

NOVEMBER 13, 2018  
FORMAL AGENDA

**BUDGET,  
FINANCE, AND  
AUDIT STANDING  
COMMITTEE**



**OFFICE OF CONTRACTING  
AND PROCUREMENT**

November 7, 2018

HONORABLE CITY COUNCIL:

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

6000238      100% City Funding -AMEND 3 - To Provide OCFO CAFR Audit for FY19 and FY20. - Contractor: Plante Moran - Location: 1098 Woodward Ave., Detroit, MI 48224 - Contract Period: June 30, 2019 through May 31, 2021 - Contract Increase: 4,148,750.00 - Total Contract Amount: \$10,898,750.00. **OFFICE OF THE CHIEF FINANCIAL OFFICER - AUDITOR**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer  
Office of Contracting and Procurement

BY COUNCIL MEMBER           AYERS          

**RESOLVED**, that Contract No. 6000238 referred to in the foregoing communication dated November 7, 2018 be hereby and is approved.

November 8, 2018

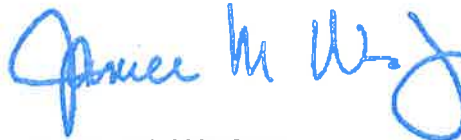
Honorable City Council  
1340 Coleman A. Young Municipal Center  
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for  
North Corktown**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of three (3) applications for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,



Janice M. Winfrey  
City Clerk

JMW:aj  
Enc.

# 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 as valorem property taxes, and the imposition of specific property tax in lieu of as 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 City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
North Corktown	1577 Ash Street	06-8491
North Corktown	3013 Cochrane	06-8492
North Corktown	2902 Harrison	06-8494

## **DENIED**

North Corktown	2710 Harrison	06-8493
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Alton James  
Chairperson  
Lauren Hood, MCD  
Vice Chair/Secretary

# City of Detroit

**CITY PLANNING COMMISSION**  
208 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Phone: (313) 224-6225 Fax: (313) 224-4336  
e-mail: cc-cpc@detroitmi.gov

CITY CLERK 2018 NOV 5 PM 3:10

Brenda Goss Andrews  
Lisa Whitmore Davis  
David Esparza, AIA, LEED  
Gregory Pawlowski  
Frederick E. Russell, Jr.  
Angy Webb

November 5, 2018

## HONORABLE CITY COUNCIL

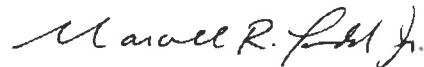
**RE: Neighborhood Enterprise Zone Certificate Applications for four (4) new single-family houses in the North Corktown NEZ (Recommend APPROVAL of 1577 Ash Street, 3013 Cochrane Street, and 2902 Harrison Street and DENIAL of 2710 Harrison Street)**

The office of the City Planning Commission (CPC) has received four (4) applications for Neighborhood Enterprise Zone (NEZ) certificates forwarded from the office of the City Clerk. This application corresponds to proposal of four different applicants to each construct new residential facilities.

CPC staff confirms three of the four subject properties as being within the boundaries of the North Corktown NEZ which was established on April 16, 2003 and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The three houses to be built are located at 1577 Ash Street, 3013 Cochrane Street, and 2902 Harrison Street. The NEZ certificate applications appears to have been submitted prior to the issuance of any applicable building permits. CPC staff finds that 2710 Harrison Street is not within a NEZ area, and thus recommends denial.

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC  
Christopher J. Gulock, AICP, Staff CPC

cc: Janice Winfrey, City Clerk

November 8, 2018

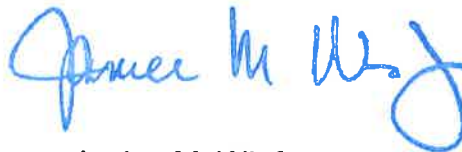
Honorable City Council  
1340 Coleman A. Young Municipal Center  
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for  
Vanguard/E. Grand Boulevard Development**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of one (1) application for a Neighborhood Enterprise Zone Certificate. **THIS APPLICATION HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,



Janice M. Winfrey  
City Clerk

JMW:aj  
Enc.

# 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 as valorem property taxes, and the imposition of specific property tax in lieu of as 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 City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
Vanguard/E. Grand Blvd. Dev.	457 E. Milwaukee	06-8490

Alton James  
Chairperson  
Lauren Hood, MCD  
Vice Chair/Secretary

# City of Detroit

CITY PLANNING COMMISSION  
208 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Phone: (313) 224-6225 Fax: (313) 224-4336  
e-mail: cc-cpc@detroitmi.gov

Brenda Goss-Andrews  
Lisa Whitmore Davis  
David Esparza, AIA, LEED  
Gregory Pawlowski  
Frederick E. Russell, Jr.  
Angy Webb

CITY CLERK 2018 NOV 5 AM 11:58

November 5, 2018

## HONORABLE CITY COUNCIL

**RE: Neighborhood Enterprise Zone Certificate Application for the rehabilitation of 457 E. Milwaukee Avenue in the Vanguard/E. Grand Boulevard Development Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)**

The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the rehabilitation of one property located at 457 E. Milwaukee Avenue. This application corresponds to a qualified facility that is to be newly renovated into a high end residential unit. The project consists of the renovation of a vacant, functionally obsolete condominium unit. This will include the installation of all new mechanical systems including HVAC, electrical, insulation, drywall, and plumbing. The finishes will include high quality flooring, cabinets, countertops, and fixtures. CPC staff has reviewed the application and recommends approval.

The subject property has been confirmed as being within the boundaries of the Vanguard/E. Grand Boulevard Development NEZ and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The property to be rehabilitated consists of the two-story commercial/residential structure located at 457 E. Milwaukee Avenue. The NEZ certificate application appears to have been submitted prior to the issuance of any applicable building permits.

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC  
George A. Etheridge, City Planner, LPD

cc: Janice Winfrey, City Clerk



November 8, 2018

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

**Re: Application for Neighborhood Enterprise Zone Certificate for  
Harbortown**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of fourteen (14) applications for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAS BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve this application.

Respectfully submitted,



Janice M. Winfrey  
City Clerk

JMW:aj  
Enc.

# 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 as valorem property taxes, and the imposition of specific property tax in lieu of as 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 City Council approve the following address for receipt of Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
Harbortown	3320 Spinnaker Lane, Unit 2A	06-8457
Harbortown	3320 Spinnaker Lane, Unit 2D	06-8458
Harbortown	3320 Spinnaker Lane, Unit 2E	06-8459
Harbortown	3320 Spinnaker Lane, Unit 3C	06-8460
Harbortown	3320 Spinnaker Lane, Unit 3E	06-8461
Harbortown	3320 Spinnaker Lane, Unit 3F	06-8462
Harbortown	3320 Spinnaker Lane, Unit 4A	06-8463
Harbortown	3320 Spinnaker Lane, Unit 4E	06-8464
Harbortown	3320 Spinnaker Lane, Unit 5E	06-8465
Harbortown	3320 Spinnaker Lane, Unit 6E	06-8466
Harbortown	3320 Spinnaker Lane, Unit 7B	06-8467
Harbortown	3320 Spinnaker Lane, Unit 8A	06-8468
Harbortown	3320 Spinnaker Lane, Unit 8D	06-8469
Harbortown	3320 Spinnaker Lane, Unit 13A	06-8471

Alton James  
Chairperson  
Lauren Hood, MCD  
Vice Chair/Secretary

# City of Detroit

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208 Coleman A. Young Municipal Center  
Detroit, Michigan 48226  
Phone: (313) 224-6225 Fax: (313) 224-4336  
e-mail: cc-cpc@detroitmi.gov

CITY CLERK 2018 NOV 5 AM 11:57

Brenda Goss-Andrews  
Lisa Whitmore Davis  
David Esparza, AIA, LEED  
Gregory Pawlowski  
Frederick E. Russell, Jr.  
Angy Webb

November 5, 2018

## HONORABLE CITY COUNCIL

**RE: Neighborhood Enterprise Zone Certificate Applications for fourteen (14) rehabilitated condominiums in the Harbortown NEZ area. (RECOMMEND APPROVAL)**

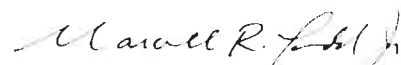
The office of the City Planning Commission (CPC) has received fourteen (14) applications for a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk. These applications corresponds to units that are to be newly rehabilitated as part of a multi-residential housing development undertaken by Harbortown-Spinnaker LLC. CPC staff has reviewed the applications and recommends approval.

The petitioner, Harbortown-Spinnaker LLC originally filled its application for its certificate with the Clerk's Office on July 30, 2018. However, due to circumstances beyond the control of the petitioner, the processing of the application was delayed. Given the fact that the developer has, subject to the provisions of the NEZ ACT, (1) proceeded in good faith, the office of the City Planning Commission (CPC) has proceeded with its review of the NEZ certificate application of the Harbortown NEZ.

The subject properties identified as 3320 Spinnaker Ln., Unit 2A, 2D, 2E, 3C, 3E, 3F, 4A, 4%, 5E, 6E, 7B, 8A, 8D and 13 A have been confirmed as being within the boundaries of the Harbortown NEZ and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The NEZ certificate applications appears to have been submitted prior to the issuance of any applicable building permits.

Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC  
George A. Etheridge, City Planner, LPD

cc: Janice Winfrey, City Clerk



October 25, 2018

CITY CLERK 2018 NOV 8 AM 10:08

Honorable City Council

**RE: Roberts III Limited Dividend Housing Association Limited Partnership – Payment in Lieu of Taxes (PILOT)**

The Sponsor, Samuel Thomas Jr., has formed Roberts III Limited Dividend Housing Association Limited Partnership in order to develop the Project known as Roberts III. The Project is an existing one hundred ninety-seven (197) unit family high-rise development located in an area bounded by West Grand River on the north and east, Magnolia on the south and Rosa Parks Boulevard on the west.

The rehabilitation Project will include one hundred seventy-four (174) 1 bedroom/1 bath and twenty-three (23) 2 bedroom/1 bath apartments. The preservation and renovation of the 12-story building will be extensive and consist of exterior and interior site work.

The Project will be financed by a construction loan from Chase Bank in the amount of \$11,600,000 and a permanent mortgage loan in the amount of \$4,768,130 from the Michigan State Housing Development Authority (“MSHDA”). The Richman Group Affordable Housing Group will make Capital Contributions of \$10,436,859. Additionally, the Sponsor has agreed to defer \$ 354,100 of the developer fee.

Rents for all units have been set at or below sixty percent (60%) of the area median income, adjusted for family size. Sixty-two percent (62%) of the units are covered by a HUD Section-8 contract and existing residents under this program pay no more than thirty percent (30%) of their household income. The remaining units will experience minor rent increases not to exceed 5% per year. A rent subsidy reserve is being established to protect non-Section 8 assisted tenants for a period of time. The existing Housing Assistance Payments contract will transfer.

All one hundred ninety-seven (197) units will be subject to the PILOT based on Section 15a of the State Housing Development Authority Act of 1966, as amended. In order to make this development economically feasible, it is necessary for it to receive the benefits of tax exemption under Section 15a of the State Housing Development Authority Act of 1966 (P.A. 346 as amended, MCL 125.1415A).

Adoption of the resolution by your Honorable Body will therefore satisfy the requirements of Public Act 346 and City Ordinance 9-90, as amended, by establishing a service charge of four percent (4%) of the annual net shelter rent obtained from this housing project.

Respectfully submitted,

  
Alvin Hörhn, Deputy CFO/Assessor

Attachment

JB/jb



**BY COUNCIL MEMBER**

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**WHEREAS**, pursuant to the provisions of the Michigan State Housing Development Act, Act 346 of the Public Acts of 1966, as amended, being MCL 125.1401 se seq. (the "Act"), a request for exemption from property taxes has been received on behalf of Samuel Thomas Jr. (the "Sponsor"); and

**WHEREAS**, a housing project as defined in the Act is eligible for exemption from property taxes under Section 15a of the Act (MCL 125.1415a) if the Michigan State Housing Development Authority ("MSHDA") provides funding for the housing project, or if the housing project is funded with a federally-aided mortgage as determined by MSHDA; and

**WHEREAS**, Section 15a of the Act (MCL 125.1415a) provides that the local legislative body may establish by ordinance the service charge to be paid in lieu of taxes, commonly known as a PILOT; and

**WHEREAS**, the City of Detroit has adopted Ordinance 9-90, as amended, being Sections 18-9-10 through 18-9-16 of the Detroit City Code to provide for the exemption from property taxes of eligible housing projects and to provide for the amount of the PILOT for said housing projects to be established by resolutions of the Detroit City Council after review and report by the Board of Assessors; and

**WHEREAS**, the Sponsor is proposing to undertake the rehabilitation of an existing housing project to be known as Roberts III consisting of the rehabilitation of one hundred ninety-seven (197) units in a building located on a parcel of property owned or to be acquired by the Sponsor as described by street address and tax parcel in Exhibit A to this resolution, with one hundred ninety-seven (197) units for low and moderate income housing (the "Project"); and

**WHEREAS**, the purpose of the Project is to serve low to moderate income persons as defined by Section 15a(7) of the Act, being MCL 125.1415a(7); and

**WHEREAS**, MSHDA has provided notice to the Sponsor that it intends to approve federal-aided financing for the Project, provided that the Detroit City Council adopts a resolution establishing the PILOT for the Project; and

**WHEREAS**, pursuant to Section 15a of the Act, being MCL 125.1415a(1), the tax exemption is not effective until the Sponsors first obtain MSHDA certification that the housing project is eligible for exemption, and files an affidavit, as so certified by MSHDA, with the Board of Assessors; and

**WHEREAS**, pursuant to Section 18-9-13(G) of the Detroit City Code, the tax exemption shall be effective on adoption, with the tax exemption and PILOT payment to occur only upon bona fide use and physical occupancy by persons and families eligible to move into the project, in accordance with the Act, which must occur as of December 31 of the year preceding the tax year in which the exemption is to begin;



**NOW, THEREFORE, BE IT**

**RESOLVED**, that in accordance with City Code Section 18-9-13, the Project known as Roberts III as described above is entitled to be exempt from taxation but subject to the provisions of a service charge of four percent (4%) for payment in lieu of taxes as set forth in Act No. 346 of the Public Acts of 1966, as amended, being MCL 125.1401, et seq.; and be it further

**RESOLVED**, that arrangements to have collections of a payment in lieu of taxes from the Sponsor be established upon occupancy for future years with respect to the same be prepared by the Office of the Chief Financial Officer; and be it further

**RESOLVED**, that specific legal description for the Project shall be as set forth in the certification from MSHDA; and be it further

**RESOLVED**, that in accordance with Section 15a(3) of the Act, MCL 125.1415a(3), the exemption from taxation shall remain in effect for as long as the MSHDA-aided or Federally-aided financing is in effect, but not longer than fifty (50) years, and shall terminate upon the determination by the Board of Assessors that the Project is no longer eligible for the exemptions; and be it further

**RESOLVED**, that the City Clerk furnish the Office of the Chief Financial Officer – Office of the Assessor two certified copies of this resolution; and be it further

**RESOLVED**, that this resolution is adopted with a waiver of reconsideration.



## EXHIBIT A

### Roberts III Limited Dividend Housing Association Limited Partnership

The following real property situated in Detroit, Wayne County, Michigan:

S GRAND RIVER 44 THRU 29 27 THRU 24 1 THRU 13 AND VAC ALLEYS AND VAC HAZEL AND E ½  
VAC HARRISON ADJ DICKERSONS SUB L11 P99 PLATS, W C R 8/54 N 46 FT 0 L 10 P C 27 8/3 PT  
46&47 48 THRU 59 PT OF 60 THRU 69 97 THRU 99 PT OF 100 THRU 106 107 THRU 109 AND VAC  
ALLEYS AND VAC SELDEN AND VAC HARRISON ADJ ALBERT CRANES SEC L1P11 PLATS, W C R  
8/49 DESC AS BEG AT SE COR SD LOT 44 OF DICKERSONS SUB TH S 67D 12M 55S W 109.42 FT  
TH N 22D 43M W 10 FT TH S 67D 12M 55S W 141.92 FT TH N 22D 43M W 145.2 FT TH S 67D  
16M 50S W 278.13 FT TH N 22D 44M 13S W 628.96 FT TH N 28D 38M 06S E 73.62 FT TH S 61D  
21M 54S E 756.07 FT TH S 22D 43M E 239.34 FT TO POB 756.07 FT IRREG 254,250 SQFT

Tax Parcel No. Ward 08, item 001110-21

Property Address: 3901 West Grand River



# City of Detroit

CITY COUNCIL

**MARY SHEFFIELD**  
**PRESIDENT PRO TEMPORE**  
**DISTRICT 5**

## MEMORANDUM

**TO:** Mr. Lawrence Garcia, Corporation Counsel City of Detroit  
Ms. Julianne Pastula, Corporation Counsel City of Detroit

**FROM:** Council President Pro Tempore Mary Sheffield *MS*

**DATE:** October 11, 2018

**RE:** **Request for LPD to Provide a Legal Opinion on Applying the 50% Parking Violation Discount to Detroit Residents Only**

As Council, it is imperative that we search for ways to try to alleviate economic hardships on Detroiters. Recently, I introduced a proposed parking ordinance that would grant a 50% discount on “no parking” and “expired meter” violations. Under this proposed ordinance, parking violation tickets would be \$22.50 if paid within 10 days. I am requesting that the Law Department provide a legal opinion or legal mechanism that would allow the discount to be applied to Detroit residents only.

Thank you.

**Cc:** Honorable Colleagues  
Hon. Janice Winfrey, City Clerk

Coleman A. Young Municipal Center 2 Woodward Ave., Suite 1340 Detroit, Michigan 48226  
(313) 224-4505 Fax (313) 224-0367  
CouncilMemberSheffield@detroitmi.gov

CITY CLERK 2018 NOV 5 PM 2:43





**MEMORANDUM**

**TO: John Hill, CFO**

**FROM: Hon. Scott Benson, City Council District 3**

**CC:** Hon. Janee Ayers, Chair, Budget, Audit & Finance Standing Committee  
Hon. Janice Winfrey, City Clerk  
David Whitaker, Director, LPD  
Christa McLellan, Treasurer, Detroit  
Stephanie Washington, City Council Liaison

**VIA:** Hon. Brenda Jones, City Council President

**DATE:** 5 November 2018

**RE: OCFO OPINION ON IMPACT OF PROPOSED PARKING FINE  
ORDINANCE MODIFICATIONS TO DETROIT'S GENERAL FUND,  
ABILITY TO COMPLY WITH STATE LAW AND MEET GROWTH  
PROJECTIONS**

There are a number of proposed changes to the current parking violations ordinance, Chapter 55, Article I, Division 2, Section 55-1-32 *Schedules of Fines for Parking Violations*. My office is concerned about the impact these proposed modifications will have on the City's ability to:

1. Meet its growth projections
2. Service its debt
3. Make the 2024 pension payment.

Please provide an opinion on how these proposed modifications to the CBO will impact the list of items above.

Provide this report and recommendation by 1 December 2018. If you have any questions do not hesitate to contact my office at, 313-224-1198

SRB