Lauren Hood, MCD
Chairperson
Donovan Smith
Vice Chair/Secretary

Marcell R. Todd, Jr. Director

City of Detroit

CITY PLANNING COMMISSION

208 Coleman A. Young Municipal Center Detroit, Michigan 48226 Phone: (313) 224-6225 Fax: (313) 224-4336

e-mail: cpc@detroitmi.gov

Brenda Goss Andrews Kenneth R. Daniels Damion W. Ellis David Esparza, AIA, LEED Ritchie Harrison Gwen Lewis Frederick E. Russell, Jr.

August 18, 2021

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Applications for the new construction of ten condominiums located at 1450 Townsend Avenue, Units 26 - 35 in the Islandview Neighborhood Enterprise Zone area. (CORRECTED RESOLUTION/RECOMMEND APPROVAL)

On September 29, 2020, Your Honorable Body approved the subject request for Neighborhood Enterprise Zone (NEZ) Certificate Applications. However, it was later discovered that the applicant received a building permit prior to applying for the NEZ certificates. As a result, the State of Michigan requires the resolution for the certificates be modified and approved as allowed by State law. The address has also been clarified as 1450 Townsend rather than 1454 as previously reviewed). Below is a summary of the NEZ certificate request.

The office of the City Planning Commission (CPC) has received ten applications requesting NEZ certificates forwarded from the office of the City Clerk for the new construction of ten condominiums located at 1450 Townsend Avenue, Units 26-35. These applications correspond to a qualified site which will accommodate the development project. This new facility is a part of the complete redevelopment of the Saint Charles School Redevelopment Project in which the existing school building located at 1454 Townsend Street was rehabilitated into a modern loft-style residential building consisting of approximately 25 apartments. In total 10,069 square feet of one and two-bedroom townhome units will be made available.

The subject property has been confirmed as being within the boundaries of the Islandview NEZ which was established by a vote of Council on May 1, 2006, and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The anticipated construction cost of the project is approximately \$75,000 per unit. The applicant is seeking a 15-year tax abatement.

The NEZ certificate applications were submitted after the issuance of applicable building permits. The building permits on record show that permits were issued on December 17, 2019 and the applications were filed with the City of Detroit Clerk's office on June 11, 2020. MCL 207.774 states the application must be filed before a building permit is issued or as otherwise provided by the local governmental unit by resolution if the application is filed not later than 6 months following the date the building permit is issued. In order to proceed, the City of Detroit would have to approve a resolution which contains language that approves the submission of the application after the issuance of the building permit, however, no later than 6 month following the date the building permit was issued. The revised resolution is attached for your consideration.

Respectfully submitted,

Marvel R. LMJ.

Marcell R. Todd, Jr., Director CPC Christopher J. Gulock, AICP, Planner CPC

By Council Member	
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WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from ad valorem property taxes, and the imposition of specific property tax in lieu of ad valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992; and

WHEREAS, It has been determined that a building permit was issued on December 17, 2019 and the application was filed with the City of Detroit Clerk's office on June 11, 2020. MCL 207.774 states that the application must be filed before a building permit is issued or as otherwise provided by the local governmental unit by resolution if the application is filed not later than 6 months following the date the building permit is issued.

NOW, THEREFORE, BE IT RESOLVED, That the Detroit City Council approves the submission of the application to the State Tax Commission, noting that the application was submitted not later than 6 months following the date the building permits were issued pursuant to the provisions of Public Action 147 of 1992.

BE IT FINALLY REOLVED, That the Detroit City Council approves the following address for receipt of Neighborhood Enterprise Zone Certificates for a fifteen-year period:

Zone	<u>Address</u>	Application No.
Island View	1450 Townsend, Unit 26	N2020-136
Island View	1450 Townsend, Unit 27	N2020-137
Island View	1450 Townsend, Unit 28	N2020-138
Island View	1450 Townsend, Unit 29	N2020-139
Island View	1450 Townsend, Unit 30	N2020-140
Island View	1450 Townsend, Unit 31	N2020-141
Island View	1450 Townsend, Unit 32	N2020-142
Island View	1450 Townsend, Unit 33	N2020-143
Island View	1450 Townsend, Unit 34	N2020-144
Island View	1450 Townsend, Unit 35	N2020-145