

Formal Agenda  
October 2, 2018

**PLANNING AND  
ECONOMIC  
DEVELOPMENT  
STANDING  
COMMITTEE**

**OFFICE OF CONTRACTING  
AND PROCUREMENT**

September 27, 2018

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6001639      100% City Funding – To Provide Residential Rehab to 6711 Ashton for the BNP Program. – Contractor: Jozef Contractor Inc. – Location: 11691 Klinger, Hamtramck, MI 48212 – Contract Period: Upon City Council Approval through December 31, 2018 – Total Contract Amount: \$69,850.00. **HOUSING AND REVITALIZATION DEPARTMENT**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer  
Office of Contracting and Procurement

**BY COUNCIL MEMBER**           TATE          

**RESOLVED**, that Contract No. 6001639 referred to in the foregoing communication dated September 27, 2018, be hereby and is approved.

16

CITY CLERK 2018 SEP 26 AM 9:04A

David Whitaker, Esq.  
Director  
Irvin Corley, Jr.  
Executive Policy Manager  
Marcell R. Todd, Jr.  
Senior City Planner  
Janese Chapman  
Deputy Director

# City of Detroit CITY COUNCIL

LEGISLATIVE POLICY DIVISION  
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George Etheridge  
Deborah Goldstein

TO: COUNCIL MEMBERS  
FROM: David Whitaker, Director  
Legislative Policy Division Staff  
DATE: September 26, 2018  
RE: Request for Information Regarding Detroit City Council Districts and  
Neighborhood Enterprise Zones (NEZ)

In a memo to LPD, Council President Pro-Tem Mary Sheffield requested information on Neighborhood Enterprise Zones (NEZ).<sup>1</sup> Specifically, Pro-Tem Sheffield asked for answers to the following questions:

- 1. How many NEZs are in each Council District?
- 2. How many areas are still eligible for NEZ exemption certificates?
- 3. Are there geographic limits to the NEZ area?
- 4. Can the City Council create NEZ areas?
- 5. What is the process to create NEZ areas?
- 6. What is the process to apply for a NEZ exemption certificate?
- 7. Can an application for a NEZ certificate be denied?
- 8. What is the term of a NEZ certificate?

### The Number of NEZs by Council District

According to Finance Assessors the numbers of approved NEZ Homestead certificates by Council district is listed in the following by Principal Residence Exemption (PRE):<sup>2</sup> **District 1-** 1,312; **District 2-** 1,819; **District 3-**170, **District 4-**904, **District 5-**569, **District 6-**69 and **District 7-** 743.

<sup>1</sup> NEIGHBORHOOD ENTERPRISE ZONE ACT, Public Act 147 of 1992, MCL 207.771 et seq.  
<sup>2</sup>To qualify for a PRE, a person must be a Michigan resident who owns and occupies the property as a principal residence.

The following chart from Assessors, illustrates the number of PRE NEZ Homesteads:

Council Districts				
District 1				
# Improved Residential Parcels	# PREs	% PREs	# Approved NEZH	% Approved NEZH
38,925	19,960	51.3%	1,312	3.4%
District 2				
# Improved Residential Parcels	# PREs	% PREs	# Approved NEZH	% Approved NEZH
39,171	20,507	52.4%	1,819	4.6%
District 3				
# Improved Residential Parcels	# PREs	% PREs	# Approved NEZH	% Approved NEZH
29,560	15,900	53.8%	170	0.6%
District 4				
# Improved Residential Parcels	# PREs	% PREs	# Approved NEZH	% Approved NEZH
32,974	14,582	44.2%	904	2.7%
District 5				
# Improved Residential Parcels	# PREs	% PREs	# Approved NEZH	% Approved NEZH
22,745	10,569	46.5%	569	2.5%
District 6				
# Improved Residential Parcels	# PREs	% PREs	# Approved NEZH	% Approved NEZH
26,701	12,324	46.2%	69	0.3%
District 7				
# Improved Residential Parcels	# PREs	% PREs	# Approved NEZH	% Approved NEZH
39,262	17,264	44.0%	743	1.9%

### Areas that are Eligible for NEZ Exemption Certificates

The following two pages contain maps which illustrate the current respective **NEZ Homestead**<sup>3</sup> and **NEZ New and Rehab**<sup>4</sup> areas mapped by Finance Assessors, the areas eligible for NEZs.

<sup>3</sup> Homestead NEZs were established to address the property tax “pop up” problem in Detroit real estate that occurs when property changes ownership, established through Michigan Public Acts 338, 339 and 340 of 2005.

<sup>4</sup> A Neighborhood Enterprise Zone (NEZ) New & Rehab, applies to new facilities and/or rehabilitated facility projects, developed to provide tax incentives in order to stimulate new housing development and improvements.





## Geographic Limits to the NEZ Area<sup>7</sup>

An NEZ containing *new facilities, rehabilitated facilities, or a combination of both* shall not exceed 15% of the total acreage contained within the boundaries of the LGU. An NEZ containing only *homestead facilities* shall not exceed 10% of the total acreage contained within the boundaries of the LGU. As we have tracked, the City of Detroit is well within its limits (approximately 40%) of the allowable NEZ new and rehab zone allocation.

Conversely, an NEZ containing only *homestead facilities* shall not exceed 10% of the total acreage contained within the boundaries of the LGU. if approved by the board of commissioners of the county or a county executive, if the county has an elected or appointed county executive, the homestead facility NEZ can contain up to 15% of the total acreage of the LGU; so, an additional 5% would be permitted if approved by the County Executive. To our knowledge (LPD) the Wayne County Executive has not granted the City an approval for the extra 5% and it appears the City of Detroit is near its 10% discretionary limit of NEZ Homestead zones.

## Local Government Process to Designate a New and Rehab NEZ<sup>8</sup>

1. The governing body of a qualified local unit of government by resolution may designate one or more NEZs within that local governmental unit. The NEZ must contain, at a minimum, platted parcels of land and the land must be compact and contiguous. Minimum number of parcels and maximum percent of acreage vary depending on type of designation.
2. Written notice is provided to the assessor and to the governing body of each taxing unit not less than 60 days before passing the resolution designating a NEZ.
3. The governing body makes a finding that the proposed NEZ is consistent with the master plan, neighborhood preservation and economic development goals of the local governmental unit.
4. The governing body adopts a statement of the local unit of government's goals, objectives and policies relative to the maintenance, preservation, improvement and development of housing for all persons regardless of income level living within the proposed NEZ.
5. The governing body passes a housing inspection ordinance that, at a minimum, requires that before the sale of a unit in a new or rehabilitated facility for which a NEZ certificate is in effect, an inspection is made of the unit to determine compliance with any local construction or safety codes and that a sale may not be finalized until there is compliance with those local codes.
6. The governing body holds a public hearing not later than 45 days after the date the notice is sent but before acting upon resolution.
7. Assessor determines and furnishes the governing body the amount of true cash value of the property located within the proposed NEZ and any other information considered necessary by the governing body.
8. The clerk of the governing body notifies the *state tax commission* of resolution passage, including a copy of the resolution and a listing of each parcel located in the NEZ, showing parcel code numbers and addresses.

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<sup>7</sup> MCL 207.773 Section 3 (2)

<sup>8</sup> Michigan Economic Development Corporation (MEDC) Guidelines:  
[http://www.michigan.gov/documents/taxes/MEDCGuidelines\\_280249\\_7.pdf](http://www.michigan.gov/documents/taxes/MEDCGuidelines_280249_7.pdf)

Unlike the NEZ New and Rehab Certificates, the LGU, via the assessing office, has final authority in approving **homestead NEZ certificates**. The resolution approving the application must include the number of years the LGU is granting the abatement.

### **Applying for a New or Rehab NEZ**

An individual or entity may apply with the Assessors Office if the following conditions are met for:

**A New Facility** as defined by the following in the NEZ statute:

- A new structure or a portion of a new structure that has as its primary purpose residential housing consisting of 1 or 2 units, 1 of which is or will be occupied by an owner as his or her principal residence.
- A model home or a model condominium unit.
- A new individual condominium unit, in a structure with 1 or more condominium units, that has as its primary purpose residential housing and that is or will be occupied by an owner as his or her principal residence.
- A new structure or a portion of a new structure that meets *all of the following*:
  - Is rented or leased or is available for rent or lease.
  - Is a mixed use building or located in a mixed use building that contains retail business space on the street level.
  - *Is located in a qualified downtown revitalization district.*

**A Rehabilitated (Rehab) Facility** by statute, includes the following:

- An existing structure or a portion of an existing structure with a current true cash value of \$80,000.00 or less per unit that has or will have as its primary purpose residential housing, consisting of 1 to 8 units,
- Improvements that if done by a licensed contractor, would cost in excess of \$5,000.00 per owner-occupied unit or 50% of the true cash value, whichever is less.
- \$7,500.00 per non owner-occupied unit or 50% of the true cash value, whichever is less.
- Improvements done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000.00 per owner-occupied unit or \$4,500.00 per non owner-occupied unit and will bring the structure into conformance with minimum local building code standards for occupancy or improve the livability of the units while meeting minimum local building code standards.
- Rehabilitated facility also includes:
  - Units available for rent or lease.
  - An individual condominium unit, in a structure with 1 or more condominium units that has as its primary purpose residential housing, the owner of which proposes the above described improvements.
  - Existing or proposed condominium units in a qualified historic building with 1 or more existing or proposed condominium units.
  - *Rehabilitated facilities **DO NOT** include a facility rehabilitated with the proceeds of an insurance policy for property or casualty loss.*



## Applying for a Homestead NEZ

A Neighborhood Enterprise “Homestead”<sup>9</sup> Zone covers only pre-existing residential property, located within a subdivision platted pursuant to state law before January 1, 1968<sup>10</sup>, thereby expanding the number of residential facilities that are eligible to receive a NEZ.<sup>11</sup> Prior to the amendment of the NEZ act in 2005, there was no provision in the Act that would allow for a NEZ certificates to *existing housing* that is not in need of substantial renovation.<sup>12</sup> Individual resident homeowners<sup>13</sup> in these districts are able to apply with the Finance Assessors Office.

### Can an Application for a NEZ Certificate be Denied and what is the Term for One?

Once a NEZ zone is established, an eligible applicant can only be denied if said applicant is found to have delinquent taxes in the jurisdiction or if the applicant submits a faulty application.

The term of a NEZ certificate may be for “a neighborhood enterprise zone certificate issued before January 1, 2006 shall remain in effect for 6 to 12 years and a neighborhood enterprise zone certificate issued after December 31, 2005 shall remain in effect for 6 to 15 years from the effective date of the certificate as determined by the governing body of the local governmental unit. The governing body of a local governmental unit that issued a neighborhood enterprise zone certificate for a new facility or a rehabilitated facility before January 1, 2006 may extend the certificate for an additional 3 years if the extension is approved by resolution before the original neighborhood enterprise zone certificate expires or after the original certificate expires if the certificate expired on or after January 1, 2004 and on or before January 3, 2006.”<sup>14</sup>

However, “all or a portion of a qualified historic building shall remain in effect for 11 to 17 years ... as determined by the governing body of the local governmental unit.”<sup>15</sup>

## Conclusion

The last time the City made any major additions to the City’s NEZ homestead areas was over 10 years ago. Council may recommend that the Assessors Office recommend some modifications to those areas, in order to utilize this provision of the Act to its fullest.

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<sup>9</sup> As defined in Section 2 (e) MCL 207.772

<sup>10</sup> PA 9 of 2010 amended the Neighborhood Enterprise Zone Act to include in the definition of “homestead facility” structures in neighborhoods platted in 1999 or later in the City of Flint. Section 2 (I) MCL 207.772

<sup>11</sup> An eligible facility under this provision requires: A statement by the owner of a homestead facility that the owner is committed to investing a minimum of \$500.00 in the first 3 years that the certificate for a homestead facility is in effect and committed to documenting the minimum investment if required to do so by the assessor of the local governmental unit. MCL 207.774

<sup>12</sup> 2005: PA 338, 339 and 340 amended the Act to define “homestead facility;” to create provisions related to homestead facilities, including the specific NEZ tax; and to allow local governments to offer NEZ certificates to existing housing that is not in need of substantial renovation.

<sup>13</sup> MCL 207.772 Section 2(i) (i) An existing structure, purchased by or transferred to an owner after December 31, 1996, that has as its primary purpose residential housing consisting of 1 or 2 units, 1 of which is occupied by an owner as his or her principal residence and that is located within a subdivision platted pursuant to state law before January 1, 1968 other than an existing structure for which a certificate will or has been issued after December 31, 2006 in a city with a population of 750,000 or more, is located within a subdivision platted pursuant to state law before January 1, 1968.

<sup>14</sup> MCL 207.782 Section 12 (1)

<sup>15</sup> MCL 207.782 Section 12 (4)

17

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**CITY COUNCIL**

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TO: COUNCIL MEMBERS

FROM: David Whitaker, Director   
 Legislative Policy Division Staff

DATE: September 25, 2018

RE: Establishment of a Neighborhood Enterprise Zone as requested by ASTI Environmental (Marwood Development NEZ) **(Recommend Approval)**  
**PUBLIC HEARING**

The following is Legislative Policy Division's (LPD) review of the ASTI Environmental application for a Neighborhood Enterprise Zone (NEZ) in the **North End Area** <sup>1</sup>

**Neighborhood Enterprise Zone Act (Public Act 147 of 1992)**

The Neighborhood Enterprise Zone Act, PA 147 of 1992, as amended, provides for the development and rehabilitation of residential housing located within eligible distressed communities. New and rehabilitated facilities applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division. The State Tax Commission (STC) is responsible for final approval and issuance of new and rehabilitated facility certificates. Exemptions for new and rehabilitated facilities are not effective until approved by the STC. NEZ applications are filed, reviewed and approved by the local unit of government.

By statute, every NEZ must contain not less than 10 platted parcels of land which are compact and contiguous. The statute allows for an exception if a NEZ is located in a *downtown revitalization district*. In a downtown revitalization district,<sup>2</sup> a NEZ may contain less than 10 platted parcels if the platted parcels together contain 10 or more facilities.

<sup>1</sup> Parcel #'s 010002274-01002326 (42 parcels in total)  
<sup>2</sup> As defined in Section 2 (k) MCL 207.772

## Downtown Revitalization District

In 2008, the NEZ Act was modified by Public Acts 204 & PA 228 to allow a neighborhood enterprise zone located in a "qualified downtown revitalization district" to contain fewer than 10 platted parcels if the platted *parcels* together contain 10 or more *facilities*.<sup>3</sup> The Act as modified, defines "qualified downtown revitalization district" as an area located within the boundaries of one or more of the following:

- A downtown district, as defined in the Downtown Development Authority Act.<sup>4</sup>
- A principal shopping district or a business improvement district as defined in the principal shopping district Act (BID Act).<sup>5</sup>
- An area of the local unit zoned and primarily used for business, as determined by the local governmental unit.<sup>6</sup>

## Develop Detroit

The project developer, Develop Detroit<sup>7</sup> plans to rehabilitate 57 units of the Marwood Apartments, located at 53 Marston, a historic building built in 1924, according to the Assessor's Office. In addition, the project also includes the construction of 12 new apartments and townhouses from 67-111 Marston; the new construction of 12 for sale homes and the rehabilitation of seven single family homes, with all to be for sale as owner occupied homes. The components of development in the North End neighborhood are as follows:

- **Component 1** is the rehabilitation of 57<sup>8</sup> apartment units in the Marwood Apartment building. Only 11 of the Component 1 units will be subject to NEZ. 80% of units will be priced at affordable rates.
- **Component 2** is the new construction of 12 residential apartments and townhomes on current vacant land. Only 8 of the units will be subject to NEZ. 33% of the rental units will be affordable rates.
- **Component 3** is the rehabilitation of 7 units and the new construction of 12 units. All of these units will be for-sale homes and will be owner occupied. All of these units will be subject to the NEZ.

According to the materials from the developer, Develop Detroit in addition to their NEZ request, plans to seek further City assistance via a brownfield designation.

The total projected investment for this project is approximately **\$18.2 million**.

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<sup>3</sup> In its letter of September 10, 2018, the Finance Department Assessors Division indicated that this proposed district located in the North End area, is eligible for a NEZ designation, per the NEZ statute.

<sup>4</sup> PA 197 of 1975, MCL 125.1651 - 125.1681

<sup>5</sup> Principal shopping Districts and Business Improvements Districts Act 120 of 1961, MCL 125.981 - 125.990n

<sup>6</sup> Under the DDA Act, "downtown district" means that part of an area in a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to the Act. A downtown district may include one or more separate and distinct geographic areas in a business district as determined by the municipality.

<sup>7</sup> <http://www.developdetroit.org/#about>

<sup>8</sup> Approximately 46 of the housing units will be available as Local Initiatives Support Corporation (LISC) units.

## DEGC Review

Neighborhood Enterprise Zone, **PA 147 of 1992 as amended** - Current taxes frozen at pre-rehab values / Improvements not taxed, local taxes abated for up to 15 years / phase out period in last 3 years

### Location

Address	53 Marston Area
City Council District	District
Neighborhood	North End
Located in HRD Targeted Area	Yes, Greater Downtown

### Building Use

Total Square Foot	42,124
Residential Square Foot	42,124

### Project Description

This project involves several components of development in the North End neighborhood.

- Component 1 is the rehabilitation of 57-59 apartment units in the Marwood Apartment building. Only 11 of the Component 1 units will be subject to NEZ. 80% of units will be priced at affordable rates.
- Component 2 is the new construction of 12 residential apartments and townhomes on current vacant land. Only 8 of the units will be subject to NEZ. 33% of the rental units will be affordable rates.
- Component 3 is the rehabilitation of 7 units and the new construction of 12 units. All of these units will be for-sale homes and will be owner occupied. All of these units will be subject to the NEZ.

### Housing Breakdown

Total Units	90
Units Subject to NEZ	38
Market Rate Apartment Units	11
New Construction Market Rate Townhomes	8
Rehabilitation Single Family Homes	7
New Construction Single Family Homes	12

### Underwriting

Internal Rate of Return	7.08% with abatement (4.33% without abatement)
Debt Service Coverage Ratio	1.40 stabilized with abatement (1.26 without abatement)
Cash on Cash Return	10.79% with abatement (8.65% without abatement)

<b>Sources and Uses</b>	
<b>Total Investment</b>	<b>\$18.2MM</b>
<b>Sources</b>	\$5.7MM First Position Permanent Mortgage (31%), \$2.5MM MSHDA HTF Subordinate Loan (14%), \$3.1MM TRF/HPF Loan (18%), \$1.6MM Detroit HOME (9%), \$650k Historic Tax Credits (4%), \$2.6MM Tax Credit Syndication Equity Contribution (15%), \$1MM NMTC Leave-In Equity (5%), \$800k Equity Contribution (4%)
<b>Uses</b>	\$2.2MM Acquisition (12%), \$11.8MM Hard Construction (65%), \$4.2MM Soft Construction (23%)

	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Utility Users Tax & Corporation Income Tax Exemption	Net Benefits After Tax Abatements & Incentives
City of Detroit	\$1,072,087	(\$262,642)	(\$234,652)	\$0	\$0	\$574,792
Wayne County	\$90,394	(\$1,940)	(\$58,334)	\$0	\$0	\$30,120
Detroit Public Schools	\$159,998	(\$17,848)	(\$88,936)	\$0	\$0	\$53,214
State Education	\$66,263	\$0	(\$41,047)	\$0	\$0	\$25,215
Wayne RESA	\$46,165	\$0	(\$30,055)	\$0	\$0	\$16,109
Wayne County Comm. College	\$35,791	\$0	(\$22,171)	\$0	\$0	\$13,620
Wayne County Zoo	\$1,104	\$0	(\$684)	\$0	\$0	\$420
Detroit Institute of Arts	\$2,209	\$0	(\$1,368)	\$0	\$0	\$841
<b>Total</b>	<b>\$1,474,010</b>	<b>(\$282,430)</b>	<b>(\$477,248)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$714,331</b>

Chart courtesy of DEGC

### Projected Fiscal Impact

PROJECT	PROJECT INVESTMENT	TAXING UNIT	GROSS BENEFIT	COST OF SERVICES	PA 147 NEZ VALUE	NET BENEFIT
Develop Detroit	\$18.2 Million	Detroit	\$1,072,087	(\$262,642)	(\$234,652)	\$574,793
53 Marwood (Other)		All Taxing Units*	\$1,474,010	(\$282,430)	(\$477,248)	\$714,332

\*Including Detroit

Given the over \$18 million investment, its projected positive cost benefit to the City of Detroit of 574,792 and \$714,331 to all of the impacted taxing units, in addition to the development of 90 new housing units, LPD recommends approval of the NEZ certificate request of ASTI Environmental.

**NEZ Acreage Status:**<sup>9</sup>

**NEZ allocations are limited by state statute:** *“The total acreage of the neighborhood enterprise zones containing only new facilities or rehabilitated facilities or any combination of new facilities or rehabilitated facilities designated under this act shall not exceed 15% of the total acreage contained within the boundaries of the local governmental unit.”*<sup>10</sup>

**Total acreage available (15% of Detroit acreage): 13,239.00**

**Develop Detroit: 3.79 acres**  
**Total Acreage for the Entire City of Detroit: 88,260<sup>11</sup>**

**Total Acreage Remaining 7,872.59**  
**Total Acreage Designated: 5,366.41**

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



**Site of the proposed NEZ<sup>12</sup>**

<sup>9</sup> This is a ballpark estimate by LPD, based on current available data.

<sup>10</sup> MCL 207.773 (2)

<sup>11</sup> 88,260 Acres = 137.90625 Square Miles

cc: Auditor General's Office  
Arthur Jemison, Chief of Services and Infrastructure  
Maurice Cox, Planning and Development Department  
Donald Rencher, HRD  
Dinah Bolton, Planning and Development Department  
John Saad, Planning and Development Department  
Stephanie Grimes Washington, Mayor's Office  
Malinda Jensen, DEGC  
Kenyetta Bridges, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC

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<sup>12</sup> Source: Finance Assessors Board of Assessors Letter, dated September 10, 2018



CITY OF DETROIT  
PLANNING AND DEVELOPMENT DEPARTMENT

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18

August 13, 2018

Detroit City Council  
1340 Coleman A. Young Municipal Center  
Detroit, MI 48226

Honorable City Council:

**Re: Real Property at 5920 Chene, Detroit, MI 48211**

The City of Detroit Planning and Development Department (“**P&DD**”) has received an offer from Tocko, LLC, a Michigan limited liability company (“**Offeror**”) requesting the conveyance by the City of Detroit (the “**City**”) of the real property, having a street address of 5920 Chene, Detroit, MI 48211 (the “**Property**”).

The P&DD entered into a Purchase Agreement dated August 10, 2018 with the Offeror. Under the terms of a proposed Purchase Agreement, the Property would be conveyed to the Offeror by Quit Claim Deed (the “**Deed**”) for Four Thousand Five Hundred and 00/100 Dollars (**\$4,500.00**) (the “**Purchase Price**”).

Offeror intends to use the vacant lot as parking for adjacent property being redeveloped to retail. The proposed use is a by-right use within the designated B4 / General Business zoning district as per the City of Detroit Zoning Ordinance, Section 61-9-76 (22).

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD to execute a deed and such other documents as may be necessary or convenient to effect the transfer of the Property by the City to the Offeror.

Respectfully submitted,

Janet Attarian  
Deputy Director

cc: S. Washington, Mayor’s Office

CITY CLERK 2018 SEP 27 PM 1:28





By **COUNCIL MEMBER** \_\_\_\_\_

**WHEREAS**, the City of Detroit Planning and Development Department (“**P&DD**”) has received an offer from **Tocko, LLC, a Michigan liability company (“Offeror”)** requesting the conveyance by the City of Detroit (the “**City**”) of the real property, having a street address of 5920 Chene, Detroit, MI 48211, (the “**Property**”) described in Exhibit A; and

**WHEREAS**, P&DD entered into a Purchase Agreement dated August 10, 2018, with **Offeror**; and

**WHEREAS**, in furtherance of the redevelopment of the City it is deemed in the best interests of the City that the Property be sold without public advertisement or the taking of bids; and

**WHEREAS**, Offeror intends to use the vacant lot as parking for the adjacent property being developed to retail. The proposed use is a by-right use within the designated B4 / General Business zoning district as per the City of Detroit Zoning Ordinance, Section 61-9-76.

**NOW, THEREFORE, BE IT RESOLVED**, that the sale of Property to **Offeror**, more particularly described in the attached Exhibit A, in furtherance of the redevelopment of the City without public advertisement or the taking of bids is hereby approved; and be it further

**RESOLVED**, that Property may be transferred and conveyed to **Offeror**, in consideration for its payment of **Four Thousand Five Hundred and 00/100 Dollars (\$4,500.00)**; and be it further

**RESOLVED**, that the Director of the Planning and Development Department, or his or her designee, is authorized to execute deeds and other documents necessary or convenient for the consummation of the transaction pursuant to and in accordance with the Purchase Agreement; and be it further

**RESOLVED**, that customary closing costs up to **One Hundred and Ten Dollars (\$110.00)**, and broker commissions of **Two Hundred Twenty Five and 00/100 Dollars (\$225.00)** be paid from the sale proceeds under the City’s contract with the Detroit Building Authority; and be it further

**RESOLVED**, that a transaction fee of **Two Hundred Seventy and 00/100 Dollars (\$270.00)** be paid to the Detroit Building Authority from the sale proceeds pursuant to its contract with the City; and be it further

**RESOLVED**, that the Director of the Planning and Development Department, or his or her designee is authorized to execute any required instruments to make and incorporate technical amendments or changes to the Quit Claim Deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

**RESOLVED**, that the Quit Claim Deed will be considered confirmed when executed by the Director of the Planning and Development Department, or his or her designee and approved by the Corporation Counsel as to form.

EXHIBIT A

LEGAL DESCRIPTION

Land in the City of Detroit, County of Wayne and State of Michigan being EAST CHENE LOT  
4 OF SIMONS SUBDIVISION OF O L 25 AS RECORDED IN LIBER 9, PAGE 87 OF  
PLATS, WAYNE COUNTY RECORDS 11/78 31 X 116

A/K/A 5920 Chene 41E  
Ward 11 Item 003132.

Description Correct  
Engineer of Surveys

By: 

Basil Sarim, P.S.  
Professional Surveyor  
City of Detroit/DPW, CED



CITY OF DETROIT  
PLANNING AND DEVELOPMENT DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVENUE SUITE 808  
DETROIT, MICHIGAN 48226  
(313) 224-1339 • TTY:711  
(313) 224-1310  
WWW.DETROITMI.GOV

19

September 4, 2018

Detroit City Council  
1340 Coleman A. Young Municipal Center  
Detroit, MI 48226

Honorable City Council:

**Re: Real Property at 8413/8445 Harper, Detroit, MI 48213**

The City of Detroit Planning and Development Department (“**P&DD**”) has received an offer from Kesha Sawyer (“**Offeror**”) requesting the conveyance by the City of Detroit (the “**City**”) of the real property, having a street address of 8413/8445 Harper, Detroit, MI 48213 (the “**Property**”).

The P&DD entered into a Purchase Agreement dated August 3, 2018 with the Offeror. Under the terms of a proposed Purchase Agreement, the Property would be conveyed to the Offeror by Quit Claim Deed (the “**Deed**”) for Four Thousand One Hundred Fifty and 00/100 Dollars (**\$4,150.00**) (the “**Purchase Price**”).

Offeror intends to use the land as undeveloped green space. The proposed use is a by-right use within the designated B4 / General Business zoning district as per the City of Detroit Zoning Ordinance, Section 61-9-76.

We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD to execute a deed and such other documents as may be necessary or convenient to effect the transfer of the Property by the City to the Offeror.

Respectfully submitted,

Maurice D. Cox  
Director

cc: S. Washington, Mayor’s Office

CITY CLERK 2018 SEP 27 PM 1:28



By COUNCIL MEMBER \_\_\_\_\_

**WHEREAS**, the City of Detroit Planning and Development Department (“**P&DD**”) has received an offer from **Kesha Sawyer** (“**Offeror**”) requesting the conveyance by the City of Detroit (the “**City**”) of the real property, having a street address of 8413/8445 Harper, Detroit, MI 48213, (the “**Property**”) described in Exhibit A; and

**WHEREAS**, P&DD entered into a Purchase Agreement dated August 3, 2018, with **Offeror**; and

**WHEREAS**, in furtherance of the redevelopment of the City it is deemed in the best interests of the City that the Property be sold without public advertisement or the taking of bids; and

**WHEREAS**, Offeror intends to use the land as undeveloped green space. **The proposed use is a by-right use within the designated B4 / General Business zoning district as per the City of Detroit Zoning Ordinance, Section 61-9-76.**

**NOW, THEREFORE, BE IT RESOLVED**, that the sale of Property to **Offeror**, more particularly described in the attached Exhibit A, in furtherance of the redevelopment of the City without public advertisement or the taking of bids is hereby approved; and be it further

**RESOLVED**, that Property may be transferred and conveyed to **Offeror**, in consideration for its payment of **Four Thousand One Hundred Fifty and 00/100 Dollars (\$4,150.00)**; and be it further

**RESOLVED**, that the Director of the Planning and Development Department, or his or her designee, is authorized to execute deeds and other documents necessary or convenient for the consummation of the transaction pursuant to and in accordance with the Purchase Agreement; and be it further

**RESOLVED**, that customary closing costs up to **One Hundred and Ten Dollars (\$110.00)**, and broker commissions of **Two Hundred Seven and 50/100 Dollars (\$207.50)** be paid from the sale proceeds under the City’s contract with the Detroit Building Authority; and be it further

**RESOLVED**, that a transaction fee of **Two Hundred Forty Nine and 00/100 Dollars (\$249.00)** be paid to the Detroit Building Authority from the sale proceeds pursuant to its contract with the City; and be it further

**RESOLVED**, that the Director of the Planning and Development Department, or his or her designee is authorized to execute any required instruments to make and incorporate technical amendments or changes to the Quit Claim Deed (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Property, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it finally

**RESOLVED**, that the Quit Claim Deed will be considered confirmed when executed by the Director of the Planning and Development Department, or his or her designee and approved by the Corporation Counsel as to form.

EXHIBIT A

LEGAL DESCRIPTION

Land in the City of Detroit, County of Wayne and State of Michigan being NORTH HARPER  
LOT 8 OF ROBERT E WALKERS SUB AS RECORDED IN LIBER 25, PAGE 56 OF PLATS,  
WAYNE COUNTY RECORDS 17/427 30 X 115

A/K/A 8413 Harper  
Ward 17 Item Nos. 001208

Land in the City of Detroit, County of Wayne and State of Michigan being NORTH HARPER  
LOT 13 OF ROBERT E WALKERS SUB AS RECORDED IN LIBER 25, PAGE 56 OF  
PLATS, WAYNE COUNTY RECORDS 17/427 30 X 115

A/K/A 8445 Harper  
Ward 17 Item Nos. 001211

Description Correct  
Engineer of Surveys

By: \_\_\_\_\_  
Basil Sarim, P.S.  
Professional Surveyor  
City of Detroit/DPW, CED



20

**City of Detroit**  
CITY COUNCIL

**GABE LELAND**  
COUNCIL MEMBER

**MEMORANDUM**

**TO:** Mr. Maurice Cox, Director Planning & Development Department  
**THRU:** Council Member James Tate, Planning & Economic Development Committee  
**FROM:** Gabe Leland  
Council Member  
**DATE:** September 25, 2018  
**RE: DETROIT 0% INTEREST HOME REPAIR LOAN PROGRAM**

1. Once an applicant is approved for a 0% Interest Home Repair Loan, does s/he have a role in the contractor selection process? If not, why not? If yes, please explain the approved applicant's role.
2. Who is required to review / sign the contractor's bid / contract document(s)?
3. What is the rationale for limiting property owners who are approved for a 0% Interest Home Repair Loan to hiring only those contractors on the approved City of Detroit contractor list?
4. Can an approved 0% Interest Home Repair Loan recipient opt-out of hiring a contractor from the approved City of Detroit contractor list? If yes, what is the opt-out process?

Respectfully submitted,

CITY CLERK 2018 SEP 25 PM 4:56

cc: Honorable Colleagues

GL/gal

CITY CLERK 2018 SEP 25 PM 4:56