


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  
Victory Corley  
Lisa DiChiera  
Eric Fazzini, AICP  
Willene Green  
Christopher Gulock, AICP  
Marcel Hurt, Esq.  
Sandra Jeffers

**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  
Dolores Perales  
Analine Powers, Ph.D.  
W. Akilah Redmond  
Rebecca Savage  
Sabrina Shockley  
Renee Short  
Floyd Stanley  
Thomas Stephens, Esq.  
Timarie Szwed  
Theresa Thomas  
Janice Tillmon  
Ian Tomashik  
Emberly Vick  
Ashley A. Wilson

**TO:** COUNCIL MEMBERS  
**FROM:** David Whitaker, Director   
Legislative Policy Division Staff  
**DATE:** January 9, 2025  
**RE:** Establishment of a Commercial Rehabilitation District under PA 210 OF 2005 as requested by 20201 Development LLC

The Commercial Rehabilitation Act, PA 210 of 2005, is a tax incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial business or a multi-family residential facility. The property must be located within an established Commercial Rehabilitation District. Exemptions are approved for a term of 1-10 years, as determined by the local unit of government. The property taxes are based upon the prior year's taxable value.

**20201 Development, LLC**, which is a partnership between Brown Schroader & Company and BmK Design+Planning, LLC, is the project developer for the property located at 20201 Livernois<sup>1</sup> in the Avenue of Fashion District. The site is comprised of 1 parcel with a total of 0.583 acres of land. The 17,820 sq ft one-story building currently on the site will be demolished to build a new 46,741 three-story mixed-use building that will include a restaurant and commercial spaces on the first floor and 50 residential units on the second and third floors.

The current building does not support the proposed plans for the site nor is there a market demand for the original use due to deficiencies in design and lack of modern systems. The redevelopment of the site will include the installation of new systems including, elevator, HVAC, plumbing, electrical, fire suppression systems. The residential units will include 12 studio units, 34 one-bedroom units and 4 two-bedroom units of various sizes and layouts. Eleven of the units will be affordable units for households within income between 60-80% AMI. Additionally, 12,563 square feet of the site will be developed into partially covered secured parking for 63 vehicles.

<sup>1</sup> The former location of Fred's Furniture and Liquidation which ceased operations in 2023.



## DEGC Property Tax Abatement Evaluation

**Property Address: 20201 Livernois**  
**Developer: 20201 Development LLC**

<b>Incentive:</b>	<b>PA 210 CRA</b>	<b>PA 147 NEZ</b>	
<b>DEGC Abatement Term Recommendation</b>	<b>District Approval</b>	<b>District Approval</b>	
<b>Location</b>			
Address	20201 Livernois		
City Council District	District 2		
Neighborhood	Garden Homes		
Located in HRD/SNF Targeted Area	SNF – Livernois/McNichols		
<b>Building Use</b>			
<b>Total Square Footage (SF)</b>	<b>46,741</b>		
Residential SF	36,237		
Commercial SF	N/A		
Retail SF	7,120		
Industrial SF	N/A		
<b>Total Residential Units</b>	<b>50 Units (11 Affordable @ 60%-80% AMI)</b>		
Studios	12 Units; 6 Affordable; 445 Avg SF; \$1,115-\$1,370/Mo.		
1-Bed	34 Units; 3 Affordable; 620 Avg SF; \$836-\$2,050/Mo.		
2-Bed	4 Units; 2 Affordable; 995 Avg SF; \$1,201-\$2,400/Mo.		
3-Bed	N/A		
<b>Project Description</b>			
<p>20201 Livernois, previously home to Fred’s Furniture and Liquidation, is a vacant building that will be demolished for a new, ground-up mixed-use development project. This project will consist of three floors with ground level retail and two floors of residential containing a total of 50 units. Units will be a mix of studios, 1-bed and 2-bed units with 11 available as affordable to residents earning 60%-80% AMI.</p>			
<b>Sources and Uses of Capital Summary</b>			
Total Investment	<b>\$14.2 Million</b>		
Sources	<b>Debt: \$10.81M (76.05%); Grants: \$1.5M (10.55%) Owner Equity: \$1.78M (12.54%); Deferred Fees: \$121K (0.86%)</b>		
Uses	<b>Acquisition: \$975K (6.85%); Hard Costs: \$11.4M (79.81%); Soft Costs: \$1.9M (13.33%)</b>		
<b>Project Economic Benefits Summary</b>	<b>PA 210 CRA</b>	<b>PA 147 NEZ</b>	<b>Total</b>
Estimated Jobs (FTE/Construction)	26 Tenant FTE / 46 Construction		
Estimated City benefits before tax abatement	\$570,375	\$1,912,872	\$2,483,247
Total estimated City value of PA 210 + NEZ	<b>\$80,556</b>	<b>\$367,002</b>	<b>\$447,558</b>
Less cost of services & utility deductions	<b>\$216,898</b>	<b>\$581,059</b>	<b>\$797,957</b>
Net Benefit to City with PA 210 + NEZ	<b>\$272,921</b>	<b>\$964,811</b>	<b>\$1,237,732</b>

## 20201 Livernois PA 210 CRA Impact Analysis Summary

### City of Detroit: Incentive Summary Over the First 10 Years

Year	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Enter Incentive Description*	Net Benefits After Tax Abatements & Incentives	Present Value of NB After Tax Abatement & Incentives
1	\$66,561	(\$13,272)	(\$7,357)	\$0	\$0	\$45,932	\$45,932
2	\$51,649	(\$20,875)	(\$7,504)	\$0	\$0	\$23,270	\$22,162
3	\$52,682	(\$21,292)	(\$7,654)	\$0	\$0	\$23,735	\$21,529
4	\$53,735	(\$21,718)	(\$7,807)	\$0	\$0	\$24,210	\$20,914
5	\$54,810	(\$22,153)	(\$7,963)	\$0	\$0	\$24,694	\$20,316
6	\$55,906	(\$22,596)	(\$8,123)	\$0	\$0	\$25,188	\$19,736
7	\$57,024	(\$23,047)	(\$8,285)	\$0	\$0	\$25,692	\$19,172
8	\$58,165	(\$23,508)	(\$8,451)	\$0	\$0	\$26,206	\$18,624
9	\$59,328	(\$23,979)	(\$8,620)	\$0	\$0	\$26,730	\$18,092
10	\$60,515	(\$24,458)	(\$8,792)	\$0	\$0	\$27,264	\$17,575
11	\$0	\$0	\$0	\$0	\$0	\$0	\$0
12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$570,375	(\$216,898)	(\$80,556)	\$0	\$0	\$272,921	\$224,049

Total Incentive	\$80,556
Rate of Return	43.9%
Payback period (years)	1.9

Project Summary		
Total Capital Investment		\$1,850,119
<u>Job Creation</u>	Direct	26.0
	Indirect& Induced	3.9
	Total Jobs	29.9
<u>Average Salaries</u>	Direct	\$36,000
	Indirect& Induced	\$55,368
	Total Salaries	\$38,526

#### Source of Additional Benefits Before Tax Abatements Over the Next 10 Years

Real Property Taxes, before abatement	\$80,556	14.1%
Personal Property Taxes, before abatement	\$0	0.0%
New Residential Property Taxes	\$0	0.0%
Municipal Income Taxes - Direct Workers	\$138,841	24.3%
Municipal Income Taxes - Indirect Workers	\$27,103	4.8%
Municipal Income Taxes - Corporate Income	\$41,204	7.2%
Municipal Income Taxes - Construction Period	\$7,449	1.3%
Municipal Income Taxes - New Res. Inhabitants	\$0	0.0%
Utility Revenue	\$39,190	6.9%
Utility Users' Excise Taxes	\$6,472	1.1%
State Revenue Sharing - Sales Tax	\$1,180	0.2%
Building Permits and Fees	\$24,385	4.3%
Miscellaneous Taxes & User Fees	\$203,996	35.8%
<b>Subtotal Benefits</b>	<b>\$570,375</b>	<b>100.0%</b>

#### Source of Additional Costs Over the Next 10 Years

Cost of Providing Municipal Services	(\$177,708)	81.9%
Cost of Providing Utility Services	(\$39,190)	18.1%
<b>Subtotal Costs</b>	<b>(\$216,898)</b>	<b>100.0%</b>

#### Source of Net Benefits after Tax Abatements and Incentives Over the Next 10 Years

Real Property Taxes	\$0
Personal Property Taxes	\$0
New Residential Property Taxes	\$0
Municipal Income Taxes	\$214,597
Net Utility Revenue	\$0
Utility Users' Excise Taxes	\$6,472
State Revenue Sharing - Sales Tax	\$1,180
Building Permits and Fees	\$24,385
Miscellaneous Taxes & User Fees	\$203,996
Cost of Providing Municipal Services	(\$177,708)
<b>Total Net Benefits</b>	<b>\$272,921</b>

**Impacted Taxing Units: Incentive Summary Over the First 10 Years**

Jurisdiction	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Utility User's Tax & Corporation Tax Exemption	Net Benefits After Tax Abatements & Incentives
City of Detroit	\$570,375	(\$216,898)	(\$80,556)	\$0	\$0	\$272,921
Wayne County	\$80,427	(\$33,270)	(\$20,397)	\$0	\$0	\$26,760
Detroit Public Schools	\$189,090	(\$98,070)	(\$33,341)	\$0	\$0	\$57,679
State Education	\$15,388	\$0	\$0	\$0	\$0	\$15,388
Wayne RESA	\$13,873	\$0	(\$13,873)	\$0	\$0	\$0
Wayne County Comm. College	\$8,218	\$0	(\$8,218)	\$0	\$0	\$0
Wayne County Zoo	\$253	\$0	(\$253)	\$0	\$0	\$0
Detroit Institute of Arts	\$508	\$0	(\$508)	\$0	\$0	\$0
<b>Total</b>	<b>\$878,132</b>	<b>(\$348,239)</b>	<b>(\$157,145)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$372,748</b>

**20201 Livernois - PA 210 CRA**

	Existing Taxes	New Taxes <u>With</u> Incentive(s)	New Taxes <u>Without</u> Incentive(s)
City of Detroit	\$1,284	\$1,288	\$7,694
Library	\$220	\$221	\$1,319
Wayne County	\$381	\$382	\$2,282
Detroit Public Schools	\$1,485	\$5,790	\$8,895
State Education	\$287	\$1,722	\$1,722
Wayne RESA	\$259	\$260	\$1,552
Wayne County Comm. College	\$153	\$154	\$919
Wayne County Zoo	\$5	\$5	\$28
Detroit Institute of Arts	\$9	\$10	\$57
<b>Total</b>	<b>\$4,085</b>	<b>\$9,830</b>	<b>\$24,469</b>

The estimated total capital investment for this project is **\$14.2 million**. The sources of funds for the project are through owner equity, grant funding, deferred fees, and permanent financing. The project estimated to create 26 tenant jobs and 46 temporary construction jobs.<sup>2</sup> The total value of the 10-year Commercial Rehabilitation tax savings is estimated at **\$157,145**.

This project is estimated to provide the City of Detroit with a net benefit of **\$272,921** and a total net benefit of **\$372,748** for all impacted taxing units combined over the 10 years of the Commercial Rehabilitation tax abatement.

However, if the developer does not proceed in good faith to complete the project, pursuant to the Act, the City Council may revoke the certificate: *“The legislative body of the qualified local governmental unit may, by resolution, revoke the commercial rehabilitation exemption certificate of a facility if it finds that the completion of rehabilitation of the qualified facility has not occurred within the time authorized by the*

<sup>2</sup> Twenty-five tenant jobs will be maintained.

*legislative body in the exemption certificate, or a duly authorized extension of that time, or that the holder of the commercial rehabilitation exemption certificate has not proceeded in good faith with the operation of the qualified 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>3</sup>*

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

**Attachment:** August 19, 2024 - Letter from Finance Assessors

cc: Auditor General’s Office  
Alexa Bush, Planning and Development Department  
Julie Schneider, HRD  
Justus Cook, HRD  
Veronica Farley, Law Department  
Stephanie Grimes Washington, Mayor’s Office  
Gail Fulton, Mayor’s Office  
Malik Washington, Mayor’s Office  
Derrick Headd, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC

---

<sup>3</sup> COMMERCIAL REHABILITATION ACT (Act 210) MCL. 207.852(1)



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 19, 2024

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

Re: **Commercial Rehabilitation District - 20201 Development LLC**  
Property Address: 20201 Livernois Ave.  
Parcel Number: 16017473-81

Dear Mr. Antoine Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Commercial Rehabilitation District located at 20201 Livernois Ave. in **the Avenue of Fashion** area of the City of Detroit.

The rationale for creating Commercial Rehabilitation Districts under PA 210 of 2005, as amended, is based on the anticipation of increased market value upon completion of new construction and/or significant rehabilitation of commercial and former industrial property where the primary purpose and use is the operation of a commercial business enterprise or multifamily residential use. Commercial property also includes facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise.

The district as proposed by **20201 Development LLC** consists of 1 parcel with a total of 0.583 acres of land which includes one single-story retail building built in 1958 with approximately 17,820 sq. ft, and a commercial parking lot. Since the current building is not constructed in a way that can support the proposed project, the owner plans to have it demolished. This proposed project includes demolishing the existing single-story retail building and constructing a new three-story mixed-use building with a total floor area of approximately 46,741 square feet with 7,120 square feet of first floor commercial space and 36,237 square feet of residential space (the "Project"). The ground level has 3,120 square feet for (up to 2) commercial tenant spaces, and 4,000 square feet for restaurant use. Levels 2 and 3 feature fifty (50) residential apartments including, (14) studio units, (32) one-bedroom units and (4) two-bedroom units of various sizes and layouts. Included in the site redevelopment is 12,563 square feet of (partially) covered, secured parking seamlessly integrated providing essential parking for 45 vehicles. (all approximate). **This PA 210 request applies only to the proposed 7,120 square feet of commercial floor area.**

This area meets the criteria set forth under PA 210 of 2005, as amended. It applies to blighted, functionally obsolete and contaminated properties. "Commercial rehabilitation district" or "district" means an area not less than 3 acres in size of a qualified local governmental unit established as provided in section 3. However, if the commercial rehabilitation district is located in a downtown or business area or contains a qualified retail food establishment as determined by the legislative body of the qualified local governmental unit, the district may be less than 3 acres in size. The local government unit may establish by resolution a district that contains 1 or more parcels or tracts of land if at the time the resolution is adopted the parcel or tract of land or portion of a parcel or tract of land within the district is a qualified facility.







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

---

**Commercial Rehabilitation District**  
20201 Development LLC  
Page 2

A review of the project details and relevant statutes indicated that the proposed Commercial Rehabilitation District located at **20201 Livernois Ave.** in the **Avenue of Fashion** area of the City of Detroit is eligible as it pertains to the Commercial Rehabilitation Act under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO  
Assessor



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

**Commercial Rehabilitation District**  
20201 Development LLC  
Page 3

**Property Address:** 20201 Livernois Ave.  
**Parcel Number:** 16017473-81

**Legal Description:** W LIVERNOIS S 11.5 FT 232 233 THRU 237 EXC LIVERNOIS AVE AS WD KENILWORTH PARK SUB L31 P82 PLATS, W C R 16/277 1 THRU 3 EXC LIVERNOIS AVE AS WD ZEIGENS WARWICK PARK SUB L37 P47 PLATS, W C R 16/280 260.50 X 97.49A

