

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.

November 1, 2021

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the construction of a new 28-unit multi-family building at 831 Selden Avenue in the Midtown West Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Clerk forwarded to the City Planning Commission (CPC) an application requesting a Neighborhood Enterprise Zone (NEZ) certificate for the construction of a new 3-story multi-family building at 831 Selden. The property is generally located on the south side of Selden and west of 3rd Street, just north of the former Wigle Recreation Center.

The request is for a 15-year NEZ certificate for a new facility. The developer is proposing to construct a new 3-story apartment building with 26 units on the 2nd and 3rd floor and 2 mixed-use commercial units on the 1st floor. The residential apartments are expected to include 16 one-bedroom and 10 two-bedroom units. The most recent amended application for 28 rental units was filed with the City of Detroit Clerk's office on October 19, 2021.

The subject property has been confirmed as being within the boundaries of the Midtown West NEZ which was established by City Council on February 28, 2019 and should be eligible for NEZ certificate under the State NEZ Act (Act 147 of 1992) as currently written.

Originally in 2019, the developer was proposing to construct a 3-story building with twenty-five condominium units. As a result, the developer submitted to the City Clerk's office 25 applications dated July 24, 2019 for NEZ certificates. This application submittal was amended November 6, 2019 (to add a 26th unit and renumbering 7 units) and again December 3, 2019 (to move the location of 1 unit). City records show that building permits were issued for the project on November 12, 2019. It appears based on the economic conditions from the COVID-19 pandemic, the developer was forced to change from a condominium to rental project, resulting in the revised application dated October 19, 2021. The City requested that the developer terminate the condominium which was done on October 11, 2021.

The NEZ State Act (Section 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 months following the date the building permit was issued. In this case, it appears the original application for the NEZ certificates was submitted prior to the issuance of the building permit; then amended prior to the building permit being issued, then amended soon after the building permit was issued, and now amended again to reflect the change from condo to rental units. The resolution is attached for your consideration.

Please contact our office should you have any questions.

Respectfully submitted,


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

cc: Angela Jones, City Clerk
Scott Brinkman, HRD

By Council Member _____

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 November 12, 2019 and the original NEZ application was filed with the City of Detroit Clerk's office on July 24, 2019 and subsequently amended November 6, 2019, December 3, 2019, and October 21, 2021. 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 initially 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 831 Selden for receipt of Neighborhood Enterprise Zone Certificates for a fifteen-year period: