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Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Director, City Planning
Commission
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Director, Historic Designation
Advisory Board

John Alexander
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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 Kelsev 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: COUNCIL MEMBERS

FROM: David Whitaker, Director

Legislative Policy Division Staff

DATE: October 4, 2023

RE: Clairmount Redevelopment Brownfield Plan PA 381

The Brownfield Redevelopment Financing Act 381 of 1996, provides tax incentives (i.e., tax increment financing) to develop brownfield properties in an area at or on which there has been a release (or threat of release) or disposal of a hazardous substance.

Clairmount Apartments, LLC, is the project developer of the Clairmount Redevelopment Brownfield Redevelopment Brownfield Plan at 100 Clairmount. The Property is located at 100 Clairmount Avenue, containing approximately 0.217 acres of land and an existing vacant four-story vacant building, located on Clairmount east of the John C. Lodge Freeway and west of Woodward Avenue.

The developer plans to renovate the building to include all of the modern amenities of a first class building and is projected to house ground floor residential and amenities with residential units on the upper four floors. In addition to the requested brownfield, the building is also in an active Neighborhood Enterprise Zone. Historically, the property was known as the Clairwood Apartments and operated as residential building from 1910 until eighteen years ago in 2005 and has been vacant since.

The building is in extreme disrepair and will require a complete renovation in order to prepare the site for prospective tenants. The project will commence with selective interior demolition and lead/asbestos abatement. Once the demolition is complete, the residential floors will be framed to house approximately forty-two (42) residential units (studio, one, two, and three bedroom units) ranging in rents from approximately 50% to 80% AMI.²

1

¹ The subject property has been confirmed as being within the boundaries of the Kiefer Residential/Herman Kiefer NEZ which was established by a vote of Council on September 4, 2020 NOTICE OF PUBLIC HEARING (detroitmi.gov)

² **AMI**: Area Median Income

The developer is requesting a \$472,750 TIF,³ reimbursement, with the overall value of the plan estimated at \$1,212,507, which includes local brownfield costs.⁴ The estimated capital investment for this project is approximately \$8.9 million.

Basis of Eligibility

The Property is considered to be "eligible property" as defined by Act 381, Section 2, because it: (a) was previously utilized for an industrial, commercial or residential purpose; (b) is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) is determined to be "functionally obsolete" as defined by Act 381.

Tax increments are projected to be captured and applied to (i) reimbursement of eligible activity costs and payment of DBRA administrative and operating expenses, (ii) make deposits into the State Brownfield Redevelopment Fund, and (iii) make deposits into the DBRA's Local Brownfield Revolving Fund, as follows:

	<u>Reimbursement</u>	DBRA Admin			
Taxing Jurisdictions	Costs	Costs	SBRF Capture	LBRF Capture	Total Capture
School Operating Tax	\$178,025	\$0	\$0	\$152,207	\$330,232
State Education Tax	\$31,337	\$0	\$58,129	\$26,792	\$116,258
City General Op	\$124,209	\$104,061	\$0	\$132,969	\$361,239
Wayne County Op	\$34,924	\$29,259	\$0	\$37,387	\$101,570
HCMA	\$1,379	\$1,155	\$0	\$1,476	\$4,011
Wayne County Safety	\$6,235	\$5,223	\$0	\$6,674	\$18,132
Library	\$30,852	\$25,847	\$0	\$33,028	\$89,726
Wayne County Parks	\$1,627	\$1,363	\$0	\$1,742	\$4,732
WCCC	\$21,454	\$17,974	\$0	\$22,967	\$62,396
Wayne County	\$6,548	\$5,486	\$0	\$7,010	\$19,045
Wayne County ISD	\$36,160	\$30,295	\$0	\$38,711	\$105,165
TOTAL	\$472,750	\$220,664	\$58,129	\$460,964	\$1,212,507

The following taxes are projected to be generated <u>but shall not to be captured</u> during the life of the Plan:

City Debt	\$155,011
School Debt	\$251,893
DIA	\$3,848
Zoo	\$1,922
TOTAL	\$412,675

Description of the Eligible Property & Legal Description

Address		Parcel ID	Owner	
100	Clairmount	02001430 (Functionally Obsolete)	Clairmount	Apartments,
Avenue	e		LLC	

Eligible Activities

The eligible activities that the Developer intends to conduct at the property pursuant to this plan are considered "eligible activities," as defined by Section 2 of Act 381, because they include department specific activities, demolition, lead and asbestos abatement, infrastructure improvements, and the development, preparation and implementation of a brownfield plan and/or Act 381 work plan.

2

³ Tax Increment Financing (TIF) subsidizes an entity by diverting a portion of their taxes to help finance a development.

⁴ The duration of the TIF plan is 24 years.

Rationale for a Brownfield Plan

The Property is "functionally obsolete" because it has been vacant for nearly twenty (20) years. There are no usable utilities. The property is uninhabitable in its current condition.

The building is in extreme disrepair and will require an entire overhaul in order to ready the site for prospective tenants. The project will commence with selective interior demolition and lead/asbestos abatement.

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

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

Malik Washington, Mayor's Office

Kenyetta Bridges, DEGC Jennifer Kanalos, DEGC Brian Vosburg, DEGC Cora Capler, DEGC



Current view of 100 Clairmount⁵

_

⁵ Source: 100 Clairmount St, Detroit, MI 48202 - Property Record | LoopNet

ATTACHMENT E

Estimated Cost of Eligible Activities Table

$\underline{\textbf{ESTIMATED COST OF ELIGIBLE ACTIVITIES}}$

Description of Eligible Activities	Estimated Cost
EGLE Eligible Activities	
Department Specific Activities	\$10,000
Subtotal EGLE Eligible Activities	\$10,000
MSF Eligible Activities	
2. Demolition	\$325,000
Lead and Asbestos Abatement	\$25,000
4. Infrastructure Improvements	\$25,000
Subtotal MSF Eligible Activities	\$375,000
Subtotal Eligible Activities	\$385,000
5. Contingency (15%)	\$57,750
6. Brownfield/Work Plan Preparation and	
Development	\$30,000
Total Estimated Cost to Developer to be Funded	
Through TIF	\$472,750
7. State Brownfield Revolving Fund	\$58,129
DBRA Administrative Fees	\$189,923
9. Local Brownfield Revolving Fund	\$451,907
Total Potential Capture	\$1,172,709

Attachment B

TO:	THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY			
FROM:	DETROIT, BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT			
PROJECT:	100 Clairmount			
DATE:	9/12/2023			
Department ac been submitted developer, as p	ed, from the City of Detroit, Buildings, Safety Engineering, and Environmental knowledges the receipt of the environmental documents listed below, which have d by Partner Engineering and Science, Inc. on behalf of Century Partners, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment (RA), for the 100 Clairmount redevelopment project.			
	1 Phase I Environmental Site Assessment, pursuant to USEPA's. All Appropriate Inquiry using American Society of Testing Materials (ASTM) Standard E 1527-13			
	Phase II Environmental Site Assessment, pursuant to ASTM Standard 1903 (if appropriate)			
	Baseline Environmental Assessment, pursuant to Part 201 of Michigan 's Natural Resources and Environmental Protection Act, MCL 324.20101 <i>et seq.</i> (if appropriate).			
	Due Care Plan, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 <i>et seq.</i> (if appropriate).			
A Ground Penetrating Radar Report, 100 and 136 Clairmount Avenue, Detroit, Michigan, Applied EcoSystems, Inc., March 23, 2021(date error, 2022?) was also reviewed. Based upon its review of the above environmental documents and the representations of the developer, the City of Detroit, Buildings, Safety Engineering, and Environmental Department has determined that the documents received for this project satisfy the "Environmental Disclosure and Acknowledgement" section of the DBRA Guidelines.				
	City of Detroit, Buildings, Safety Engineering, and Environmental Department			

By: Anita Harrington
Its: Environmental Specialist III

INCENTIVE INFORMATION CHART

Project Type	Incentive Type	Investment Amount	District
Residential	Brownfield TIF and	\$8.9 million	5
	NEZ		

Jobs Available							
Construction				Post Construc	ction		
Professional	Non-	Skilled	Non-	Professional	Non-	Skilled	Non-
	Professional	Labor	Skilled		Professional	Labor	Skilled
			Labor				Labor
4	0	55	10	1	0	2	0

- 1. What is the plan for hiring Detroiters?
 - The Developer's contractor will work with local trades to help facilitate and ensure that local hiring practices are implemented.
- 2. Please give a detailed description of the jobs available as listed in the above chart, i.e.: job type, job qualifications, etc.
 - Available unskilled skilled jobs will include demolition, sanitation and cleaning, , maintenance work
 - Available skilled jobs will include HVAC installation, electrical installation, roof
 installation, plumbing installation, drywall installation, brick and concrete masonry repair
 and construction, painting, , metal work, framing, appliance, installation and delivery,
 asphalt installation and paving, carpentry
 - Available professional jobs will include security monitoring, maintenance management, property management, construction management, site supervision, architecture, legal, owners representative, furniture and fixture procurement

Construction trade contractors include carpenters, laborers, operators, roofers, plumbers, electricians, and landscapers. There will be approximately 25 construction positions during the duration of construction with additional indirect support positions.

- 3. Will this development cause any relocation that will create new Detroit residents?
 - Given the scope of the Project, it is anticipated that it will result in the creation of new Detroit residents.
- 4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?
 - The Project was discussed through the local CDC Central Detroit Christian CDC and the Virginia Park neighborhood association
- 5. When is the construction slated to begin?
 - Construction began in fall 2023 and is estimated to be completed 12-15 months thereafter.
- 6. What is the expected completion date of construction?
 - Construction of the overall Project is expected to be completed within approximately 12-15 months following construction commencement.



Coleman A. Young Municipal Center 2 Woodward Avenue, Suite 808 Detroit, Michigan 48226 Phone 313•224•1339 www.detroitmi.gov

August 29, 2023

Ms. Jennifer Kanalos Authorized Agent Detroit Brownfield Redevelopment Authority 500 Griswold, Suite 2200 Detroit, Michigan 48226

RE: 100 Clairmount Brownfield Redevelopment Plan

Dear Ms. Kanalos,

The Detroit Brownfield Redevelopment Authority (DBRA) has received the 100 Clairmount Brownfield Redevelopment Plan (the "Plan") for consideration.

Clairmount Apartments, LLC is the project developer ("Developer"). The property in the Plan consists of one (1) parcel at 100 Clairmount Avenue on the north side of the street between Woodward and Second Avenues, bounded by an alley to the north, the property boundary to the east, Clairmount Avenue to the south, and the property boundary to the west in the Piety Hill neighborhood of Detroit.

The project consists of the redevelopment of the existing approximately 26,000 square foot, vacant 4-story apartment building into forty-two (42) modern apartments with basement and ground floor residential amenity spaces. The project will also involve the rehabilitation of the striking brick and limestone exterior of the building.

The project will reactivate and preserve a highly visible and architecturally noteworthy vacant building just off Woodward Avenue in the Piety Hill neighborhood. Total investment is estimated at \$8.9 million.

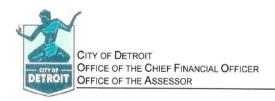
The review for this brownfield plan is complete and all comments have been forwarded to the developer. No adverse comments were received. The Planning and Development Department recommends approval of the brownfield plan as submitted.

Sincerely

Russell Baltimore Assistant Director Design

Planning and Development Department

c: B. Vosburg C. Capler



COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVE., SUITE 824

DETROIT, MI 48226 PHONE: 313•224•3011 FAX: 313•224•9400

August 22, 2023

Mr. Brian Vosburg Director of Brownfield Redevelopment City of Detroit Brownfield Redevelopment Authority 500 Griswold Street, 22nd Floor Detroit, Michigan 48226

RE:

100 Clairmount, Detroit, Michigan

Dear Mr. Vosburg:

The Office of the Chief Financial Officer – Office of the Assessor has reviewed the proposed project for the property located at 100 Clairmount, Detroit, Michigan (the "Property") in anticipation of the Property being included in a brownfield plan.

The Brownfield Redevelopment Financing Act ("Act 381") requires that a level III or IV assessor make a finding that the Property is "functionally obsolete", as defined by Act 381, and provide the underlying basis for that opinion.

Section 2(s) of Act 381 defines "functionally obsolete" as property that is "unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or superadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property." MCL 125.2652(s).

The Assessors Manual defines functional obsolescence as "a loss in value occurring in a structure caused by changes in design, overcapacity, or inadequacy." Michigan Assessors Manual, Vol. I Glossary, p. 239.

The Property was originally intended for multi-family residential use, and without substantial updates and renovations, the Property is not able to meet market demand to return to its intended use for several reasons, including, but not limited to: lack of modern electrical, plumbing, mechanical and fiber optic systems, poor condition of the floors, ceilings, roof, and walls, lack of fire protection systems, lack of energy efficiency in antiquated materials and equipment, and obsolete building materials through the presence of lead and asbestos.

The Office of the Chief Financial Officer, Office of the Assessor, finds the Property to be functionally obsolete within the definition of the Assessors Manual and the Brownfield Redevelopment Financing Act.

Sincerely

Charles Ericson, MMAO (IV) Assessor, Board of Assessors

Attachment B

THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

TO:

FROM:	DETROIT, BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT
PROJECT:	100 Clairmount
DATE:	9/12/2023
Department a been submitte developer, as	ned, from the City of Detroit, Buildings, Safety Engineering, and Environmental cknowledges the receipt of the environmental documents listed below, which have d by Partner Engineering and Science, Inc. on behalf of Century Partners, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment BRA), for the 100 Clairmount redevelopment project.
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	City of Detroit, Buildings, Safety Engineering, and Environmental Departmen

By: Anita Harrington
Its: Environmental Specialist III



DETROIT CITY COUNCIL – DISTRICT 5 OFFICE OF THE PRESIDENT MARY SHEFFIELD



August 29, 2023



Re: Letter of Community Support of The Claire

I am writing to express my enthusiastic support for the 42-unit multifamily renovation project located at 100 Clairmount Street in Detroit, Michigan. As a member of this vibrant community, I believe that this project represents a significant step towards addressing crucial housing needs while simultaneously uplifting the quality of life for our residents.

Detroit has long been a city of resilience and innovation, and this multifamily renovation project is a testament to our commitment to rejuvenating our neighborhoods and fostering sustainable growth. The provision of desperately needed affordable housing is a fundamental cornerstone of a thriving community. With the scarcity of affordable housing options, many of our fellow residents have faced significant challenges in finding quality safe places to live. This project not only addresses this issue head-on but also paves the way for economic stability and improved living conditions for a diverse range of individuals and families.

Moreover, the incorporation of modern amenities and energy-efficient design into the renovation project is commendable. It not only ensures that our community members have access to updated facilities that enhance their daily lives but also reflects a thoughtful consideration for the environmental impact of the development. Energy-efficient design not only reduces utility costs for residents but also contributes to a greener and more sustainable future for Detroit.

I am impressed by the dedication of the team behind this project, as well as the collaborative efforts of all involved stakeholders. The transparent and inclusive approach taken throughout the planning process has been greatly appreciated by the community. It's heartening to see our concerns and suggestions being considered, fostering a sense of ownership and partnership.

I firmly believe that projects like these are essential for the holistic growth of our neighborhoods. This multifamily renovation project aligns perfectly with our community's values and aspirations for a brighter future.

Sincerely,

Mary Sheffield

2 Woodward Ave., Suite 1340 Detroit, MI 48226 Phone 313.224.4505 Fax 313.224.0367 councilmembersheffield@detroitmi.gov



January 4, 2022

Mr. David Alade, Founding Partner Century Partners Detroit, MI 48206

Dear Century Partners,

This letter provides Central Detroit Christian CDC's support for The 100 Clairmount Project in the Piety Hill community. We are excited that Century Partners is interested in turning this vacant eyesore of a property into livable housing for our community. It is a daunting task, but when complete it will be a jewel that the community will come to admire and appreciate.

Your track record, Century Partners, is outstanding. And while you have focused primarily on single family housing (and have made an incredible difference on Atkinson street), I am confident that you can tackle this multi-family building successfully.

The removal of blight through property renovation is the best way to stabilize a community and you guys get that and have proven that time after time. Congratulations on all of your recent accolades that recognize the impact you have made in the Detroit real estate market. You have impacted hundreds of Detroiters with quality housing and stabilization of communities on the brink of turning to the point of no return.

We support the efforts of the 100 Clairmount Project to develop housing. I believe the community will share in my excitement as well since Clairmount is an entry point into the community. We expect this project to make a very positive impact on our community

Sincerely,

Lisa Johanon Founder

Housing Director



David Alade, Founding Partner Century Partners 1420 Washington Blvd, Suite 480 Detroit, MI 48226

Subject: Letter of Community Support for The Claire

Mark B. Erwin Executive Director mark.erwin@ruthelliscenter.org To Whom it May Concern,

I hope this letter finds you well. I am writing to express my enthusiastic support for the 42-unit multifamily renovation project in the neighborhoods of Detroit, Michigan located at 100 Clairmount Street. As a member of this vibrant community, I believe that this project represents a significant step towards addressing crucial housing needs while simultaneously uplifting the quality of life for our residents.

Detroit has long been a city of resilience and innovation, and this multifamily renovation project is a testament to our commitment to rejuvenating our neighborhoods and fostering sustainable growth. The provision of desperately needed affordable housing is a fundamental cornerstone of a thriving community. With the scarcity of affordable housing options, many of our fellow residents have faced significant challenges in finding safe and comfortable places to live. This project not only addresses this issue head-on but also paves the way for economic stability and improved living conditions for a diverse range of individuals and families.

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I am impressed by the dedication of the team behind this project, as well as the collaborative efforts of all involved stakeholders. The transparent and inclusive approach taken throughout the planning process has been greatly appreciated by the community. It's heartening to see our concerns and suggestions being considered, fostering a sense of ownership and partnership.

I firmly believe that projects like these are essential for the holistic growth of our neighborhoods. This multifamily renovation project aligns perfectly with our community's values and aspirations for a brighter future.

Thank you for your commitment to this project and for your unwavering dedication to the betterment of our community. Please feel free to reach out if there is any way I can further contribute or support this important endeavor.

Sincerely,

Mark B. Erwin
Executive Director

313-252-1950 (Main Office)

95 Victor Street Highland Park, MI 48203

Board of Directors

Sharron Fincher, Chair Corinne Rockoff, Co-Chair Dan Hagerman, Treasurer Barb Biess, Secretary

Jawad Bandar Sophia Chue James Coleman Michael Einheuser Matthew Guinta Gregory Hawkins Adam Hollier Frank Hope Jay Long Marc Vanderburg Josh Wilburn John Zervos







David Alade – Founding Partner Century Partners 1420 Washington Blvd, Suite 480 Detroit, MI 48226

Greetings,

It is with great pleasure that I write this letter of support for your project at 100 Clairmount. This development will enhance the neighborhood and surrounding community while also improving the quality of life for residents. Having witnessed your strategic, inclusive efforts in past projects, I look forward to seeing this 40-unit apartment building completed and occupied with residents from all backgrounds. As a community leader and resident, I am eager to see this project's contribution to the transformation and revitalization of our great city.

Kind Regards,

George Adams, Jr. Founder & President

Revitalize - Empower - Improve

360 DETROIT, INC.

P.O. Box 02283, Detroit, MI 48202

(313) 466-4360

info@360detroitinc.org

360detroitinc.org



Office: 80 Clairmount Ave., Detroit, MI 48202 www.livecoal.org | 313.900-8392 livecoal.org@gmail.com

August 29, 2023

Subject: Letter of Community Support for The Claire

To Whom It May Concern:

I hope this letter finds you well. I am writing to express my enthusiastic support for the 42 unit multifamily renovation project in the neighborhoods of Detroit, Michigan located at 100 Clairmount Street. As a member of this vibrant community, I believe that this project represents a significant step towards addressing crucial housing needs while simultaneously uplifting the quality of life for our residents.

I am the Founder and Executive Director of Live Coal – a non-profit organization transforming lives and neighborhoods through art, community development, and education. As an active member of my community and as someone who cares about equitable housing for Detroiters, I look forward to seeing Century Partners' development of The Claire! Our office and community space are located only two doors from the future home of The Claire so this development directly impacts us. Live Coal has already been invited by Century Partners to brainstorm and share ideas regarding a creative solution to preserving some of the public works of art on the block featuring one of Detroit's amazing artists. This tells me that they care about those who have been here as well as those who will come. I appreciate their desire to involve others in envisioning a more beautiful and sustainable neighborhood.

If you have any questions, do not hesitate to contact me.

Sincerely,

Yvette Rock

Founder & Executive Director