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September 5, 2023

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Applications for the rehabilitation of a building into a 2-unit condo located at 691 West Alexandrine in the Midtown Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received applications requesting a Neighborhood Enterprise Zone (NEZ) certificate for the rehabilitation of an existing building into 2 condominium units located at 691 West Alexandrine.

The property is located on the south side of W. Alexandrine east of 3rd Street in Midtown. Below are maps of the location and an image of the building.

The developer for the project is Red Shepard Investments LLC represented by Brad Rottschafer of Mosaic Custom Homes. Mosaic Homes and Properties is a construction and development company founded in 1993 based out of Grand Rapids and now also working in Detroit.

The subject request is for a 15-year abatement to create the 2 condo units. The developer expects renovation to include demo work, doors and windows, mechanical and electrical, etc. The developer is also building a new 3-story apartment in the front yard, which is not part of the NEZ request. A summary of the units is listed below:

Unit	Square Footage	# Bedrooms	Unit cost to renovate	Estimated sale price
1	1,833	1	\$230 per sq foot \$421,590	\$350 per sq foot \$641,550
2	891	1	\$230 per sq foot \$204,930	\$350 per sq foot \$311,850

Regarding parking, the developer indicates 2 parking spaces will be provided. The developer indicates the building will not be ADA accessible.

It appears the NEZ certificate applications have 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 NEZ certificates are dated August 31, 2021. Building permits were submitted dated November 30, 2021.

The subject property has been confirmed as being within the boundaries of the Midtown NEZ which was established by a vote of City Council in March 1999. CPC staff has reviewed the applications

and recommends approval. The City Clerk's office is submitting a resolution for Your consideration. Please contact our office should you have any questions.

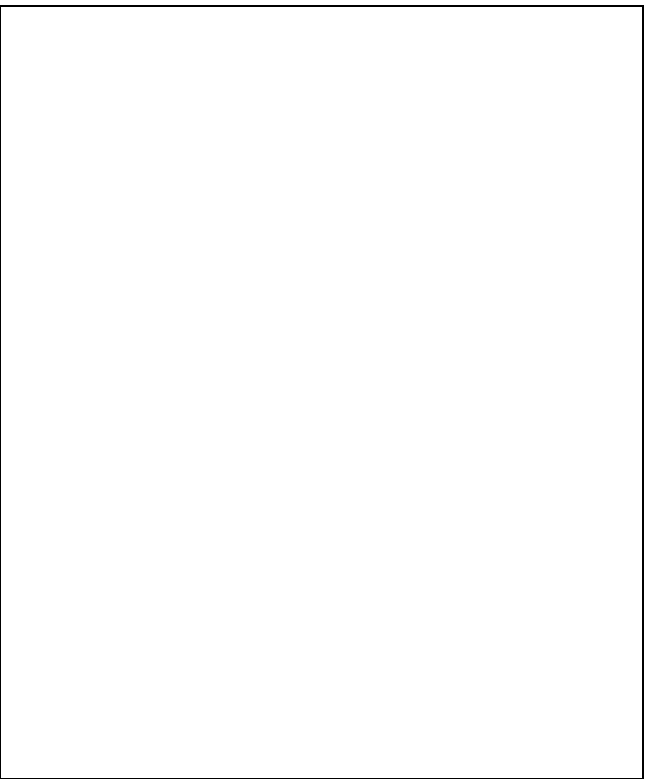
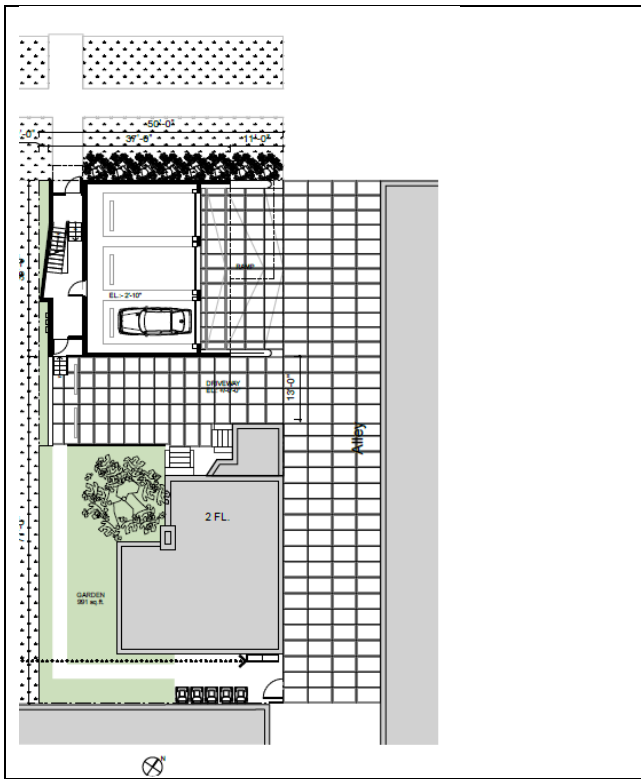
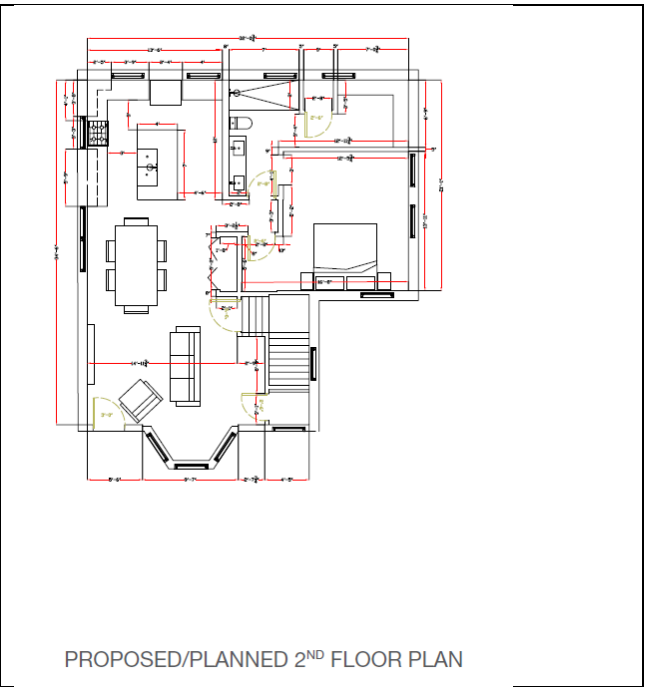
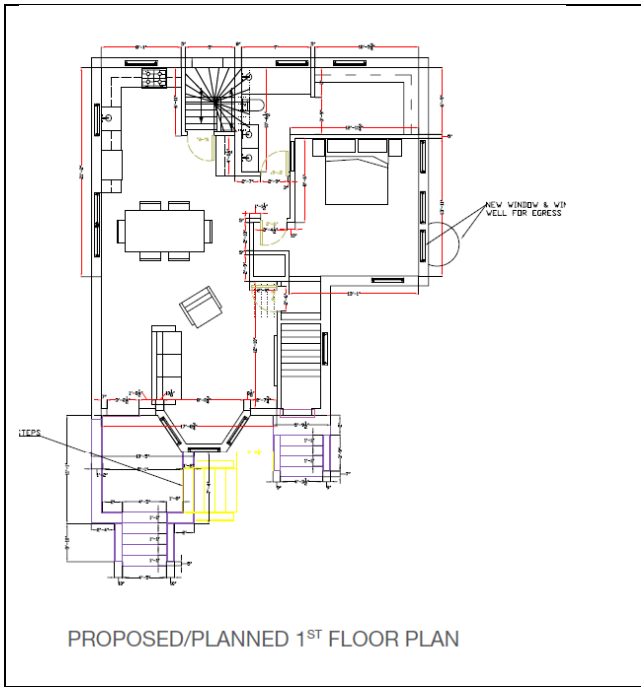
Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
Christopher J. Gulock, AICP, City 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 applications to the State Tax Commission, and, if applicable, the City Council concurs with the issuance of the certificates 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>
Midtown	691 W. Alexandrine, Unit 1	07-0265
Midtown	691 W. Alexandrine, Unit 2	07-0266