

*New Business*  
*4.9.2019*

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

17

March 29, 2019

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

**Re: Application for Neighborhood Enterprise Zone Certificate for  
Marwood Development**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of four (4) 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

W

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> |
|---------------------|----------------|------------------------|
| Marwood Development | 202 Marston    | 06-8499                |
| Marwood Development | 206 Marston    | 06-8500                |
| Marwood Development | 212 Marston    | 06-8501                |
| Marwood Development | 8035 John R    | 06-8503                |

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

March 28, 2019

## HONORABLE CITY COUNCIL

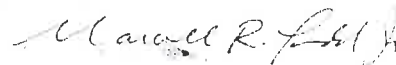
**RE: Neighborhood Enterprise Zone Certificate Applications for four (4) rehabilitated single-family homes located at 202 Marston Avenue, 206 Marston Avenue, 212 Marston Avenue and 8035 John R in the Marwood Development Neighborhood Enterprise Zone area. (RECOMMEND APPROVAL)**

The office of the City Planning Commission (CPC) has received four (4) applications requesting a Neighborhood Enterprise Zone (NEZ) certificate forwarded from the office of the City Clerk for the rehabilitation of four (4) single-family homes located at 202 Marston Avenue, 206 Marston Avenue, 212 Marston Avenue and 8035 John R. These applications correspond to a qualified sites that will facilitate the rehabilitation of four (4) single-family residential properties, as a part of a larger development known as the Marwood Development. The project consists of the rehabilitation and new construction of 19 single-family homes on 19 parcels or in-fill properties. Of the single-family homes, seven (7) units, or 37%, will be acquisition rehabilitation homes. Twelve (12) of the properties will be new construction for-sale homes, and all will be for-sale owner occupied.

The subject properties have been confirmed as being within the boundaries of the Marwood Development NEZ which was established by a vote of Council on November 20, 2018, and should be eligible for NEZ certificates under State Act 147 of 1992 as currently written. The estimated rehabilitation cost per property is \$242,000.00 for a total estimated project cost of 4,597,622.00 for all 19 properties. The NEZ certificate applications appear 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



18

April 5, 2019

Honorable City Council:

Greektown Casino LLC requests this Honorable Body's consent to: (1) the sale of the Casino Complex to Greektown Propco LLC, an affiliate of the VICI Properties Inc., and (2) the sale of the membership interests to an affiliate of Penn National Gaming, Inc. Attached for your consideration is a Resolution approving these transactions. The transfers remain subject to regulatory approvals. Accordingly, a waiver of reconsideration is requested.

Sincerely,

John Nagliek, Jr.

Chief Deputy CFO/Finance Director

CITY CLERK 2019 APR 5 PM 4:24

**RESOLUTION APPROVING GREEKTOWN CASINO L.L.C.'S SALE OF ITS  
MEMBERSHIP INTERESTS TO AN AFFILIATE OF PENN NATIONAL  
GAMING, INC. AND ITS REAL ESTATE TO GREEKTOWN PROPCO LLC,**

**BY COUNCIL MEMBER \_\_\_\_\_ :**

**WHEREAS**, Greektown Casino has operated in the City of Detroit since November 10, 2000; and

**WHEREAS**, Greektown Casino, L.L.C. ("Greektown Casino") is party to a Revised Development Agreement, dated August 2, 2002, by and among the City of Detroit, the Economic Development Corporation of the City of Detroit and Greektown Casino, as amended by that First Amendment to the Revised Development Agreement, dated "July \_\_, 2003" (collectively, the "Development Agreement");

**WHEREAS**, In 2013, an entity affiliated with Dan Gilbert acquired the membership interests of Greektown Casino ("Membership Interests") from various hedge and private equity funds and is now seeking to sell those Membership Interests to an affiliate of Penn National Gaming, Inc. ("Penn") and the property to an affiliate of VICI Properties Inc., a real estate investment trust, Greektown Propco LLC, a Delaware limited liability company ("VICI") (the "Transaction"); and

**WHEREAS**, Concurrent with the closing of the Transaction, the following shall occur:

- Penn has committed to entering into a long term lease with VICI, pursuant to which Penn would lease the real estate associated with the Casino Complex (the "Lease");
- Upon acquisition of the Membership Interests, Greektown Casino will remain the Developer under the Development Agreement and Penn will assume all obligations of Developer under that agreement;
- The new owner of Greektown Casino, Penn, would also assume all existing obligations under collective bargaining agreements with Greektown Casino's team members;
- Pursuant to the terms of the Lease between Penn and VICI, Penn would be solely responsible for operation of the Casino Complex, including maintenance, capital expenditures, property taxes, insurance and other expenses, all furniture, fixtures and equipment and personal property required for operations. VICI will receive rent payments as the landlord but will have no control over the operations of the Casino Complex;
- Under the Lease, Penn would be obligated to make annual capital expenditures in an amount equal to at least 1% of net revenues to ensure Greektown Casino remains a first class property;
- After the closing, VICI will own the real estate associated with the Casino Complex and will be bound by the terms of the Development Agreement and any other applicable agreements; and

**WHEREAS**, Pursuant to Section 8 of the Development Agreement, Greektown Casino is seeking the consent of the Detroit City Council to sell its membership interests to Penn and its real estate to VICI in accordance with the terms of the Transaction; and

**WHEREAS**, After the closing, Penn has warranted, represented and agreed as part of the Transaction that it will continue to operate Greektown Casino as a going concern, in a first class manner pursuant to the terms of the Development Agreement, and will be bound by the terms of the Development Agreement and any other applicable agreements; **and NOW THEREFORE BE IT**

**RESOLVED**, that based on the terms of the Transaction as set forth above, the Detroit City Council hereby consents to the Transaction.