


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  
LaKisha Barclift, Esq.  
Paige Blessman  
M. Rory Bolger, Ph.D., FAICP  
Lisa DiChiera  
Eric Fazzini, AICP  
Willene Green  
Christopher Gulock, AICP  
Marcel Hurt, Esq.

**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

Kimani Jeffrey  
Anthony W. L. Johnson  
Phillip Keller, Esq.  
Edward King  
Kelsey Maas  
Jamie Murphy  
Latawn Oden  
Dolores Perales  
Analine Powers, Ph.D.  
W. Akilah Redmond  
Rebecca Savage  
Sabrina Shockley  
Renee Short  
Floyd Stanley  
Thomas Stephens, Esq.  
Timarie Szwed  
Theresa Thomas  
Ian Tomashik  
Ashley A. Wilson

TO: The Honorable Detroit City Council

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: September 4, 2024

**RE: Obsolete Property Rehabilitation Certificate by  
EBE Bethune, LLC – 210 Bethune Street**

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.

EBE Bethune, LLC is the project developer of the property located at 210 Bethune Street, which is located within Detroit's Milwaukee Junction Neighborhood, bounded by East Bethune Streets to the north, John R Street to the east, Custer Avenue to the south and the property line to the west. The subject property consists of a 9,067 square foot two-story building and an 1,150 square foot building. The larger structure previously housed the Detroit Police Department's mounted police station and smaller building was utilized for storage and horseshoeing until the division was disbanded in 2005. Both buildings have remained vacant since the closure.

The developer plans to rehabilitate the main building into office space for Kode Labs as part of the first phase of Development. The east building will be rehabilitated during the second phase into commercial retail space or coffee shop/small cafe' that will be available for lease. Phase I additionally includes the conversion of the overgrown area on the eastern portion of the parcel into an outdoor event space, native pollinator garden beds, street trees, decorative concrete and pavers, and sidewalk improvements that will integrate into the surrounding landscape. The event space will be open to the public when not in use by Kode Labs.

The buildings will require extensive repairs, major renovations and improvements due to the significant deferred maintenance and lack of functionality due to previous use. The developers plan to preserve the historic nature of the property during the replacement of the outside exterior in addition to updating electrical, plumbing and mechanical/HVAC.

**Impacted Taxing Units: Incentive Summary Over the First 12 Years (with Library Breakout)**

Jurisdiction	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Brownfield Tax Capture	Net Benefits After Tax Abatements & Incentives
City of Detroit	\$401,242	(\$135,355)	(\$107,698)	\$0	\$0	\$158,189
Library	\$17,226	\$0	(\$17,226)	\$0	\$0	\$0
Wayne County	\$37,007	(\$6,076)	(\$29,684)	\$0	\$0	\$1,247
Detroit Public Schools	\$155,775	(\$42,095)	(\$48,359)	\$0	(\$63,409)	\$1,913
State Education	\$22,319	\$0	\$0	\$0	(\$22,319)	\$0
Wayne RESA	\$20,190	\$0	(\$20,190)	\$0	\$0	\$0
Wayne County Comm. College	\$11,979	\$0	(\$11,979)	\$0	\$0	\$0
Wayne County Zoo	\$369	\$0	(\$369)	\$0	\$0	\$0
Detroit Institute of Arts	\$739	\$0	(\$739)	\$0	\$0	\$0
<b>Total</b>	<b>\$666,846</b>	<b>(\$183,526)</b>	<b>(\$236,243)</b>	<b>\$0</b>	<b>(\$85,728)</b>	<b>\$161,350</b>

Table 9. City of Detroit: Benefits, Costs, and Net Benefits Over the Next 12 Years

	Amount
Real Property Taxes, before abatement	\$124,924
Personal Property Taxes, before abatement	\$0
New Residential Property Taxes	\$0
Municipal Income Taxes - Direct Workers	\$52,146
Municipal Income Taxes - Indirect Workers	\$23,781
Municipal Income Taxes - Corporate Income	\$40,236
Municipal Income Taxes - Construction Period	\$22,774
Utility Revenue	\$88,453
Utility Users' Excise Taxes	\$5,377
State Revenue Sharing - Sales Tax	\$233
Building Permits and Fees	\$21,300
Miscellaneous Taxes & User Fees	\$39,244
<b>Subtotal Benefits</b>	<b>\$418,468</b>
Cost of Providing Municipal Services	(\$46,902)
Cost of Providing Utility Services	(\$88,453)
<b>Subtotal Costs</b>	<b>(\$135,355)</b>
Net Benefits	\$283,114
<i>Present Value (5% discount rate)</i>	<i>\$216,515</i>

**DEGC Property Tax Abatement Evaluation**

**210 E. Bethune**

Developer: EBE Bethune LLC

Principals: Edi Demaj, Erritt Demaj

<b>Description of Incentive:</b> PA 146 OPRA provides property tax exemption for the rehabilitation of obsolete commercial and commercial housing properties. Existing property taxes are frozen at the ad valorem rate and property taxes on building improvements may be exempt for a 1-12 year period.	
<b>Request Type</b>	<b>PA 146 OPRA Certificate</b>
<b>DEGC Recommendation</b>	<b>12-Year Approval</b>
<b>Location</b>	
Address	210 East Bethune
City Council District	District 5
Neighborhood	North End
Located in HRD/SNF Targeted Area	N/A
<b>Building Use</b>	
<b>Total Square Footage (SF)</b>	
Residential SF	N/A
Commercial SF	9,067
Retail SF	N/A
Industrial SF	N/A
<b>Total Residential Units</b>	
Studios	N/A
1-Bed	N/A
2-Bed	N/A
3-Bed	N/A
<b>Project Description</b>	
<p>210 E. Bethune is a proposed rehabilitation of the current structure to create office space for Kode Labs, which is a Real Estate technology company. The building will be redeveloped to create a 6,430 sq. ft. office space on the main floor and 2,637 sq. ft. of space on the second floor and basement for storage space. In addition, the eastern parcel that is adjacent to the structure will be converted into an outdoor green space that may be used for events. This green space will feature pollinator garden beds, street trees, decorative concrete pavers and sidewalk improvements that will integrate the surrounding landscape. The outdoor event space will be open to the public when not in use by Kode Labs.</p>	
<b>Sources and Uses of Capital Summary</b>	
Total Investment	<b>\$3,152,558</b>
Sources	Senior Lender - \$2,000,000 (63%); Cash Equity Owner - 1,152,558 (37%)
Uses	Acquisition - \$350,000 (11%); Hard Construction - \$2,601,558 (83%); Soft Costs - \$201,000 (6%)
<b>Project Economic Benefits Summary</b>	
Estimated Jobs (FTE/Construction)	4 Tenant FTE   20 Construction
Estimated City benefits before tax abatement	<b>\$418,468</b>
Total estimated City value of abatement	<b>\$124,924</b>
Less cost of services & utility deductions	<b>\$135,355</b>
Net Benefit to City with abatement	<b>\$158,189</b>

## CONCLUSION

The estimated capital investment for this project is **3,152,558** for Phase I. The sources of funds for the project is through owner equity, permanent financing and **\$753,753** in brownfield tax increment financing. The total value of the 12-year OPRA tax savings is estimated at **\$246,243**

Based on the investments and jobs, this project is estimated to provide the City of Detroit a net benefit of **\$158,189** and all of the impacted taxing units, a net benefit of **\$161,350** over the 12 years of the OPRA tax abatement.

There will be approximately 48 temporary construction jobs needed during the 12-month construction period. On a long-term basis, Kode Labs will relocate approximately 15 jobs to the City of Detroit and create 5 new jobs in the first year. They anticipate creating an additional 15 jobs as the company grows.

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>1</sup>

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

**Attachments: Assessor's Letter, dated April 27, 2023**  
**CRIO<sup>2</sup> Employment Clearance, dated May 5, 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  
Derrick Headd, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC

---

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

<sup>2</sup> Department of Civil Rights, Inclusion & Opportunity (CRIO)



**Current Site Condition**



**Rendering**





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 23, 2023

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

Re: **Obsolete Property Rehabilitation Certificate – EBE Bethune LLC**  
Addresses: 210 E. Bethune  
Parcel Number: 01002114-5

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation Certificate for the property located at **210 E. Bethune** located in the **Milwaukee Junction** 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 2023 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
01002114-5	210 E. Bethune	\$47,100	\$41,262	\$264,900	\$232,069

The project as proposed by **EBE Bethune LLC** consists of 2-2 story buildings formerly used as the Detroit PD mounted unit station. The buildings, 9,067 & 1,150 square feet respectively, were built in 1897, including a 1966 addition. As described by the developer in its application, the buildings will undergo major renovations including layout reconfiguration to transform the buildings into office and commercial retail space. The rehabilitation will include plumbing, electrical, and HVAC systems replacement, masonry restoration, new windows and doors, new roofing, new carpentry work, and installation of a new fire suppression system.

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.



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  
EBE Bethune LLC  
Page 2

A review of the project plan and related statutes indicated that the proposed Obsolete Property Rehabilitation Certificate for the property located at **EBE Bethune LLC** 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











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**

upon annual reports to and appraisals by this agency of the recipient's employment measures projected and achieved for the duration of the abatement.

Tenika R. Griggs, Esq.

CRIO Deputy Director Name

DocuSign Envelope ID: CA2D4A10-2D9C-47D7-B153-72C71377507D  
*Tenika R. Griggs, Esq.*

CRIO Deputy Director Signature

9/5/2023

Date