


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  
Roland Amarteifio  
Megha Bamola  
LaKisha Barclift, Esq.  
Paige Blessman  
M. Rory Bolger, Ph.D., FAICP  
Eric Fazzini, AICP  
Willene Green  
Christopher Gulock, AICP

**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

Derrick Headd  
Marcel Hurt, Esq.  
Kimani Jeffrey  
Phillip Keller, Esq.  
Edward King  
Kelsey Maas  
Jamie Murphy  
Analine Powers, Ph.D.  
W. Akilah Redmond  
Laurie Anne Sabatini  
Rebecca Savage  
Sabrina Shockley  
Renee Short  
Floyd Stanley  
Thomas Stephens, Esq.  
Timarie Szwed  
Theresa Thomas  
Ashley A. Wilson

TO: The Honorable Detroit City Council

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: June 5, 2023

RE: Application for an **Obsolete Property Rehabilitation Certificate** by  
**Marigold Houses, LLC** Public Act 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.

Marigold Houses, LLC, is the project developer of the property at 3200 Tyler, which is located one block east of the Russell Woods/Nardin Park Neighborhoods. The project consists of the redevelopment of a vacant apartment building. Constructed as the Webster Arms Apartments in 1928, the property which has been vacant for what appears to be 23 years, sits on 0.177 acres of land, is a 9,488-square-foot, 15-unit, two-story multi-family residential building with a daylight basement. The Property is zoned R2 - a two-family residential district.

The developer plans to renovate the abandoned and vacant building, by updating the existing 15-units into modern apartments. The building will be converted into a 100% electric green building. Green Heat Pump Heating and Cooling (i.e. 4 times more efficient than older electric heating and cooling systems, designed to meet climate reduction goals) will be installed in every unit. In addition, inefficient gas boilers will be replaced with electric hot water heaters; allowing the building to be 100% electric and take advantage of the increase in renewable energy on the electric grid. The green building strategy will include, but will not be limited to, utilizing other green assets (such as sustainable stormwater management practices), reducing the current impact of stormwater to public utilities, and providing affordable housing options so that Detroiters can afford to live and work in the City.

The property will include green focused amenities (ex. disconnecting the current roof drains from the public storm/sewer infrastructure and creating bioswales and other green storm water mitigation practices. All of the residential units will be reserved as affordable units not to exceed 55%-60% of the Area Median Income (AMI).<sup>1</sup> In addition to the currently requested OPRA tax abatement, the developer in May of 2023, received Council approval of a Brownfield plan.

### DEGC Property Tax Abatement Evaluation

**Property Address:** 3200 Tyler  
**Developer:** Marigold Houses, LLC.  
**Development Team Principal(s):** Kurt Hines  
**Prepared By:** Kaci Jackson

|  |   |
|--|---|
| <b>Description of Incentive:</b> Obsolete Property Rehabilitation Act, PA 146 - incentive for redevelopment and rehabilitation for commercial or commercial mixed use buildings that are contaminated, blighted, or functionally obsolete.   |   |
| <b>DEGC Abatement Term Recommendation</b>  | <b>12 years</b>   |
| <b>Location</b>  |   |
| Address  | 3200 Tyler St.  |
| City Council District  | District 5  |
| Neighborhood   | Dexter Linwood  |
| Located in HRD/SNF Targeted Area   | N/A   |
| <b>Building Use</b>  |   |
| Total Residential Square Footage   | 10,394  |
| Total Retail Square Footage  | N/A   |
| Parking Spaces   | Street Level ( <i>PDD approved</i> )                        |
| Number of Residential Units  | 18  |
| Number of Affordable Residential Units   | 18  |
| <b>Unit Breakdown</b>  |   |
| Studios (Average Unit Size, Number of Units)   | 6 units – 458 avg SF  |
| I Bedrooms (Average Unit Size, Number of Units)  | 12 units – 604 avg SF                                       |
| <b>Project Description</b>   |   |
| <p>3200 Tyler is 0.177 acres of land developed with one 10,394-square-foot multi-family apartment building. The building, identified as the Webster Arms Apartment, was constructed in 1928 and consists of a two-story multi-family residential building with a basement. The subject property is improved with landscaping in the southern portion and a concrete-paved driveway along the southwestern portion from Tyler Avenue. It appears to have been occupied between 1928-2000.</p> <p>The developer will take the building down to the studs and renovate. 3 additional bedrooms will be added to the building. Hazardous material (<i>asbestos</i>) will be remediated. Each unit will feature new electrical heating and cooling and new on demand hot water tanks will be installed. Repairs will be made to the roof and exterior masonry repair work.</p> |   |
| <b>Sources and Uses of Capital Summary</b>   |   |
| Total Investment   | \$1.64M   |
| Sources  | Debt \$1.072M (65%); Equity \$471K (29%); Grant \$100K (6%) |

<sup>1</sup> 55%-60% Area Median Income (AMI) = approximately \$33,550-\$36,600.

|  |   |
|--|---|
| Uses   | Acquisition: \$227.5K (14%); Hard Costs: \$1.2M (73%); Soft Costs: 219.7K (13%) |
| <b>Project Economic Benefits Summary</b>     |   |
| Estimated Jobs (FTE/Construction)            | 2 FTE / 10 Construction   |
| Estimated City benefits before tax abatement | <b>\$305,850</b>  |
| Total estimated City value of OPRA abatement | <b>\$94,340</b>   |
| Less cost of services & utility deductions   | <b>\$79,360</b>   |
| Net Benefit to City with OPRA abatement      | <b>\$132,150</b>  |

**City of Detroit: Benefits, Costs, and Net Benefits over the Next 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            | \$305,850                                 | (\$79,360)        | (\$94,340)                  | \$0                                      | \$0  | \$132,150                                      |
| Wayne County               | \$25,052                                  | (\$2,635)         | (\$22,417)                  | \$0                                      | \$0  | \$0  |
| Detroit Public Schools     | \$97,594                                  | (\$13,175)        | (\$36,519)                  | \$0                                      | \$0  | \$47,899                                       |
| State Education            | \$16,855                                  | \$0               | \$0                         | \$0                                      | \$0  | \$16,855                                       |
| Wayne RESA                 | \$15,247                                  | \$0               | (\$15,247)                  | \$0                                      | \$0  | \$0  |
| Wayne County Comm. College | \$9,046                                   | \$0               | (\$9,046)                   | \$0                                      | \$0  | \$0  |
| Wayne County Zoo           | \$279                                     | \$0               | (\$279)                     | \$0                                      | \$0  | \$0  |
| Detroit Institute of Arts  | \$558                                     | \$0               | (\$558)                     | \$0                                      | \$0  | \$0  |
| <b>Total</b>               | <b>\$470,481</b>                          | <b>(\$95,171)</b> | <b>(\$178,405)</b>          | <b>\$0</b>                               | <b>\$0</b>   | <b>\$196,905</b>                               |

**Impacted Taxing Units: Incentive Summary over the First 12 Years**

|   | Amount            |
|---|-------------------|
| Real Property Taxes, before abatement         | \$94,340          |
| Personal Property Taxes, before abatement     | \$0               |
| New Residential Property Taxes                | \$0               |
| Municipal Income Taxes - Direct Workers       | \$16,006          |
| Municipal Income Taxes - Indirect Workers     | \$6,942           |
| Municipal Income Taxes - Corporate Income     | \$6,035           |
| Municipal Income Taxes - Construction Period  | \$11,815          |
| Municipal Income Taxes - New Res. Inhabitants | \$54,463          |
| Utility Revenue                               | \$65,156          |
| Utility Users' Excise Taxes                   | \$3,368           |
| State Revenue Sharing - Sales Tax             | \$11,245          |
| Building Permits and Fees                     | \$22,977          |
| Miscellaneous Taxes & User Fees               | \$13,503          |
| <b>Subtotal Benefits</b>                      | <b>\$305,850</b>  |
| Cost of Providing Municipal Services          | (\$14,204)        |
| Cost of Providing Utility Services            | (\$65,156)        |
| <b>Subtotal Costs</b>                         | <b>(\$79,360)</b> |
| Net Benefits                                  | \$226,490         |

2

<sup>2</sup> Charts courtesy of the DEGC

### **DEGC Chart of Taxes Before, During & After the Incentive<sup>3</sup>**

|                            | Existing Taxes | New Taxes AFTER Incentive(s) | New Taxes Without Incentive |
|----------------------------|----------------|------------------------------|-----------------------------|
| City of Detroit            | \$1,219        | \$1,223                      | \$7,409                     |
| Library                    | \$195          | \$196                        | \$1,185                     |
| Wayne County               | \$336          | \$337                        | \$2,042                     |
| Detroit Public Schools     | \$1,265        | \$4,910                      | \$7,688                     |
| State Education            | \$253          | \$1,535                      | \$1,535                     |
| Wayne RESA                 | \$229          | \$229                        | \$1,389                     |
| Wayne County Comm. College | \$136          | \$136                        | \$824                       |
| Wayne County Zoo           | \$4            | \$4                          | \$25                        |
| Detroit Institute of Arts  | \$8            | \$8                          | \$51                        |
| Total                      | \$3,645        | \$8,578                      | \$22,148                    |

### **Conclusion**

The estimated total capital investment for this project is **\$1.64 million**. It is also estimated that the completed project will create 2 FTE's<sup>4</sup> and 10 temporary construction jobs. The total value of the 12-year OPRA tax savings is estimated at **\$178,405**.

Based on the investment and jobs, this project is estimated to provide the City of Detroit a net benefit of **\$132,150**, and all of the impacted taxing units, a net benefit of **\$196,905**, over the 12 years of the OPRA tax abatement.

The legislative body of the qualified local governmental unit may, by resolution, revoke the obsolete property rehabilitation exemption certificate of a facility if it finds that the completion of rehabilitation of the facility has not occurred within the time authorized by the legislative body in the exemption certificate or a duly authorized extension of that time, or that the holder of the obsolete property exemption certificate has not proceeded in good faith with the operation of the rehabilitated facility in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder of the exemption certificate.<sup>5</sup>

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

**Attachments: Assessor's Letter, dated April 12, 2023**  
**CRIO<sup>6</sup> Employment Clearance, dated April 25, 2023**

cc: Auditor General's Office  
Donald Rencher, Chief of Services and Infrastructure  
Antoine Bryant, Planning and Development Department  
Julie Schneider, HRD  
Justus Cook, HRD  
Stephanie Grimes Washington, Mayor's Office  
Malik Washington, Mayor's Office  
Kenyetta Bridges, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC

<sup>3</sup> Existing Annual Taxes: \$3,645 - New Annual Taxes DURING the Incentive: \$8,578 & Taxes after the Incentive EXPIRES: \$22,148

<sup>4</sup> Full-time equivalent employee (FTE) [What Is Full-Time Equivalent \(FTE\)? Plus How To Calculate It | Indeed.com](#)

<sup>5</sup> MCL 125.2792 (1) [Michigan Legislature - Section 125.2792](#)

<sup>6</sup> Department of Civil Rights, Inclusion & Opportunity (CRIO)



Exterior



Wildemere St. facing north



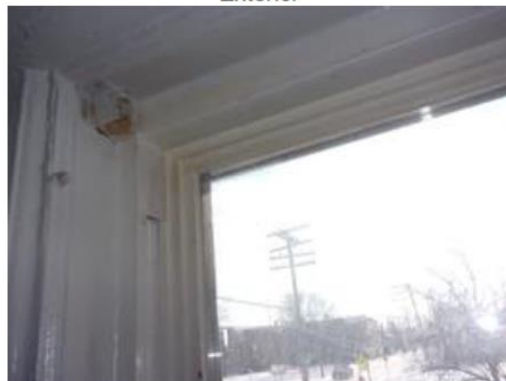
Tyler Street facing west



Exterior



Exterior



Window



Unit



Hallway



Stairs



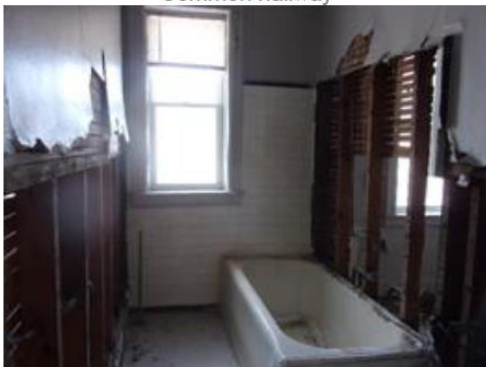
Basement



Common hallway



Unit interior



Unit interior



Window

<sup>7</sup> Source of photos: 3200 Tyler Avenue Brownfield Redevelopment Plan



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

April 12, 2023

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 – Marigold Houses LLC**  
 Addresses: 3200 Tyler  
 Parcel Number: 12004342.

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 **3200 Tyler** located in the **Dexter Linwood** 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 |
|-----------|------------|-------------------------------|------------------------|---------------------------|--------------------|
| 12004342. | 3200 Tyler | \$ 147,100                    | \$ 34,741              | \$ 3,300                  | \$ 779             |
|           |            |                               |                        |                           |                    |

The project as proposed by the **Marigold Houses LLC** consists of a 2-story vacant apartment building with 9,488 square feet of building area, built in 1928, on 0.177 acres of land. The proposed project consists of rehabilitating and transforming the current structure into a modernized structure with 15 apartment units. The building will undergo major renovations including roof replacement, electrical systems, HVAC, safety and security systems, windows, and interior and exterior repairs.



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  
Marigold Houses 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 **3200 Tyer** 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



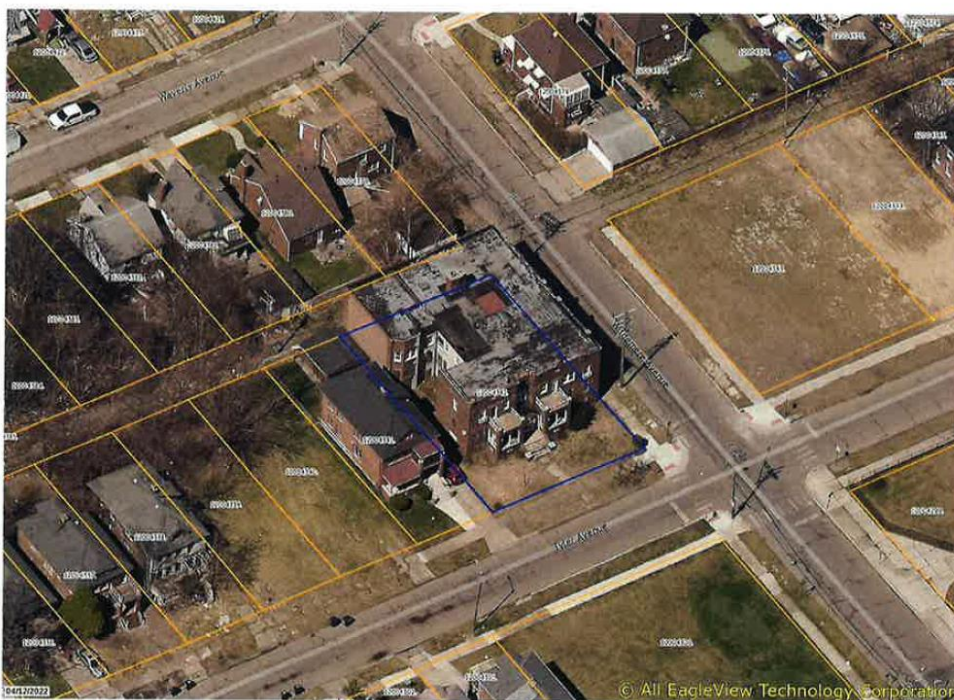


CITY OF DETROIT  
OFFICE OF THE CHIEF FINANCIAL OFFICER  
OFFICE OF THE ASSESSOR

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  
Marigold Houses LLC  
Page 3

Property Address: 3200 TYLER  
Parcel Number: 12004342.  
Property Owner: MARIGOLD HOUSES LLC  
Legal Description: N TYLER 84-85 WARK-GILBERT COS SECURITY SUB L38 P60 PLATS, W C R 12/273 70 X 110





**Civil Rights, Inclusion  
and Opportunity**

COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 1240  
DETROIT, MICHIGAN 48226  
PHONE: 313.224.4950  
FAX: 313.224.3434

## Decision Regarding Employment Clearance for Tax Abatement Employment Commitment <5 Full-time Employees

**Date:** April 25, 2023

**Tax Abatement Type:** PA 146

New  Renewal

**Duration of Abatement:** 12 years

**Development:** The project contemplated at the property consists of the renovation of the abandoned and vacant 15-unit multifamily apartment building into an approximately 15 unit modern apartment building with retained elements of the original historic charm. The building will be used as a residential apartment building.

**Parcel/Facility Address:** 3200 Tyler St.

**Applicant/Recipient:** Kurt Hines

**Applicant Contact:** 989-255-3493 [kurt@kurthines.com](mailto:kurt@kurthines.com)

**Post-Construction Employment Commitments**

If Developer Occupied is selected, the Developer will be responsible for both Developer and Tenant requirements listed below.

Developer Occupied  Tenant Occupied

**Total Employment:** 1

**Developer commits to**

- 1) Report to CRIO annually;
  - a. Developer's efforts regarding tenants
  - b. Tenant's compliance with commitments stated below (3)
  - c. Total number of employees at the facility
  - d. Number of employees at the facility who are Detroit residents
- 2) Provide Detroit at Work (DAW) information to any/all tenant(s) for life of abatement
- 3) Work with Commercial Tenant(s) to do the following;
  - a. **Post all Detroit job openings through the DAW website;**
  - b. **Report to Developer annually;**
    - i. Tenant's compliance with requirements
    - ii. The number of individuals employed by Tenant
    - iii. The number of employees who are Detroit residents

The Applicant/Recipient has provided the Civil Rights, Inclusion and Opportunity Department (CRIO) required information in accordance with specific current and future employment data and commitments as part of a tax abatement agreement with the City of Detroit.

Therefore my signature below grants **Approval** of the above tax abatement application/renewal based upon annual reports to and appraisals by this agency of the recipient's employment measures projected and achieved for the duration of the abatement.



COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 1240  
DETROIT, MICHIGAN 48226  
PHONE: 313.224.4950  
FAX: 313.224.3434

**Decision Regarding Employment Clearance for Tax Abatement  
Employment Commitment <5 Full-time Employees**

Tenika R. Griggs, Esq.

CRIO Deputy Director Name

DocuSigned by:

*Tenika R. Griggs, Esq.*

FF584CDB98E341A...

CRIO Deputy Director Signature

4/25/2023

Date