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January 31, 2024

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Applications for the rehabilitation of a building at 2150 Bagley Avenue into 14 rental apartments within the 2150 Bagley Neighborhood Enterprise Zone (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received two applications requesting Neighborhood Enterprise Zone (NEZ) certificates for the rehabilitation of a building at 2150 Bagley with a total of 14 rental units.

The property is located at the northeast corner of Bagley Avenue and 14th Street, just southeast of the train station as shown on the map below. The site is presently developed with a vacant 2-story former commercial building.

The petitioner is 2150 Bagley LLC. The developers are Tarun Kajeepeta, Tanner Waterstreet and Don Tappan. The team owns multi-family real estate in the City and operates Shelby (a cocktail bar) and Coffee Down Under (coffee shop) both downtown.

The developer is proposing to rehab the buildings, spending about \$220,000 per unit. Attached is a table from the developer. In summary, the project would include the following 14 unit types:

- 4 studios
- 5 one-bedroom units
- 5 two-bedroom units

The developer indicates the total project cost is \$8.25 million with the following breakdown:

- The average of the affordable units is \$1350.
- 3 of the units (two 1-bedroom and one studio) would be at 80% of AMI.
- The average for the market rate, 1-bedroom and studio units is \$1869.
- The average for the market rate, 2-bedroom units is \$2866.

The applicant indicates it has not applied yet for a building permit, but intends to apply in the near future. Regarding parking, the developer indicates 38 spaces would be coordinated with the new large parking garage across the street – the Corktown Mobility Hub.

Regarding handicap accessibility, the developer indicates the first floor has a full ADA Type B 1 bedroom unit.

The subject property has been confirmed as being within the boundaries of the 2150 Bagley NEZ which was established by a vote of City Council in April 2023. CPC staff has reviewed the applications 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

Unit Overview Provided by the Developer

<GROSS AREA SCHEDULE - GROUPED BY TYPE>				
A	B	C	D	E
LEVEL	TYPE	NAME	UNIT #	AREA
LEVEL 01	COMMERCIAL	COMMERCIAL TE	-	9,542 SF
LEVEL 01	COMMERCIAL	UTILITY	-	272 SF
2				9,814 SF
LEVEL 02	RESI NORTH	1 BED	1N	747 SF
LEVEL 02	RESI NORTH	1 BED	2N	1,051 SF
LEVEL 02	RESI NORTH	2 BED	3N	973 SF
LEVEL 02	RESI NORTH	STUDIO	4N	609 SF
LEVEL 02	RESI NORTH	STUDIO	5N	565 SF
LEVEL 02	RESI NORTH	STUDIO	6N	581 SF
LEVEL 02	RESI NORTH	1 BED	7N	580 SF
LEVEL 02	RESI NORTH	1 BED	8N	718 SF
8				5,825 SF
LEVEL 01	RESI SHARED	TRASH ROOM	-	183 SF
LEVEL 01	RESI SHARED	LOBBY	-	338 SF
LEVEL 02	RESI SHARED	CIRCULATION	-	630 SF
3				1,150 SF
LEVEL 01	RESI SOUTH	1 BED (ADA)	1S	537 SF
LEVEL 02	RESI SOUTH	2 BED	2S	1,023 SF
LEVEL 02	RESI SOUTH	2 BED	3S	1,162 SF
LEVEL 02	RESI SOUTH	STUDIO	4S	581 SF
LEVEL 02	RESI SOUTH	2 BED	5S	1,035 SF
LEVEL 02	RESI SOUTH	2 BED	6S	1,021 SF
6				5,358 SF
				22,147 SF

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 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 Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
2150 Bagley	2150 Bagley (8 units – 1N, 2N, 3N, 4N, 5N, 6N, 7N, and 8N)	07-1005
2150 Bagley	2150 Bagley (6 units – 1S, 2S, 3S, 4S, 5S, and 6S)	07-1006