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September 8, 2022

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of an existing building to create 7 apartment units located at 603 E. Milwaukee in the East Grand Boulevard Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate for the rehabilitation of an existing building to create 7 rental apartment units located at 603 E. Milwaukee.

The property is located at the northeast corner of St. Antoine and East Milwaukee Avenues, which is generally south of East Grand Boulevard between Woodward and I-75. The building is located within Council District 5. Below is a map of the location and an image of the building. The site is presently a vacant building with 2 stories. The property presently has a SD2 Special Development Mixed-Use zoning district classification.

The developer is Peerless Reality LLC, whose lead member is Edmund Fish. The building was purchased by the applicant in February 2021. The request is for a 15-year abatement to create 7 rental apartment units on the building's first floor. An 8th unit will be built on the 2nd floor as a condo unit for the developer, which is not part of this NEZ request. The developer estimates spending \$312,126 per unit. The developer will offer 20% of the rental units to those not earning more than 80% of the Detroit SMSA area median income (AMI); therefore, one unit will be guaranteed to be affordable. The project will have 2 studios, 1 one-bedroom unit, and 4 two-bedroom units. The proposed rental rates are shown in the table below.

Unit Type	Unit Size	Unit Rent
Studio (Affordable)	445	\$1,254 before utility allowance
Studio	489	\$1,300
One Bedroom	789	\$1,807
Two Bedroom	941	\$2,155
Two Bedroom	929	\$2,118
Two Bedroom	930	\$2,120
Two Bedroom	919	\$2,031
2 nd Floor Unit	5671	Purchase

It appears the NEZ certificate application has been submitted prior to the issuance of applicable building permits – the NEZ Act (Act 147 of 1992) states the applications must be filed before a building permit is issued. The petitioner submitted NEZ certificate application dated August 12, 2022, to the City Clerk's office.

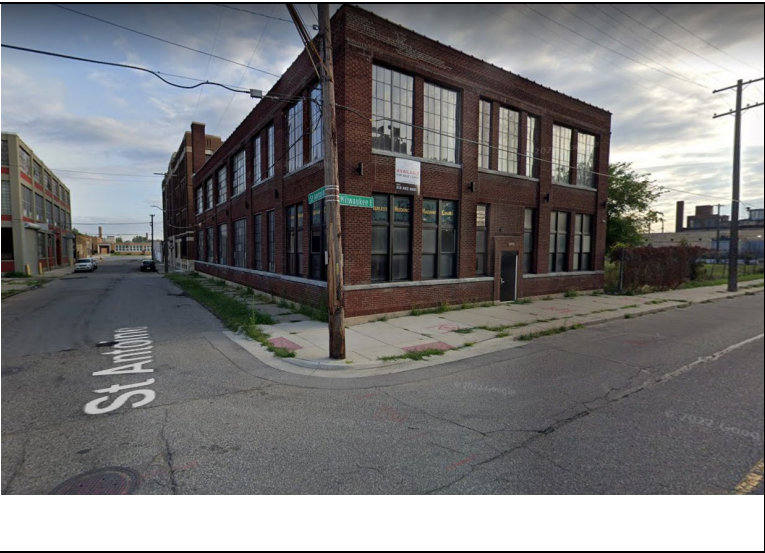
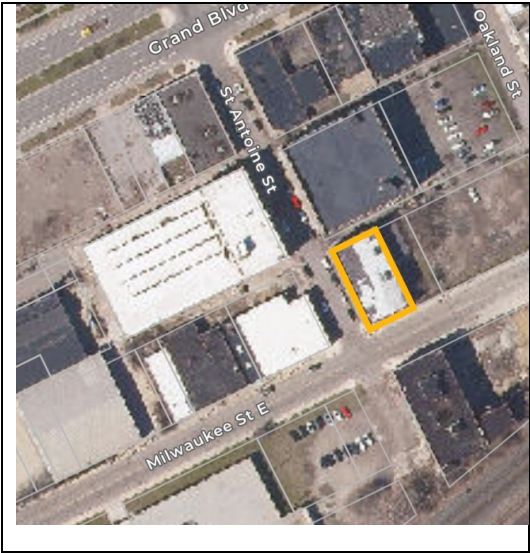
The subject property has been confirmed as being within the boundaries of the East Grand Boulevard NEZ which was established by a vote of City Council in April 2003. CPC staff has reviewed the application and recommends approval. Attached is a resolution for Your consideration. Please contact our office should you have any questions.

Respectfully submitted,



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

cc: Janice Winfrey, City Clerk
Angela Jones, City Clerk



Resolution

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 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.

NOW, THEREFORE, BE IT RESOLVED, That the Detroit City Council approves the submission of the application to the State Tax Commission, and, if applicable, the City Council concurs with the issuance of the certificate if the application was filed not more than 6 months after the date of the issuance of a building permit for the facility.

BE IT FINALLY RESOLVED, That the Detroit City Council approve the following for receipt of a Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
East Grand Boulevard	603 East Milwaukee (Units 1-7)	07-0858