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**City of Detroit**  
**CITY COUNCIL**  
**LEGISLATIVE POLICY DIVISION**  
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TO: COUNCIL MEMBERS  
FROM: David Whitaker, Director   
Legislative Policy Division Staff  
DATE: October 13, 2020  
RE: **Live@liv, LLC PA 210 Certificate Request**

**Commercial Rehabilitation Act, PA 210 of 2005**

The Commercial Rehabilitation Act, PA 210 of 2005, is a tax incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial business or a multi-family residential facility. The property must be located within an established Commercial Rehabilitation District. Exemptions are approved for a term of 1-10 years, as determined by the local unit of government. The property taxes are based upon the prior year's taxable value.

**Live@liv, LLC**

Live@liv, LLC, the project developer, plans to develop a vacant 2-story retail structure, built in 1948 with 5,182 sq.ft. of building space, located at **19344 Livernois**, in the Avenue of Fashion area in the city of Detroit. The developer plans to rehabilltate the first floor into a microbrewery and to reconfigure the second story into two apartment units.

This property meets the criteria set forth under PA 210 of 2005, as amended. The Act applies to a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrlal property and vacant property which, within the immediate preceding 15 years, was operating as a commercial business enterprise.

The DEGC has recommended a full-term 10-year PA 210 tax abatement.

**Renovations to the building include:**

- Interior demolition including abatement
- New mechanical, HVAC, plumbing & electrical
- Fire protection systems
- Finishes; drywall, insulation, flooring & painting
- Window replacement
- Masonry
- Exterior metal siding, fiberboard & insulation
- Specialties; fire extinguishers, toilet accessories, appliances
- Roofing, patio pavers & terrace pavers
- Communications

**DEGC Project Evaluation Checklist**  
**19338 & 19344 Livernois Ave, Detroit, MI 48221**

Developer: Live@liv, LLC.

Principal: Ron Bartell

Commercial Rehabilitation Act, **PA 210 of 2005** - incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial activity.

<b>Request Type</b>	<b>District</b>
<b>DEGC Recommendation</b>	<b>10 Years</b>
<b>Location</b>	
Address	19338 & 19344 Livernois Avenue
City Council District	District 2
Neighborhood	Sherwood Forest
Located in HRD Targeted Area	Livernois-McNichols
<b>Building Use</b>	
Total Rentable Square Foot	7,172
Retail Square Foot	5,233
Residential Square Foot	1,939
<b>Project Description</b>	
<p>This project includes the renovation of existing structures resulting in 7,172 square feet of commercial and residential space. With 5,233 sf of first floor commercial and 2 new residential units, the project will further the City of Detroit's investment goals in this SNF Neighborhood. Both buildings have been vacant for at least 15 years and require extensive renovation to bring back online. Renovations to include replacement of mechanical, electrical and plumbing systems. The repairs will include replacement of electrical, mechanical and plumbing. This abatement is necessary to allow the project maximum cash flow acceptable by a bank to leverage debt.</p> <p>The developer, Ron Bartell, is a former NFL player who finished his career with the Detroit Lions and upon retirement decided to remain in his hometown and be a part of the revitalization of the community. He is heavily invested in property along Livernois from Mc Nichols to 8 Mile Road. His "Kuzzos Chicken &amp; Waffles" has been an amazing success and Mr. Bartell is working diligently produce the same results along the Avenue of Fashion.</p>	
<b>Housing Breakdown</b>	
Total Units	2
2 Bedroom (Market Rate)	1 unit @ 965 sf, \$1,834/mo rent 1 unit @ 974 sf, \$1,850/mo rent
<b>Commercial Breakdown</b>	
Total Units	2
First Floor Tenant	1 unit @ 2,566 sf, \$19/sf per mo
Basement Tenant	1 unit @ 2,667 sf, \$5/sf per mo

<b>Sources and Uses</b>	
Total Investment	\$1.55M
Uses	\$310K Building (20.07%), \$1M Hard Construction (64.5%), \$240K Soft Costs (15.48%)
<b>Project Benefits</b>	
Estimated Jobs	20 FTE, 16 construction jobs
Estimated City benefits before tax abatement	<b>\$770,224</b>
Total estimated City value of PA210 abatement	<b>\$92,963</b>
Less cost of services & utility deductions	<b>\$302,286</b>
Net Benefit to City with PA 210 abatement	<b>\$375,245</b>

#### City of Detroit: Incentive Summary Over the First 10 Years

	Amount
Real Property Taxes, before abatement	\$104,252
Personal Property Taxes, before abatement	\$0
New Residential Property Taxes	\$0
Municipal Income Taxes - Direct Workers	\$96,711
Municipal Income Taxes - Indirect Workers	\$18,518
Municipal Income Taxes - Corporate Income	\$78,479
Municipal Income Taxes - Construction Period	\$6,287
Municipal Income Taxes - New Res. Inhabitants	\$45,397
Utility Revenue	\$182,497
Utility Users' Excise Taxes	\$22,261
State Revenue Sharing - Sales Tax	\$70,628
Building Permits and Fees	\$46,000
Miscellaneous Taxes & User Fees	\$99,194
<u>Subtotal Benefits</u>	<u>\$770,224</u>
Cost of Providing Municipal Services	(\$119,790)
Cost of Providing Utility Services	(\$182,497)
<u>Subtotal Costs</u>	<u>(\$302,286)</u>
Net Benefits	\$467,938

#### All Taxing Units: Incentive Summary Over the First 10 Years

	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Utility Users Tax & Corporation Income Tax Exemption	Net Benefits After Tax Abatements & Incentives
City of Detroit	\$770,224	(\$302,286)	(\$92,693)	\$0	\$0	\$375,245
Wayne County	\$45,257	(\$21,173)	(\$22,178)	\$0	\$0	\$1,906
Detroit Public Schools	\$170,300	(\$69,395)	(\$35,882)	\$0	\$0	\$65,023
State Education	\$18,757	\$0	\$0	\$0	\$0	\$18,757
Wayne RESA	\$12,350	\$0	(\$11,080)	\$0	\$0	\$1,270
Wayne County Comm. College	\$10,131	\$0	(\$8,945)	\$0	\$0	\$1,186
Wayne County Zoo	\$313	\$0	(\$276)	\$0	\$0	\$37
Detroit Institute of Arts	\$625	\$0	(\$552)	\$0	\$0	\$73
Total	\$1,027,956	(\$392,854)	(\$171,606)	\$0	\$0	\$463,496 <sup>1</sup>

<sup>1</sup> Charts courtesy of the DEGC

## Conclusion

The investment in this project is estimated at **\$1.55 million**. The proposed tax abatement is projected to be worth a tax savings of **\$171,606<sup>2</sup>** to the developer. The estimated investment is also projected to produce a positive cost benefit to the City of Detroit of **\$375,245**, and over **\$463,496** to all of the impacted taxing units, in addition to 20 full-time and 16 temporary construction jobs.

Please contact us if we can be of any further assistance.



**19344 Livernois<sup>3</sup>**

**Attachment:** Assessor's Letter dated October 7, 2019

cc: Auditor General's Office  
Arthur Jemison, Chief of Services and Infrastructure  
Katy Trudeau, Planning and Development Department  
Donald Rencher, HRD  
Veronica M. Farley, HRD  
Stephanie Grimes Washington, Mayor's Office  
Avery Peebles, Mayor's Office  
Malinda Jensen, DEGC  
Kenyetta Bridges, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC

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<sup>2</sup> Existing Annual Taxes: \$2,866 - New Annual Taxes AFTER Incentive: \$8,864

<sup>3</sup> Source of photo: <https://www.loopnet.com/Listing/19344-Livernois-Ave-Detroit-MI/19396214/>



CITY OF DETROIT  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVE., SUITE 824  
DETROIT, MI 48226  
PHONE: 313•224•3011  
FAX: 313•224•9400

October 7, 2020

Katharine G. Trudeau, Deputy Director  
Planning & Development Department  
Coleman A. Young Municipal Center  
2 Woodward Ave, Suite 808  
Detroit, MI 48226

RE: Commercial Rehabilitation Certificate – **Live@liv LLC**  
Property Address: 19344 Livernois  
Parcels Number: 02004421-2

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the Commercial Rehabilitation certificate application for the properties located at **19344 Livernois** in the **Avenue of Fashion** area in the City of Detroit.

The rationale for issuing Commercial Rehabilitation certificates under PA 210 of 2005, as amended, is based on the anticipation of increased market value upon completion of new construction and /or significant rehabilitation of existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The property consists of a vacant 2-story retail structure built in 1948 with 5,182 sq.ft. The developer plans to rehabilitate the first floor into a microbrewery and reconfigure the second story into two apartment units. The rehabilitation of the structure is expected to increase commercial activity in the area, prevent loss of employment, revitalize the urban area and increase the number of residents in the city.

The 2020 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
02004421-2	19344 Livernois	\$ 33,000	\$ 29,607	\$ 4,300	\$ 3,858

This property meets the criteria set forth under PA 210 of 2005, as amended. It applies to a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was operating as a commercial business enterprise.

A review of the general plans, along with the criteria set forth under the Commercial Rehabilitation Act, indicated that the proposed project located at **19344 Livernois** is eligible as it pertains to the Commercial Rehabilitation certificate criteria under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO  
Assessor, Board of Assessors





CITY OF DETROIT  
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Commercial Rehabilitation Certificate  
Live@liv LLC  
Page 2

Property Owner: LIVE@LIV LLC  
Property Address: 19344 LIVERNOIS  
Parcel Number: 02004421-2  
Legal Description: E LIVERNOIS 226, 227 EXC LIVERNOIS AVE AS WD SHERWOOD FOREST SUB L39 P11 PLATS, W C R 2/148 80 X 73.14A

