


David Whitaker, Esq.  
*Director*  
Irvin Corley, Jr.  
*Executive Policy Manager*  
Marcell R. Todd, Jr.  
*Director, City Planning*  
*Commission*  
Janese Chapman  
*Director, Historic Designation*  
*Advisory Board*

John Alexander  
Ronald Amarteifio  
Megha Bamola  
LaKisha Barclift, Esq.  
Paige Blessman  
M. Rory Bolger, Ph.D., FAICP  
Eric Fazzini, AICP  
Christopher Gulock, AICP  
Derrick Headd

**City of Detroit**  
**CITY COUNCIL**  
LEGISLATIVE POLICY DIVISION  
208 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Phone: (313) 224-4946 Fax: (313) 224-4336

Marcel Hurt, Esq.  
Kimani Jeffrey  
Edward King  
Kelsey Maas  
Jamie Murphy  
Kim Newby  
Analine Powers, Ph.D.  
Laurie Anne Sabatini  
Rebecca Savage  
Ryan Schumaker  
Sabrina Shockley  
Renee Short  
Floyd Stanley  
Thomas Stephens, Esq.  
Timarie Szwed  
Dr. Sheryl Theriot  
Theresa Thomas  
Ashley A. Wilson

TO: COUNCIL MEMBERS

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: October 24, 2022

RE: Application for an **Obsolete Property Rehabilitation Certificate** by  
**8600 Pingree, LLC** Public Act 146 of 2000

**Obsolete Property Rehabilitation Act PA 146 of 2000**

The Obsolete Property Rehabilitation Act (OPRA), Public Act 146 of 2000, provides for a tax incentive to encourage the redevelopment of obsolete buildings. This tax incentive is designed to assist in the redevelopment of older buildings, which are contaminated, blighted or functionally obsolete, and to return them to the tax rolls.

**8600 Pingree, LLC**

The project developer of the property located at 600 Pingree, is 8600 Pingree, LLC,<sup>1</sup> a subsidiary of Greatwater Opportunity Capital.<sup>2</sup> The project as proposed, consists of the Chatham Apartments, built in 1923, a 73 unit apartment building with 70,442 sq. ft. of building space. The developer plans to implement major renovations to the building, including window replacements, a roof replacement, all major mechanical, plumbing and electrical systems replacements and/or as needed repairs, unit updates, elevator replacement, and environmental remediation. All 73 units will be offered with affordable rents.<sup>3</sup>

The DEGC is recommending a full 12-year term for the OPRA tax abatement.

<sup>1</sup> Principals: Justin Golden & Jed Howbert [Team — Greatwater Opportunity Capital](#)

<sup>2</sup> [Greatwater Opportunity Capital](#)

<sup>3</sup> 10 Studios: 10 @ 60% AMI, (\$886 avg); 45 One bedroom: 9 @ 60%; 1 @ 60-70%; 25 @ 70%; 10 @ 70-80%; AMI (\$1,017 - \$1,125); Two bedroom: 18 @ 60-70% AMI (\$1,300)

## DEGC Property Tax Abatement Evaluation

**Property Address:** 600 Pingree | The Chatham  
**Developer:** Greatwater Opportunity Capital | 8600 Pingree LLC  
**Prepared By:** Catherine Frazier

<b>Description of Incentive: OPRA PA 146 District   Certificate</b>	
<b>DEGC Abatement Term Recommendation</b>	<b>12 years</b>
<b>Location</b>	
Address	600 Pingree
City Council District	5
Neighborhood	Piety Hill
<b>Building Use</b>	
Total Residential Square Footage	63,520
Total Retail Square Footage	1,600
Parking Spaces	50
Number of Residential Units	73
Number of Affordable Residential Units	73
<b>Project Description</b>	
<p>The Chatham Project approximately \$8.9 million investment into the rehabilitation of 600 Pingree. The building is intended to be used as an apartment, totaling 73 units, and 70,000 square feet. Improvements include new kitchens with appliances, improved bathrooms, new roof and exterior façade repair including new windows and restoration of historic elements, new elevators, assessment and abatement of all asbestos and lead where required and necessary. The building at 600 Pingree qualifies as functionally obsolete, according to the definition in Act 381 of 1996; “the property is unable to be used adequately to perform the function for which it was intended due to the substantial loss in value.” The loss in value is a result of the following: Elevators that cannot safely be operated; Extensive exterior façade renovations; Leaking and damaged roofs; Potential asbestos and lead in some units; and significant deferred maintenance in both plumbing, electrical, and window improvements.</p> <p>All 73 units will be offered as affordable rents including:</p> <p>10 Studios: 10 @ 60% AMI, (\$886 avg)            45 One bedroom: 9 @ 60%; 1 @ 60-70%; 25 @ 70%; 10 @ 70-80%; AMI (\$1,017 - \$1,125)            Two bedroom: 18 @ 60-70% AMI (\$1,300)</p>	
<b>Sources and Uses of Capital Summary</b>	
Total Investment	\$8,900,000
Sources	Senior Debt: \$7,120,000, Equity \$1,780,000
Uses	Hard Costs: \$4,919,795, Soft Costs: \$1,310,491 Acquisition \$2,669,714
<b>Project Economic Benefits Summary</b>	
Estimated Jobs (FTE/Construction)	0 FTE / 34 Construction
Estimated City benefits before tax abatement	<b>\$1,340,944</b>
Total estimated City value of abatement	<b>\$332,392</b>
Less cost of services & utility deductions	<b>\$554,902</b>
Net Benefit to City with abatement	<b>\$453,650</b>

**City of Detroit: Benefits, Costs, and Net Benefits over the Next 12 Years**

	Amount
Real Property Taxes, before abatement	\$332,392
Personal Property Taxes, before abatement	\$0
New Residential Property Taxes	\$0
Municipal Income Taxes - Direct Workers	\$0
Municipal Income Taxes - Indirect Workers	\$0
Municipal Income Taxes - Corporate Income	\$10,059
Municipal Income Taxes - Construction Period	\$34,021
Municipal Income Taxes - New Res. Inhabitants	\$322,207
Utility Revenue	\$544,249
Utility Users' Excise Taxes	\$29,198
State Revenue Sharing - Sales Tax	\$5,622
Building Permits and Fees	\$56,445
Miscellaneous Taxes & User Fees	\$6,752
<b>Subtotal Benefits</b>	<b><u>\$1,340,944</u></b>
Cost of Providing Municipal Services	(\$10,653)
Cost of Providing Utility Services	(\$544,249)
<b>Subtotal Costs</b>	<b><u>(\$554,902)</u></b>
<b>Net Benefits</b>	<b>\$786,042</b>

**Impacted Taxing Units: Incentive Summary over the First 12 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	\$1,340,944	(\$554,902)	(\$332,392)	\$0	\$0	\$453,650
Wayne County	\$80,694	(\$1,394)	(\$79,300)	\$0	\$0	\$0
Detroit Public Schools	\$308,722	(\$13,175)	(\$128,670)	\$0	\$0	\$166,877
State Education	\$59,386	\$0	\$0	\$0	\$0	\$59,386
Wayne RESA	\$53,962	\$0	(\$53,962)	\$0	\$0	\$0
Wayne County Comm. College	\$32,047	\$0	(\$32,047)	\$0	\$0	\$0
Wayne County Zoo	\$987	\$0	(\$987)	\$0	\$0	\$0
Detroit Institute of Arts	\$1,975	\$0	(\$1,975)	\$0	\$0	\$0
<b>Total</b>	<b>\$1,878,717</b>	<b>(\$569,471)</b>	<b>(\$629,333)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$679,913</b>

**DEGC Chart of Taxes Before, During & After the Incentive<sup>5</sup>**

	Existing Taxes	New Taxes AFTER Incentive(s)	New Taxes Without Incentive
City of Detroit	\$6,038	\$6,038	\$27,831
Library	\$966	\$966	\$4,451
Wayne County	\$1,671	\$1,671	\$7,702
Detroit Public Schools	\$6,227	\$18,916	\$28,702
State Education	\$1,251	\$5,768	\$5,768
Wayne RESA	\$1,137	\$1,137	\$5,241
Wayne County Comm. College	\$675	\$675	\$3,112
Wayne County Zoo	\$21	\$21	\$96
Detroit Institute of Arts	\$42	\$42	\$192
<b>Total</b>	<b>\$18,026</b>	<b>\$35,233</b>	<b>\$83,095</b>

<sup>4</sup> Charts courtesy of the DEGC

<sup>5</sup> Existing Annual Taxes: \$18,026 - New Annual Taxes DURING the Incentive: \$35,233 & Taxes after the Incentive EXPIRES: \$83,095

## **Conclusion**

The estimated total capital investment for this project is **\$8.9 million**. It is also estimated that the completed project will create 0 FTE's and 34 temporary construction jobs. The total value of the 12-year OPRA tax savings is estimated at **\$629,333**.

Based on the investment and jobs, this project is estimated to provide the City of Detroit a net benefit of **\$453,650**, and all of the impacted taxing units, a net benefit of **\$679,913**, over the 12 years of the OPRA tax abatement.

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

**Attachment: Assessor's Letter, dated August 22, 2022**

cc: Auditor General's Office  
Donald Rencher, Chief of Services and Infrastructure  
Antoine Bryant, Planning and Development Department  
Julie Schneider, HRD  
Veronica Farley, HRD  
Stephanie Grimes Washington, Mayor's Office  
Gail Fulton, Mayor's Office  
Malinda Jensen, DEGC  
Kenyetta Bridges, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC



**600 Pingree (Chatham Apartments)<sup>6</sup>**

---

<sup>6</sup> Photo: [Chatham Apartments Apartments - 600 Pingree St Detroit, MI | Apartments.com](#)



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

August 22, 2022

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

Re: **Obsolete Property Rehabilitation Certificate – 8600 Pingree LLC**  
 Addresses: 600 Pingree  
 Parcel Number: 04002148.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation Certificate for the property located at **600 Pingree** located in the **Piety Hill** area of the City of Detroit.

The rationale for Obsolete Property Rehabilitation Certificates under PA 146 of 2000, 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 2022 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
04002148.	600 Pingree	\$ 1,673,600	\$ 207,793	\$ 6,000	\$ 745

The project as proposed by the **8600 Pingree LLC** consists of the Chatham Apartments, including 73 units, built in 1923 with 70,442 sq.ft . The proposed project consists of rehabilitating the existing structure and will undergo major renovations including window replacement, roof replacement, all major mechanical, plumbing and electrical systems replacement and/or repairs, unit updates, elevator replacement, and environmental remediation.



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

---

Obsolete Property Rehabilitation Certificate  
8600 Pingree LLC  
Page 2

This property meets the criteria set forth under PA 146 of 2000, as amended. It applies to blighted, functionally obsolete and contaminated properties. "Rehabilitation," meaning that changes to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation also includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, adding additional stories to a facility or adding additional space on the same floor level not to exceed 100% of the existing floor space on that floor level, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the obsolete property to an economically efficient condition.

A review of the project plan and related statutes indicated that the proposed Obsolete Property Rehabilitation Certificate for the property located at **600 Pingree** is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

Sincerely,

Charles Ericson, MMAO  
Assessor/Board of Assessors





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

Obsolete Property Rehabilitation Certificate  
8600 Pingree LLC  
Page 3

Property Address: 600 PINGREE  
Parcel Number: 04002148.  
Property Owner: 8600 PINGREE LLC  
Legal Description: N PINGREE 31&29 AND PRIVATE ALLEY ADJ ANDERSON & MCKAYS SUB L13 P91 PLATS, W C R 4/84  
120 X 127

