

New
Business
9-10-19.

PLANNING AND
ECONOMIC
DEVELOPMENT
STANDING
COMMITTEE



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF CONTRACTING & PROCUREMENT

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1008
Detroit, MI 48226
Phone: (313) 224-4600
Fax: (313) 628-1160
E-Mail: purchasing@detroitmi.gov

60

September 6, 2019

HONORABLE CITY COUNCIL

RESCIND/REMOVAL

HOUSING AND REVITALIZATION

6002346 100% City Funding – 19-20 FY Agreement for the Detroit Economic Growth Corporation. To Provide Assistance in Economic Development Activities by Attracting new and assisting with the Retention and Expansion of Existing Commerce and Industry in the City. – Contractor: Detroit Economic Growth Corporation – Location: 500 Griswold, Ste. 2200, Detroit, MI 48226 – Contract Period: Upon City Council Approval through June 30, 2020 – Total Contract Amount: \$1,936,304.00

POLICE

3036626 100% 2018 UTGO Bond Funding – To Provide Sierra Wireless Routers, Netmotion & GPS Gate Licenses for EMS via Michigan Master Computing MiDeal Contract. – Contractor: CDW Government, LLC – Location: 230 N Milwaukee Ave., Vernon Hills, IL 60061 – Contract Period: Upon City Council Approval through August 31, 2020 – Total Contract Amount: \$143,474.17.

The above referenced **Contract(s) are being Withdrawn (Rescinded)** from the list of Contracts and Purchase Orders that was submitted for approval on the City Council Agenda dated September 4, 2019 for the City Council Formal Session dated September 10, 2019.

The Contract was previously submitted on the Agenda dated August 28, 2019 for City Council Formal Session for September 3, 2019.

Thank you in advance for your assistance with this matter.

Respectfully submitted

Boysie Jackson

Boysie Jackson
Chief Procurement Officer
BJ/EC



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF CONTRACTING & PROCUREMENT

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Detroit, MI 48226
Phone: (313) 224-4600
Fax: (313) 628-1160
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BY COUNCIL MEMBER: _____

RESOLVED, that CPO's **#6002346 and 3036626** referred to in the foregoing communication dated September 6, 2019, be withdrawn, hereby and is approved

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Housing and Revitalization
Department

Coleman A. Young
Municipal Center
2 Woodward Avenue, Suite
908
Detroit, Michigan 48226

Phone:
313.224.6380
Fax: 313.224.1629
www.detroitmi.gov

August 26, 2019

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

Re: Request for Public Hearing to Approve a Commercial Rehabilitation Certificate on behalf of REAL ESTATE INTERESTS, LLC, in the area of 3750 Woodward, Detroit, Michigan, in accordance with Public Act 210 of 2005 (Petition # 938).

Honorable City Council:

The Housing and Revitalization Department, Planning & Development Department and Finance Department have reviewed the application of **REAL ESTATE INTERESTS, LLC** and find that it satisfies the criteria set forth by P.A. 210 of 2005 and would be consistent with development and economic goals of the Master Plan.

Public Act 210 of 2005 states that the legislative body of the qualified local governmental unit, shall by resolution either approve or disapprove the application for a Commercial Rehabilitation Exemption Certificate in accordance with Section 3 and other provisions of this act. Prior to acting upon a resolution to recommend approval, a public hearing must be held, and the City Clerk must provide written notice of the public hearing to the assessor and to the governing body of each taxing unit that levies an ad valorem tax within the eligible district.

We request that a Public Hearing be scheduled on the issue of approving the application for the Commercial Rehabilitation Certificate. Attached for your consideration, please find a resolution establishing a date and time for the public hearing.

Respectfully submitted,

Donald Rencher
Director

CITY CLERK 2019 SEP 5 AM 10:05

DR/AM

Cc: S. Washington, Mayor's Office
M. Cox, PDD
D. Rencher, HRD
A. McLeod, HRD

BY COUNCIL MEMBER _____

WHEREAS, pursuant to Public Act 210 of 2005 (“the Act”) this City Council may adopt a resolution approving the application of a Commercial Rehabilitation Exemption Certificate within the boundaries of the City of Detroit; and

WHEREAS, REAL ESTATE INTERESTS, LLC has made application for a Commercial Rehabilitation Exemption Certificate whose boundaries are particularly described in the map and legal description attached hereto; and

WHEREAS, prior to such approval, the City Council shall provide an opportunity for a Public Hearing, at which a Public Hearing on such adoption of a resolution providing such tax exemption, at which Public Hearing representatives of any taxing authority levying *ad valorem* taxes within the City, or any other resident or taxpayer of the City of Detroit may appear and be heard on the matter.

NOW THEREFORE BE IT

RESOLVED, that on the _____ 2019 in the City Council Committee Room, 13th floor, Coleman A. Young Municipal Center, a Public Hearing be held on the above described application and be it finally

RESOLVED, that the City Clerk shall give notice of the Public Hearing to the general public and shall give written notice of the Public Hearing by certified mail to all taxing authorities levying an *ad valorem* tax within the City of Detroit.

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

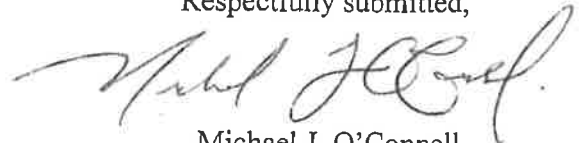
August 29, 2019

To: Maurice Cox, Director
Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 908
Detroit, MI. 48226

Re: 3750 Woodward Avenue, LLC

Please find attached an application for Commercial Rehabilitation Exemption Certificate for Property located at 3750 Woodward Ave, Detroit, MI 48202. **(RELATED TO PETITION #938)**

Respectfully submitted,



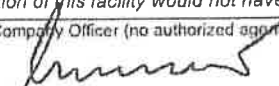
Michael J. O'Connell,
Jr. Asst. City Council Committee Clerk
Office of the City Clerk

STATE USE ONLY		
Application Number	Date Received	LUCI Code

Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

Read the instructions page before completing the form. **This application should be filed after the commercial rehabilitation district is established.** The applicant must complete Parts 1, 2 and 3 and file one original application form (with required attachments) and one additional copy with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) 3750 Woodward Avenue, LLC		NAICS or SIC Code 531190	
Facility's Street Address 3750 Woodward Avenue	City Detroit	State MI	ZIP Code 48202
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility Is Located Detroit	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 09/16/2019	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 12/31/2024		
Estimated Cost of Rehabilitation \$330,000,000	Number of Years Exemption Requested (1-10) 10		
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity <input type="checkbox"/> Retain Employment <input checked="" type="checkbox"/> Revitalize Urban Areas			
<input checked="" type="checkbox"/> Create Employment <input type="checkbox"/> Prevent Loss of Employment <input type="checkbox"/> Increase Number of Residents in Facility's Community			
No. of jobs to be created due to facility's rehabilitation 724	No. of jobs to be retained due to facility's rehabilitation 0	No. of construction jobs to be created during rehabilitation 1,800	
PART 2: APPLICATION DOCUMENTS			
Prepare and attach the following items:			
<input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage)		<input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption	
<input checked="" type="checkbox"/> Description of the qualified facility's proposed use		<input checked="" type="checkbox"/> Legal description	
<input checked="" type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken		<input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only)	
<input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility		<input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only)	
<input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation			
PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) Mohammad Qazi		Telephone Number (248) 386-0300	
Fax Number		E-mail Address qazi@cienahmi.com	
Street Address 4000 Town Center, Suite 700	City Southfield	State MI	ZIP Code 48075
I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.			
I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.			
Signature of Authorized Company Officer (no authorized agents) 		Title Manager	Date 7/22/19

PART 4: ASSESSOR RECOMMENDATIONS (assessor of LGU must complete Part 4)

Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).

	Taxable Value	State Equalized Value (SEV)
Land		
Building(s)		

The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.

☐ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.

Name of Local Government Body

Name of Assessor (first and last name)

Telephone Number

Fax Number

E-mail Address

I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.

Assessor's Signature

Date

PART 5: LOCAL GOVERNMENT ACTION (clerk of LGU must complete Part 5)

Action Taken By LGU (attach a certified copy of the resolution):

☐ Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)

☐ Exemption Denied

Date District Established (attach resolution for district)

Local Unit Classification Identification (LUCI) Code

School Code

PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION (clerk of LGU must complete Part 6)

Clerk's Name (first and last)

Telephone Number

Fax Number

E-mail Address

Mailing Address

City

State

ZIP Code

LGU Contact Person for Additional Information

LGU Contact Person Telephone Number

Fax Number

I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.

Clerk's Signature

Date

The clerk must retain the original application at the local unit and mail one copy of the completed application with attachments to:

State Tax Commission
P.O. Box 30471
Lansing, MI 48909

GENERAL DESCRIPTION

The existing site consists of approximately 3.78 acres of vacant land that previously contained a two-story medical office building and a parking lot.

SCHEDULE

Construction on the facility shall begin on or about September 16, 2019. The first building will be delivered in the second quarter of 2021. Completion of the improvements to the entire site is anticipated by the fourth quarter of 2024.

STATEMENT OF ECONOMIC ADVANTAGES

The completed project shall be called "The Mid". It will be a 3.8-acre mixed-use development carefully planned to offer diverse programs; including retail, hotel, housing, and dining experiences with interwoven public spaces for community, resident, and visitor engagement and connectivity. The Mid's planned investment exceeds \$330 million and will create over 1,800 construction jobs and 700+ full-time equivalent positions (FTEs).

This development aims to unite the surrounding community and residents across a range of backgrounds and lifestyles. The Mid plans to incorporate a 225 room hotel, approximately 80,000 square feet of retail space, hundreds of multi-family residences, affordable housing, co-living housing units and 60 residential condominiums. The project will offer alternatives for family and communal living supported by eateries, entertainment and public amenities.

LEGAL DESCRIPTION

Address	3750 Woodward Avenue
Parcel ID	01004190-8
Owner	3750 Woodward Avenue LLC

The MID – 3750 Woodward Avenue
3750 Woodward Avenue, LLC
Application for Commercial Rehabilitation Exemption Certificate



E WOODWARD PT OF 2&3 & S 1/2 VAC MARTIN PL (50 FT WD) ADJ BG DESC AS:
BEG AT THE NW COR OF LOT 1 MEDICAL CENTER URBAN RENEWAL PLAT #1 TH
ALG NLY LN OF SD LOT N 60D 9M 30S E 159.50 FT TH N 26D 27M 0S W 37.90
FT TH N 60D 9M 30S E 100.00 FT TH N 63D 33M 0S E 8.01 FT TO POB TH N 63D
33M 0S E 225.17 FT TH S 26D 27M 0S E 20.00 FT TH N 63D 33M 0S E 32.85 FT
TO WLY LN OF JOHN R ST (84 FT WD) TH ALG SD LN S 26D 21M 30S E 387.64
FT TH S 63D 35M 30S W 524.70 FT TO THE ELY LN OF WOODWARD AVE (120
FT WD) TH ALG SD LN N 26D 24M 30S W 219.97 FT TH N 63D 35M 20S E
110.02 FT TH N 26D 24M 40S W 8.99 FT TH N 63D 35M 20S E 137 FT TH N 18D
35M 20S E 28.28 FT TH N 26D 24M 40S W 158.48 FT TO POB MEDICAL CENTER
URBAN RENEWAL PLAT #1 L88 P74-6 PLATS, W C R 1/219 IRREG 164,657 SQ
FT

- 2b Description of the qualified facility's proposed use
- 2c Description of the general nature and extent of the rehabilitation to be undertaken.
- 2d Descriptive list of the fixed building equipment that will be a part of the qualified facility.



DESIGN FOR
ACTIVATION



INTRODUCE
MULTI-SEASONAL
PUBLIC SPACE



ENRICH EXISTING
NEIGHBORHOODS



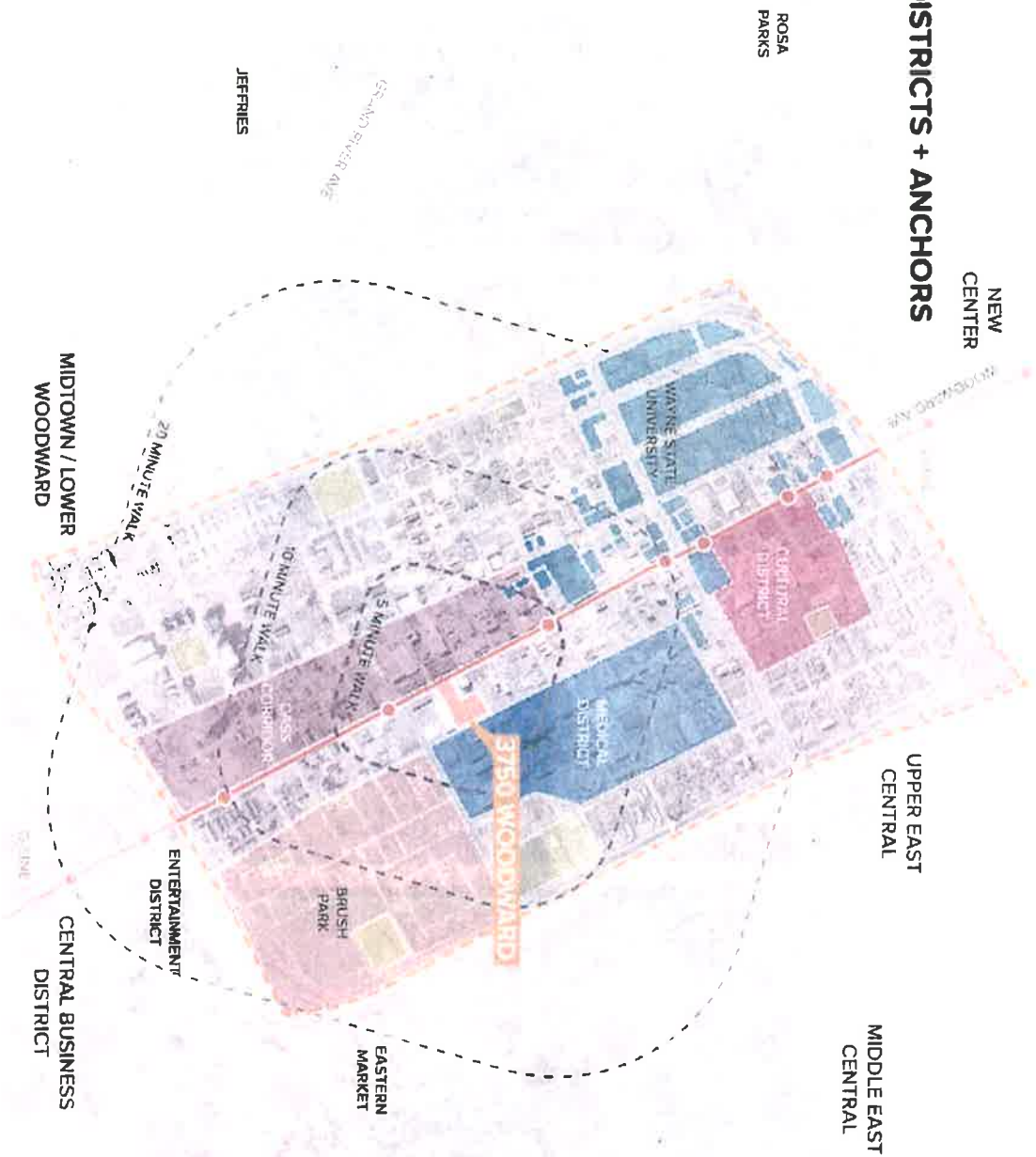
STRENGTHEN
MIDTOWN RETAIL
ENVIRONMENT



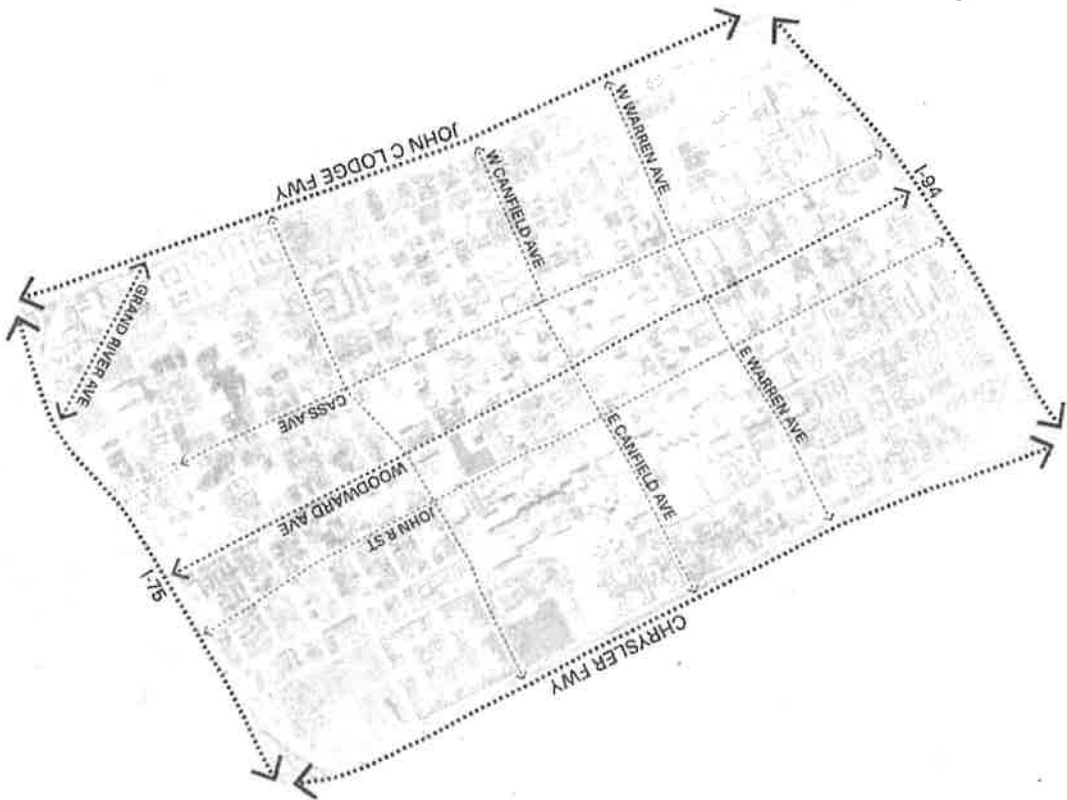
LINK URBAN
ECOSYSTEMS



KEY DISTRICTS + ANCHORS



TRAFFIC + BOUNDARIES



TRANSPORTATION



CREATING CONNECTIONS

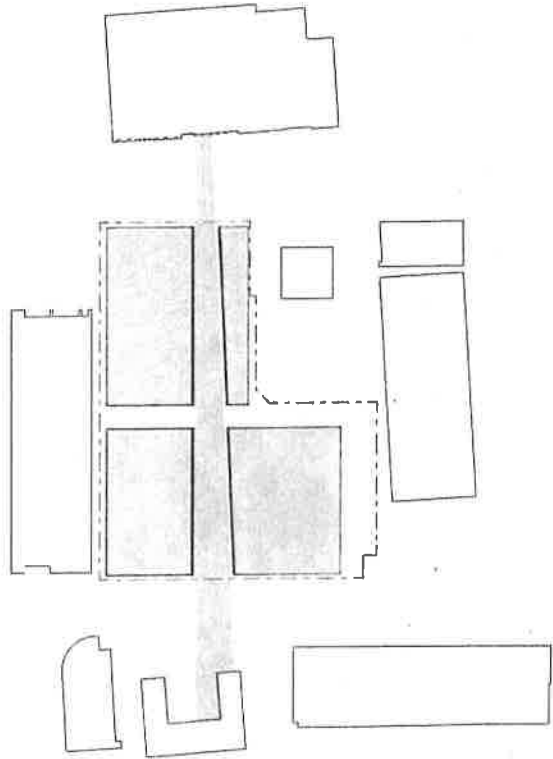
RESTAURANT + RETAIL

FINE ARTS

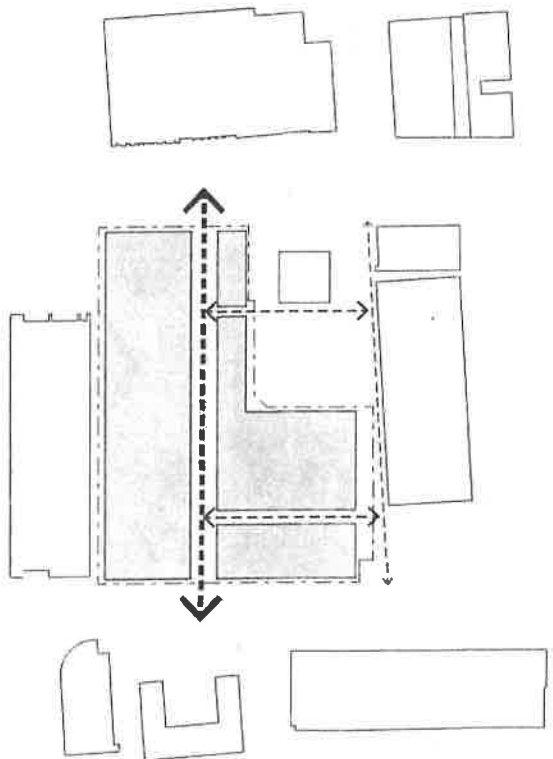
MEDICAL



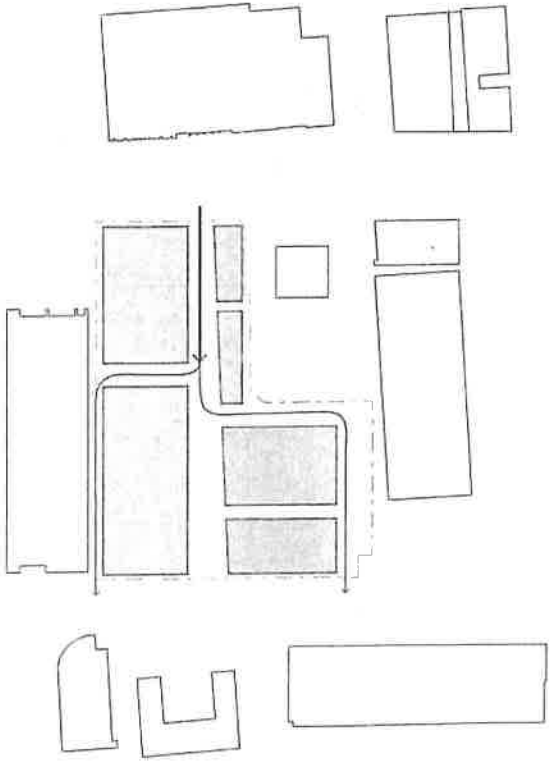
SITE DEVELOPMENT



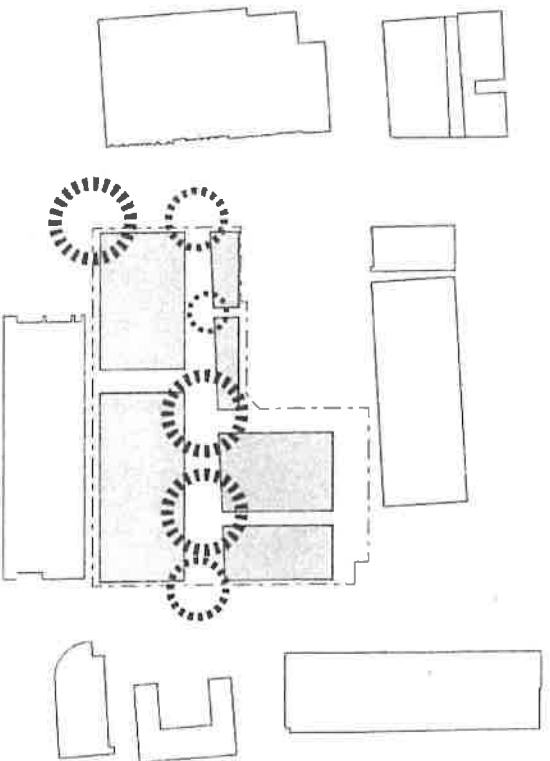
CREATE CONNECTIONS



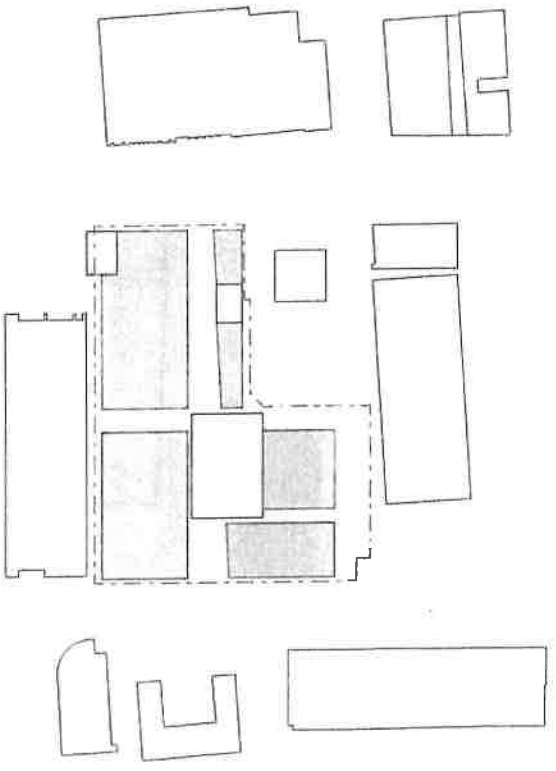
ACTIVATE FOR PEDESTRIANS



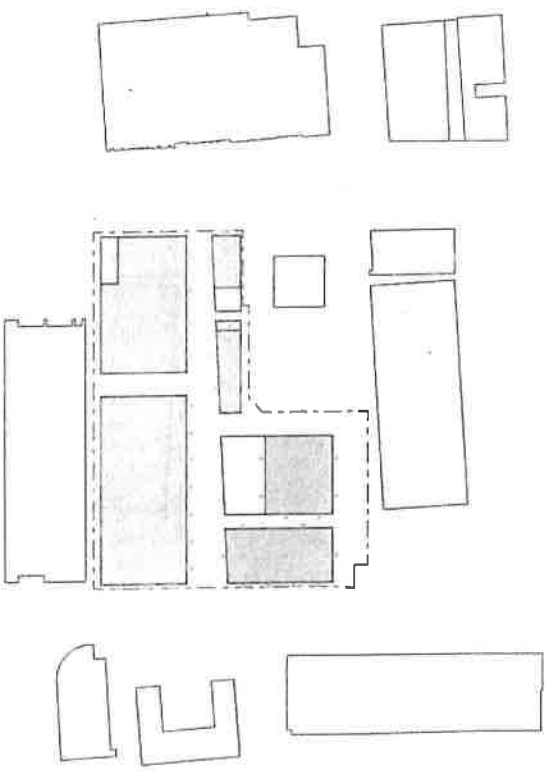
VEHICULAR CIRCULATION



INTERSECTIONS



PUBLIC SPACES



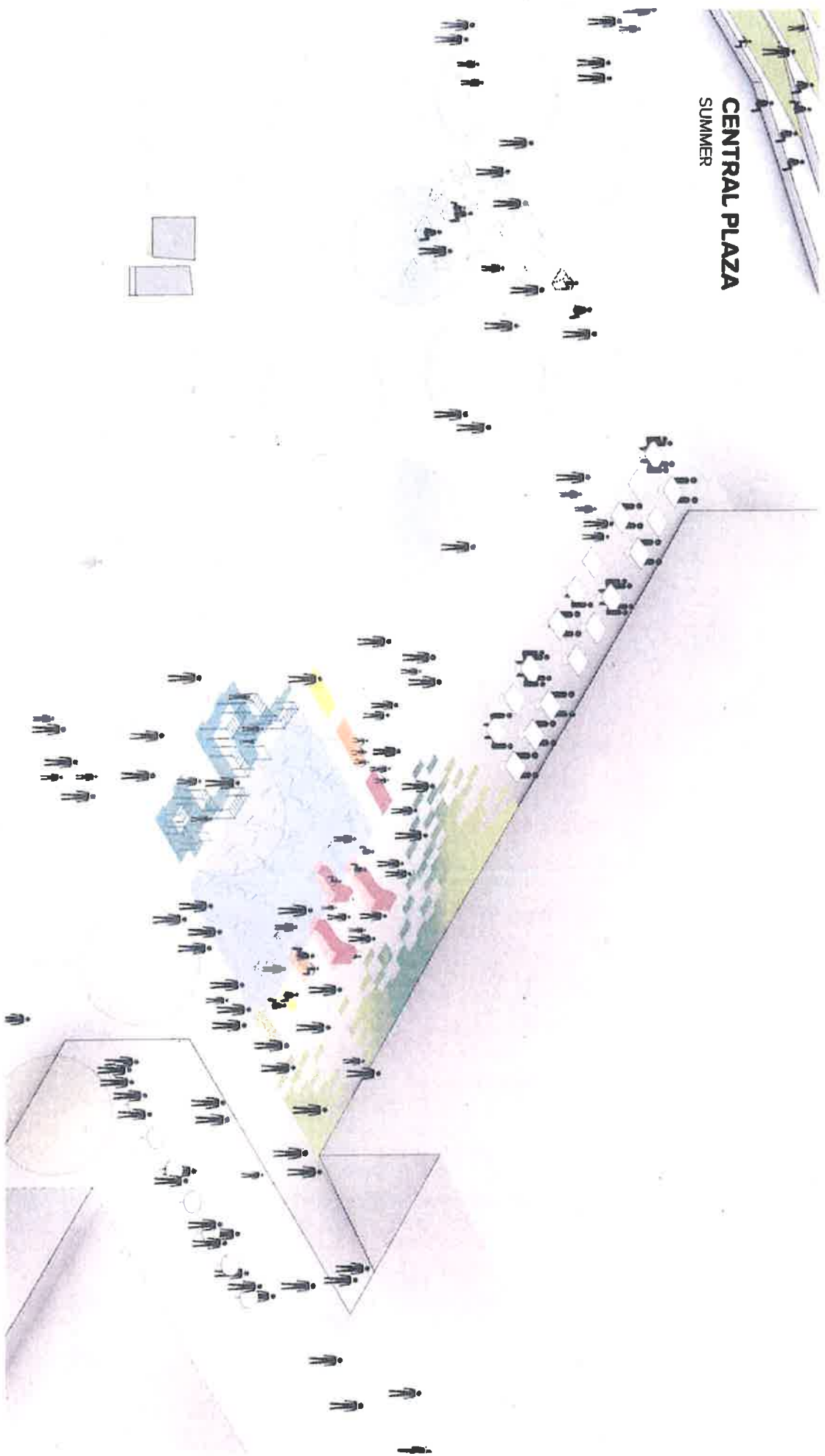
ENTRY LOCATIONS





CENTRAL PLAZA

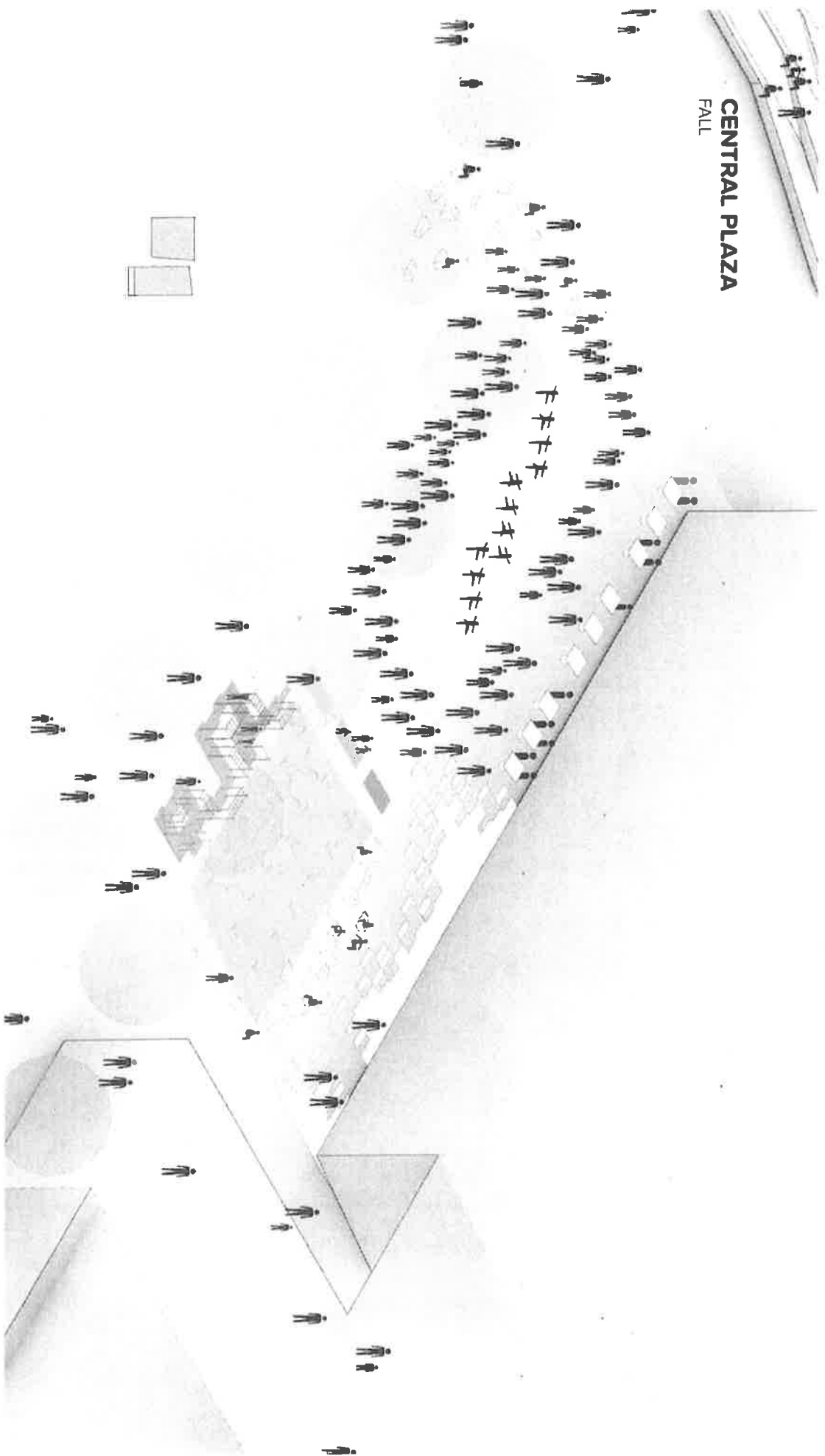
SUMMER





CENTRAL PLAZA

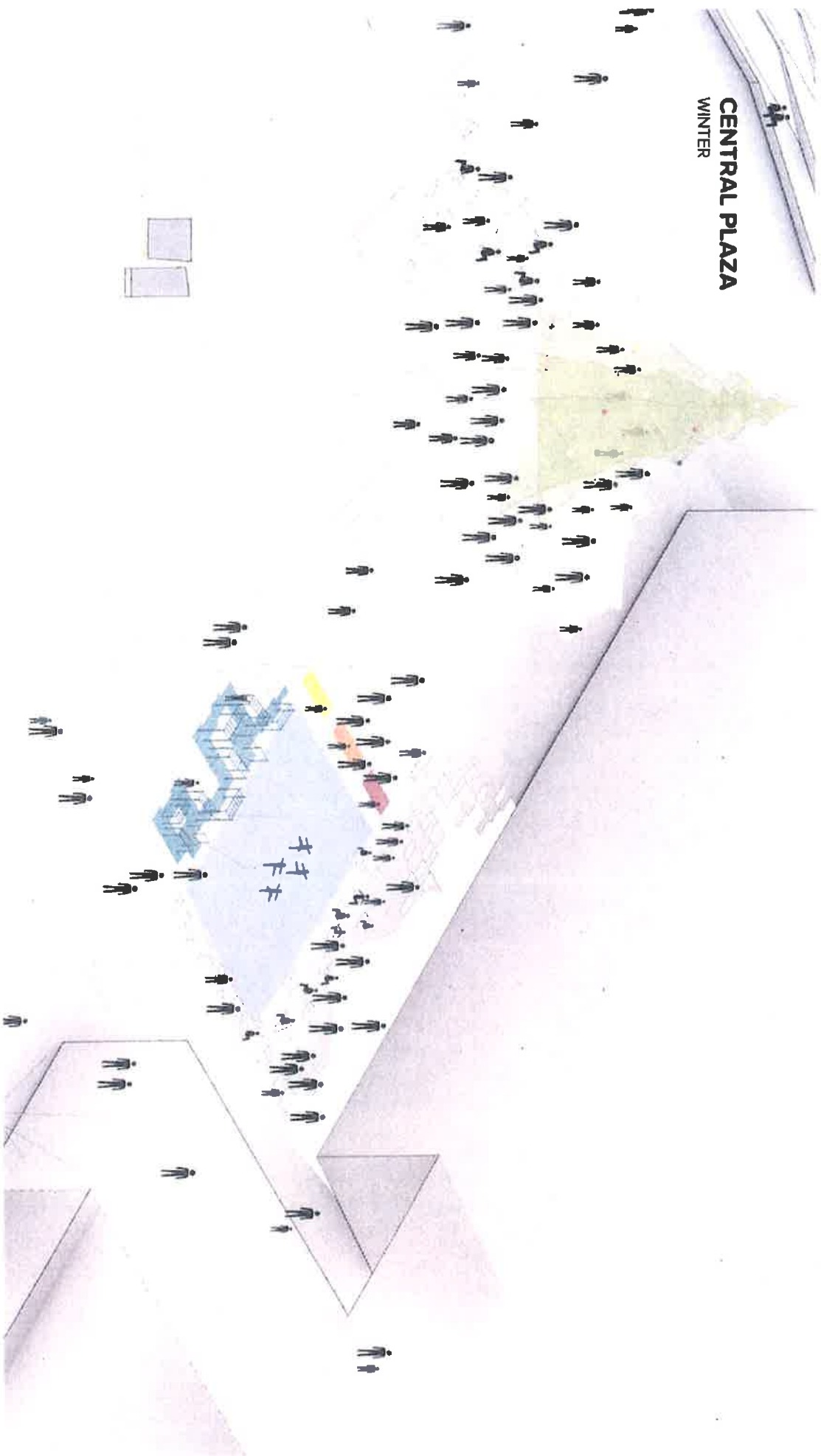
FALL





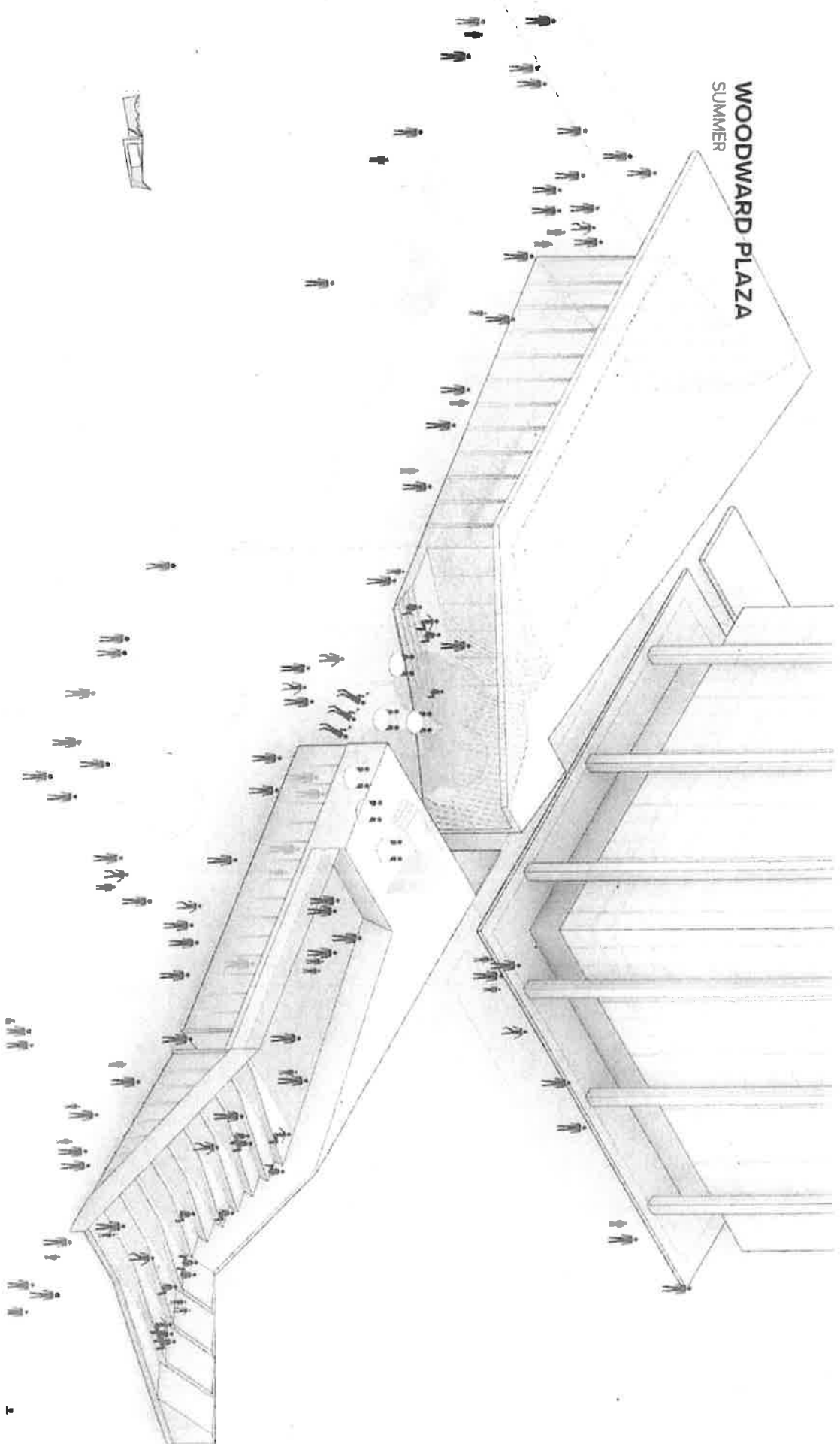
CENTRAL PLAZA

WINTER





WOODWARD PLAZA SUMMER






PROGRAMMING

 HOTEL + CONDOMINIUMS

CO-LIVING HOUSING

 MULTI-FAMILY HOUSING

 PARKING

 RETAIL

Luxury Boutique Hotel

- 16 levels
- 225 keys

Luxury Condominiums

- 9 levels
- 60 units

Co-Living Housing

- 10 levels
- 198 units/76 affordable (38%)

Multi-Family Housing

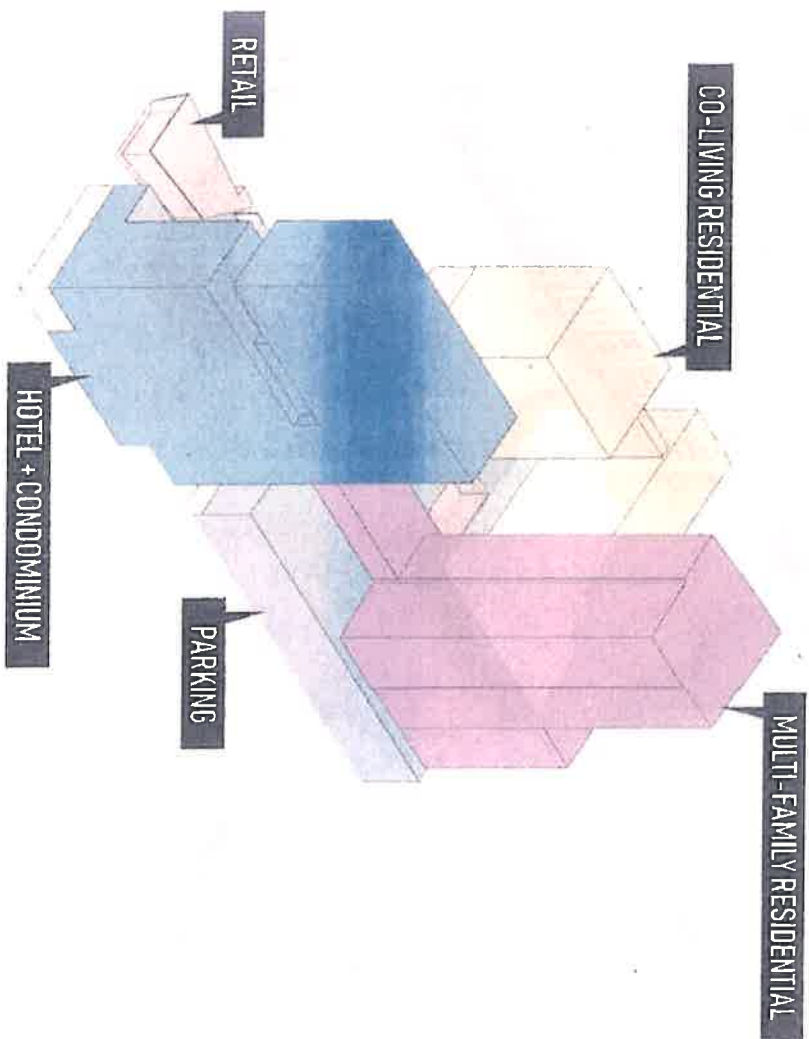
- 29 levels
- 180 units/36 affordable (20%)

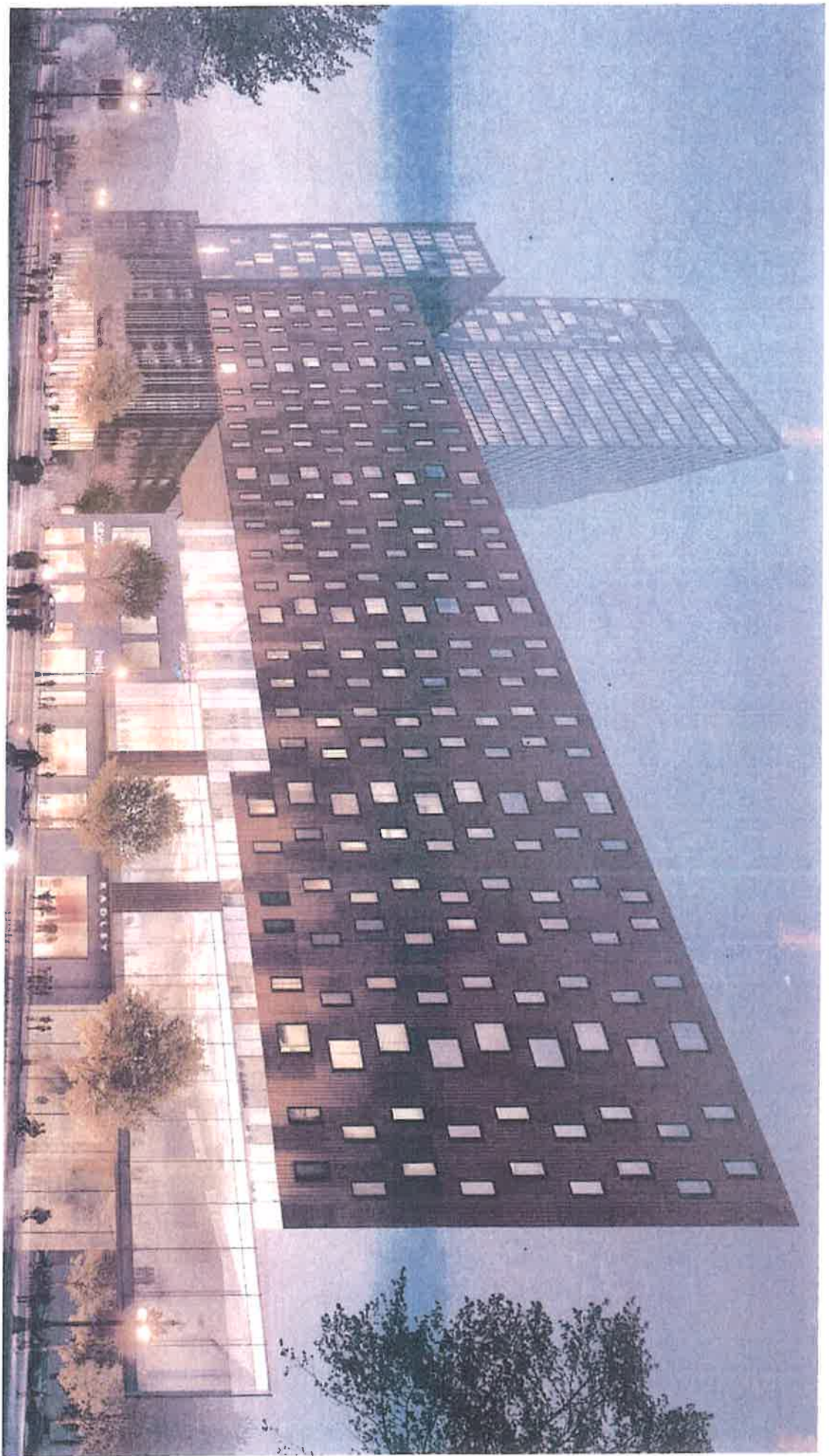
Parking

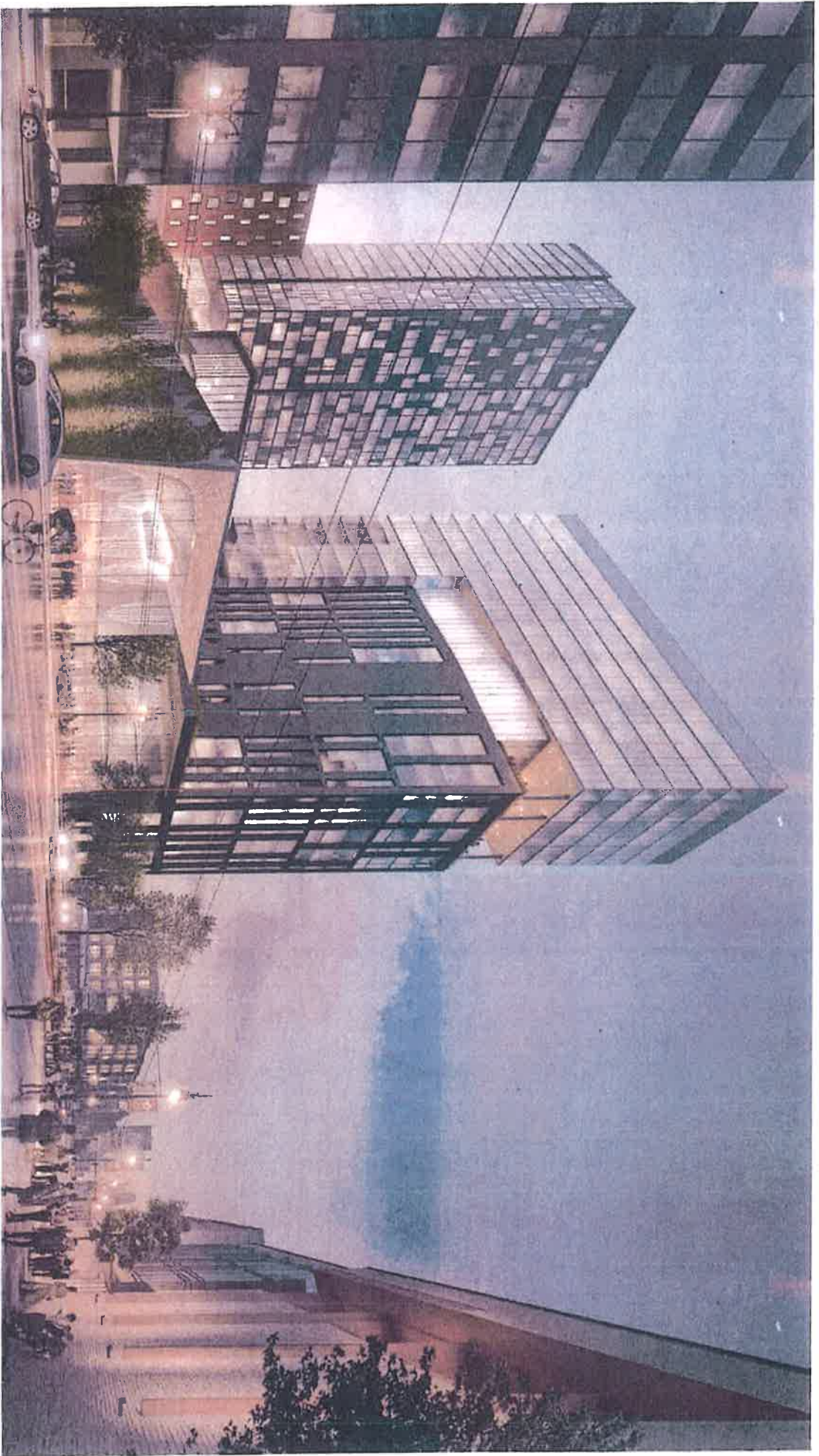
- 710 spaces

Total Residential

- 438 units/26% affordable







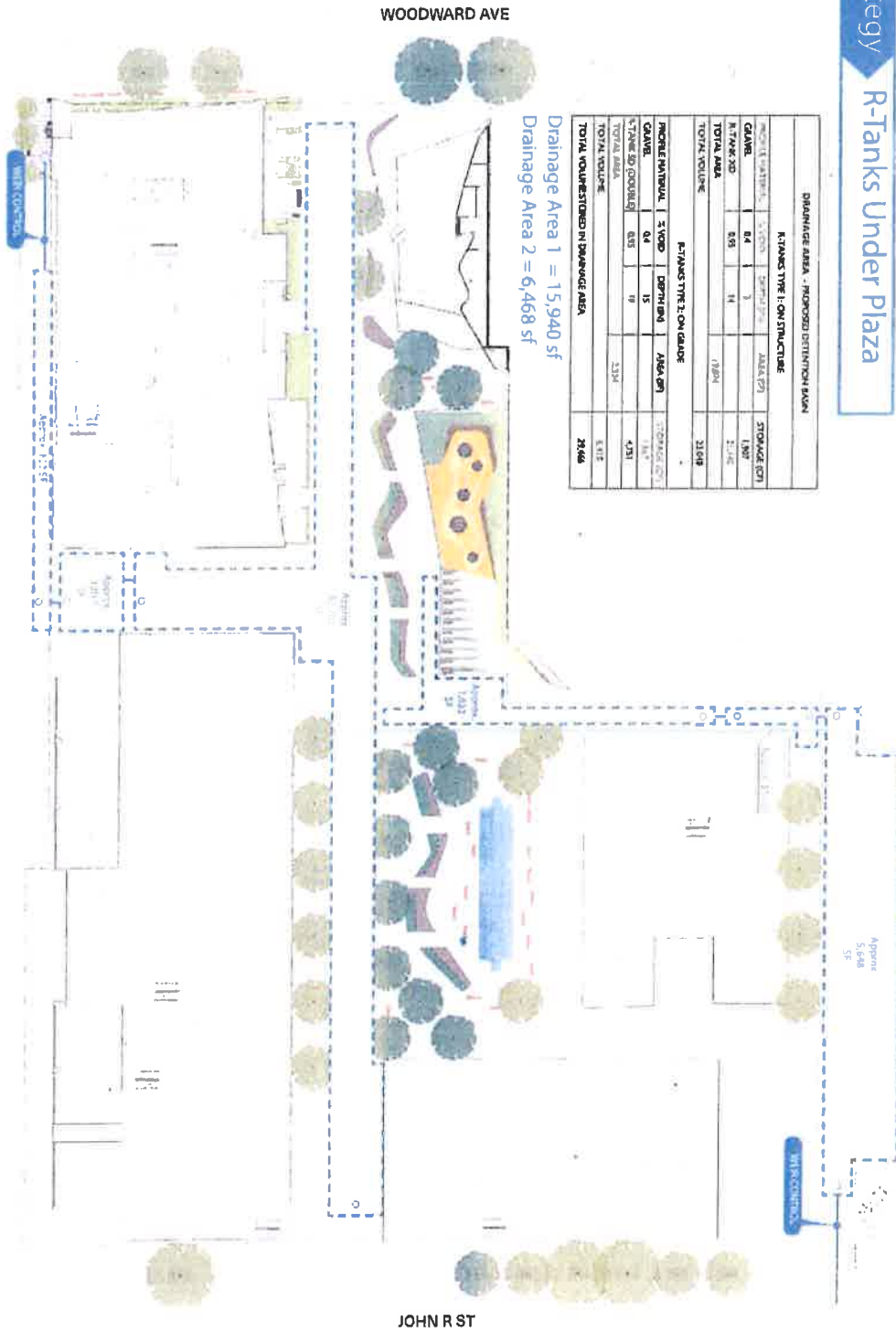
TRAFFIC FLOW



Detention Strategy R-Tanks Under Plaza

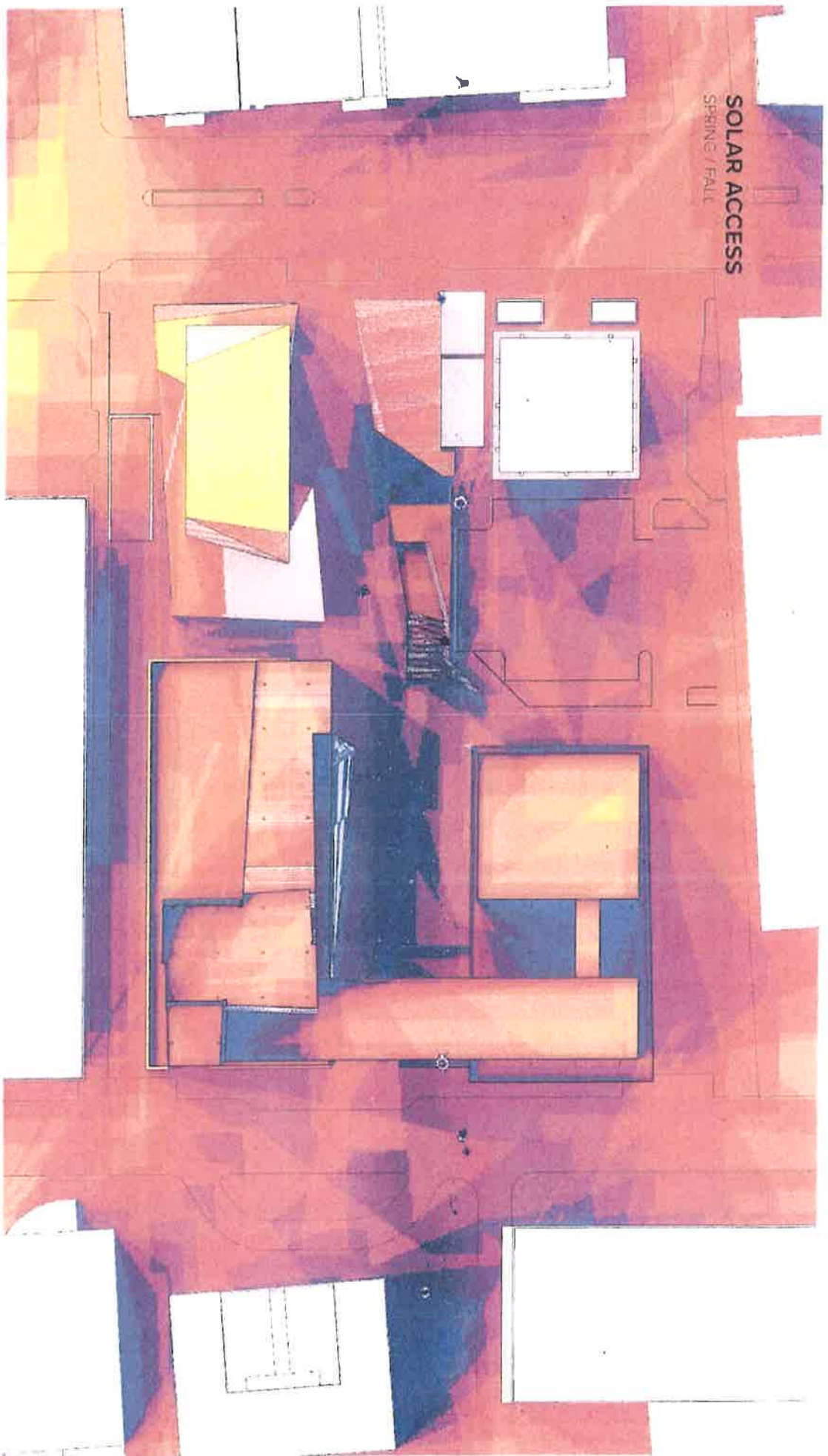
DRAINAGE AREA - PROPOSED DETENTION PLAN					
R-TANKS TYPE 1: ON STRUCTURE					
RAINFALL	AREA (SQ FT)	STORAGE (CU FT)			
0.4	3	1,800			
0.5	14	2,240			
TOTAL AREA		17,840			
TOTAL VOLUME		21,640			
R-TANKS TYPE 2: ON GRADE					
RAINFALL	AREA (SQ FT)	STORAGE (CU FT)			
0.4	15	1,800			
0.5	49	4,231			
TOTAL AREA		23,240			
TOTAL VOLUME		8,112			
TOTAL VOLUMES STORED IN DRAINAGE AREA		29,446			

Drainage Area 1 = 15,940 sf
Drainage Area 2 = 6,468 sf

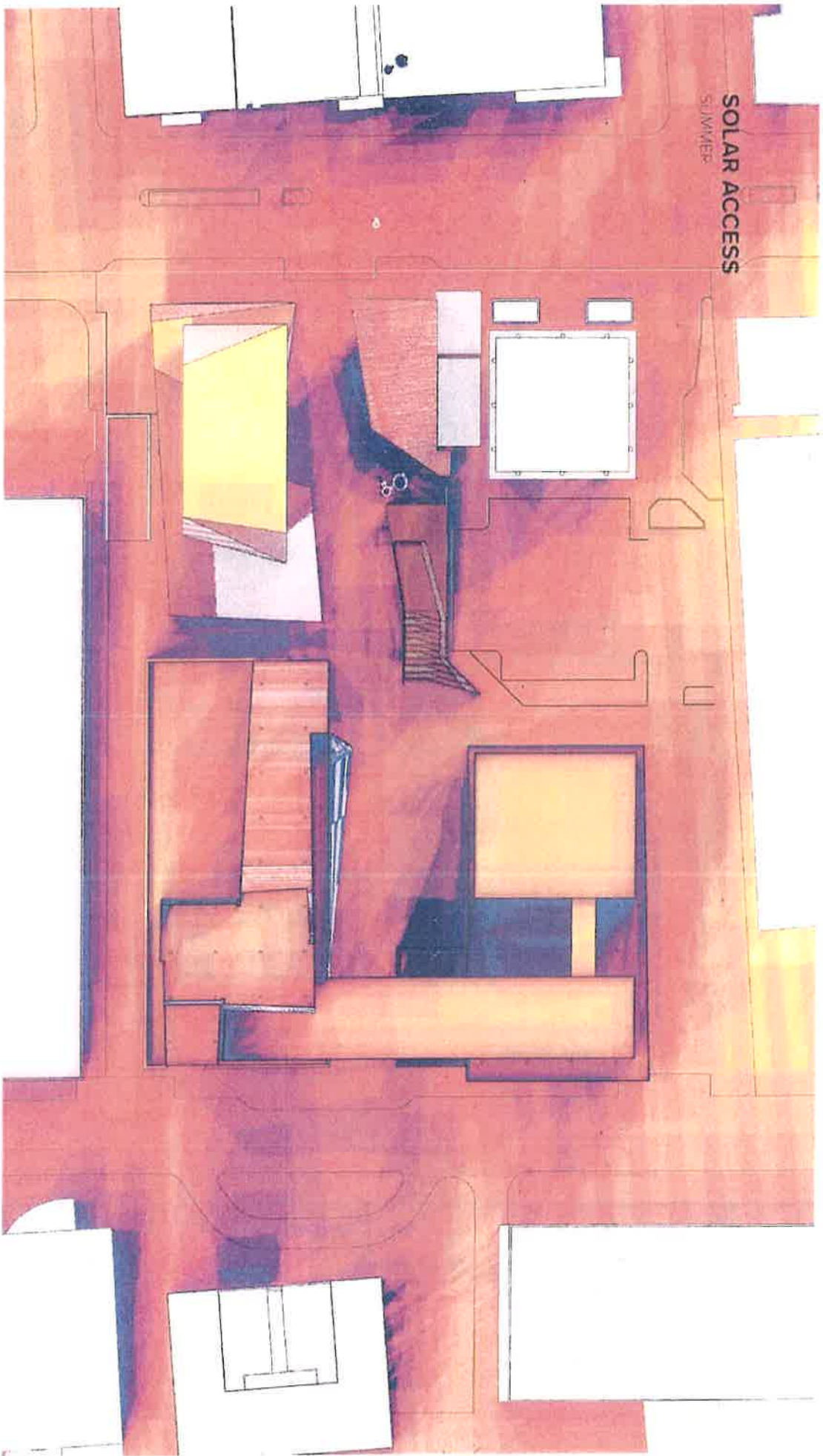


spackman mossop michaels

SOLAR ACCESS
SPRING / FALL



SOLAR ACCESS
SUMMER



SOLAR ACCESS
WINTER



**COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE
AGREEMENT**

THIS AGREEMENT ("Agreement"), by and between the City of Detroit ("City"), a Michigan municipal corporation acting by and through its Planning & Development Department with an office at 2 Woodward Avenue, Suite 808, Detroit, MI 48226 and 3750 Woodward Avenue, LLC ("Applicant") with an office at 4000 Town Center, Suite 2000, Southfield, Michigan 48075 is made this _____ day of _____, 2019.

WITNESSETH:

WHEREAS, Public Act 210 of 2005 as amended, also known as the Commercial Rehabilitation Act ("Act"), (1) provides for the establishment of commercial rehabilitation districts by local governmental units, (2) provides for the abatement or exemption from certain taxes for qualified facility owners, and (3) allows local governmental units to levy and collect a specific tax from the owners of certain qualified facilities, among other provisions; and

WHEREAS, the Applicant has submitted an Application for Commercial Rehabilitation Exemption Certificate ("Application") for the property located at: 3750 Woodward Avenue, Detroit, Michigan ("Property"). A copy of the Application is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City has previously approved a commercial rehabilitation district pursuant to the Act and the Property is located in such district; and

WHEREAS, the Applicant has committed to complete a Rehabilitation of the Property, as defined in the Act, and to hire or retain a certain amount of full-time employees at the Property during the Term (as defined below); and

WHEREAS, the City has approved the Application by adopting a resolution granting the Commercial Rehabilitation Exemption Certificate ("CREC"), contingent upon the representations contained herein and pending approval by the Michigan State Tax Commission. A copy of the City resolution granting the CREC is attached hereto as Exhibit B and made a part hereof; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. General.
 - a. Unless earlier revoked as provided for in Section 12 of the Act, being MCL 207.852, or as provided for in this Agreement, the CREC term and the term of this Agreement (collectively, the "Term") will be ten (10) years, beginning on the certificate beginning date stated in the CREC issued by the Michigan State Tax Commission.

- b. The Applicant will complete the Rehabilitation of the Property (the "Project"), as defined in the Act and as set forth in the Application, no later than December 31, 2025.
- c. The Applicant shall create, or cause to be created, at least seven hundred three (703) (the "Employee Commitment Number") full-time employees at the Property within one (1) year of the effective date of this Agreement.
- d. The Applicant will recruit and hire City of Detroit residents in accordance with specified targets as set forth in the City of Detroit Resident Employment Plan ("Employment Plan") submitted by the Applicant to the City as part of the Application and approved by the City of Detroit Civil Rights, Inclusion and Opportunity Department ("CRIO"). Throughout the Term, the Employment Plan may be modified in CRIO's sole discretion. CRIO will monitor the Applicant's compliance with the Employment Plan on an annual basis throughout the Term. Upon notice from CRIO of a discrepancy between the Applicant's commitment in the Employment Plan and the actual number of City of Detroit residents employed at the Property, Applicant shall submit a correction plan setting forth the Applicant's plan to bring the number of City of Detroit residents employed at the Property back up to the specified targets as set forth in the Employment Plan. Applicant's correction plan must be approved by CRIO. Applicant shall be required to fulfill the terms of such correction plan in the timeline set forth in the correction plan.
- e. For purposes of this Agreement, a "full-time employee" is defined as a person: 1) who is employed by the Applicant or its affiliates on a salary, wage, commission, or other basis, for a minimum period of forty (40) hours a week and 2) from whose compensation the Applicant or its affiliates, including a staffing agency, are required by law to withhold City of Detroit income taxes. Affiliates may include Applicant's tenant(s) that lease space at the Property.

2. Applicant Representations.

In compliance with the Act and in order to induce the City to grant a CREC to the Applicant, the Applicant represents that:

- a. The Applicant is the owner of the Property at the time of the Application and this Agreement.
- b. The Property is a "Qualified Facility" as defined under the Act.
- c. During the Term, no portion of the Property will be used as a professional sports stadium.
- d. During the Term, no portion of the Property will be used, owned or operated by a casino or affiliated company as defined in the Act.
- e. Applicant would not have considered undertaking the Project without a CREC.

- f. The Project did not start earlier than six (6) months before the Applicant filed the Application.
- g. There are no delinquent taxes owed on the Property.
- h. The Applicant will pay any applicable taxes on the Property as they become due.
- i. The Project and the Applicant's current and planned future operation of the Property are in compliance with the City of Detroit Zoning Ordinance and Master Plan.
- j. If the Project will include the provision of housing at the Property, the Applicant agrees to: 1) comply with Fair Housing Practices that meet the guidelines set forth by the U.S. Fair Housing Act (42 U.S.C. 3601 through 3619); and 2) comply with the Affordability Requirements set forth on Addendum 2, attached hereto.

3. Community Benefits Requirements.

Pursuant to City of Detroit Ordinance 35-16 ("Ordinance"), also known as the Community Benefits Ordinance, if the Property involves a Tier 2 Development Project (as defined by the Ordinance), then the Applicant will:

- a. Partner with the City, and, when appropriate, a workforce development agency to promote the hiring, training and employability of Detroit residents consistent with State and Federal Law.
- b. Partner with the Director of the Planning & Development Department to address and mitigate negative impacts that the Tier 2 Development Project may have on the community and local residents. The Applicant will adhere to the mitigation requirements, if any, stated in the attached Addendum 1 – 4. b. Requirements, which is incorporated herein by reference.

4. Reporting to the City by the Applicant.

Applicant agrees to provide the City with sufficient information, subject to review and audit by the City, in order to determine compliance with this Agreement. At a minimum, the Applicant shall provide the City with the following during the Term:

- a. Upon request, the Applicant shall provide the Planning & Development Department copies of all construction plans, building permits and certificates of occupancy related to the Project. These documents, along with periodic site visits to the Property by the City, will serve to establish whether the Applicant is completing the Project as required by the Act and this Agreement.
- b. Within two (2) weeks after the first year of the Term and for each year of the Term thereafter, Applicant shall submit to the Planning & Development Department a certified status report ("Status Report") signed by an authorized officer of the Applicant. The Status Report shall set forth for the previous year: 1) the Rehabilitation work completed

at the Property and the Applicant's financial investment in the Property for that year and
2) the number of full-time employees at the Property for that year.

- c. Within two (2) weeks after the last day of the first year of the Term and each year of the Term thereafter, the Applicant shall submit to CRIO the Annual Employment Report for Tax Abatements (the "Status Report"), including copies of proofs of residency that have been accepted by CRIO.

5. Revocation of CREC and Termination of this Agreement.

The City may, in its sole discretion and by resolution of Detroit City Council, revoke the CREC if the City finds that: 1) the completion of Rehabilitation of the Property has not occurred in the time or manner authorized by this Agreement; or 2) that the Applicant has not proceeded in good faith with the Rehabilitation of the Property in a manner consistent with the purposes of the Act, taking into account any circumstances that are beyond the control of the Applicant.

Good faith efforts include, but are not limited to, the following: 1) Applicant is actively working with an agency or City Department to hire and ascertain methods of recruiting and employing Detroit residents at the Property, and 2) Applicant is actively working with the Detroit Economic Growth Corporation, the City's Planning & Development Department, and CRIO to ascertain methods of obtaining resources to improve Applicant's business in a manner that will allow for compliance with this Agreement.

6. Payment of Exempted Taxes for Shortfall of Employment.

If the average number of full-time employees at the Property for any given year of the Term is less than the Employee Commitment Number, the Applicant agrees to pay to the City, in addition to the Commercial Rehabilitation Tax due under the CREC, an amount equal to the difference between the amount of ad valorem tax that would be due on the Property without the CREC, and the amount of Commercial Rehabilitation Tax due on the Property under the CREC, for that given year, multiplied by a fraction, the numerator of which is the shortfall in the number of full-time employees indicated in the Status Report, and the denominator of which is the Employee Commitment Number. Prior to taking any action to require the Applicant to pay an amount to the City pursuant to this Section, the City must afford the Applicant an opportunity to present reasons for the employment shortfall at a public hearing.

In the event that the Applicant fails to report in the Status Report the number of full-time employees at the Property for a given year of the Term, the number of full-time employees at the Property for purposes of this Section shall be deemed to be zero (0).

7. Notice to City of Discontinuance of Operations.

If during the Term the Applicant intends to discontinue operations at the Property, the Applicant will provide thirty (30) days' prior written notice of such shutdown of operations to the Director of the Planning & Development Department.

8. Reservation of Remedies.

The City and the Applicant agree that each of the rights and remedies provided by this Agreement may be exercised separately or cumulatively, and shall not be exclusive of any other rights and remedies provided by law. Invalidity of any of the provisions contained in this Agreement by operation of law, judgment, court order or otherwise shall not invalidate any of the other provisions of this Agreement.

9. Transfer.

Neither the CREC nor this Agreement may be transferred or assigned by the Applicant to a new owner of the Property unless the City, in its sole discretion, approves such transfer or assignment upon application by the new owner.

10. Headings.

The headings contained in this Agreement are for descriptive purposes only, and do not alter or govern the substantive content of the provisions of the Agreement.

11. Capitalized Terms

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Act.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and the Applicant, by and through their authorized officers and representatives, have executed this Agreement as follows:

APPLICANT

3750 Woodward Avenue, LLC

By: _____

Print: Mohammad Qazi

Its: Manager

CITY OF DETROIT

PLANNING & DEVELOPMENT DEPT.

By: _____

Print: _____

Its: _____

**THIS AGREEMENT IS NOT EFFECTIVE OR VALID UNTIL A COMMERCIAL
REHABILITATION EXEMPTION CERTIFICATE IS APPROVED BY THE MICHIGAN
STATE TAX COMMISSION**



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY 711
(313) 224-9400
WWW.DETROITMI.GOV

September 3, 2019

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

RE: Commercial Rehabilitation Certificate – **Real Estate Interests LLC on behalf of 3750 Woodward Avenue LLC**
Property Address: 3750 Woodward Avenue
Parcels Number: 01004190-8.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the Commercial Rehabilitation certificate application for the properties located at **3750 Woodward Avenue** in the **Midtown** area in the City of Detroit.

The rationale for issuing Commercial Rehabilitation certificates 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 existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The proposed project by **3750 Woodward Avenue LLC** is to construct a mixed-use development including 225 room hotel, 80,000 square feet of retail space, hundreds of multi-family residence, affordable housing, co-living housing units, and 60 residential condominiums on 3.780 acres of vacant land that previous contained a commercial building and contains paved parking. The project is expected to increase commercial activity, create employment, and revitalize an urban area.

The 2019 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
01004190-8	3750 Woodward Ave	\$ -	\$ -	\$ 3,812,800	\$ 3,812,800

This property meets the criteria set forth under PA 210 of 2005, as amended. It applies to a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was operating as a commercial business enterprise.

A review of the general plans, along with the criteria set forth under the Commercial Rehabilitation Act, indicated that the proposed project located at **3750 Woodward Avenue** is eligible as it pertains to the Commercial Rehabilitation certificate criteria under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors

mmp



Commercial Rehabilitation Certificate

Real Estate Interests LLC on behalf of 3750 Woodward Avenue LLC

Page 2

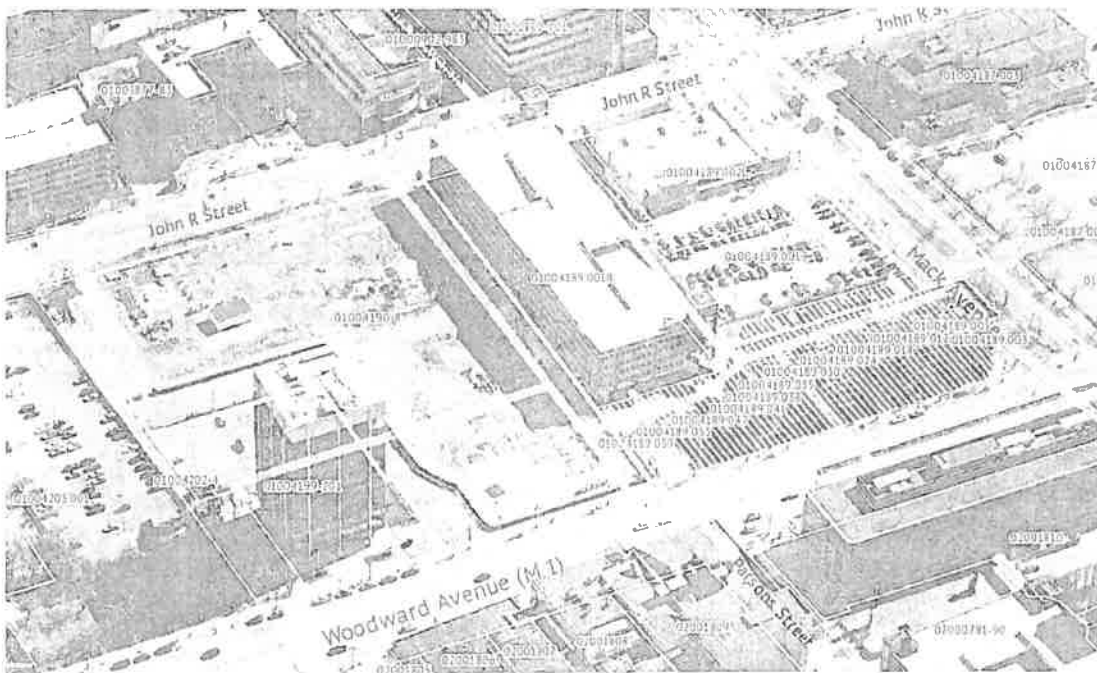
Property Owner: 3750 WOODWARD AVE LLC

Property Address: 3750 WOODWARD AVENUE

Parcel Number: 01004190-8

Legal Description: E WOODWARD PT OF 2&3 & S ½ VAC MARTIN PL (50 FT WD) ADJ BG DESC AS: BEG AT THE NW COR OF LOT 1 MEDICAL CENTER URBAN RENEWAL PLAT #1 TH ALG NLY LN OF SD LOT N 60D 9M 30S E 159.50 FT TH N 26D 27M 0S W 37.90 FT TH N 60D 9M 30S E 100.00 FT TH N 63D 33M 0S E 8.01 FT TO POB TH N 63D 33M 0S E 225.17 FT TH S 26D 27M 0S E 20.00 FT TH N 63D 33M 0S E 32.85 FT TO WLY LN OF JOHN R ST (84 FT WD) TH ALG SD LN S 26D 21M 30S E 387.64 FT TH S 63D 35M 30S W 524.70 FT TO THE ELY LN OF WOODWARD AVE (120 FT WD) TH ALG SD LN N 26D 24M 30S W 219.97 FT TH N 63D 35M 20S E 110.02 FT TH N 26D 24M 40S W 8.99 FT TH N 63D 35M 20S E 137 FT TH N 18D 35M 20S E 28.28 FT TH N 26D 24M 40S W 158.48 FT TO POB MEDICAL CENTER URBAN RENEWAL PLAT #1 L88 P74-6 PLATS, W C R 1/219 IRREG 164,657 SQ FT

The legal description on the assessment roll matches the legal description on the petition.





CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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

TO: Veronica Farley, Housing and Revitalization
Ashley McLeod, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for **Commercial Rehabilitation District (PA 210)** for 3750
Woodward Avenue
DATE: September 3, 2019
CC: Maurice Cox, Director, Planning and Development
Kevin Schronce, Central Region, Planning and Development

In order to ensure that **establishment** of a **Commercial Rehabilitation District** and issuance of a **certificate** for a **Commercial Rehabilitation District** is consistent with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 210 of 2005 (section 207.843 and section 207.844), the Planning and Development Department's Planning Division submits the following interpretation. The Petitioner is Real Estate Interests, LLC

Location and Project Proposal:

The project will be a 3.8 acre mixed use development to provide retail, hotel, housing, and dining experience with interwoven public spaces. Project plans to incorporate a 225 room hotel, 80,000 square feet of retail space, hundreds of multi-family residences, affordable housing, co-living housing units, and 60 residential condominiums

Master Plan Interpretation

The subject site area is designated **Mixed Residential-Commercial (MRC)**. Mixed Residential-Commercial areas consist primarily of high density housing developed compatibly with commercial and/or institutional uses. This classification is well suited to areas proximal to existing centers of major commercial activity, major thoroughfares, transportation nodes, or gateways into the city.

The following policies of the Lower Woodward neighborhood describe the following recommendations:

- Policy 2.1: Develop Woodward and Cass as high-density mixed use corridors with housing and ground-floor commercial
- Policy 3.1: Along Woodward, encourage high-density mixed uses complimentary to the area's cultural anchors
- Policy 8.1: Recognize and protect distinctive urban vistas along Woodward to the Central Business District
- Policy 9.1: Develop design guidelines to promote linkages among and to the various cultural and entertainment districts

The proposed development conforms to the Future General Land Use characteristics of the area.

Attachments

Future General Land Use Map: Neighborhood Cluster 4, Lower Woodward Map 4-5B



Map 4-5B

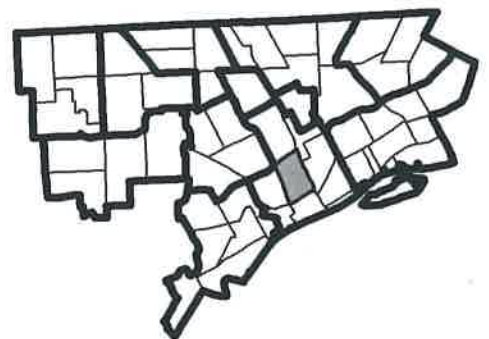
City of Detroit
Master Plan of
Policies

Neighborhood Cluster 4 Lower Woodward



Future Land Use

Low Density Residential (RL)	Thoroughfare Commercial (CT)	Mixed - Town Center (MTC)
Low / Medium Density Residential (RLM)	Special Commercial (CS)	Recreation (PRC)
Medium Density Residential (RM)	General Industrial (IG)	Regional Park (PR)
High Density Residential (RH)	Light Industrial (IL)	Private Marina (PRM)
Major Commercial (CM)	Distribution / Port Industrial (IDP)	Airport (AP)
Retail Center (CRC)	Mixed - Residential / Commercial (MRC)	Cemetery (CEM)
Neighborhood Commercial (CN)	Mixed - Residential / Industrial (MRI)	Institutional (INST)





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

Employment Commitment Report for Tax Abatement

This report evidences your commitment to post-construction full time employment as stated in the tax abatement agreement. Complete the following based on workers located only at facilities/parcels under the applied tax abatement. Detroit workers must have verifiable ID & addresses on file with employer for review.

Company: 3750 Woodward Avenue LLC Company Address: 4000 Town Ctr Ste 2000 Southfield MI 48075
Parcel/Facility Address: 3750 Woodward Ave, Detroit, MI
Tax Abatement Applied for: _____ Length of Abatement: _____

Authorized Representative: Mohammad Qazi Title: Manager
(Print)
Email: thunt3@cienahmi.com Phone: 248-262-2357

All questions should be directed to the Authorized Representative? ☐ Yes ☒ No

If No, specify preferred contact's Name: Emery Mathews Phone: 313-744-6276
Email: ematthews@re-interests.com

Authorized Representative's Signature: _____ Date: 9/5/14

Employment Types	Skilled Trades	Non-Skilled Trades	Other	Totals
Total # of Employees Applicant is Committed to Employing at the Facility Receiving the Applied Abatement	598	105		703
Total # Detroit Residents Applicant is Committed to Employing of the Total # of Employees	305	54		359
Percentage (%) of Detroit Residents being Employed	51%	51%		51%

If other please specify: _____

Employment Narrative

Will your facility be: ☐ Owner Occupied ☐ Leased to Tenant ☐ Both

- Please provide a description of your development, including but not limited to the proposed use, when construction is set to begin and end, and positions offered?
- If the facility will be leased to tenants, what methods, tools, or resources will you utilize to market lease vacancies to Detroit Businesses and/or how you will promote tenants to hire Detroit residents?
- If the facility is owner occupied, what methods, tools, or resources will you utilize to fulfill the hiring commitments stated in the tax abatement agreement?

(See Sample Employment Narrative on Reverse of This Form)

GENERAL DESCRIPTION

The existing site consists of approximately 3.78 acres of vacant land that previously contained a two-story medical office building and a parking lot.

The completed project shall be called “The Mid”. It will be a 3.8-acre mixed-use development carefully planned to offer diverse programs; including retail, hotel, housing, and dining experiences with interwoven public spaces for community, resident, and visitor engagement and connectivity. The Mid’s planned investment exceeds \$330 million and will create over 1,800 construction jobs and 700+ full-time equivalent positions (FTEs). Those positions will consist of opportunities in both management and staff in hospitality, retail and food service.

This development aims to unite the surrounding community and residents across a range of backgrounds and lifestyles. The Mid plans to incorporate a 225-room hotel, approximately 80,000 square feet of retail space, hundreds of multi-family residences, affordable housing, co-living housing units and 60 residential condominiums. The project will offer alternatives for family and communal living supported by eateries, entertainment and public amenities

TARGETING OPPORTUNITIES FOR DETROITERS AND DETROIT BUSINESSES

The hotel development is Phase I of the project and is scheduled to be completed in the 2nd quarter of 2021. As developer, we will direct a comprehensive effort to connect the hotel brand operators and the restaurant operators to the specific entities specializing in qualifying and placing Detroiters in hospitality and food service positions. These groups will include:

- Detroit Employment Solutions Corp and the Mayor’s Office of Workforce Development
- Midtown Detroit, Inc - The Mid will be a flagship participant in MDI’s planned hospitality training and certification program at 666 Selden.
- Detroit Rescue Mission Ministries
- Local veterans hiring organizations

In addition to participation in and hosting of local job fairs The Mid will create a specific website for training, qualifying and placing local Detroiters.

Finally, the project has also designated that at least 15% of available retail space shall be targeted toward local businesses owned by Detroiters.

SCHEDULE

Construction on the facility shall begin on or about September 16, 2019. The first building will be delivered in the second quarter of 2021. Completion of the improvements to the entire site is anticipated by the fourth quarter of 2025.

City of Detroit

CITY COUNCIL

COUNCIL PRESIDENT BRENDA JONES

INCENTIVE INFORMATION CHART:

Project Type	Incentive Type	Investment Amount	District
Mixed Use Development	PA 210 CRE Abatement	\$377 million	6

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
60	n/a	1,364	332	46		4	675

Please see attachment for responses to the questions 1-4 below.

1. What is the plan for hiring Detroiters?
2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.
3. Will this development cause any relocation that will create new Detroit residents?
4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?
5. When is construction slated to begin? September 16, 2019
6. What is the expected completion date of construction? 3rd Quarter, 2025

*Please contact Linda Wesley at (313) 628-2993 or wesleyl@detroitmi.gov to schedule a date to attend the Skilled Trades Task Force.

1. What is the plan for hiring Detroiters?

The hotel development is Phase I of the project and is scheduled to be completed in the 2nd quarter of 2021. Employment opportunities will consist of hotel and related restaurant/food service positions. As developer, we will direct a comprehensive effort to connect the hotel brand operators and the restaurant operators to the specific entities specializing in qualifying and placing Detroiters in hospitality and F & B positions. These groups will include:

- Detroit Employment Solutions Corp and the Mayor's Office of Workforce Development
- Midtown Detroit, Inc - The Mid will be a flagship participant in MDI's planned hospitality training and certification program at 666 Selden.
- Detroit Rescue Mission Ministries
- Local veterans hiring organizations

In addition to participation in and hosting of local job fairs The Mid will create a specific website for training, qualifying and placing local Detroiters

2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.

Construction Jobs:

Skilled Labor

Description	Totals	Skilled Labor 85%	Non Skilled 15%
Hotel / Condo	703	598	105
Student Housing / Retail	305	260	45
Multi Family	399	340	59
Parking / Plaza	92	78	14
Retail Pavilions	197	88	109
	1696	1364	332

Professional

Development	11
Architect/Design	30
Other Professional	19
	60

Post Construction Jobs:

Hotel Administrative	40
Hotel Department	85
Hotel Food & Beverage	98
Retail Food & Beverage	127
Retail Soft Goods	365
Multifamily Staff	5
Co-Living Staff	5
	725

3. Will this development cause any relocation that will create new Detroit residents?

There will be no relocation of any existing Detroit residents. It is likely that some of the units will be occupied by residents new to Detroit.

4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?

We have conducted a comprehensive outreach to both community groups and elected officials to discuss the project and employment opportunities, including the following:

Community Engagements:

- November 7th Meeting with Marc Coriveau, Vice-President of Government Affairs Henry Ford Health Systems
- November 12th Community meeting at The Strathmore, 70 West Alexandrine. 10 residents attended the presentation.
- November 29th Community meeting at Bicentennial Tower, 4 East Alexandrine
- December 13th: A community engagement session was hosted for residents of The Ellington Lofts, the adjacent residence building located at 3670 Woodard. There were 27 residents in attendance.
- November 20th Meeting with Patrick Lindsey, Vice-President Government Affairs and Community Affairs Wayne State University and Doug Skrzyniarz, Associate Vice-President – Government Health Affairs, Wayne State University

Elected Officials Engagements:

- December 11th: The 3750 Woodward development was shared and discussed with Mariana Martinez, Chief of Staff for Detroit City Council Member Raquel Castañeda-López
- December 22nd Met with Detroit City Council Member André L. Spivey.
- February 20th Met with Detroit City Council President Pro Tem Mary Sheffield.
- February 20th Met with Detroit City Member Raquel Castenda' Lopez.
- March 7th Met with Detroit City Council Member James Tate.
- March 29th Met with Wayne County Commissioner Jewel Ware
- June 25th Met with Detroit City Council Member Gabe Leland.



CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

62

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 908
DETROIT, MICHIGAN 48226
(313) 224-6380 • TTY:711
(313) 224-1629
WWW.DETROITMI.GOV

September 4, 2019

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

Re: Request for a Public Hearing to Establish an Obsolete Property Rehabilitation District on behalf of Infinity Acquisitions, LLC in the area of 2001 Park, Detroit, Michigan, in accordance with Public Act 146 of 2000 (Petition #936).

Honorable City Council:

The Housing and Revitalization Department has reviewed the application of **Infinity Acquisitions, LLC** and find that it satisfies the criteria set forth by P.A. 146 of 2000 and would be consistent with development and economic goals of the Master Plan.

Prior to acting upon a resolution to recommend approval, a public hearing must be held, and the City Clerk must provide written notice of the public hearing to the assessor and to the governing body of each taxing unit that levies an ad valorem tax within the eligible district, said notice is to be made **not less than 10 days or more than 30 days prior** to your Honorable Body's adoption of said resolution.

We request that a Public Hearing be scheduled on the issue of establishing an Obsolete Property Rehabilitation District. Attached for your consideration, please find a resolution establishing a date and time for the public hearing.

Respectfully submitted,

Donald Rencher
Director

DR/ml

cc: S. Washington, Mayor's Office
M. Cox, P&DD
D. Rencher, HRD
M. Langston, HRD



BY COUNCIL MEMBER _____

WHEREAS, pursuant to Public Act No. 146 of 2000 (“the Act”) this City Council may adopt a resolution which approves the application of an Obsolete Property Rehabilitation District within the boundaries of the City of Detroit; and

WHEREAS, **Infinity Acquisitions, LLC** has filed an application for an Obsolete Property Rehabilitation District whose boundaries are particularly described in the map and legal description attached hereto; and

WHEREAS, prior to such approval, the City Council shall provide an opportunity for a Public Hearing, at which Public Hearing on such adoption of a resolution providing such tax exemption, at which Public Hearing representatives of any taxing authority levying *ad valorem* taxes within the City, or any other resident or taxpayer of the City of Detroit may appear and be heard on the matter.

NOW THEREFORE BE IT

RESOLVED, that on the _____, 2019 in the City Council Committee Room, 13th floor, Coleman A. Young Municipal Center, a Public Hearing be held on the above described application and be it finally

RESOLVED, that the City Clerk shall give notice of the Public Hearing to the general public and shall give written notice of the Public Hearing by certified mail to all taxing authorities levying an *ad valorem* tax within the City of Detroit.

INTEROFFICE MEMORANDUM

TO: TAX ABATEMENT DIVISIONS
FROM: MATTHEW LANGSTON – 908 CAYMC – LANGSTONM@DETROITMI.GOV
SUBJECT: REVIEW OF APPLICATION TO ESTABLISH AN OBSOLETE PROPERTY REHABILITATION ACT
EXEMPTION DISTRICT IN ACCORDANCE WITH PUBLIC ACT 146 OF 2000, ON BEHALF OF **(INFINITY
ACQUISITIONS, LLC.) (PETITION #936)**
DATE: JUNE 21, 2019
CC: KELLY VICKERS

We have received an application for the designation of an **Obsolete Property Rehabilitation Act District**.

The Detroit City Council will conduct a Public Hearing on the abovementioned petition, and I am furnishing you with a copy of the attached material to facilitate your preparation for it. The site associated with the proposed certificate is:

2001 Park Avenue

Planning and Development Planning Division:

Please provide a written evaluation of this proposal's compatibility with the City of Detroit Master Plan and the City's development goals.

Finance Department (Assessor's Office):

Please provide the requisite letter related to valuation of the parcel.

City Engineering Department/ (Assessor's Office):

Please provide the related legal description and area map.

Land Management/ (Assessor's Office):

Please verify the legal description.

Human Rights Department:

Please provide an evaluation of project's employment plan and Human Rights compliance.

City Planning Commission, Research and Analysis Division, Fiscal Analysis Division and Law Department:

As necessary, please provide a written evaluation of this proposal's viability per the standards of your respective departments.

If you have any questions or concerns, feel free to contact me at LangstonM@detroitmi.gov or 628-2265. Thank You.

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Caven West
Deputy City Clerk/Chief of Staff

DEPARTMENTAL REFERENCE COMMUNICATION

Monday, June 17, 2019

To: The Department or Commission Listed Below

From: Janice M. Winfrey, Detroit City Clerk

The following petition is herewith referred to you for report and recommendation to the City Council.

In accordance with that body's directive, kindly return the same with your report in duplicate within four (4) weeks.

LEGISLATIVE POLICY DIVISION PLANNING AND DEVELOPMENT DEPARTMENT
LAW DEPARTMENT FINANCE DEPARTMENT

936 *Infinity Acquisitions, LLC., request for the establishment of an Obsolete Property Rehabilitation District at 2001 Park Avenue, Detroit, MI 48226 under P.A. 146 of 2000.*

#936

Howard & Howard

law for business

Ann Arbor

Chicago

Detroit

Las Vegas

Los Angeles

Peoria

direct dial: 248.723.0311

Gina M. Staudacher
Attorney

gstaudacher@howardandhoward.com

June 6, 2019

Via E-mail and First Class Mail

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

**RE: Request for the Establishment of an Obsolete Property Rehabilitation District at
2001 Park Avenue, Detroit, Michigan**

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Development District, pursuant to the Obsolete Property Rehabilitation Act, MCL 125.2781, *et seq.* The applicant company is Infinity Acquisitions, LLC, an affiliate entity of Infinity Homes Corp. ("IHC"), whose address is 42400 Grand River Avenue, Suite 112, Novi, Michigan, 48375. This request relates to the property located at **2001 Park Avenue, Detroit, Michigan 48226**, tax parcel ID No. 02000382 (the "Property"). The Property is described in detail in **Attachment A** to this letter.

I. Summary and History of the Applicant, the Property, and the Project.

Infinity Acquisitions, LLC and Infinity Homes Corp.

The applicant company ("TAC"), is an affiliate IHC, a Michigan corporation, which has dedicated its corporate mission to making the American dream of owning a new home a reality for thousands of Michigan residents and families. TAC is the owner of the Property, and IHC is the developer for the Project.

Established in 2000, IHC has built over 1,300 single and multi-family homes throughout Southeastern Michigan. IHC specializes in home building, land development, land and real estate acquisitions, residential and commercial leasing, property management of company-owned properties, and property management. IHC was founded on the core principles of developing and establishing a solid reputation for providing not only affordability in the residences built, but also providing an unparalleled level of quality and customer service to all IHC residents and customers. IHC is proud to deliver products that it considers to be "lasting investments" to all IHC residents and customers.

IHC's business model is aggressive, yet financially conservative. IHC is a fully diversified development company with the ability and resources to transform large tracts of land and obsolete, unkempt buildings into affordable, desirable, and well-built residential housing. IHC transforms buildings and properties from the initial acquisition and design stages, through state and local government entitlements, through land development, sales and marketing and final home building construction processes. Our current inventory of nearly 1,000 entitled and improved homesites in addition to several hundred acres of land throughout southeastern Michigan under our current ownership positions us to continue to be an industry leader in our marketplace for years to come.

Founded in Michigan, IHC and its affiliates are dedicated to the development and revitalization of Michigan communities by providing affordable, quality housing options to Michigan residents. In developing and rehabilitating residential housing, IHC has demonstrated a relentless commitment to preserving the traditional and historic characteristics of Michigan communities and architecture.

The Property.

TAC acquired the Property in February 2018. Situated on the Property is a historic 12-story high-rise building (the "Building") designed by the infamous Albert Kahn—the "architect of Detroit". The Building totals 105,000 square feet and was constructed in 1922. Although currently obsolete and in complete disrepair, the Building is truly a historical landmark for the City.

The Property was previously owned by the late Ralph Sachs, who acquired the Property in 1981. During his ownership, Sachs allowed the Building and the Property to fall into complete disrepair. Due to its unkempt, dated, crumbling, and inefficient infrastructure, the Building has been sitting idle for years. In fact, in 2015, during Sachs' ownership, the Building was slated for demolition. At that time, the City of Detroit Law Department described the condition of the Building as "open, vacant and dangerous."¹ The City further stated that the Building "is the very definition of irreparable harm to the public." Upon Sachs' death, the Building and the Property were listed for sale. TAC purchased the Property from Sachs' estate.

The Project.

TAC will undertake a complete transformation and rehabilitation of the Property and the Building from an obsolete, desolate structure into a state-of-the-art, multi-use facility that will be used for residential housing and retail (the "Project"). The Project will include rehabilitation of all 12-floors of the Building, and will yield approximately 77 new residential apartments. Twenty Percent—or approximately 15 units—will be designated as affordable housing units. The Project will yield approximately 61,550 square feet of new living space, plus an additional 15,000 square feet of general common areas for residents. The Project will also yield more than

¹ See Attachment A-1: Paul Beshouri, "Abandoned Park Avenue Building Suddenly Faces Demolition", Curbed Detroit (online, August 15, 2014) <https://detroit.curbed.com/2014/8/15/10059884/abandoned-park-avenue-building-suddenly-faces-demolition>.

5,500 square feet of new retail space, which TAC plans to develop into a restaurant and/or retail. All of these Project components are included in TAC's request for OPRA incentive. After the Project is complete, TAC and IHC will retain ownership and management of the Building and the Property to ensure that their high-standards for Building quality, cleanliness, and maintenance are preserved.

With the aforementioned improvements, TAC plans to add between 50-60 full-time and/or part-time jobs to operate, manage, and maintain the Building, the Property, and the retail/restaurant facilities to be developed in the Building. The addition of these jobs will add an anticipated \$2M in payroll annually to the City of Detroit. TAC also anticipates to add between 300-400 temporary full-time and/or part-time high-skilled jobs to facilitate the Project, including jobs for demolition, remediation, rehabilitation, and construction. The addition of these jobs will add over \$7M in payroll annually to the City of Detroit.

It is extremely important to TAC to preserve the culture and history of the Property during restoration, and hiring Detroit-based workers is a critical part of that process. TAC has already hired Detroit-based architectural and design firm Kraemer Design Group to design the Project, and collaboration between TAC and Kraemer is well underway. For construction-related employment opportunities, TAC and its general contractor plan to send Requests for Proposals to, and solicit bids from, Detroit-based contractors to work on the Project. Through the RFP and bid-solicitation process, TAC plans to hire as many Detroit-based contractors as possible for the Project. After construction and rehabilitation, TAC plans to hire Detroit residents for full- and part-time permanent positions for retail operations and building management job opportunities. Please see TAC's *President Jones Incentive Information Chart*, submitted with this Petition, for further information on anticipated job opportunities and plan for hiring Detroit residents to fill these opportunities.

In order to complete this rehabilitation and transformational Project, TAC plans to invest over \$21M in the Property and the surrounding area. The Building requires more than \$17M in investment just to restore it to a safe and economically efficient functional condition. As part of the TAC's plan to develop the Property into a state-of-the-art residential and retail campus, the Building and the Property require extensive rehabilitation and remediation. The rehabilitation and remediation plan includes, but is not limited to: removal of environmental hazards; electrical modifications; gas system modifications; foundation improvements; improvements to ventilation; HVAC repair and replacement; security and safety enhancements; repairing and likely replacement of elevators and special equipment; updating public infrastructure including roads, sidewalks, utilities, and sewage systems; improvements to Property walkways, driveways, landscaping, fencing, site lighting, and drainage; lead and asbestos abatement and removal; and improvement and restoration of the crumbling and desolate exterior façade.

In 2017, the Building was dubbed "the last downtown building that officially had been designated 'dangerous'". The Building and the Property are historical and cultural landmarks in the City, and TAC anticipates that the Detroit community will benefit greatly from their repair and restoration. In order to preserve the historical and cultural integrity of the Building, restoration, rehabilitation, and repair will be exceptionally expensive.

The improvements will begin once the requested Obsolete Property Rehabilitation District is established and continue through 2021. Given the desolate and hazardous condition of the Building when it was acquired by TAC, TAC has already begun emergency remediation (i.e. repair of electrical systems, securing Building and Property premises, and light environmental remediation) in order to make the Property safe. TAC has secured plans to begin rehabilitation of the Building and the Property, including a plan and blueprints for rehabilitation and plans for environmental remediation.

In short, TAC is thrilled to begin this Project and assume its role in the revitalization and restoration of Detroit. TAC is not some out-of-state developer looking for an easy investment and quick capital gain. Rather, TAC (and IHC) has demonstrated an unwavering commitment to creating affordable, quality housing in Michigan, and views this Project as a long-term investment in the City of Detroit. TAC is committed to cultural, architectural, and community preservation in completing this Project. And, as a local Michigan company, TAC (and IHC) is humbled by the opportunity to restore and revive a historic Detroit landmark, while creating new job opportunities and critical housing options for Michigan residents.

TAC has secured initial verbal support from the Detroit Economic Growth Corporation and may request CRP or other related support from the Michigan Economic Development Corporation.

II. Applicable Michigan Statute to Determine OPRA Eligibility.

TAC requests the establishment of an Obsolete Property Rehabilitation District for the Property. This request is made pursuant to section 125.2783 of the Obsolete Property Rehabilitation Act, which states, in relevant part:

(1) A qualified local governmental unit, by resolution of its legislative body, may establish 1 or more obsolete property rehabilitation districts that may consist of 1 or more parcels or tracts of land or a portion of a parcel or tract 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 either of the following:

(a) Obsolete property in an area characterized by obsolete commercial property or commercial housing property.

(2) The legislative body of a qualified local governmental unit may establish an obsolete property rehabilitation district on its own initiative or upon a written request filed by the owner or owners of property comprising at least 50% of all taxable value of the property located within a proposed obsolete property rehabilitation district. The written request must be filed with the clerk of the qualified local governmental unit.

MCL 125.2783.

III. Need for Exemption Certificate.

Securing an Obsolete Property Rehabilitation exemption certificate is critical to TAC's ability to finance the Project and rehabilitate the Property. Without an exemption certificate, TAC will have significant financial obstacles to overcome in funding the Project. If TAC is unable to secure an exemption certificate, TAC will be unable to undertake rehabilitation of the Property and the Building.

As outlined above, the Property and the Building is in complete disrepair, has been vacant for over a decade, and is currently obsolete. It is tragic that the Building's prior owner demonstrated such neglect and disconcert for the condition of the Building and the Property—which are true historic landmarks in the City of Detroit. It will take a significant investment (upwards of \$17M, not including acquisition of the Property) to restore the Building and the Property to functioning condition.

TAC and its affiliate IHC currently employ approximately 40 full-time employees. TAC anticipates that the Project will add 4-5 full-time employees to TAC payroll by 2020. These new TAC employees will work exclusively in the City of Detroit.

TAC's anticipated capital and private investments in the Project are as follows:

Infrastructure	\$25,000	0.12%
Site Improvement	\$25,000	0.12%
Demolition	\$525,000	2.42%
Building - New Construction	\$0	0.00%
Building – Renovation	\$12,240,000	56.41%
Machinery & Equipment – Purchased	\$250,000	1.15%
Furniture & Fixtures – Purchased	\$200,000	0.92%
Other Soft Costs	\$680,000	3.13%
Capital	\$7,755,000	35.74%
Total Investment	\$21,700,000	100.00%

Anticipated Funding Sources for the Project are as follows:

Total Development Sources			Funding Sources	
Funding Source #1	\$21,700,000	100.00%	City of Detroit	\$21,700,000
Funding Source #2	\$0	0.00%	Private Investment	\$0
Funding Source #3	\$0	0.00%	Other	\$0
Funding Source #4	\$0	0.00%		
Funding Source #5	\$0	0.00%		

IV. Length of Requested Exemption.

TAC requests an Obsolete Property Rehabilitation Exemption Certificate for a period of twelve (12) years.

V. Statement of Economic Advantages Arising From Exemption

TAC anticipates that the City of Detroit will experience significant economic benefits from TAC's rehabilitation of the Property. These economic benefits include, but are not limited to:

- Restoration of a historic, iconic, cultural and architectural Detroit landmark.
- Creation of up to 400 short-term jobs to facilitate and complete the Project, which will yield an anticipated \$7M increase in payroll in Detroit.
- Creation of 50 - 60 long-term jobs to manage, operate, and maintain the Building (including Building retail and restaurant space) and the Property, which will yield an anticipated \$2M increase in payroll in Detroit.
- Development of state-of-the-art rental housing in Detroit, which will attract and accommodate new residents and professionals to the City.
- TAC's rehabilitation Project will yield a significant increase in the taxable value of the Property, and increased tax payments to the City. Restoring the Property and the Building to an economically efficient, functional structure will yield higher tax payments to the City. TAC is current on all taxes owed on the Property. *See Attachment B, Paid Receipt of Current Taxes.*

In addition to this request, TAC has also applied for, or anticipates applying for, the following public assistance programs:

- Historic Preservation Tax Incentive
- MEDC Community Revitalization Program

VI. Closing

For all of the above reasons, TAC respectfully requests that the City Council establish an Obsolete Property Rehabilitation District encompassing the Property located at 2001 Park Avenue. Should you have any questions regarding the Project, the Property, or otherwise, please contact our legal representative Regina Staudacher at 248.723.0311.

City of Detroit City Council
June 6, 2019
Page 7 of 7

Thank you for your time and consideration of this matter.

Respectfully submitted,

/s/ Regina M. Staudacher

Regina M. Staudacher

Encls.: **Attachment A:** Site Map, Parcel No., Legal Description
Attachment A-1: News Article
Attachment B: Paid Receipt of Current Taxes

cc: K. Bridges, DEGC (via email and First Class Mail, with enclosures)
N. Marsh, DEGC (via email and First Class Mail, with enclosures)
V. Farley, HRD (via email and First Class Mail, with enclosures)

Attachment A

Site Map, Parcel No., Legal Description

Site Map:



General Description of the Building:

Year Built	1922
Original Use:	The first floor of the Building originally consisted of a main lobby, restaurant space, and retail space. The remaining 11-floors were used as office space. Some of the former Building tenants included doctor offices, lawyer offices, architectural firms, and a credit bureau. The Building was able to maintain a decent occupancy through the 1980's, but most tenants left by the 1990's. <i>See Attachment A-1, Park Avenue Building, DETROIT-ISH.COM (2017), http://detroit-ish.com/photos/park-avenue-building/ (last visited May 10, 2019).</i>
Recent Use:	The Building has been abandoned since 2000, when the restaurant, which was the Building's last tenant, closed indefinitely. <i>See Attachment A-1, Park Avenue Building, DETROIT-ISH.COM (2017), http://detroit-ish.com/photos/park-avenue-building/ (last visited May 10, 2019).</i>
No. of Stories:	12 stories plus basement.
Square Footage:	105,000 sq. ft.
Tax ID No.:	02/000382
Parcel No.	02000382
Legal Description:	Liber: 7CR Page: 27 Subd: PLAT OF BROWNS SUB OF PARK LOTS 84 85 AND 86 Lot: 87 Municip: DETROIT TaxID: 02/000382 Street: 2001 PARK Liber: 7CR Page: 27 Subd: PLAT OF BROWNS SUB OF PARK LOTS 84 85 AND 86 Lot: 88

General Description of the Rehabilitated Facility Proposed Use:

- TAC will undertake a complete transformation and rehabilitation of the Property and redevelop the Building from an obsolete, desolate structure into a state-of-the-art, multi-use facility that will be used for residential housing and retail (the "Project").
- The Project will include rehabilitation of all 12-floors of the Building, and will yield approximately 77 new residential apartments. The Project will yield approximately 61,550 square feet of new living space, plus an additional 15,000 square feet of general common areas for residents. The Project will also yield more than 5,500 square feet of new retail space, which TAC plans to develop into a restaurant and/or retail.
- After the Project is complete, TAC and IHC will retain ownership and management of the Building and the Property to ensure that their high-standards for quality, cleanliness,

and maintenance are preserved – a hallmark of the TAC legacy in developing successful housing projects.

Nature and Extent of Planned Rehabilitation; List of Fixed Building Equipment as Part of Rehabilitation:

Rehabilitation Plans:

- Demolition of current interior structural plan;
- Build approximately 77 residential apartments as follows:
 - 9 studio, 1-bathroom apartments, 500 sq. ft. each
 - 53 1-bedroom, 1-bathroom apartments, 750 sq. ft. each
 - 13 2-bedroom, 2-bathroom apartments, 1,100 sq. ft. each
 - 2 3-bedroom, 2.5 bathroom apartments, 1,500 sq. ft. each
- Demolish and rebuild interior first floor plan, create restaurant and retail space on main floor as follows:
 - 5,500 sq. ft. of restaurant and retail space
 - Rehabilitate basement for restaurant and retail storage, or for secondary kitchen for restaurant
- Demolish and rebuild lobby and Building main entrance
- Foundation improvements
- Environmental remediation, including lead and asbestos abatement
- Improvement and restoration of the crumbling and desolate exterior façade

Equipment for Repair/Replacement:

- Improvements to ventilation
- HVAC repair and replacement
- Security and safety enhancements
- Repairing and possibly replace elevators and special equipment
- Updating public infrastructure including roads, sidewalks, utilities, and sewage systems
- Improvements to Property walkways, driveways, landscaping, fencing, site lighting, and drainage

Time Schedule for Rehabilitation:

Infinity plans to start construction as soon as an OPRA District is established. Infinity hopes to have a district established so that it can begin construction no later than October 2019. The Project will take approximately 24-months to complete.

Attachment A-1

News Articles

DETROIT

DOWNTOWN

Abandoned Park Avenue Building Suddenly Faces Demolition

21

By **Paul Beshouri** | Aug 15, 2014, 3:16pm EDT

Another slice of downtown Detroit's historic architecture looks ready to fall. According to the [Detroit News](#), the city is "taking legal steps" to force the demolition of the **Park Avenue Building**, an Albert Kahn design completed in 1922. Today, the building is a mess of gaping windows secured only by a flimsy fence.

The city's court filings get pretty dramatic, declaring the building to be "**the very definition of irreparable harm to the public.**" In reality, that title more accurately applies to the building's longtime owner, Ralph Sachs. You might remember Sachs as the owner of the historic **Hotel Charlevoix**, which he neglected for decades until tumbling bricks convinced a judge to order demolition last year. [Today, it's a parking lot.](#)

The PAB, however, appears to be in much better condition than the Charlevoix. It also boasts some beautiful exterior ornamentation. Why suddenly push for demolition rather than mothball it for later renovation? Two words: [Arena District](#). The PAB stands in Columbia Park, one of the district's planned "neighborhoods." Plans describe Columbia Park as a "**fresh, modern neighborhood anchored by a new public green space.**"

UPDATE (8/16): *We're hearing that the empty Hotel Charlevoix property is*

no longer open for parking. Strange.

- [Hotel Charlevoix Says Goodbye, Park Ave Building Worrisome](#) [Curbed]
- [Detroit targets historic Park Avenue Building for demolition](#) [Det News]

Attachment B

Paid Receipt of Current Taxes

City of Detroit
Date 7/17/2018 Type Bill Reference Park 2018

Original Amt.
7,294.18

Balance Due
7,294.18

8/14/2018
Discount
Check Amount

Payment
7,294.18
7,294.18

Checking

7,294.18

LMP100 M/P CHECK

Property Address: 2001 PARK



2018 CITY OF DETROIT
SUMMER TAX BILL
DETROIT CITY OF DETROIT
DETROIT CITY OF DETROIT
DETROIT CITY OF DETROIT
DETROIT CITY OF DETROIT

RECEIVED:

ENTERED:

DATE:

APPROVED:

INFINITY ACQUISITIONS, LLC

42400 GRAND RIVER AVE., STE 112
NOVI, MI 48375

SBV

10F 2

7/17/18

By: CV

By: CV

By: CV

By: CV

By: CV

By: CV

By: CV

By: CV

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TAXING UNIT	RATE	TAX AMOUNT
STATE EDUCATION	6.00000	615.86
GENERAL CITY	19.95200	2,047.95
DEBT SERVICE	7.00000	718.50
LIBRARY	4.63070	475.31
SCHOOL DEBT	13.00000	1,334.37
SCHOOL OPERATING	18.00000	1,847.69
W COUNTY TAX	5.64830	579.76
ODA	0.98870	101.48
WC RESA ENH	2.00000	205.28
INSPECTION FEE		100.00
BUSI IMP ZONE		6,483.00

IMPORTANT: PARCEL # 02000382.
SCHOOL DISTRICT SEV 82010
TAXABLE VALUE 275,300
PRE/MBT % 102,644
PROP CLASS 0
TIF DISTRICT 204-COMMERCIAL CBD
DDA Z140 (TID 1-4)

PARTIAL PROPERTY DESCRIPTION

FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE
N W ADAMS 88 & 87 PLAT OF PARK LOTS 84, 85 & 86 L7 P27 CITY
RECORDS, W C R 2/71 80 X 100

Total Summer Rate	77.21970
Total Taxes:	7,926.10
Total Special Fees:	6,583.00
Admin Fee:	79.26
TOTAL DUE:	14,588.36

1st Half Payment Due 8/15/2018 7,294.18
2nd Half Payment Due 1/15/2019 7,294.18

City of Detroit				1/11/2019	
Date	Type	Reference	Original Amt.	Balance Due	Discount
7/17/2018	Bill	Park summer 18	7,294.18	7,294.18	Payment
12/18/2018	Bill	Park 2018	973.59	973.59	7,294.18
					973.59
				Check Amount	8,267.77

Checking

8,267.77

LMP100 MP CHECK

Property Address: 2001 PARK

INFINITY ACQUISITIONS, LLC
42400 GRAND RIVER AVE STE 112
NOVI, MI 48375-2572

WAYNE COUNTY	0.98970	101.58	PARCEL #:	02000382.
W C JAILS	0.93810	98.29		
W C PARKS	0.24590	25.24	SCHOOL DISTRICT	82010
W C HCMA	0.21290	21.85	SEV	275,300
W C RESA	0.09650	9.90	TAXABLE VALUE	102,644
W C RESA SP ED	3.36780	345.88	PRE/MBT %	0
W C COMM COLLEGE	3.24080	332.64	PROP CLASS	204-COMMERCIAL CBD
W C ZOO	0.10000	10.28	TIF DISTRICT	DDA Z140 (TID 1-4)
W C DIA	0.20000	20.52		

PARTIAL PROPERTY DESCRIPTION

FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE
N W ADAMS 88 & 87 PLAT OF PARK LOTS 84, 85 & 86 L7 P27 CITY
RECORDS, W C R 2/71 80 X 100

910Z 01 030
12-18-18
12/20/18
Total Winter Rate: 9.39170
Total Winter Taxes: 993.96
Admin Fee: 9.63
Total Winter Due: 973.59

Summer Tax Balance: 7,294.18
Summer Interest Balance: 0.00
Summer Penalty Balance: 0.00
Summer Total Balance: 7,294.18

TOTAL DUE: 8,267.77

2019-06-17

936

936 *Petition of Infinity Acquisitions, LLC.,
request for the establishment of an
Obsolete Property Rehabilitation
District at 2001 Park Avenue, Detroit,
MI 48226 under P.A. 146 of 2000.*

REFERRED TO THE FOLLOWING DEPARTMENT(S)

LEGISLATIVE POLICY DIVISION PLANNING AND
DEVELOPMENT DEPARTMENT
LAW DEPARTMENT FINANCE DEPARTMENT



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
(313) 224-3011 • TTY: 711
(313) 224-9400
WWW.DETROITMI.GOV

July 9, 2019

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

Re: **Obsolete Property Rehabilitation District – Infinity Acquisitions LLC**
Property Address: 2001 Park
Parcel Number: 02000382.

Dear Mr. Cox:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **2001 Park** in the **Foxtown** area in the City of Detroit.

The rationale for creating Obsolete Property Rehabilitation Districts 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.

Infinity Acquisitions LLC intends to completely renovate the vacant 12-story historic office building consisting of 92,293 square feet of building area, built in 1923, on .184 acres of land into a mixed-use facility with 77 new residential apartments with 20% of the units with affordable rent, 5,500 square feet of retail and a general common area for residents. Rehabilitation is proposed to include lead and asbestos removal, restoration of exterior façade, foundation improvements, HVAC repair/replacement, elevator repairs, and electrical and gas system modifications.

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.

A field investigation indicated that the proposed Obsolete Property Rehabilitation District located at **2001 Park** 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

mmp



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

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

TO: Matthew Langston, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 2001 Park Avenue
DATE: August 9, 2019
CC: Maurice Cox, Director, Planning and Development
Kevin Schronce, PDD Central, Planning and Development

In order to ensure that the **creation** of an **Obsolete Property District** is in conformance with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 146 of 2000 (section 125.2788), the Planning and Development Department submits the following interpretation. The Petitioner is Infinity Acquisitions, LLC

Location and Project Proposal: Project will rehabilitate an approximately 105,000 square foot property into a multi-use facility for residential and retail. Project is anticipated to be 12-floors and yield approximately 77 new residential apartments. 20% of the units will be designated as affordable housing. The project is approximately 61,550 square feet of residential and 15,000 square feet of general common areas for residents. The project will accommodate approximately 5,500 square feet of new retail space

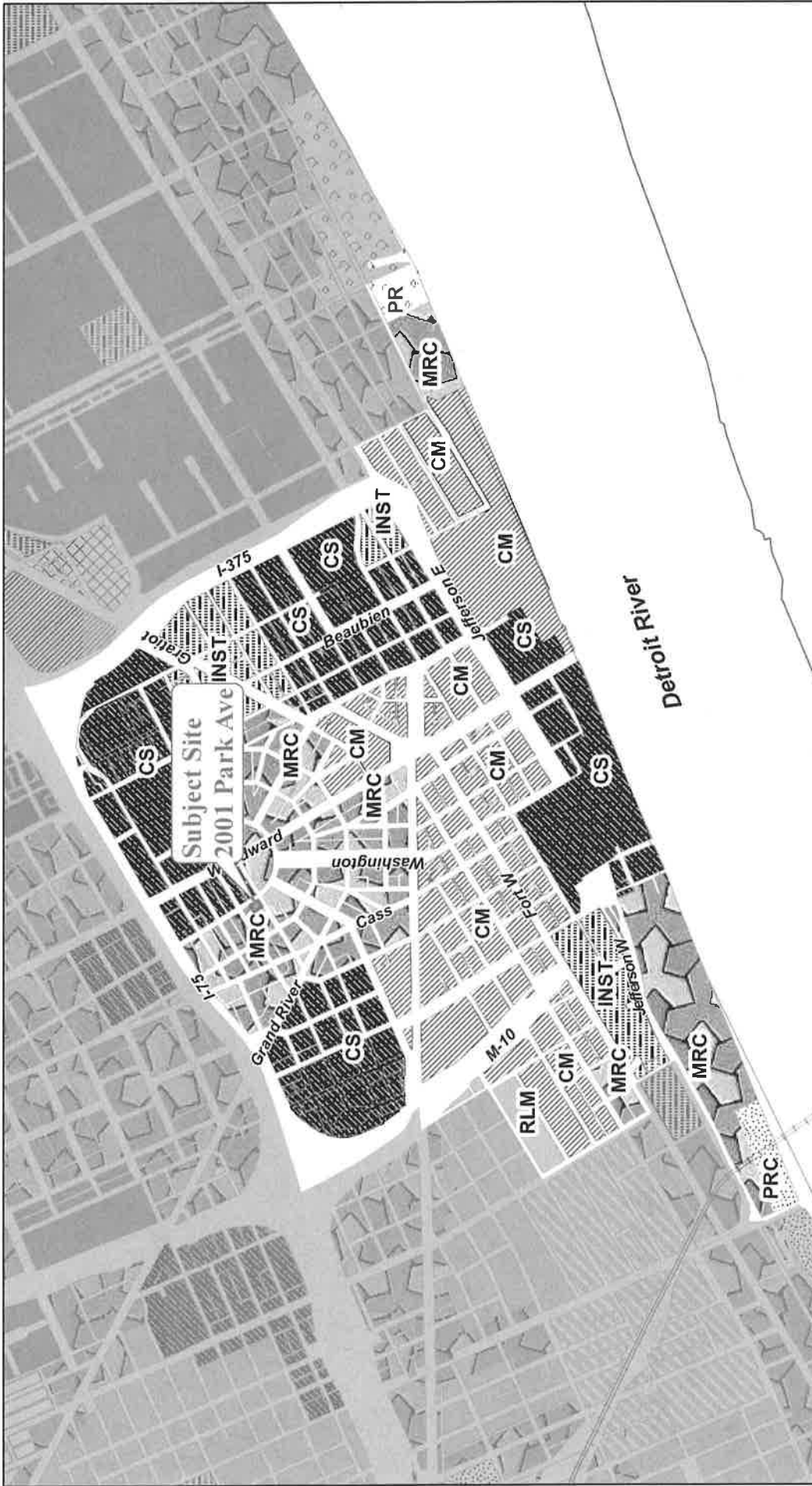
Master Plan Interpretation

The subject site area is designated **Mixed Residential-Commercial (MRC)**. Mixed Residential-Commercial areas consist primarily of high density housing developed compatibly with commercial and/or institutional uses. This classification is well suited to areas proximal to existing centers of major commercial activity, major thoroughfares, transportation nodes, or gateways into the city."

The proposed development conforms to the Future General Land Use characteristics of the area.

Attachments

Future General Land Use Map: Neighborhood Cluster 4, Central Business District Map 4-1B



Map 4-1B

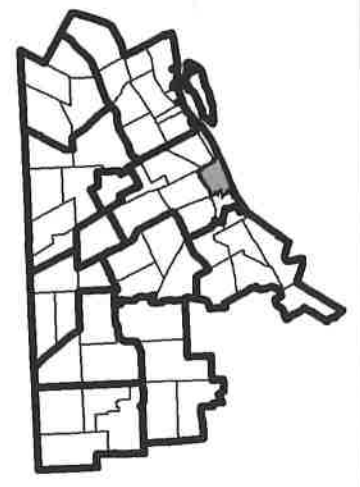
City of Detroit
Master Plan of
Policies

Neighborhood Cluster 4 Central Business District



Future Land Use

	Low Density Residential (RL)		Distribution / Port Industrial (IDP)
	Low / Medium Density Residential (RLM)		Mixed - Residential / Commercial (MRC)
	Medium Density Residential (RM)		Mixed - Residential / Industrial (MRI)
	High Density Residential (RH)		Mixed - Town Center (MTC)
	Major Commercial (CM)		Recreation (PRC)
	Retail Center (CRC)		Regional Park (PR)
	Neighborhood Commercial (CN)		Private Marina (PRM)
	Thoroughfare Commercial (CT)		Airport (AP)
	Special Commercial (CS)		Cemetery (CEM)
	General Industrial (IG)		Institutional (INST)
	Light Industrial (IL)		





Housing and Revitalization
Department

Coleman A. Young
Municipal Center
2 Woodward Avenue, Suite
908
Detroit, Michigan 48226

Phone:
313.224.6380
Fax: 313.224.1629
www.detroitmi.gov

August 26, 2019

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave., Suite 1340
Detroit, MI 48226

Re: Request for Public Hearing to Approve an Obsolete Property Rehabilitation Certificate on behalf of Raincheck Development LLC in the area of 40 Hague, Detroit, Michigan, in accordance with Public Act 146 of 2000 (Petition #895).

Honorable City Council:

The Housing and Revitalization Department and Finance Departments have reviewed the application of **Raincheck Development, LLC** and find that it satisfies the criteria set forth by P.A. 146 of 2000 and would be consistent with development and economic goals of the Master Plan.

Public Act 146 of 2000 states that the legislative body of the qualified local governmental unit, shall by resolution either approve or disapprove the application for an Obsolete Property Rehabilitation Exemption Certificate in accordance with Section 8 and other provisions of this act. Prior to acting upon a resolution to recommend approval, a public hearing must be held, and the City Clerk must provide written notice of the public hearing to the assessor and to the governing body of each taxing unit that levies an ad valorem tax within the eligible district.

We request that a Public Hearing be scheduled on the issue of approving the application for the Obsolete Property Rehabilitation Certificate. Attached for your consideration, please find a resolution establishing a date and time for the public hearing.

Respectfully submitted,

Donald Rencher
Director

DR/AM

cc: S. Washington, Mayor's Office
M. Cox, P&DD
D. Rencher, HRD
A. McLeod, HRD

BY COUNCIL MEMBER _____

WHEREAS, pursuant to Public Act No. 146 of 2000 ("the Act") this City Council may adopt resolution which approves the application of an Obsolete Property Rehabilitation Certificate within the boundaries of the City of Detroit; and

WHEREAS, **Raincheck Development LLC** has made application for an Obsolete Property Rehabilitation Certificate whose boundaries are particularly described in the map and legal description attached hereto; and

WHEREAS, prior to such approval, the City Council shall provide an opportunity for a Public Hearing, at which Public Hearing on such adoption of a resolution providing such tax exemption, at which Public Hearing representatives of any taxing authority levying *ad valorem* taxes within the City, or any other resident or taxpayer of the City of Detroit may appear and be heard on the matter.

NOW THEREFORE BE IT

RESOLVED, that on the _____, 2019 in the City Council Committee Room, 13th floor, Coleman A. Young Municipal Center, a Public Hearing be held on the above described application and be it finally

RESOLVED, that the City Clerk shall give notice of the Public Hearing to the general public and shall give written notice of the Public Hearing by certified mail to all taxing authorities levying an *ad valorem* tax within the City of Detroit.

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Caven West
Deputy City Clerk/Chief of Staff

July 18, 2019

To: Maurice Cox, Director
Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 908
Detroit, MI. 48226

Re: RainCheck Development LLC

Please find attached an application for Obsolete Property Rehabilitation Exemption Certificate for Property located at 40 Hague St, Detroit, MI 48202. **(RELATED TO PETITION #895)**

Respectfully submitted,



Michael J. O'Connell, Jr. Asst. City Council Clerk
Office of the City Clerk

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by Public Act 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

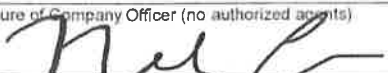
Applicant (Company) Name (applicant must be the OWNER of the facility) RainCheck Development, LLC								
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 28715 Greenfield Road, Southfield, Michigan 48076								
Location of obsolete facility (No. and street, City, State, ZIP Code) 40 Hague Street, Detroit, Michigan 48202								
City, Township, Village (indicate which) City of Detroit		County Wayne						
Date of Commencement of Rehabilitation (mm/dd/yyyy) 10/30/2019	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 10/30/2020	School District where facility is located (include school code) Detroit City School						
Estimated Cost of Rehabilitation \$4,600,000.00	Number of years exemption requested 12	Attach Legal description of Obsolete Property on separate sheet						
Expected project likelihood (check all that apply): <table border="0"><tr><td><input checked="" type="checkbox"/> Increase Commercial activity</td><td><input checked="" type="checkbox"/> Retain employment</td><td><input checked="" type="checkbox"/> Revitalize urban areas</td></tr><tr><td><input checked="" type="checkbox"/> Create employment</td><td><input type="checkbox"/> Prevent a loss of employment</td><td><input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated</td></tr></table>			<input checked="" type="checkbox"/> Increase Commercial activity	<input checked="" type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas	<input checked="" type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated
<input checked="" type="checkbox"/> Increase Commercial activity	<input checked="" type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas						
<input checked="" type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated						
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment <u>0</u>								
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. <input type="checkbox"/>								

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) Neal Check	Telephone Number 2488667900	Fax Number
Mailing Address 28715 Greenfield Road, Southfield, Michigan 48076	Email Address neal@soundcheckllc.com	
Signature of Company Officer (no authorized agents) 	Title Founder and Owner	

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

The Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 is to be completed by the Assessor.

Signature	Date application received
-----------	---------------------------

FOR STATE TAX COMMISSION USE		
Application Number	Date Received	LUCI Code

LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and Instruction Items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date: _____		
<input type="checkbox"/> Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)		
<input type="checkbox"/> Denied		
Date District Established	LUCI Code	School Code

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

<p>A statement that the local unit is a Qualified Local Governmental Unit.</p> <p>A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000.</p> <p>A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit.</p> <p>A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.</p> <p>A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing.</p> <p>A statement that the applicant is not delinquent in any taxes related to the facility.</p> <p>If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit.</p> <p>A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.</p>	<p>A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.</p> <p>A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.</p> <p>A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district.</p> <p>A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in.</p> <p>A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.</p> <p>A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.</p>
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PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC).

Taxable Value		State Equalized Value (SEV)	
Building(s)			
Name of Governmental Unit		Date of Action on application	Date of Statement of Obsolescence

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

Name of Clerk	Clerk Signature	Date	
Clerk's Mailing Address	City	State	ZIP Code
	Telephone Number	Fax Number	Email Address

Mail completed application and attachments to: Michigan Department of Treasury
State Tax Commission
P.O. Box 30471
Lansing, Michigan 48909-7971

If you have any questions, call 517-335-7491.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.



July 10, 2019

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

**RE: Request for the Establishment of an Obsolete Property Rehabilitation Act (OPRA)
Certificate at 40 Hague Street, Detroit, Michigan 48202 for RainCheck
Development, LLC**

Honorable City Council:

Please accept this letter for an Obsolete Property Rehabilitation Certificate (OPRC) for the property located at 40 Hague Street, Detroit, Michigan 48202, which is referred to herein as the "Property" and described on Attachment A. The Property will be rehabilitated by the petitioner and current owner, RainCheck Development, LLC.

Company and Project Synopsis

RainCheck Development, LLC (the "Developer") is led by Neal Check. Mr. Check serves as the manager and has worked more than 25 years in the low voltage industry, providing lighting, security, entertainment systems, and home automation services via SoundCheck, Inc. Check then combined his extensive tech-based knowledge with a passion for developing construction projects, kicking off a new venture in single family residential development that feature smart-home technology. Thus, TechHome Building Co., LLC was formed. Currently, RainCheck Development has a new townhome development underway on 4th Street in Midtown Detroit that highlights these smart home features. Their development experiences continues in New Center, where RainCheck has purchased and is renovating the historic Sanders Confectionary on Woodward Avenue.

The proposed project contains three parcels. 40 Hague contains the current building and is approximately 0.49 acres. 8524 Woodward Avenue is approximately 0.16 acres contains the southwestern parking lot. The third and final parcel at 59 East Philadelphia Street is the southeastern parking lot and is approximately 0.86 acres. The property is roughly bounded by Hague Street to the northwest, an alleyway to the northeast, the property line and East Philadelphia Street to the southeast, and Woodward Avenue to the southwest. The project is located in the North End Neighborhood of Detroit with the northern terminus of the Q-Line located approximately one-half mile south along Woodward. The property is currently occupied by a vacant 2-story office building totaling approximately 37,000 square feet and two parking lots.

The proposed project will entail the rehabilitation of the current building into 38 residential apartment units. Each unit will include new, modern appliances, and feature open, loft-style floor plans. As part of the rehabilitation, the building will receive new utility distribution including electrical and plumbing, new energy efficient heating, cooling and ventilation systems, new energy efficient windows and doors, kitchen and bathroom cabinetry, appliances, and fixtures,

***Request for Establishment of an Obsolete Property Rehabilitation Certificate at
40 Hague Street, Detroit MI 48202
for RainCheck Development, LLC***

an improved access stairwell, and repairs to the building structure as needed. The structure will also be brought up to code, as applicable.

The Necessity for Tax Relief

Substantial investment is necessary to rehabilitate the area into a viable, long-term development. Additionally, the underutilized property will require repair and selective demolition with the property rehabilitation. The overall internal rate of return for the proposed development will be extremely low without the receipt of an OPRC and therefore, the development would not be possible without it.

The costs associated with the rehabilitation require multiple capital sources including equity contributed by RainCheck Development, LLC. Members as well as an interim construction loan, and upon completion, a long-term loan product. In order to secure this financing and future tenants, the operating costs of the proposed renovations and redevelopment of the project need to be kept as low as possible (including property taxes).

PA 146 Request

A 12-year abatement is being requested.

Economic Advantages of the Rehabilitation

Upon completion, the Development will return an obsolete property to productive use and will increase residential density in an area characterized by disinvestment. Activation of this property will spur further growth and act as a catalyst for future redevelopment of numerous vacant and blighted properties along Hague Street, and the Woodward Avenue corridor of the North End Neighborhood, providing spinoff consumer spending in an area that is currently left out of redevelopment planning.

The granting of the OPRA tax abatement will not result in any fewer taxes to the City of Detroit in the short-term or long-term. On a short-term basis approximately 18 construction jobs will be created. The general contractor, Monahan Co, has several Detroit-based subcontractors that they have used in the past and that they have requested bids from to ensure Detroit-based contractors and workers benefit from the redevelopment.

Upon successful redevelopment, the proposed redevelopment associated with the Development will create approximately one full-time equivalent (FTE) job related to the management and maintenance of the property. This new job, along with the new residents living at the development, will generate increased income taxes for the City of Detroit.

Following expiration of the 12-year abatement the building will deliver a significant increase in tax revenue. Over time, the successful redevelopment and cultural growth will a positive impact on the neighborhood.

Closing

RainCheck Development, LLC, is composed of seasoned professionals with extensive experience in residential development throughout Metro Detroit.

***Request for Establishment of an Obsolete Property Rehabilitation Certificate at
40 Hague Street, Detroit MI 48202
for RainCheck Development, LLC***

Members of the Development team are in process of reaching out to members of the North End community and neighboring property owners regarding the anticipated improvements and garnering meaningful feedback.

The team is looking forward to pursuing this redevelopment and creating a community space within Detroit's central North End Neighborhood.

Respectfully Submitted,

Neal Check
Founder and Owner
RainCheck Development, LLC
248-866-7900
neal@soundcheckllc.com

Attachment A: Detailed Project Description
Attachment B: Parcel Map
Attachment C: Incentive Information Chart
Attachment D: Support Letters

Attachment A

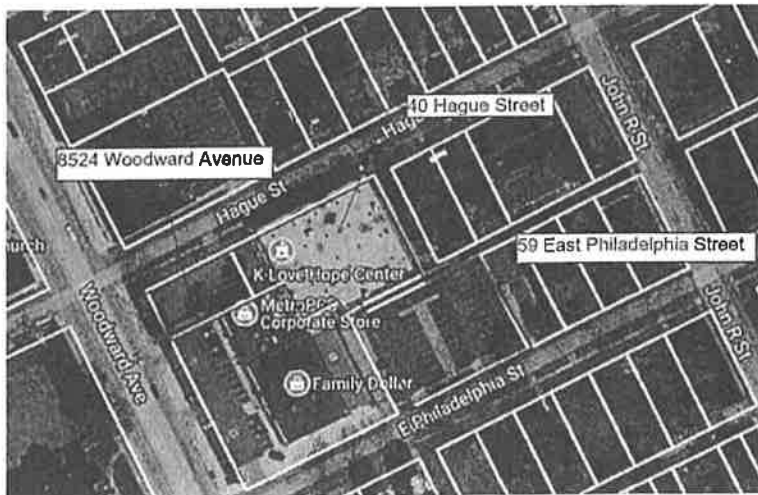
Detailed Project Description

General Description

The proposed Development is comprised of 8524 Woodward Avenue, 40 Hague Street, and 59 East Philadelphia Street in Detroit's North End Neighborhood. The property is loosely bounded by Hauge Street to the north, an alley to the east, East Philadelphia Street to the south, and the property line/Woodward Avenue to the west. The property consists of three parcels, which are outlined in the map below.



The property has historically been utilized as residential dwelling and various business, including printing and engraving businesses, professional offices, schools, and automotive sales and service businesses. The proposed project currently consists of renovating the building at 40 Hague Street to create 38 residential apartment units. New entry drives and will be created in addition to parking lot improvements at the existing parking lot of 59 East Philadelphia Street.



The associated address and parcel identification number can be found below and a copy of the corresponding legal description can be found at the end of this attachment.

Description of Proposed Use

The proposed redevelopment will create additional housing and increased residential density in an area of the North End Neighborhood that has been behind the curve for investment and redevelopment. The project includes renovating the building located at 40 Hague Street. Once



Concept rendering of the proposed development

the rehabilitation is completed, the two-story building will offer 38 loft style apartments in the North End Neighborhood. Living space totals approximately 26,900 square feet. Two studios, 32 one-bedroom units, and four two-bedroom layouts will be made available. Twenty percent of the residential units (8 in total) will be reserved as affordable units at 60% Area Median Income (AMI), which will consist of five (5) one

bedroom units and three (3) two bedroom units.

Greenspace will be incorporated throughout the development; a landscaped interior courtyard will feature eating areas and a rooftop garden offers a unique place for residents to relax and entertain. Further greenspace will be created by converting the western parking lot (8524 Woodward Avenue) into a fenced private park for residential use.

Additionally, improvements will be made to the eastern parking lot (59 East Philadelphia Street) to serve as designated residential parking.

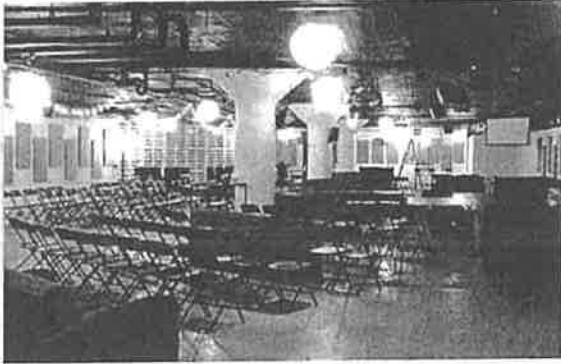
Nature and Extent of the Rehabilitation

As part of the rehabilitation, the building will be demolished internally and restructured to make room for apartment units. The building will receive new utilities including electrical and plumbing, new energy efficient heating, cooling and ventilation systems for each individual unit, and new energy efficient windows and doors. Kitchens and bathrooms will receive new cabinetry, appliances, and fixtures. A new access stair tower will be constructed which will lead to the rooftop garden and sitting area. An open-air courtyard will be created in the center of the building to provide an outdoor eating space. Repairs to the building structure will be completed as needed, and made include replacing the roofing system, stone masonry repair, and other activities to honor the building's historic appearance. The structure will also be brought up to code, as applicable.

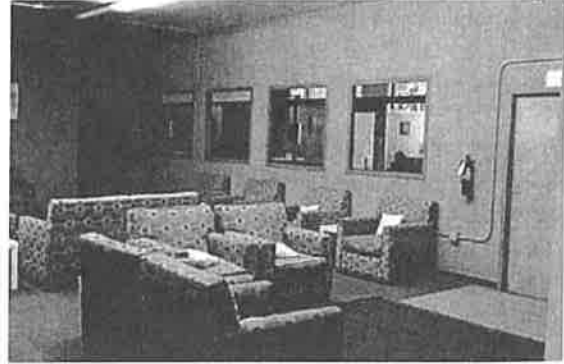
Furthermore, the western parking lot, 8524 Woodward Avenue will be improved as a private park for residents. The other parking lot at 59 East Philadelphia Street will be utilized for residents' parking and will receive improvements, including reconfiguration for a more efficient layout.



Existing building located at 40 Hague Street



Current interior conditions of 40 Hague Street



The Development will create residential tenant space for, and encourage, Detroiters to populate these spaces. These developments are necessary components crucial to attracting resident and visitor interest along with investment in this blighted area of Detroit.

Raincheck Development, LLC intends to apply for a 12-year real property tax abatement under the provisions of an Obsolete Property Rehabilitation Act tax abatement.

Descriptive List of the Fixed Building Equipment/Renovations

Renovations and new fixed building equipment and materials for the project include;

- Site Work; water and sewer connections, parking lot improvements, landscaping, and creating a private park at 8524 Woodward Avenue
- Concrete; new main entrance and curb/sidewalk repair
- Masonry; restoration activities associated with the existing building
- Steel; structural steel staircase expansion and balconies
- Carpentry; framing, kitchen cabinetry, vanities, trim work
- Thermal and Moisture Protection; replace roofing system, weather proof new courtyard walls, caulking and sealing, waterproofing
- Doors and Windows; exterior doors, interior doors/frames/hardware, windows
- Fire alarm/suppression system.
- Mechanical; plumbing and HVAC
- Electrical; electrical work, security system, and communications

- Finishes; drywall and steel studs/insulation, concrete polishing, floor repair, stairs, hard tile, painting
- Specialties; ADA Lift (If required), fire extinguishers, unit appliances, toilet accessories and mirror, interior signage, and mailboxes.

Total construction hard cost investment is estimated at approximately \$5.58 Million, with a total investment of approximately \$8 Million.

Schedule

Construction activities are anticipated to commence fall of 2019 and last 18 months.

Statement of Economic Advantages

The proposed Development will bring needed investment to a vacant area of Detroit's North End Neighborhood. The Development will increase residential density in an area that is characterized by vacancy and has the perception of being unsafe. Activation of this property will spur further growth and infill development, and act as a catalyst for future redevelopment of numerous vacant and blighted properties along the Woodward Avenue corridor and the surrounding neighborhoods and provide spinoff consumer spending in the North End.

The granting of the tax abatement will not result in any fewer taxes to the City of Detroit in the short-term or long-term. Upon successful redevelopment, the Development will generate increased property taxes, through the newly renovated apartment building.

On a short-term basis approximately 18 full-time equivalent (FTE) construction jobs will be created for a construction period of approximately 18 months.

On a long-term basis the proposed redevelopment associated with the District will create approximately one FTE job and anticipated to house approximately 82 new Detroit residents within the 38 units. Therefore, it is anticipated the City of Detroit will collect approximately 2.4% income tax per resident per year. The table below illustrates the resident tax impact the development will have following completion.

Residential Benefits	Estimated Annual Amount
Approximately 82 residents	
Per Capita Income x Residents x 2.4%	
\$31,140 x 82 x 2.4%	\$61,284
One FTE permanent job	
\$45,000 x 1 x 2.4%	\$1,080
Total	\$62,364

Detroit's North End Neighborhood was once an important hub of automobile production in the early 20th century, housing more than 50,000 workers. Additionally, several popular Motown musicians including Aretha Franklin and Diana Ross called the neighborhood home. The North End is just beginning its renaissance of infill housing projects to revitalize a vibrant neighborhood. The proposed 40 Hague Redevelopment project is part of the neighborhood's transitional area

between the commercial nature of Woodward Avenue and the residential neighborhood branching east. The 40 Hague Redevelopment works to transform an underutilized Property into a contemporary residential apartment building and will increase residential density in an area that is characterized by vacancy and has the perception of being unsafe. Investment such as this will help create an integrated and vibrant North End for all Detroiters.

Following expiration of the 12-year abatement the building will deliver a significant increase in tax revenue. Over time, the successful redevelopment and cultural growth will have a city-wide impact.

Legal Description

Parcel Number: 01002660-0

Address: 40 Hague Street

Acres: 0.49

Legal Description:

S HAGUE 20 E 150 FT 21 EXC W 50 FT OF S 16 FT HAIGHS L13 P29 PLATS, W C R 1/112 SPLIT/COMBINED ON 03/23/2017 FROM 01002600., 01004332.;

Parcel Number: 01004332

Address: 8524 Woodward Avenue

Acres: 0.16

Legal Description:

E WOOWARD W 110 FT 20HIAGHS SUB L13 P29 PLATS, W C R 1/112 65 X 110 Split on 03/23/2017 with 01002660. Into 01002660-0;

Parcel Number: 01002605-7

Address: 59 East Philadelphia Street

Acres: 0.86

Legal Description:

N PHILADELPHIA 5 THRU 7BELA HUBBARDS L21 P7 PLATS, W C R 1/111 150 X 125

Attachment B

Parcel Map

**OBSELETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE
AGREEMENT**

THIS AGREEMENT (this "Agreement"), by and between the City of Detroit (the "City"), a Michigan municipal corporation acting by and through its Planning & Development Department with an office at 2 Woodward Avenue, Suite 808, Detroit, MI 48226 and RainCheck Development, LLC (the "Applicant") with an office at 28715 Greenfield Road, Southfield, MI 48076 is made this 26th day of August, 2019.

WITNESSETH:

WHEREAS, Public Act 146 of 2000, as amended, also known as the Obsolete Property Rehabilitation Act (the "Act"), (1) provides for the establishment of obsolete property rehabilitation districts by local governmental units, (2) provides for the abatement or exemption from certain taxes for qualified obsolete property owners, and (3) allows local governmental units to levy and collect a specific tax from the owners of an obsolete property, among other provisions; and

WHEREAS, the Applicant has submitted an Application (the "Application") for an Obsolete Property Rehabilitation Exemption Certificate ("OPREC") for the property located at: 40 Hague Street, 8524 Woodward Avenue and 59 East Philadelphia Street (the "Property"). A copy of the Application is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City has previously approved an obsolete property rehabilitation district pursuant to the Act, and the Property is located in such district; and

WHEREAS, the Applicant has committed to complete a Rehabilitation of the Property, as defined in the Act, and to hire or retain a certain amount of full-time employees at the Property during the Term (as defined below); and

WHEREAS, the City has approved the Application by adopting a resolution granting the OPREC to the Applicant, contingent upon the representations contained herein and pending approval by the Michigan State Tax Commission. A copy of the City resolution granting the OPREC is attached hereto as Exhibit B and made a part hereof; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. General.
 - a. Unless earlier revoked as provided for in Section 12 of the Act, being MCL 125.2792, or as provided for in this Agreement, the term of the OPREC and the term of this Agreement (collectively, the "Term") will be twelve (12) years, beginning on the certificate beginning date stated in the OPREC issued by the Michigan State Tax Commission.

- b. The Applicant will complete the Property Rehabilitation, as defined in the Act and as set forth in the Application, no later than October 31, 2021.
- c. The Applicant shall create, or cause to be created, at least one (1) (the "Employee Commitment Number") full-time employees at the Property within one (1) year of the effective date of this Agreement.
- d. The Applicant will recruit and hire City of Detroit residents in accordance with specified targets as set forth in the City of Detroit Resident Employment Plan ("Employment Plan") submitted by the Applicant to the City as part of the Application and approved by the City of Detroit Civil Rights, Inclusion and Opportunity Department ("CRIO"). Throughout the Term, the Employment Plan may be modified in CRIO's sole discretion. CRIO will monitor the Applicant's compliance with the Employment Plan on an annual basis throughout the Term. Upon notice from CRIO of a discrepancy between the Applicant's commitment in the Employment Plan and the actual number of City of Detroit residents employed at the Property, Applicant shall submit a correction plan setting forth the Applicant's plan to bring the number of City of Detroit residents employed at the Property back up to the specified targets as set forth in the Employment Plan. Applicant's correction plan must be approved by CRIO. Applicant shall be required to fulfill the terms of such correction plan in the timeline set forth in the correction plan.
- e. For purposes of this Agreement, a "full-time employee" is defined as a person: 1) who is employed by the Applicant or its affiliates on a salary, wage, commission, or other basis for a minimum period of forty (40) hours a week and 2) from whose compensation the Applicant or its affiliates, including a staffing agency, are required by law to withhold City of Detroit income taxes. Affiliates may include Applicant's tenant(s) that lease space at the Property.

2. Applicant Representations.

In compliance with the Act, and in order to induce the City to grant the OPREC to the Applicant, the Applicant represents that:

- a. The Applicant is the owner of the Property at the time of the Application and this Agreement.
- b. The Property is an "Obsolete Property" as defined under the Act.
- c. During the Term, no portion of the Property will be used as a professional sports stadium.
- d. During the Term, no portion of the Property will be used, owned or operated by a casino or affiliated company, as defined in the Act.
- e. The Applicant would not have considered accomplishing Rehabilitation of the Property without an OPREC.

- f. Rehabilitation of the Property did not start prior to establishment of the obsolete property rehabilitation district in which the Property sits.
- g. There are no delinquent taxes owed on the Property.
- h. The Applicant will pay any applicable taxes on the Property as they become due.
- i. The Rehabilitation and Applicant's current and planned future operation of the Property are in compliance with the City of Detroit Zoning Ordinance and Master Plan.
- j. If the Rehabilitation of the Property will include the provision of housing at the Property, the Applicant agrees to: 1) comply with Fair Housing Practices that meet the guidelines set forth by the U.S. Fair Housing Act (42 U.S.C. 3601 through 3619); and 2) comply with the Affordability Requirements set forth on Addendum 2, attached hereto.

3. Community Benefits Requirements.

Pursuant to City of Detroit Ordinance 35-16 ("Ordinance"), also known as the Community Benefits Ordinance, if the Property involves a Tier 2 Development Project (as defined by the Ordinance), then the Applicant will:

- a. Partner with the City and, when appropriate, a workforce development agency to promote the hiring, training and employability of Detroit residents, consistent with State and Federal Law.
- b. Partner with the Director of the Planning & Development Department to address and mitigate negative impacts that the Tier 2 Development Project may have on the community and local residents. The Applicant will adhere to the mitigation requirements, if any, stated in the attached Addendum 1 – 4. b. Requirements, which is incorporated herein by reference.

4. Reporting to the City by the Applicant.

Applicant agrees to provide the City with sufficient information, subject to review and audit by the City, in order to determine compliance with this Agreement. At a minimum, the Applicant shall provide the City with the following during the Term:

- a. Upon request, the Applicant shall provide the Planning & Development Department copies of all construction plans, building permits and certificates of occupancy related to the Rehabilitation of the Property. These documents, along with periodic site visits to the Property by the City, will serve to establish whether the Applicant is completing the Rehabilitation to the Property as required by the Act and this Agreement.
- b. Within two (2) weeks after the first year of the Term and for each year of the Term thereafter, Applicant shall submit to the Planning & Development Department a certified status report ("Status Report") signed by an authorized officer of the Applicant. The Status Report shall set forth for the previous year: 1) the Rehabilitation

work completed at the Property; 2) Applicant's financial investment in the Property for that year; and 3) the number of full-time employees at the Property for that year.

- c. Within two (2) weeks after the last day of the first year of the Term and each year of the Term thereafter, the Applicant shall submit to CRIO the Annual Employment Report for Tax Abatements (the "Status Report"), including copies of proofs of residency that have been accepted by CRIO.

5. Revocation of OPREC and Termination of this Agreement.

The City may, in its sole discretion and by resolution of Detroit City Council, revoke the OPREC if the City finds that: 1) the completion of Rehabilitation of the Property has not occurred in the time or manner authorized by this Agreement; or 2) that the Applicant has not proceeded in good faith with the Rehabilitation of the Property in a manner consistent with the purposes of the Act, taking into account any circumstances that are beyond the control of the Applicant.

Good faith efforts include, but are not limited to, the following: 1) Applicant is actively working with an agency or City Department to hire and ascertain methods of recruiting and employing Detroit residents at the Property, and 2) Applicant is actively working with the Detroit Economic Growth Corporation, the City's Planning & Development Department, and CRIO to ascertain methods of obtaining resources to improve Applicant's business in a manner that will allow for compliance with this Agreement.

6. Payment of Exempted Taxes for Shortfall of Employment.

If the average number of full-time employees at the Property for any given year of the Term is less than the Employee Commitment Number, the Applicant agrees to pay to the City, in addition to the Obsolete Properties Tax due under the OPREC, an amount equal to the difference between the amount of ad valorem tax that would be due on the Property without the OPREC, and the amount of Obsolete Properties Tax due on the Property under the OPREC, for that given year, multiplied by a fraction, the numerator of which is the shortfall in the number of full-time employees indicated in the Status Report, and the denominator of which is the Employee Commitment Number. Prior to taking any action to require the Applicant to pay an amount to the City pursuant to this Section, the City must afford the Applicant an opportunity to present reasons for the employment shortfall at a public hearing.

In the event that the Applicant fails to report in the Status Report the number of full-time employees at the Property for a given year of the Term, the number of full-time employees at the Property for purposes of this Section shall be deemed to be zero (0).

7. Notice to City of Discontinuance of Operations.

If during the Term the Applicant intends to discontinue operations at the Property, the Applicant will provide thirty (30) days' prior written notice of such shutdown of operations to the Director of the Planning & Development Department.

8. Reservation of Remedies.

The City and the Applicant agree that each of the rights and remedies provided by this Agreement may be exercised separately or cumulatively, and shall not be exclusive of any other rights and remedies provided by law. Invalidation of any of the provisions contained in this Agreement by operation of law, judgment, court order or otherwise shall not invalidate any of the other provisions of this Agreement.

9. Transfer.

Neither the OPREC nor this Agreement may be transferred or assigned by the Applicant to a new owner of the Property unless the City, in its sole discretion, approves such transfer or assignment upon application by the new owner.

10. Headings.

The headings contained in this Agreement are for descriptive purposes only, and do not alter or govern the substantive content of the provisions of the Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and the Applicant, by and through their authorized officers and representatives, have executed this Agreement as follows:

APPLICANT:

By: 

Print: Neil Check

Its: member

CITY OF DETROIT
PLANNING & DEVELOPMENT DEPT.

By: 

Print: _____

Its: _____

**THIS AGREEMENT IS NOT EFFECTIVE OR VALID UNTIL AN OBSOLETE
PROPERTY REHABILITATION CERTIFICATE IS APPROVED BY THE MICHIGAN
STATE TAX COMMISSION**

ADDENDUM 1
4. b. Requirements

ADDENDUM 2
Affordability Requirements

1. Affordable Housing Undertaking. The Applicant, as developer of the 40 Hague project (the "Project") on the Property, will implement during the Term the following affordable housing plan for the planned 38 residential apartments to be included within the Project:
 - a. The Applicant will offer for lease 8 apartment units ("Affordable Units") to those earning not more than 80% of the Detroit SMSA area median income ("AMI"), based on the income limits most recently published by the United States Department of Housing and Urban Development ("HUD")¹. Rental rates will be based upon occupancy of 1 person in a studio and 1.5 people per bedroom for all other rental unit sizes.
 - b. Applicant will verify the income of any individual(s) who apply to lease an Affordable Unit.
 - c. In the event that the income of a tenant of an Affordable Unit becomes more than 80% of AMI, such tenant's unit shall be considered to comply with paragraph 1 above until the termination of the lease such unit, including during any extensions thereof.
 - d. Applicant currently intends to offer 0 studios, 5 one-bedroom units, 3 two-bedroom units and 0 three-bedroom units as Affordable Units. Applicant may alter this unit mix in its discretion.
 - e. A vacant unit offered for rent pursuant to this paragraph counts toward satisfaction of Section 1a above.
 - f. The commitments set forth herein may be terminated in the event an arms-length lender forecloses on a mortgage secured by the Project.
2. Payment for Exempted Taxes for Violation of Undertaking. If Applicant is not in compliance with its obligations under paragraph 1 of this Addendum and fails to cure its non-compliance within 60 days of written notice from the City, the Applicant shall pay to the City, in addition to the Obsolete Properties Tax due under the OPREC on the Property, an amount equal to the difference for the year of non-compliance between the amount of ad valorem tax otherwise due on the Property without the OPREC and the amount of the Obsolete Properties Tax due on the Property with the OPREC, multiplied by a fraction, the numerator of which is shortfall of the number of units that are not in compliance and the denominator of which is _____. Prior to taking any action to require the Applicant to pay any amount to the City pursuant to this paragraph 2, the City shall afford the Applicant an opportunity to present at a public hearing reasons for the shortfall by the Applicant in its compliance with this Addendum.

¹ In the event that the AMI decreases in a subsequent year, the prior year AMI shall continue in effect for the Project until and to the extent the AMI level later increases.

EXHIBIT A

Application for Obsolete Property Rehabilitation Exemption Certificate

EXHIBIT B

Detroit City Council Resolution

Granting the Obsolete Property Rehabilitation Exemption Certificate



TO: Ashley McCleod, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 40 Hague Street and 59 E. Philadelphia Street
[Petition #895]
DATE: June 13, 2019
CC: Maurice Cox, Director, Planning and Development
Kevin Schronce, Central Region, Planning and Development

In order to ensure that the **creation** of an **Obsolete Property District** is in conformance with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 146 of 2000 (section 125.2788), the Planning and Development Department submits the following interpretation. The Petitioner is RainCheck Development LLC

Location and Project Proposal: 40 Hague Street and 59 East Philadelphia Street

Note: *40 Hague Street and 59 East Philadelphia Street; 8524 Woodward Avenue is an address that does not exist and may be a retired parcel. According to city records, the property located at indicated 8524 Woodward is absorbed into the parcel with the address of 40 Hague Street.*

The project proposal seeks to renovate existing structure to create 38 residential apartment units and parking lot improvements on 59 E. Philadelphia Street. The proposed development will include 36,700 square feet of living space divided into 2 studios, 28 one-bedroom units, and 8 two-bedroom layouts. A minimum of 20% of units will be priced to meet affordable unit requirements for 80% of the Area Median Income. Greenspace will be incorporated throughout the development; a landscaped interior courtyard will feature eating areas and a rooftop garden. Further greenspace will be created by converting western parking lot into a fenced private park for residential use.

Master Plan Interpretation

The subject sites are located on areas designated as Neighborhood Commercial and Low/Medium Density Residential (RLM)

The subject site area is designated **Neighborhood Commercial (CN)**. Neighborhood Commercial Districts generally consist of a large collection of contiguous storefronts along a street or streets. This commercial type is pedestrian oriented with wide sidewalks and landscaping. Parking should be on the street, in structures (with ground floor retail), at the rear of commercial establishments or in concentrated nodes at the periphery of the area. In addition to commercial uses, Neighborhood Commercial areas may also include institutional uses such as libraries and post offices.



The subject site area is designated **Low/Medium Density Residential (RLM)**. Low/Medium Density Residential areas should have an overall density of 8 to 16 dwelling units per net residential acre. The areas are often characterized by two or four family homes with small yards, on-street parking, or garages with alley access. The residential classifications allow for neighborhood-scale commercial development. For instance, in a Low/Medium Density Residential area, small scale commerce (e.g. convenience stores) should exist to serve residents' day-to-day needs.

The following policies of the Middle Woodward neighborhood describe the following recommendations:

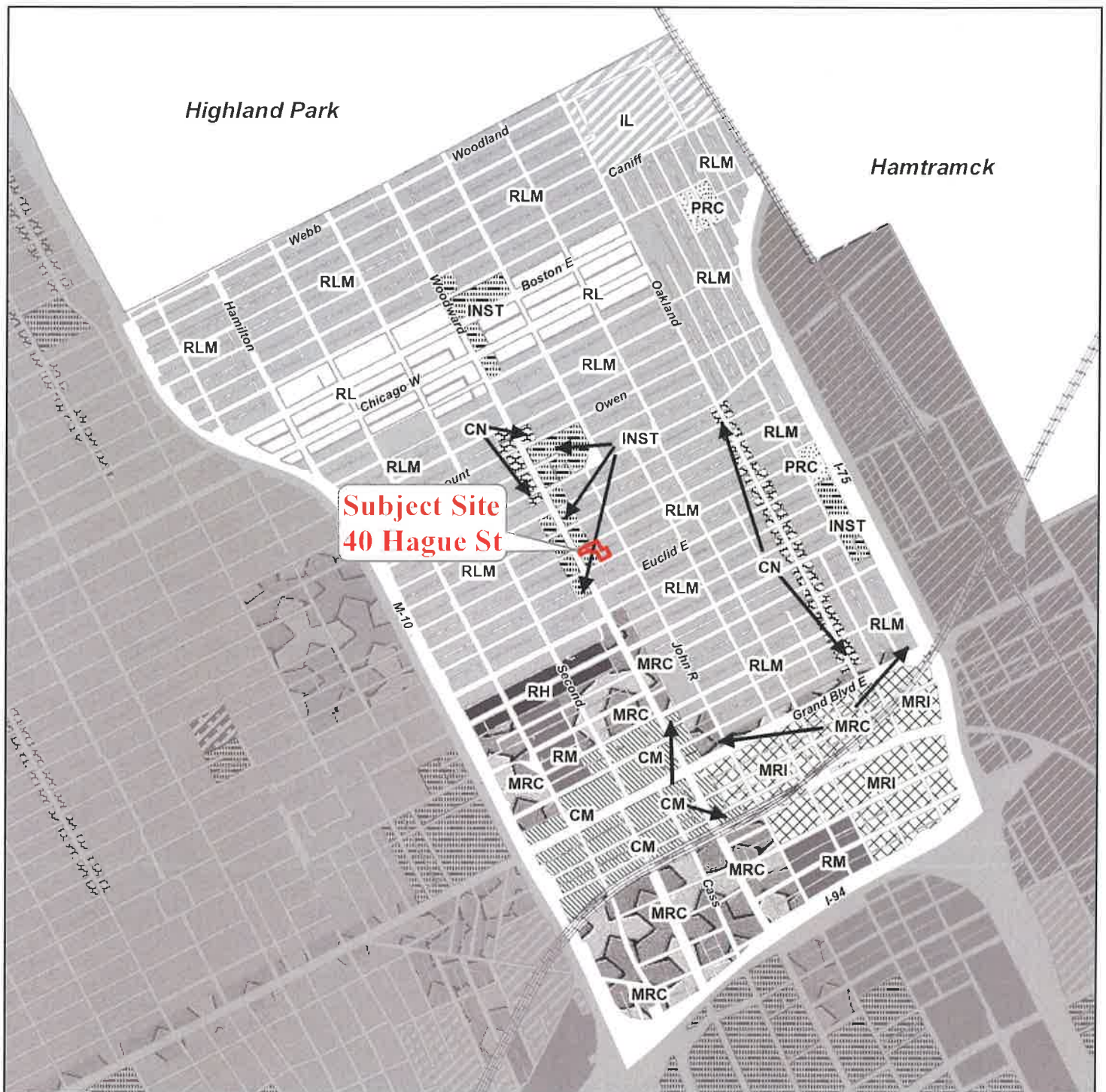
- Goal: 3 Increase Residential Density
- Policy 3.1 Develop East and West Grand Boulevard, and Woodward as a high-density mixed use area, with housing and ground-floor commercial

The project proposal seeks to convert the interior of an existing structure that states former building operations to include residence, printing and engraving services, professional offices, schools, and automotive sales and services into high-density residential. The subject site is zoned B4 where multi-family dwellings are conditional. The proposed impacts are primarily internal within the structure with external landscaping upgrades and are not believed to have a negative impact on the character of the surrounding area.

The proposed development conforms to the Future General Land Use recommendations for this area.

Attachments

Future General Land Use Map: Neighborhood Cluster 4, Middle Woodward; Map 4-7B



Map 4-7B

City of Detroit
Master Plan of
Policies

Neighborhood Cluster 4 Middle Woodward



Future Land Use

Low Density Residential (RL)	Thoroughfare Commercial (CT)	Mixed - Town Center (MTC)
Low / Medium Density Residential (RLM)	Special Commercial (CS)	Recreation (PRC)
Medium Density Residential (RM)	General Industrial (IG)	Regional Park (PR)
High Density Residential (RH)	Light Industrial (IL)	Private Marina (PRM)
Major Commercial (CM)	Distribution / Port Industrial (IDP)	Airport (AP)
Retail Center (CRC)	Mixed - Residential / Commercial (MRC)	Cemetery (CEM)
Neighborhood Commercial (CN)	Mixed - Residential / Industrial (MRI)	Institutional (INST)





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

September 5, 2019

Tax Abatement Type: Obsolete Property Rehabilitation Act (Public Act 146)

New ☒ Renewal ☐

Duration of Abatement: 12 Years

Development: 38 Loft style apartments in the North End Neighborhood

Parcel/Facility Address: 40 Hague Street

Applicant/Recipient: RainCheck Development, LLC

Applicant Contact: Jessica DeBone
(616) 328-5297

Post-Construction Employment Commitments

☐ Developer Occupied ☒ Tenant Occupied

Total Employment: 1

Detroit Resident: 1 (or 100%)

Detroit Resident Hiring Strategies: To contract with a Detroit Based management company

The Applicant/Recipient has provided the Civil Rights, Inclusion and Opportunity

Department required information in accordance with specific current and future employment data and commitments as part of a tax abatement agreement with the City of Detroit.

Therefore my signature below grants Conditional Approval of the above tax abatement application/renewal based upon annual reports to and appraisals by this agency of the recipient's employment measures projected and achieved for the duration of the abatement.

Charity Dean
Director, Civil Rights Inclusion and Opportunity

9/5/19

Date



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

Employment Commitment Report for Tax Abatement

This report evidences your commitment to post-construction full time employment as stated in the tax abatement agreement. Complete the following based on workers located only at facilities/parcels under the applied tax abatement. Detroit workers must have verifiable ID & addresses on file with employer for review.

Company: RainCheck Development, LLC Company Address: 28715 Greenfield Road

Parcel/Facility Address: 40 Hague Street, Detroit, MI

Tax Abatement Applied for: PA 146 Obsolete Property Rehabilitation Act Length of Abatement: 12 Years

Authorized Representative: Neal Check Title: Owner
(Print)

Email: neal@soundcheckllc.com Phone: 248-866-7900

All questions should be directed to the Authorized Representative? ☐ Yes ☒ No

If No, specify preferred contact's Name: Jessica DeBone Phone: 616-328-5297

Email: debone@pmenv.com

Authorized Representative's Signature:  Date: 8/26/19

Employment Types	Skilled Trades	Non-Skilled Trades	Other	Totals
Total # of Employees Applicant is Committed to Employing at the Facility Receiving the Applied Abatement				
Total # Detroit Residents Applicant is Committed to Employing of the Total # of Employees			1	1
Percentage (%) of Detroit Residents being Employed			100%	

If other please specify: Property Management

Employment Narrative

Will your facility be: ☐ Owner Occupied ☒ Leased to Tenant ☐ Both

- Please provide a description of your development, including but not limited to the proposed use, when construction is set to begin and end, and positions offered?
- If the facility will be leased to tenants, what methods, tools, or resources will you utilize to market lease vacancies to Detroit Businesses and/or how you will promote tenants to hire Detroit residents?
- If the facility is owner occupied, what methods, tools, or resources will you utilize to fulfill the hiring commitments stated in the tax abatement agreement?

(See Sample Employment Narrative on Reverse of This Form)

On behalf of RainCheck Development, LLC's request for a PA 146 Obsolete Property Rehabilitation Act (OPRA) tax abatement we submit the following Employment Narrative.

1. The proposed Development is comprised of 8524 Woodward Avenue, 40 Hague Street, and 59 East Philadelphia Street in Detroit's North End Neighborhood. The property is loosely bounded by Hauge Street to the north, an alley to the east, East Philadelphia Street to the south, and the property line/Woodward Avenue to the west. The project includes renovating the building located at 40 Hague Street. Once the rehabilitation is completed, the two-story building will offer 38 loft style apartments in the North End Neighborhood. Living space totals approximately 26,900 square feet. Two studios, 32 one-bedroom units, and four two-bedroom layouts will be made available. Twenty percent of the residential units (8 in total) will be reserved as affordable units at 60% Area Median Income (AMI), which will consist of five (5) one bedroom units and three (3) two bedroom units. The proposed redevelopment will create additional housing and increased residential density in an area of the North End Neighborhood that has been behind the curve for investment and redevelopment.

Greenspace will be incorporated throughout the development; a landscaped interior courtyard will feature eating areas and a unique place for residents to relax and entertain. Further greenspace will be created by converting the western parking lot (8524 Woodward Avenue) into a fenced private park for resident use. Additionally, improvements will be made to the eastern parking lot (59 East Philadelphia Street) to serve as designated residential parking.

On a short-term basis approximately 18 full-time equivalent (FTE) construction jobs will be created for a construction period of approximately 18 months.

On a long-term basis the proposed redevelopment associated with the District will create approximately one FTE job and anticipated to house approximately 82 new Detroit residents within the 38 units. Total investment is approximately \$8 Million.

2. The future permanent job creation will be associated with the management and maintenance of the property. RainCheck is currently working with third party management companies and it is planned that the management is be Detroit based, employing Detroit residents. During the construction period, The Monahan Company, as the project's general contractor, is well-versed and has an inventory of Detroit-based subcontractors that they intend to utilize during redevelopment activities. The Monahan team will also present at a skilled trades task force meeting.
3. Not applicable.

Incentive Information Chart: 40 Hague Street, 8254 Woodward Avenue, and 59 East Philadelphia Street, Detroit

Project Type	Incentive Type	Investment Amount	District
Residential	Brownfield/Obsolete Property Rehabilitation Tax Abatement	\$5.5 Million Hard Cost Investment \$8 Million Total Investment	North End

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
3	3	6	6	1	0	0	0

1. What is the plan for hiring Detroiters?

The Monahan Company, as the project's general contractor, is well-versed and has an inventory of Detroit-based subcontractors that they intend to utilize during redevelopment activities. The Monahan team will present at a skilled trades task force meeting and utilize the D2D program, if available, should any additional sub-contractors be needed.

2. Please give a detailed description of the jobs available as listed in the above chart, i.e: job type, job qualifications, etc.

Available construction jobs are anticipated to include site supervision, demolition, asbestos abatement, concrete, masonry, carpentry, framing, roofing, window glass and glazing, framing, painting, flooring, tiling plumbing and HVAC and electrical.

The Developer anticipates the creation of one full time equivalent permanent job related to property management and maintenance.

3. Will this development cause any relocation that will create new Detroit residents?

The development will not cause any relocation and is anticipated to create an estimated 38 new residential units to the City of Detroit.

4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?

Yes. The developer has engaged with local businesses, neighboring residents, the Bethel Community Transformation Center and is furthering engagement with local groups such as Detroit Central Christian and the North End Woodward Community Coalition.

5. When is construction slated to begin?

Construction is slated to commence fall of 2019.

6. What is the expected completion date of construction?

Approximately 18 months following project commencement.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
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(313) 224-9400
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September 6, 2019

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

RE: **Obsolete Property Rehabilitation Certificate – RainCheck Development LLC**

Property Address: 40 Hague

Parcel Number: 01002660-0

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation certificate application for the property located at **40 Hague** at the **North End** area of the City of Detroit.

The rationale for granting 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.

RainCheck Development LLC intends to rehabilitate the building into 38 loft style residential units consisting of two studios, 32 one-bedroom units, and 4 two-bedroom units with modern appliances of which twenty percent of the unit being reserved as affordable units. The two-story building at 40 Hague is currently vacant and consist of 36,944 square feet of office building area, built in 1935 and situated on .658 acres of land. Rehabilitation will include new utility distribution, including electrical and plumbing, new energy efficient heating, cooling and ventilation systems, new energy efficient windows and doors, kitchen and bathroom cabinetry, fixtures and an improved access to the stairwell with repairs to the building structure as needed.

The 2019 values are as follows:

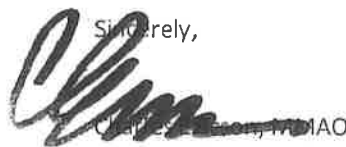
Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
01002660-0	40 Hague	\$ 529,100	\$ 529,100	\$ 20,800	\$ 20,800

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.

The property is located near the **North End** area and is expected to increase commercial activity, create employment, retain employment, increase the number of residents in the community and revitalize an urban area.

A field investigation indicated that the property located at **40 Hague** is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

Sincerely,


Charles E. Brown, Jr., MAO
Assessor, Board of Assessors

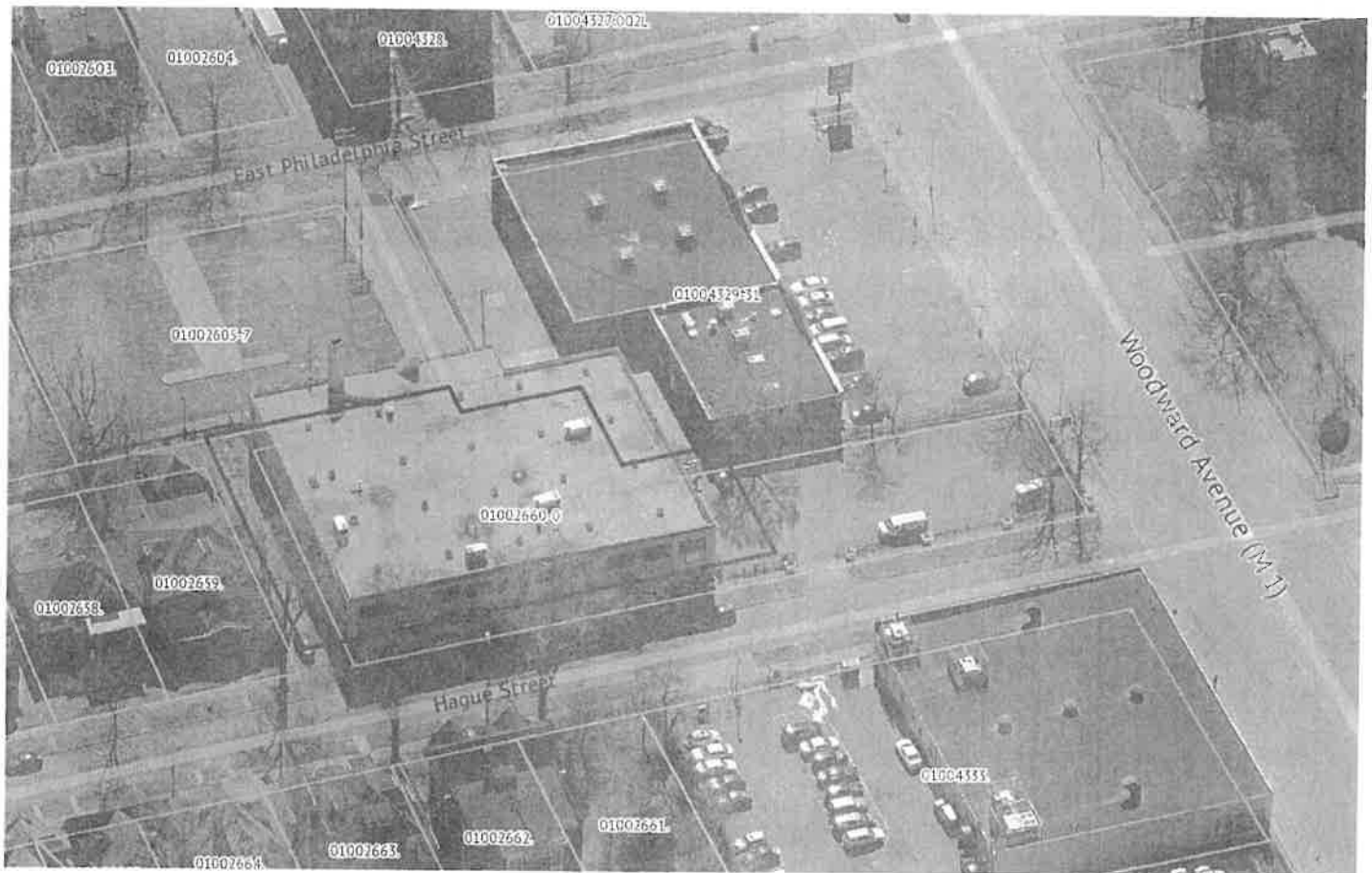
mmp



Obsolete Property Rehabilitation Certificate
RainCheck Development LLC
Page 2

Property Address: 40 HAGUE
Parcel Number: 01002660-0
Property Owner: RAINCHECK DEVELOPMENT LLC
Legal Description: S HAGUE 20 E 150 FT 21 EXC W 50 FT OF S 16 FT HAIGHS L13 P29 PLATS, W C R 1/112
SPLIT/COMBINED ON 03/23/2017 FROM 01002660, 01004332 (8524 Woodward).;

The legal description on the petition for the PA 146 application matches the assessment roll.





CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

64
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(313) 224-1310
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August 5, 2019

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

RE: Property Sale
908 Clay and 7658 Oakland, Detroit, MI 48209

Honorable City Council:

The City of Detroit, Planning and Development Department (“P&DD”) has received an offer from The Ansonia Company LLC (the “Purchaser”), a Michigan limited liability company, whose address is 60 E. Milwaukee, Unit 2512, Detroit, MI 48202, to purchase certain City-owned real property at 908 Clay and 7658 Oakland, Detroit, MI (the “Properties”). The P&DD entered into a purchase agreement, dated July 12, 2019, with the Purchaser. Under the terms of the proposed Purchase Agreement, the properties will be conveyed to the Purchaser for the purchase price Thirty Six Thousand Three Hundred Sixty and 00/100 Dollars (\$36,360.00).

The Purchaser intends to construct a mixed use building, with commercial/retail space on both the Oakland and Clay frontages, and one to three floors of residential units above the retail spaces. The Purchaser anticipates a 36 month timeline for completion of the project. Currently, the property is within a B4 zoning district (General Business District). As per section 61-9-80 (7) of the City of Detroit zoning ordinance, the Purchaser’s intended use of the properties as a mixed-use commercial space with residential units is not a permitted use under the zoning ordinance without the necessity of a rezoning, special exception, use permit, variance, or other approval. The Purchaser shall apply for and obtain rezoning of the properties, a conditional use permit or variance regarding the properties prior to closing and the consummation of this sale.

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

Respectfully submitted,

Katy Trudeau
Deputy Director

cc: Stephanie Washington, Mayor’s Office

CITY CLERK 2019-08-05 10:00 AM

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 908 Clay and 7658 Oakland, Detroit, MI (the "Properties"), as more particularly described in the attached Exhibit A incorporated herein, to The Ansonia Company (the "Purchaser") for the purchase price of Thirty Six Thousand Three Hundred Sixty and 00/100 Dollars (\$36,360.00); and be it further

RESOLVED, that the Director of the Planning and Development Department, or his authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Properties to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) shall be paid to the DBA from the sale proceeds, 2) One Thousand Eight Hundred Eighteen and 00/100 Dollars (\$1,818.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his authorized 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 P&DD Director, or his authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

Parcel 1

S CLAY LOTS 45-46-47 STANDISHS SUB L8 P19 PLATS, W C R 5/141 88 X 110

a/k/a 908 Clay
Tax Parcel ID 05002590

Parcel 2

E OAKLAND N 1 FT LOTS 49.48 ^{and lot} STANDISHS SUB L8 P19 PA-TS, W C R 5/141 24 X 122

a/k/a 7658 Oakland
Tax Parcel ID 05004688

41 C

Description Correct
Engineer of Surveys

By: 

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

31
F



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
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65

September 4, 2019

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

**RE: Property Sale
12303 Rosa Parks Blvd, Detroit, MI 48206**

Honorable City Council:

The City of Detroit, Planning and Development Department ("P&DD") has received an offer from Ms. Ava Williams, to purchase certain City-owned real property at 12303 Rosa Parks Blvd (the "Property") for the purchase price of Four Thousand Nine Hundred Sixty and 00/100 Dollars (\$4,960.00).

Ms. Williams proposes to utilize the property as a green space adjacent to her properties at 12382, 12329, 12317 and 12313 Rosa Parks Blvd. Currently, the property is within a B4 zoning district (General Business District). Ms. Williams' proposed use of the Property shall be consistent with the allowable uses for which the Property is zoned.

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

Respectfully submitted,

Katy Trudeau
Deputy Director

cc/ Stephanie Washington, Mayor's Office

CITY CLERK 2019 SEP 5 AM 11:05

RESOLUTION

BY COUNCIL MEMBER _____

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the sale of certain real property at 12303 Rosa Parks Blvd, Detroit, MI (the "Property"), as more particularly described in the attached Exhibit A incorporated herein, to Ava Williams for the purchase price of Four Thousand Nine Hundred Sixty and 00/100 Dollars (\$4,960.00).

RESOLVED, that the Director of the Planning and Development Department, or his authorized designee, is authorized to execute a quit claim deed and other such documents necessary or convenient to effect transfer of the Property to the Purchaser consistent with this resolution; and be it further

RESOLVED, that the following Property Sales Services Fees be paid from the sale proceeds pursuant to the City's Property Management Agreement with the Detroit Building Authority ("DBA"): 1) Two Hundred Ninety Seven and 60/100 Dollars (\$297.60) shall be paid to the DBA from the sale proceeds, 2) Two Hundred Forty Eight and 00/100 Dollars (\$248.00) shall be paid to the DBA's real estate brokerage firm from the sale proceeds and 3) customary closing costs up to Two Hundred and 00/100 Dollars (\$200.00) shall be paid from the sale proceeds; and be it further

RESOLVED, that the P&DD Director, or his authorized 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 P&DD Director, or his authorized designee, and approved by the Corporation Counsel as to form.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTIONS

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

Parcel 1

W TWELFTH 20 THRU 22 JUDSON BRADWAYS CORTLAND HEIGHTS SUB L33 P45
PLATS, W C R 8/144 61.69 X 100

a/k/a 12303 Rosa Parks
Tax Parcel ID 08007906.004L

23A

Description Correct
Engineer of Surveys

By: 

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