Jill Ferrari 06:49

You know what, when I was there so long ago, I really focused on the law school classes, because of the opportunities that the combined program provided. So I didn't take any crossover classes with the master's of urban planning kids, you know, that kind of stuff, really stick to the law school classes. And I was working full time as a real estate consultant at the same time. So I had a lot of my education in the day, when it came to urban infill and redevelopment projects. So I didn't get to take masters of urban planning classes or anything like that, which I would also recommend to other students going through this process.

E Ed Clemente 07:32

Well, you know, and honestly, you're speaking my religion. Growing up Downriver, you know, brownfields have always been a huge passion somewhat for me too, because, it's so important to figure out how to deal with land that's already been sort of tarnished, and how to reestablish it too, because usually, that's where people live. And that's where the infrastructure is. And it actually is cheaper in some ways, you know, to go with a brownfield sometimes.

J Jill Ferrari 08:04

I haven't experienced that yet. But, no, you're absolutely right. And I think that is what attracted us to our project in Ypsilanti, which is four acres right in the middle of the city, walking distance to downtown, walking distance to Depot Town. And the site has some fill that was left on the site from a prior demolition, but it is optimal for housing, because of its walkability and location. And it's really hard for communities that are trying to promote transit and walkability. It's hard to do that without really targeting brownfield sites. So I agree one hundred percent.

E

Ed Clemente 08:51

Yeah, I guess maybe I should've said from a 10,000 foot view, it's cheaper for the community, and maybe not for the developers always. Because it's just the idea of like, when you go to greenfield, you have to put new water lines in there, electrical lines, sewer lines, you know, just being able to tap into something that's maybe only 10 feet away, versus like, you know, 100 feet away, the costs, infrastructure for cement, even just to put in egresses and all that.

J

Jill Ferrari 09:21

Yeah, and the tools for that, too. We've really been very progressive in the state of Michigan, passing tools for brownfield redevelopment. I just don't see as many tools for infrastructure expansion for greenfield sites, and then you have transit issues and walkability and all these other issues on greenfield sites. So, I think, over time, we'll just continue to see more and more tools for brownfield redevelopment and it has to be a priority which, you know, we're definitely seeing across the state which is great.

E

Ed Clemente 09:55

And I know Michigan, not too long ago hosted The National Brownfield Convention right in Detroit.

J

Jill Ferrari 10:04

We did and I believe the last time it was here was 2008. So for all the professionals to celebrate the difference in Detroit across that time span and invite all of these other professionals from across the country here was really special. My partner Shannon Morgan, was the keynote speaker at the brownfield breakfast that the EPA and the Center for Creative Land Recycling held. So yeah, it was really special for a lot of the folks in our industry to host that and just show off a little bit about how Detroit has evolved and kind of the the new developments that have taken place. So it was really nice.

A

Announcer 10:46

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E

Ed Clemente 11:03

You have projects around the state, why don't you highlight a few other ones?

J

Jill Ferrari 11:07

We do. We have projects in Harper Woods, Benton Harbor, Ypsilanti, and in Munising. We have two projects in Munising and then we have a housing project in Marquette Township. And it seems a little bit random. But you know, our business model is that we are brought to a community by a partner, whether that's the municipality, an employer or a nonprofit, an active community member brings us to that community with a specific community need in mind, whether it is low-income housing, middle-income housing, or a certain population that needs to be served. And we were brought to Munising by the mayor, then mayor of Munising, to address the housing shortage that they had in town. I think every community will tell you that they have housing needs at every level, low-income, middle-income, even market rate. And he brought us specifically to address low-income and missing middle-housing issues in that town, and a few years later, it's been a few years. You know these deals are very complicated and have multiple layers in the capital stack. We have all of our entitlements complete for two projects in downtown Munising. One is a fire hall, built in the 1940s, art deco design, beautiful structure. And we are converting that to a restaurant-brewery-event space with micro stalls for local food operators and a tap wall, which I am really excited about that we have brewers from across the state that will have taps on the wall and this facility with beautiful outdoor space that faces the Pictured Rocks boat cruise dock. So it's an excellent location and the city's number one development priority and it is a brownfield. It is a former leaking underground storage tank site. And just really happy to bring this asset back to life and two blocks over is Munising marketplace. That is a three story, new construction project with 39 units of missing middle-housing. So targeted at folks between 60 and 120% of the area median income in Alger County, and then ground floor space with a grocer, childcare center and a workforce center that will be occupied by Michigan Works!. These two projects are both included in a scattered site transformational brownfield plan, which will, if we're lucky, and we get to the finish line first, we will be the first rural scattered site transformational brownfield plan in Michigan under the state legislation. So really excited to highlight these two projects because they are going to be the jewels of that area of the Upper Peninsula and the community support is extraordinary for these.

E

Ed Clemente 14:12

Yeah, and I should also mention too that in some of your information that I looked at, you also work a lot and I know Michele Wildman, who you work with I'm sure, spoke highly of you as well, but you work with, Can you give people a quick definition of the opportunity zones too, because I think you try to coordinate that, right, with state.

J

Jill Ferrari 14:34

We do. We focus in opportunity zones in order to leverage the tool of opportunity zone investment. We really, when we launched the company thought that this would be one of the

primary sources of funding that we're utilizing and projects. It hasn't turned out to be that way. We are about to launch an opportunity zone equity raise but our tools really have come from the state, through MEDC, Brownfield Tax Increment Financing, ARPA funds, through local units of government that's been passed down through the state. And so, when we first when we first started out, we really thought this was going to be the biggest tool in our toolbox. It's still a tool, it's still a good way to map out projects, because communities have identified opportunity zones as some of their primary areas that they want to target for redevelopment. It just hasn't been the it hadn't really played the role that we thought it would, but still very beneficial.

E

Ed Clemente 15:40

Yeah, and I know that that was, the state is, I think, broken into 10 opportunity zones, maybe I might have the number wrong. But I know they're scattered around the state. So just something I know we've had with other guests who have brought that up before. I want to, one other thing I want to mention before we get to the last few questions here. Can you quickly tell people, because I know you've been very involved with with the Urban Land Institute. We should get them on the show eventually. But could you give sort of a brief synopsis with the Urban Land Institute is too?

J

Jill Ferrari 16:14

I have been a passionate member of the Urban Land Institute since 1997. I have worked with the local Michigan District Council since then, I've been a part of that community and it has meant absolutely everything to my career, Ed. The founding members Bobby Taubman, Bobby Showstack, Mark LoPatin and the rest have really fostered a community within the real estate community that is really focused on the sustainable use of land, Eric Larsen, David Nelson, I mean, there's just a number of men that have that launched this group a long time ago, and it has transformed into a broad, inclusive group of real estate professionals that is deeply committed to diversity, equity and inclusion in the industry, and really fostering thought leadership on the sustainable use of land. Right now I am the chair of mission advancement for the Michigan District Council. I helped found the Women Leadership Initiative for the group, I actually founded the Young Leadership Initiative way back when I was eligible for that, it was a long time ago, but you know, some of my most meaningful relationships in commercial real estate have been built through this organization, and I could not be prouder of what we've accomplished, and the membership that we hold, the advisory board. We just went through a strategic planning process to kind of move us into the next three years. My partner, my co-chair, Dan Cassidy and I, worked really hard with staff to develop that strategic plan and just could not be prouder. You really should have Shannon Sclafani, who is the executive director of ULI in Michigan on board, she is absolutely a thought leader in this area. And I think you guys would have a great conversation.

E

Ed Clemente 18:17

Well, that's a deal. And I'll follow up with you on that. And let's talk a little bit more. I mean, is there just a couple of quick questions here, but for your industry, because it is sort of more complicated, as you've been explaining, but what do you see for future trends for your

industry? You mentioned one already about brownfields, you're seeing more people going that way. And maybe you're just more you want to elaborate on that.

J Jill Ferrari 18:42

So I think what we're seeing at the state level with the legislation is tools that are constantly come coming out to bridge the gap between the cost of construction and development costs, and sales, those gaps, and I really think we're going to see more and more tools come out that the state leadership legislature really understands the difficulty in providing housing, and I think they're hearing from the employers in the state that the lack of housing is a key impediment to grow internally. And I know there was a recent meeting with over 100 CEOs in the Upper Peninsula, and they came together to agree that housing was their number one priority. So I think you're going to see even more tools. In this space, I think we're going to see more tools pointed toward home ownership, which has become a very difficult space to be successful in, primarily in underserved areas like Detroit, Benton Harbor and some other underserved communities. So I think you're gonna see some trends toward that. On the sustainability front, I think you're going to see more tools in this space as the Inflation Reduction Act comes down, because it's really hard to focus on sustainability when you're trying to create attainable housing and keep costs down. So we're going to see more tools, more efforts driven toward, okay, here's how you create attainable housing that is affordable to Michigan's workforce. But it also has all of these sustainable components built in. So I think that's where we're headed.

E Ed Clemente 20:32

Yeah, none of those are excellent points. And as a former legislator, I think that's the first time I actually met you when I was in the legislature, maybe, maybe before I can't remember. But I just know that, it just shows all the interesting things and lessons you've had to learn too about where you think we need to go to, and the one thing about economic development, too, it's always changing. It's never the same set of tools constantly, as people think it is. So it's a challenge in that area.

J Jill Ferrari 21:03

It's actually a really big challenge for communities. Because all of these, actually we met because you were working on legislation to create a tool to foster livable, walkable spaces in communities. And so, and I applauded that, I'm a big champion of tools. But there is an education curve where communities have to understand have to figure out how these tools work, what their role is in all these tax capture tools and tax abatement tools, you know, what is the level of effort that it takes on their part in order to support projects moving forward? So I think that's part of the focus that we all need to look at is, how do we help communities understand all these tools coming down and get them ready for the right developments that will serve their needs?

E Ed Clemente 21:54

Yeah, well, my district, and I won't mention where I had, but it was Downriver, mainly, but I had

Yeah, well, my district, and I won't mention where I had, but it was Downriver, mainly, but I had a lot of challenged communities, tons of brownfields. So for me, it was pretty important for my communities back then. And that's why I was very active with it. You know, just to make sure that for those issues, like, oh, they have all the other infrastructure, but, you know, they need to also develop a place that people want to live in work and play, right? So, okay, your last two questions. One is, what advice would you give your 17 year old self today to go into as a career?

J Jill Ferrari 22:31

Well, the first advice I would give myself as a 17 year old is not to dye my hair blonde. Aside from that, when I was eight, I had this beautiful red head of hair. And now I'm blonde for life. But all joking aside, you know, I would tell myself to trust my instincts. I was put on this earth to be the parent to my adopted child, like that is my most important role on this planet. And so, when people ask you, what would you change? What would you go back and do differently? You know, my answer is absolutely nothing. Because if it would have risked me not adapting my child, it doesn't make any sense for me. So I wouldn't change anything. But I would tell myself to trust my instincts, to take those risks, to start those companies and be an entrepreneur and, and trust that, you know, you're going to fail, you're going to make mistakes, it's okay, learn everything that you can from those failures. But know that you were meant to do the work that others did not want to do or weren't in a position to do, and just keep moving forward.

E Ed Clemente 23:51

Yeah, and that's always easier to do in hindsight, as we both know. The last question is easy one, but like, what's one of your favorite things to do in the state? Like, do you like to go to a festival or [Oh, that is tough.] You only get one choice, sorry.

J Jill Ferrari 24:09

One choice, I would say, I mean, the Renaissance Festival is something that my daughter and I are, you know, it's just a very big place in our hearts. And you know, getting dressed up.

E Ed Clemente 24:29

I didn't even know people did that. Friends of mine just went and they said everybody dresses like in costumes, almost. I didn't know that.

J Jill Ferrari 24:36

Yeah. Oh, there's so many answers to that. But we just did that the other day or the other week. And, you know, it was it's just, it's a great way to spend time with your family.

E Ed Clemente 24:50

All right. Well, anyway, sorry it ended but I want to thank again, Jill Ferrari. She's the managing partner at Renovare Development and also friend for quite a while but thanks Jill for taking time you did a great job. Keep up the good work.

J

Jill Ferrari 25:06

Thanks for having me on. Great to see you.

E

Ed Clemente 25:08

Make sure you join us next week where our guest is going to be Lauren Snyder. She's the vice president of customer experience for Consumers Energy.

A

Announcer 25:17

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