

*Normal Session Agenda
2-4-20
Referrals*

**PLANNING AND
ECONOMIC
DEVELOPMENT
STANDING
COMMITTEE**



**OFFICE OF CONTRACTING
AND PROCUREMENT**

January 29, 2020

HONORABLE CITY COUNCIL:

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

6002613 100% City Funding – To Provide Program Management for Neighborhood Services for the Housing and Revitalization Department. – Contractor: Wayne Metropolitan Community Action Program – Location: 7310 Woodward Avenue Suite 800, Detroit, MI 48202 – Contract Period: Upon City Council Approval through December 31, 2020 – Total Contract Amount: \$100,000.00. **HOUSING AND REVITALIZATION**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Office of Contracting and Procurement

BY COUNCIL MEMBER **TATE**

RESOLVED, that Contract No. 6002613 referred to in the foregoing communication dated January 29, 2020, be hereby and is approved.

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

DEPARTMENTAL REFERENCE COMMUNICATION

Tuesday, November 26, 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.

HOUSING AND REVITALIZATION PLANNING AND DEVELOPMENT DEPARTMENT
LAW DEPARTMENT FINANCE DEPARTMENT
LEGISLATIVE POLICY DIVISION

1154 *New Center NOGO, LLC, request to establish the 5919 & 5923 Commonwealth Obsolete Property Rehabilitation Act (OPRA) District.*

1154

November 22, 2019

Detroit City Council
c/o City Clerk
Coleman A. Young Municipal Building, Room 200
Detroit, Michigan 48226**RE: Petition to Establish the 5919 & 5923 Commonwealth Obsolete Property Rehabilitation Act (OPRA) District**

Dear Honorable City Council Members:

AKT Peerless, on behalf of **New Center NOGO, LLC**, is submitting this package to facilitate establishment of an Obsolete Property Rehabilitation Act district pursuant to Michigan Public Act 146 of 2000, the Obsolete Property Rehabilitation Act (the "Act").**District Description**

The proposed district (the "5919 and 5923 Commonwealth OPRA District") consists of two parcels consisting of 0.65-acres located at 5919 and 5923 Commonwealth Street, Detroit, Wayne County, Michigan (the "subject property").

Parcel Information

Address	Ward/Item Number	Owner of Record	Approximate Acreage
5919 Commonwealth Street	08006150	New Center NOGO, LLC	0.09
5923 Commonwealth Street	080061497-9	New Center NOGO, LLC	0.56

The subject property is located on Detroit's west side, north of Interstate-94 and west of the John C. Lodge Freeway. The subject property is currently owned by New Center NOGO, LLC, the applicant and entity which will redevelop the subject property. This letter summarizes the qualifications of the proposed district.

The proposed 5919 and 5923 Commonwealth OPRA District currently contains one single-story vacant building and one partial two-story vacant building that have functioned as one adjoining building. The existing 3,984 and 23,500 square foot buildings will be rehabilitated for use by various, to-be-determined commercial and retail tenants.

The building will undergo major renovations including window replacement, flooring replacement, wall repairs, roof replacement, removal and replacement of all major mechanical,

plumbing and electrical systems, and installation of new furniture and fixtures. The building will be marketed for lease to a variety of commercial tenants which may include commercial retailers, a restaurant and/or brewpub.

Creation of the district and approval of an exemption certificate is critical to making the project economically viable.

Purpose for Rehabilitation of 5919 and 5923 Commonwealth Street

Rehabilitation is necessary to counter the following conditions: obsolete or absent building equipment including electrical, HVAC, and plumbing; inadequate and obsolete flooring and walls; absent windows and doors; deteriorated interior and exterior appearances of the building; and other conditions that need to be mitigated in order to restore the subject property to an economically efficient condition.

AKT Peerless conducted a subsurface investigation at the subject property in February 2017 during which concentrations of metals, volatile organic compounds (VOCs) and polynuclear aromatic hydrocarbons (PNAs) were identified in soil exceeding the Michigan Department of Environment, Great Lakes and Energy (EGLE) Residential Cleanup Criteria. Therefore, the subject property is a "facility" under Part 201 of the Natural Resources and Environmental Protection Act (NREPA) Michigan PA 451, 1994, as amended. AKT Peerless recommended further investigation to evaluate the potential vapor intrusion pathway at the subject property. Rehabilitation of the existing building and redevelopment of the subject property will include remediation activities to protect human health and safety and the environment.

Benefits to the Community

Completion of the rehabilitated facility will, at the time of issuance of an OPRA exemption certificate, have the reasonable likelihood to increase commercial activity, create employment, and increase the property's taxable value, contributing more to the local tax rolls. The completed Project will restore an underutilized and vacant property to productive reuse and is anticipated to encourage similar investment and redevelopment of nearby properties. The project cannot be completed without the approval of certain tax incentives, including the OPRA exemption certificate.

Eligibility

Based on laboratory analytical results, the 5919 and 5923 Commonwealth OPRA District will be classified as a "facility" according to the definition in Act 381 of 1996, as amended, and as defined in Part 201 of the NREPA.

Projected Start and Completion Date

The development team is planning to begin structural renovations in the first quarter of 2020, after City Council establishes the OPRA District, to secure the building and prevent further deterioration. More extensive renovations will commence in the spring and summer of 2020.

The building renovation is expected to be completed by the end of calendar year 2020. The first priority will be securing the site and the building to prevent further damage and protect public safety.

Property Ownership

New Center NOGO, LLC currently owns the subject property and is making the petition for the 5919 and 5923 Commonwealth OPRA District.

Total Capital Investment

The development team estimates that total capital investment for the rehabilitation project is \$4 million.

Legal Description

Property Information

Address	Ward/Item Number	Legal Description
5919 Commonwealth Street	08006150	W COMMONWEALTH 89 D B WOODBRIDGES SUB L11 P7 PLATS, W C R 8/90 38 BLK F HAMLIN & FORDYCE SUB L16 P10 PLATS, W C R 8/76 30 X 136
5923 Commonwealth Street	080061497-9	W COMMONWEALTH 88 THRU 83D B WOODBRIDGES SUB L11 P7 PLATS, W C R 8/90 37 THRU 32 BLK F HAMLIN & FORDYCES SUB L16 P10 PLATS, W C R 8/76 170 X 136

A map of the proposed district is attached.

Thank you for your consideration of this petition.

Sincerely,

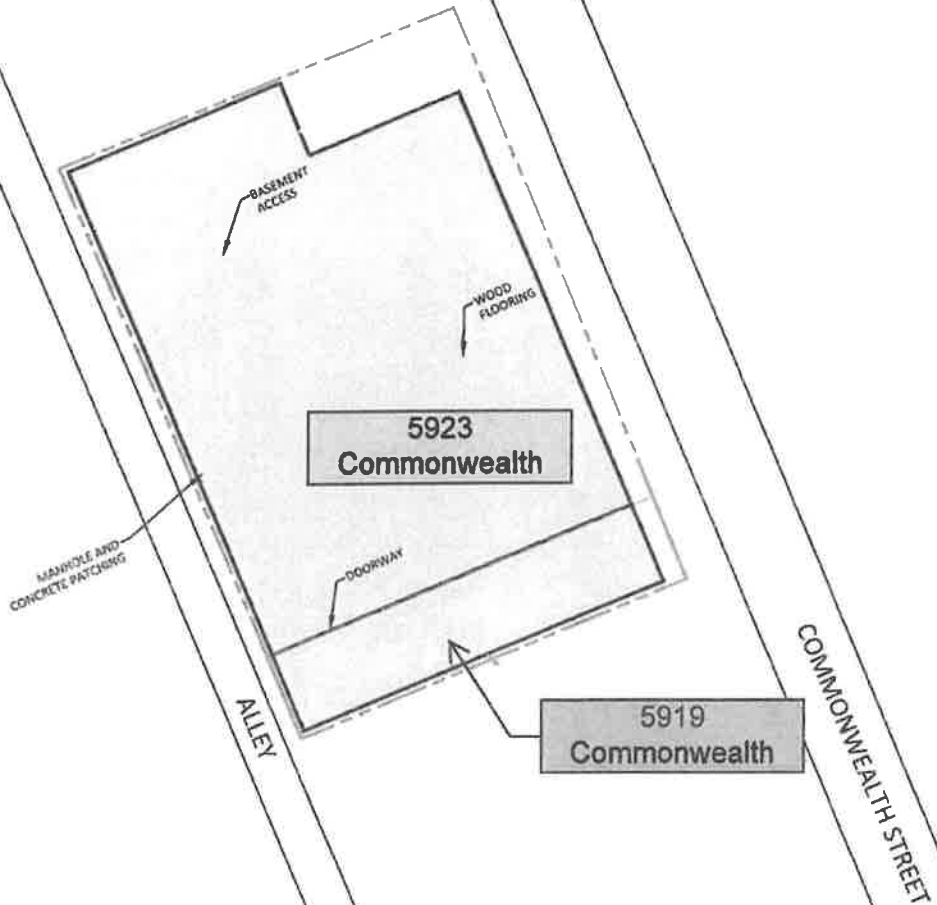


Kirstie Hardy
Project Manager
AKT Peerless

cc. Kenyetta Hairston-Bridges, Detroit Economic Growth Corporation
Sarah Pavelko, Detroit Economic Growth Corporation

Attachments

Proposed District Map



LEGEND

----- = PROPOSED DISTRICT BOUNDARY

DRAWN BY: OGD

DATE: 07/09/2019



PROPOSED DISTRICT MAP

5919 AND 5923 COMMONWEALTH STREET
DETROIT, MICHIGAN
PROJECT NUMBER: 7273F8

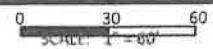


FIGURE 1

2019-11-26

1154

1154 *Petition of New Center NOGO, LLC,
request to establish the 5919 & 5923
Commonwealth Obsolete Property
Rehabilitation Act (OPRA) District.*

REFERRED TO THE FOLLOWING DEPARTMENT(S)

HOUSING AND REVITALIZATION PLANNING AND
DEVELOPMENT DEPARTMENT
LAW DEPARTMENT FINANCE DEPARTMENT
LEGISLATIVE POLICY DIVISION



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

January 6, 2020

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

Re: **Obsolete Property Rehabilitation District – New Center Nogo LLC**
Property Address: 5919 and 5923 Commonwealth
Parcel Numbers: 08006150. and 08006147-9

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **5919 and 5923 Commonwealth** in the **NW Goldberg** 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.

New Center Nogo LLC plans to rehabilitate the one story vacant industrial building with 3,960 square feet of building area, built in 1923 on .094 acres of land and the one and two story vacant industrial building with 23,685 square feet of building area, built in 1938 on .562 acres of land into various commercial and retail tenants. Major renovation include window replacement, flooring replacement, wall repairs, roof replacement, new mechanical, plumbing and electrical systems. The building have obsolete or absent building equipment including electrical, HVAC and plumbing; inadequate flooring and walls; deteriorated interior and exterior of the buildings and is in need of remediation activities.

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 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 **5919 and 5923 Commonwealth** 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 Assessor



TO: Matthew Langston, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 5919 & 5923
Commonwealth (Associated to Petition #1154)
DATE: January 16, 2020
CC: Katharine Trudeau, Deputy Director, Planning and Development
Kevin Schronce, PDD Central, Planning and Development
Karen Gage, PDD Zoning, 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 AKT Peerless on behalf of New Center NOGO, LLC

Location and Project Proposal: 5919 & 5923 Commonwealth. The project site contains one single-story vacant building and one partial two-story vacant building that have functioned as one adjoining building. The existing 3,984 and 23,500 square foot buildings will be rehabilitated for use by various, to-be-determined commercial and retail tenants.

Current Master Plan (MP) & Zoning: MP Classification – Light Industrial (IL); Zoning – M4 Intensive Industrial District

Master Plan Interpretation

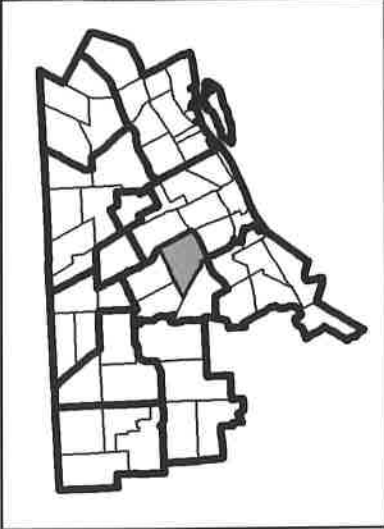
The subject site area is designated **Light Industrial (IL)**. Light Industrial areas should generally consist of industrial uses of low intensity that have minimum undesirable effects on adjacent residential or commercial land uses. Small-scale industrial uses may include machine shops, small scale assembly or packaging, warehousing or technology parks. The proposed uses are generally consistent with what is permissible in Light Industrial.

Additionally, some intermixture of uses within Light Industrial frequently occur. The Master Plan Future General Land use categories used on all the maps are generalized. Boundaries are not meant to be precise as to blocks or property lines. Categories are descriptive of general development recognizing that some intermixtures are permissible or desirable.

The development does not change the Future General Land Use characteristics of the area and conforms to various Master Plan policies.

Attachments

Future General Land Use Map: Neighborhood Cluster 6, Rosa Parks; Map 6-2B



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)		

Map 6-2B
City of Detroit
Master Plan of
Policies

Neighborhood Cluster 6
Rosa Parks

