

Formal session Agenda

1-21-20

Referrals

**PLANNING AND
ECONOMIC
DEVELOPMENT
STANDING
COMMITTEE**

OFFICE OF CONTRACTING
AND PROCUREMENT

January 15, 2020

HONORABLE CITY COUNCIL:

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

6002586 100% Federal Funding – To Provide Shelter Services to those Experiencing Homelessness. – Contractor: Detroit Rescue Mission Ministries – Location: 3840 Fairview, Detroit, MI 48214 – 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. 6002586 referred to in the foregoing communication dated January 15, 2020, be hereby and is approved.



CITY OF DETROIT
LAW DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 500
DETROIT, MICHIGAN 48226-3535
(313) 224-4550 • TTY: 711
(313) 224-5505
WWW.DETROITMI.GOV

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January 15, 2020

Detroit City Council
2 Woodward Avenue, Suite 1340
Detroit, MI 48226

Re: Community Advisory Council District 7

Council Member Leland submitted a memorandum dated October 18, 2019, with a question arising from the October 8th public comment session regarding the resources available to Community Advisory District Councils (CACs). Specifically, 1) what general resources are available to CACs; and 2) “do CAC’s have the ability to be promoted on the City of Detroit’s website just as other elected officials?”

SHORT ANSWER

Community Advisory Councils are established by City Council District and serve to increase and improve citizen access to City government. Both the 2012 Detroit City Charter and 2019 Detroit City Code recognize the important role CACs have in the community. While the City is prohibited from appropriating funds to CACs, they may receive donations or grants to support their operations. CAC members cannot receive compensation for their service, regardless of the source of that funding.

Given the prohibition on providing City funds to a CAC, ancillary expenditures of “City resources” such as office supplies should also be avoided as no City policy or procedure authorizes such expenditures. City staff assistance to a CAC should be approached with extreme caution to avoid running afoul of the provisions of the Standards of Conduct contained in the 2019 Detroit City Code, Chapter 2, *Administration*, Article V, *Ethics*, Section 2-5-1, *et seq.* The Law Department recommends that public servants submit a Request for Advisory Opinion directly to the City of Detroit Board of Ethics for official guidance in this area.

Lastly, inclusion of CACs on the City of Detroit website and the use of City email by members is permissible.



LAW & ANALYSIS

The 2012 Detroit City Charter, Article 9, *Miscellaneous Provisions*, Chapter 1, *Community Advisory Councils*, Sections 9-101 to 9-103,¹ addresses the creation and composition of Community Advisory Councils (CAC) as well as their powers, duties and limitations. The stated purpose of CACs is “to improve citizen access to city government.”² The Charter requires the adoption of an ordinance to establish CAC districts that mirror city council districts (excluding the at-large district). The Charter also specifies that the ordinance must provide for a petition process for city residents to use to formally establish CACs within those established districts and set forth uniform procedures for the exercise of CAC powers and duties, including holding a minimum number of public meetings and selection of CAC members. Pursuant to Section 9-102 of the Charter, each CAC “shall consist of five (5) members elected from a single non at-large district, who shall be residents and qualified and registered voters of the district.”

Most importantly, the Charter at Section 9-103 states the powers and duties of each CAC “shall include:

1. Communicating to City Council the concerns of groups, agencies, businesses and residents within its districts with respect to the delivery of programs and services.
2. Assisting groups, agencies, businesses and residents in community problem solving by meeting with groups to:
 - a. Clarify issues; and
 - b. Demonstrate proper Procedural approaches to accessing city government.
3. Disseminating information to groups, agencies and businesses and residents on social and physical plans for the districts areas.
4. Providing advice to community representatives and City Council on major issues with in the council district which may include:
 - a. Housing development;
 - b. Commercial blight;
 - c. Safety and security;
 - d. Economic and community development;
 - e. Employment opportunities;
 - f. Code enforcement; and
 - g. Other concerns impacting social, economic, cultural and environmental conditions within the district.
5. Familiarizing themselves with the City Charter, with the objective of assisting the community in understanding the intent and relevance of Charter provisions.
6. Familiarizing themselves with the Master Plan for the City of Detroit in relationship to the City generally and the land areas within their district generally.

¹ 2012 Detroit City Charter at Sec. 9-101 through 9-103.

² 2012 Detroit City Charter at Sec. 9-101.



7. Meeting annually with the Mayor and annually with City Council to discuss the challenges confronting the district and the resources required to advance the interest and support the viability of the district.”

As required by Charter, the corresponding ordinance sets forth in greater detail the establishment, operation and dissolution of CACs.³ The ordinance was drafted in plain language to allow citizens to fully participate in City government. CACs are established by City Council district and serve to increase and improve citizen access to City government.⁴

Both the 2012 Charter at Section 9-103 and the 2019 Detroit City Code at Section 12-2-5 state that CACs “shall receive no appropriations from City funds, but may accept donations or grants in accordance with state, federal or local law.”⁵ Both the 2012 Charter at Section 9-102 and the 2019 Detroit City Code at Section 12-2-25 also state that CAC members serve without compensation. Therefore, the City is prohibited from providing financial resources to CACs and CAC members are prohibited from receiving compensation for service (either from the City or donations/grants).

While the Charter and Code clearly prohibit appropriations to CACs, ancillary expenditures of “City resources” such as office supplies should also be avoided pursuant to the Code at Section 2-5-63, *Improper use of City property prohibited*, as no City policy or procedure authorizes such expenditures particularly given the explicit prohibitions cited above. City staff assistance to a CAC should be approached with extreme caution to avoid running afoul of the provisions of the Standards of Conduct contained in the 2019 Detroit City Code, Chapter 2, *Administration*, Article V, *Ethics*, Section 2-5-1, *et seq.*⁶ While CAC members are not included in the definition of elective officers, they are public servants⁷ and subject to the ethical guidelines in the Charter and Code in addition to the specific conflict of interest provisions found in Section

³ Ordinance No. 03-14, effective date of April 16, 2014; Sections 9-101 through 9-103 of the Charter are codified in Chapter 12, *Community Development*, Article II, *Community Advisory Councils*, Section 12-12-1, *et seq.*, of the 2019 Detroit City Code.

⁴ *Id.* at Sec. 14-9-1.

⁵ In the event CACs receives funding from appropriate sources, the Code includes fiduciary duties of the Treasurer at Section 2-2-29(d).

⁶ Including but not limited to Section 2-5-62, *Improper use or disclosure of confidential information prohibited*, Section 2-5-64, *Incompatible employment or rendering services prohibited*, and/or Section 2-5-65, *Representation of private person, business, or organization prohibited; exceptions*.

⁷ “Public servant means the Mayor, members of the City Council, the City Clerk, appointive officers, any member of a board, commission, or other voting body that is established by either branch of City government or by the Charter, or by this Code, and any appointee, any employee, or any individual who provides services to the City within or outside of its offices or facilities pursuant to a personal services contract.” Section 2-5-3.



12-2-24⁸ of the Code. The Law Department recommends that public servants submit a Request for Advisory Opinion⁹ directly to the City of Detroit Board of Ethics for official guidance in this area.

Given the aforementioned general parameters set forth in the 2012 Detroit City Charter and 2019 Detroit City Code regarding resources, we turn to the second, more specific question of “do CAC’s have the ability to be promoted on the City of Detroit’s website just as other elected officials?”

The City of Detroit website currently provides useful links to various Boards and Commissions of the City.¹⁰ Inclusion of established CACs on the City of Detroit website is appropriate given the important Charter-sanctioned role they play in connecting the community with the City Council and Mayor’s Office. This will not only provide useful, easily accessible information to residents but hopefully inspire CACs to form in additional City Council Districts with the goal of full participation. Many of the Boards and Commissions currently listed on the City’s website also provide City email addresses to members.¹¹ The formal role of CAC members as a link between the residents and businesses of a City Council District and the elected Council Member of that District as well as the convenience to not only the community but the CAC member, all support providing City email accounts to CAC members.¹² Finally, pursuant to Section 12-2-49 of the 2019 Code, CACs are subject to the Freedom of Information Act and Open Meetings Act. The ability for the CAC member to separate their duties and responsibilities as public servants from their personal email accounts may assist in compliance with these Sunshine Laws and advance transparency.

CONCLUSION

The City is prohibited from appropriating funds to CACs and ancillary expenditures of “City resources” such as office supplies should be avoided as no City policy or procedure authorizes such expenditures. City staff assistance to a CAC should be approached with extreme caution to avoid running afoul of the provisions of the Standards of Conduct contained in the 2012 Detroit City Charter, Chapter 2, *Administration*, Article V, *Ethics*, Section 2-5-1, *et seq.*

⁸ “A Community Advisory Council member who has a conflict between a personal interest and the public interest as defined by state law, the Charter, or this Code, shall fully disclose the nature of the conflict to the Community Advisory Council. Where a Community Advisory Council member has a substantial financial interest in any contract with the City or in the sale of any land, materials, supplies or services to the City or to a contractor supplying the City, the member shall make known that interest and shall refrain from voting upon or otherwise participating in the deliberations on said matter. Where a conflict exists, after orally notifying the Community Advisory Council on the record of the conflict, a member may not participate in, act upon, or vote upon the matter.”

⁹ 2012 Detroit City Charter, Chapter 2, *Administration*, Article V, *Ethics*, Division 4, *Board of Ethics*, Subdivision B, *Advisory Opinions*.

¹⁰ <https://detroitmi.gov/search?search=Boards+and+Commissions>.

¹¹ Individual members of the Board of Police Commissioners, Board of Review – Property Assessment, and Board of Zoning Appeals appear to have City email accounts. The Law Department could not locate City email accounts for the individual members of the City Planning Commission, Historic District Commission, and the Historic Designation Advisory Board.

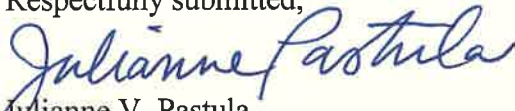
¹² Appropriate training on relevant policies concerning the use of City email accounts should be provided.



However, addition of CACs on the City of Detroit website (similar to other boards and commissions) and the use of City email by members is permissible as both serve to achieve transparency in the performance of their official duties on behalf of the City.

Should you have any additional questions, please feel free to contact us.


Respectfully submitted,


Julianne V. Pastula
Senior Assistant Corporation Counsel
Municipal Section

Approved:


Tonja R. Long
Supervising Assistant Corporation Counsel
Municipal Section

Concur:


Lawrence T. Garcia
Corporation Counsel

FY 2020

Q2

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CITY COUNCIL QUARTERLY REPORT

Detroit Land Bank Authority



buildingdetroit.org

DETROIT LAND BANK AUTHORITY



A Continued Partnership Focused on Visibility & Accessibility to the Community



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resources to make their property rehabilitations a success. With sales outpacing acquisitions, the DLBA's inventory is shrinking steadily, with 88,728 total parcels currently.

The DLBA remains committed to improving the quality of life for all Detroiters by advancing holistic blight remediation efforts in every city neighborhood.

Sincerely,



Saskia Thompson

Executive Director
Detroit Land Bank Authority



A Continued Partnership Focused on Visibility & Accessibility to the Community

The DLBA has sold a total of **1,232 acres** of land as Side Lots in the City of Detroit.

This is equal to 1.25 times the size of Belle Isle!



Since July 1st 2019, The DLBA has removed debris/overgrowth at **1,302 properties**.

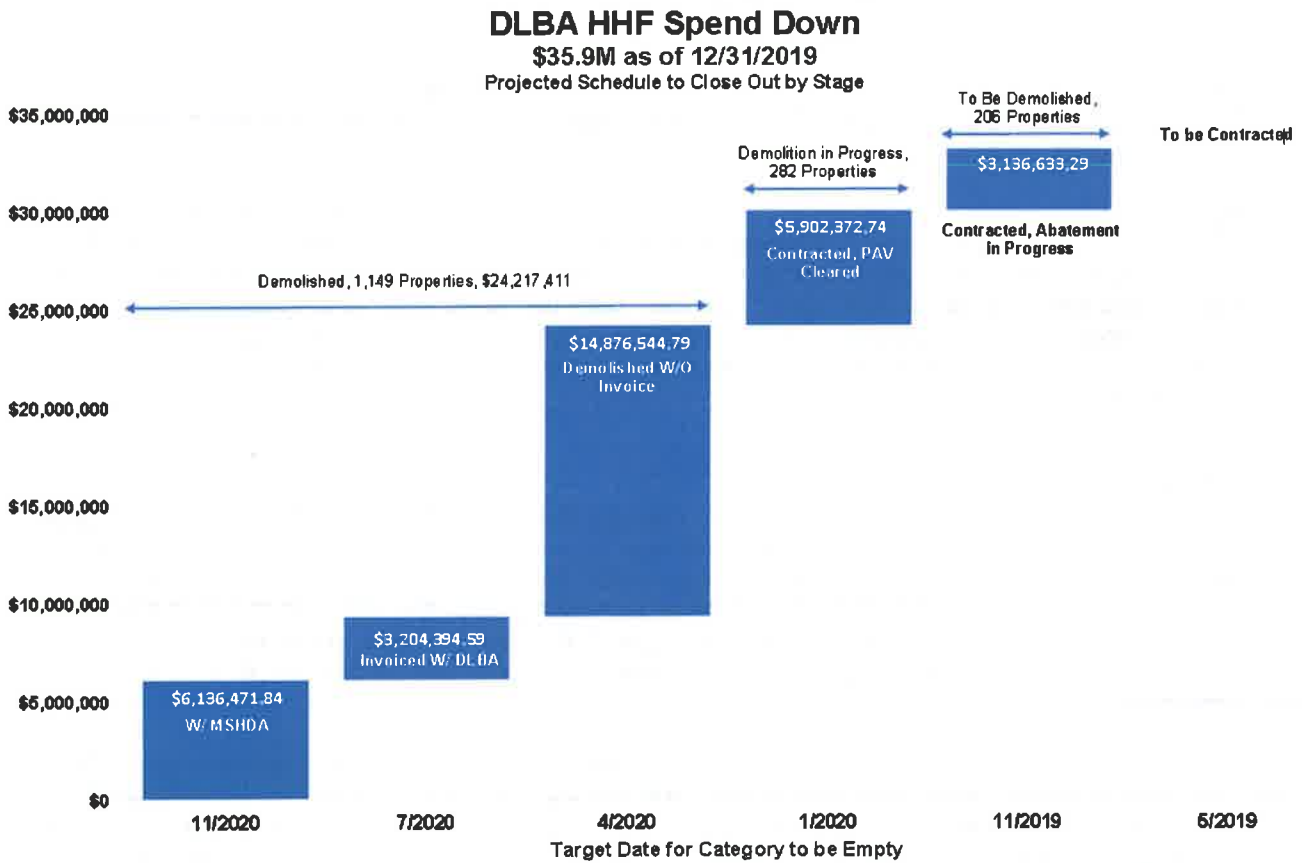
23,000 cubic yards of debris were removed during this time.



X 657

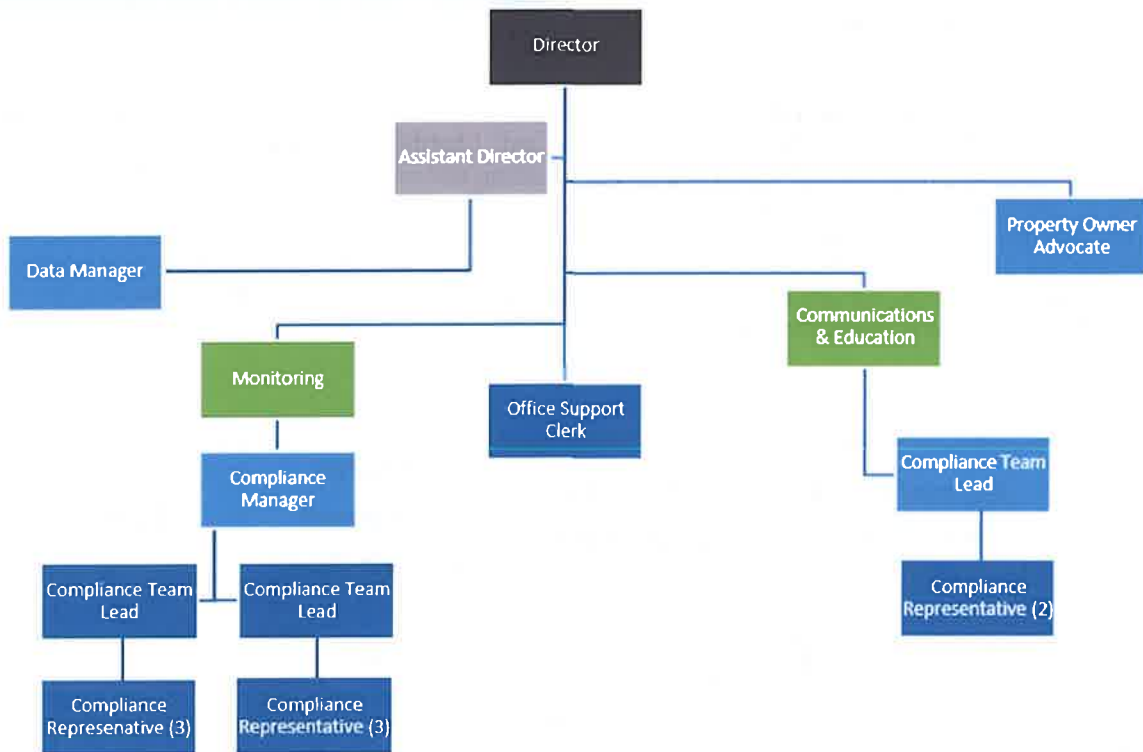
That's the equivalent of **657** standard size shipping containers.

	# PROPERTIES	INVOICE AMOUNT
REIMBURSEMENT TOTAL	13,487	\$231,999,732.25
TOTAL AWARD		\$258,653,459.00
TOTAL REFUNDS		\$6,602,690.50
REVISED TOTAL AWARD		\$265,256,149.50
REIMBURSEMENTS IN PROCESS		\$9,296,133.99
REMAINING FUNDS		\$33,059,860.95
GRANT USAGE %		87%



COMPLIANCE

Last quarter, the Detroit Land Bank Authority transitioned its Compliance Team under the Deputy Executive Director’s oversight from the Legal Department. The move is part of a planned restructuring of the Compliance Team, which will establish revised internal operations, client communications, and requirements; improving DLBA-buyer experience and renovation success. During the last quarter, the organizational structure of the Compliance Team was completed updated, with the notable additional roles of Assistant Director, Property Owner Advocate, and a Data Manager. The DLBA is currently reviewing resumes for these key positions and expects to have them filled within the next quarter



The DLBA’s Compliance Team enforces agreements signed by property owners who have either purchased a property from the DLBA (“Sales Compliance”) or whose property was the subject of a Nuisance Abatement Program action (“NAP Compliance”). For both Sales and NAP Compliance, property owners agree to rehabilitate the property within six (6) months and provide regular updates to the Compliance Team documenting and verifying progress. If a property owner is not able to achieve compliance within the initial timeframe but has shown acceptable “proof of progress,” the Compliance Team provides 90-day extensions. The Compliance team provides an automatic 90-day extension for properties located in a historic district or properties purchased in the winter.



Before and After, Own It Now House on Evergreen

Employee Discount Agreements Currently Monitored (Showing Age of Agreement & Age of Delinquency)												
	Auction (All Properties)				Auction (With City Employee Discount)				Auction (With Educator Discount)			
Total Under Compliance	1109				241				23			
Total Across Age	220	325	374	190	33	82	78	48	7	8	6	2
Age of Agreement	<6 Mo.	.5-1 yr	1-2 yrs	2 yrs+	<6 Mo.	.5-1 yr	1-2 yrs	2 yrs+	<6 Mo.	.5-1 yr	1-2 yrs	2 yrs+
Compliant	143	194	194	82	21	47	34	19	5	5	3	1
Delinquent (0-30 days)	39	51	58	31	7	18	16	5	2	2	1	1
Delinquent (31-90 days)	30	49	56	37	4	13	18	13	0	1	1	0
Delinquent (90+ days)	3	7	10	6	1	1	2	4	0	0	1	0
Potential Reconveyance (Sales Only)	5	24	56	34	0	3	8	7	0	0	0	0

PUBLIC RELATIONS & STRATEGIC INITIATIVES

In the second quarter, the DLBA's Public Information Officer transitioned from the Community Affairs team to an expanded role as Assistant Director of Public Relations and Strategic Initiatives under the Deputy Executive Director. In addition to a continued focus on proactive media engagement, the expanded role includes a targeted effort to identify and remedy internal and external roadblocks and develop process improvements across the organization. The Assistant Director of Public Relations and Strategic Initiatives also supervises the new City Council and Government Liaison.

MEDIA RELATIONS

The Assistant Director builds the DLBA's brand through a multi-faceted communications approach serving three main goals:

1. Proactive, positive storytelling through traditional media
2. Prevention or management of negative media coverage
3. Internal process and client-facing communication improvements

Positive Storytelling: Features & Mentions

October 2019	November 2019	December 2019
<p>Pair transforms several Own It Now houses in their neighborhood</p> <ul style="list-style-type: none"> • Outlet: Fox 2 <p>Detroit man rehabs DLBA house for mom, buys second property</p> <ul style="list-style-type: none"> • Outlets: Business Insider, WDIV 	<p>Local church buys DLBA house, teams up with Building Blocks</p> <ul style="list-style-type: none"> • Outlet: WDIV <p>Rehabbed & Ready recruiting local contractors</p> <ul style="list-style-type: none"> • Outlet: Fox 2 	<p>DLBA Accomplishments John Gallagher Editorial</p> <ul style="list-style-type: none"> • Outlet: Detroit Free Press <p>Monica street rehab listed for sale</p> <ul style="list-style-type: none"> • Outlet: Curbed Detroit <p>Sisters lead effort, team with DLBA to transform Canfield neighborhood</p> <ul style="list-style-type: none"> • Outlet: fox2detroit.com <p>DLBA buyer receives first grant from land bank to buy furnace</p> <ul style="list-style-type: none"> • Outlet: Fox 2 <p>Islandview rehab listed for sale</p> <ul style="list-style-type: none"> • Outlet: Curbed Detroit



STRATEGIC INITIATIVES

City Council Liaison

In December 2019, the DLBA promoted Amanda Watts, a former member of the legal team to the role of City Council and Government Liaison. The Liaison dedicates her time to interacting with various departments to respond to requests from City Council and other government entities in an efficient manner. The Liaison serves as a hub for inquiries from Council, the Ombudsman, and other government agencies to streamline responses and identify common challenges faced by stakeholders and clients. During the quarter, the Liaison met with Gail Fulton, Assistant to the Detroit City Council Legislative Liaison as well as Ombudsman Bruce Simpson. Unfortunately, due to recess and holidays, the Liaison was unable to meet with City Council members in December, however, Ms. Fulton will assist with scheduling introductory meetings between DLBA’s Liaison and City Council members early in the third quarter.

During December, the Liaison assisted with several inquiries from the Ombudsman’s office.

<i>Council District</i>	<i>Inquiries Received</i>	<i>Inquiries in Progress</i>	<i>Inquiries Closed</i>
<i>District 1</i>	1	1	1
<i>District 2</i>	5	5	0
<i>District 3</i>	2	2	1
<i>District 4</i>	1	1	0
<i>District 5</i>	1	1	1
<i>District 6</i>	6	6	0
<i>District 7</i>	0	0	0

INVENTORY

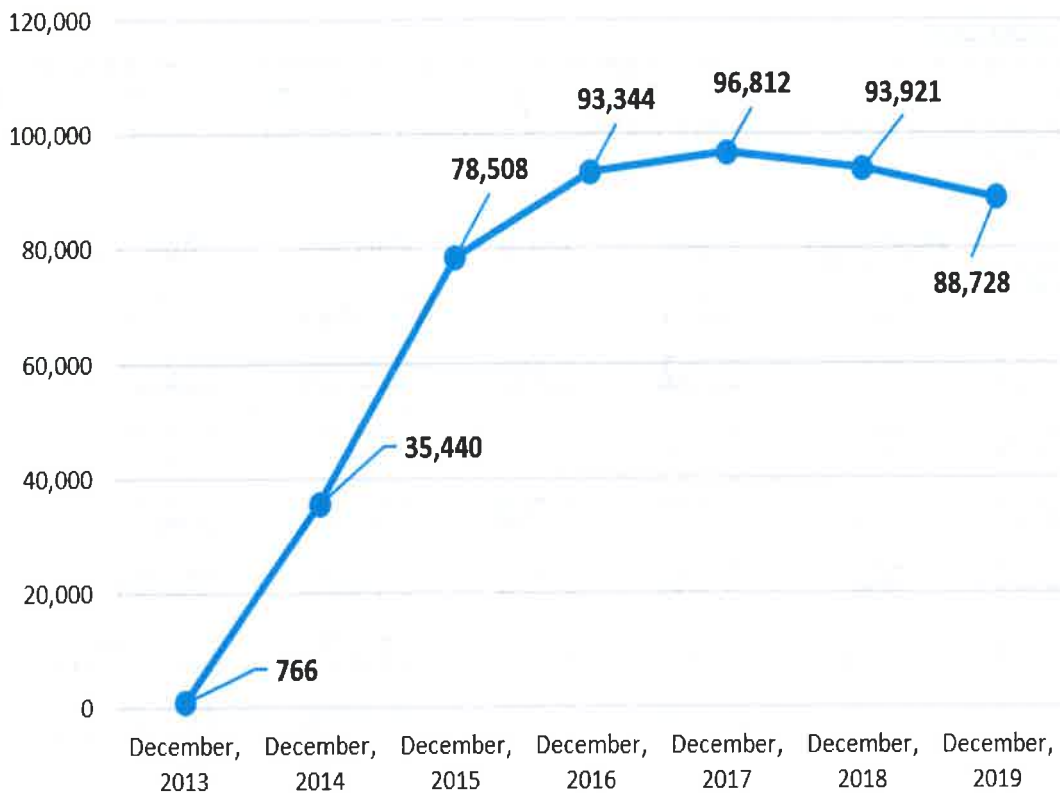
ROBERT LINN, DIRECTOR

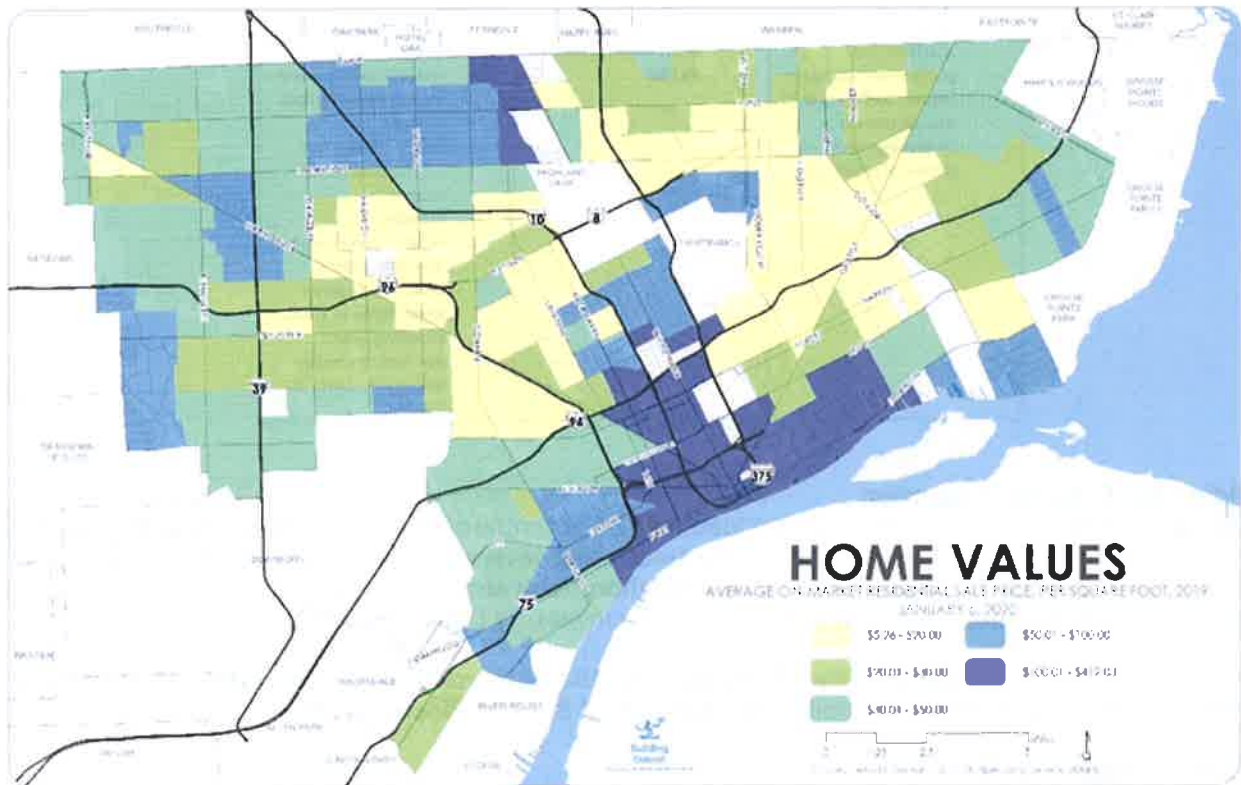
The Detroit Land Bank Authority's (DLBA) Inventory Department oversees the acquisition, assessment, and pipeline assignments for all parcels in the DLBA's inventory. The department also oversees data analysis and coordinates with other City agencies to inform a flexible and dynamic sales strategy for the organization.

This quarter, the Inventory Department restructured the Data Management team to create the Research and Analysis team. Under the new leadership of Katherine Weiler, the team is broadening its focus to place greater emphasis on academic research initiatives, statistical analysis, and data visualization which will improve resident experience and enhance the operation and efficacy of the department. By increasing the use of automated and scripted data management techniques, staff has increased efficiency, allowing for the increased staff focus on investment in new initiatives.

OVERALL INVENTORY

Through varying rates of acquisition, demolition, and disposition, the composition of the DLBA's inventory is in constant flux. As sales continue to outpace acquisitions, the size of the organization's inventory is shrinking at a steady rate.





At the same time, an increasing number of Detroit neighborhoods now have average home values that indicate wide-spread rehabilitation viability – typically a minimum value of \$30 per square foot. Many neighborhoods, including Chandler Park, Chadsey Condon, Eden Gardens, and Pride Area Community, saw new purchase mortgage originations for the first time in recent memory.

RESEARCH AND ANALYSIS

The Inventory Department’s Research and Analysis Team oversees data analysis, data management, and data creation. The Research and Analysis team also administers the vacant land listing and notification process.

Team Structure

As the makeup of the DLBA inventory continues to change and become more concentrated in harder-to-reach markets, department staff focus on an increasingly strategic approach to home and land sales. In support of this effort, the Research and Analysis team, formerly the Data Management team, informs strategy through extensive analytics, academic outreach, case study review and exchanges.

Academic Research Resources

The Research and Analysis team makes a concerted effort to partner and coordinate with various universities and academic researchers. These partnerships bring valuable suggestions for improving the DLBA’s programs and processes, and better help staff understand how to maximize impact.

PROPERTY MAINTENANCE

The Inventory Department aims to balance the imperative need for maintenance on the DLBA’s 89,000 parcels. The DLBA works proactively to prepare homes selected for upcoming sale each month through the Own It Now and Auction pipelines, through services such as boarding, debris removal, and basement pump outs, etc. Additionally, staff respond to and prioritize inquiries received regarding overgrowth, illegal dumping, and structures open to trespass.

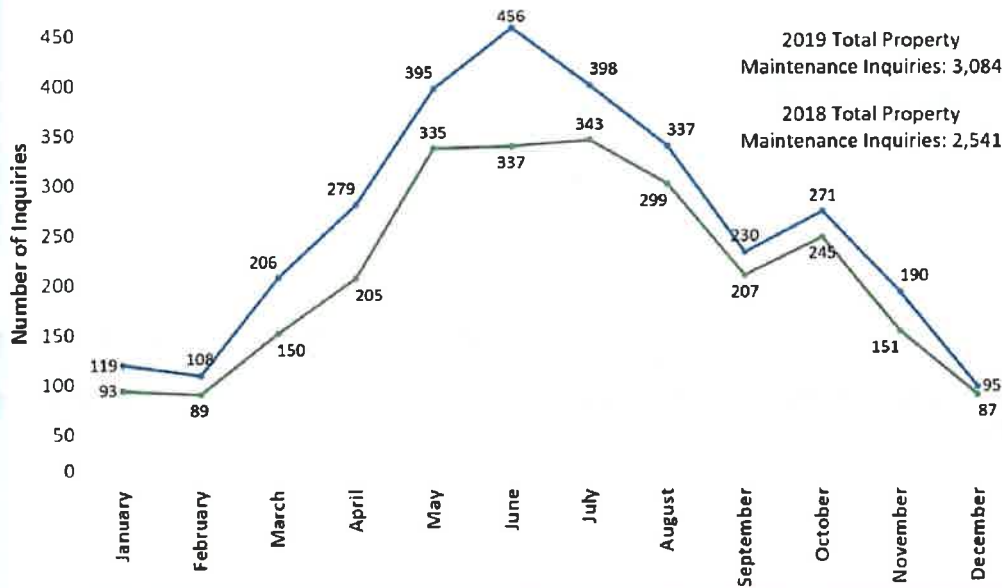
Sale Preparation

Throughout 2019, the Inventory Department strategically collaborated to increase the number of structures prepped for sale, ultimately increasing listings offered. The Property Maintenance team initiated more than 23,000 work order line items in 2019. In September, Inventory overcame a backlog of work orders due to vendor capacity issues. In response, staff actively strived to balance property preservation workflow through all vendors, creating a scheduled work-order assignment calendar that recognizes capacity, performance, and geographic proximity. This appropriation of workflow has increased efficiency with completion and allowed for a more balanced cadence of work to each vendor. The DLBA’s goal to increase sales drove this considerable effort, resulting in the preparation of 4,318 Own It Now homes and 728 Auction homes, or 5,046 total; a 20% increase, year-over-year.

Maintenance Inquiries

In addition to preparing homes to be listed for sale, the Inventory team prioritizes work and acts in response to maintenance related inquiries. During the calendar year of 2019, the DLBA received 10,340 maintenance-based inquires; a 37% overall increase in maintenance inquires from 2018. The request to have properties boarded and secured represented 33% (3,343) of these inquires. The request for debris clean-up and lawn care for blighted lots and vacant homes represented 44% of the inquiries, even with the additional mowing added to the lawn care schedule in 2019. Finally, tree maintenance requests accounted for 22% (2,288) of the maintenance inquiries; an increase from 1,212 tree maintenance inquiries in 2018. As the tree population continues to age in the city of Detroit, combined with a lack of routine maintenance, we anticipate tree maintenance inquires to increase during 2020.

Property Maintenance Inquiries by Month, Year over Year Comparison



Building Blocks

The Strategic Initiatives team piloted Building Blocks in 2019 as a series of neighborhood-focused events promoting Auction and Own It Now home sales in low-demand markets. Building Blocks engages local organizations, highlights neighborhood amenities and anchor institutions, and brings together resources to support homeownership. The planning culminates in a one-day event that features several open houses, buyer resources, and family-friendly entertainment. Properties are listed for sale within the next few weeks following the event.

In December, the Strategic Initiatives Team completed its ninth Building Blocks event in the Franklin Park Neighborhood. This event was closely coordinated with the Department of Neighborhoods through their Pathways to Homeownership workshop series and aligned with the Planning and Development Department's Strategic Neighborhood Fund planning and engagement process. This heavily coordinated engagement reflects the team's commitment to exploring a variety of partnership opportunities for each event. Since launching the pilot in June of 2019, the team has evolved its engagement approach, specifically working with a greater number of resources across four different focus areas:

- City/DLBA Representatives: different City and DLBA departments are present at the Saturday event to answer questions from potential buyers
- Financial Representatives: different financial institutions are present at the events including banks, grant programs, and the City's Financial Empowerment Center
- Home Rehabilitation Representatives: renovation experts including Home Depot, DLBA's Rehabbed and Ready Team and Property Inspectors
- Neighborhood Representatives: local institutions like libraries, schools, health centers, and block clubs

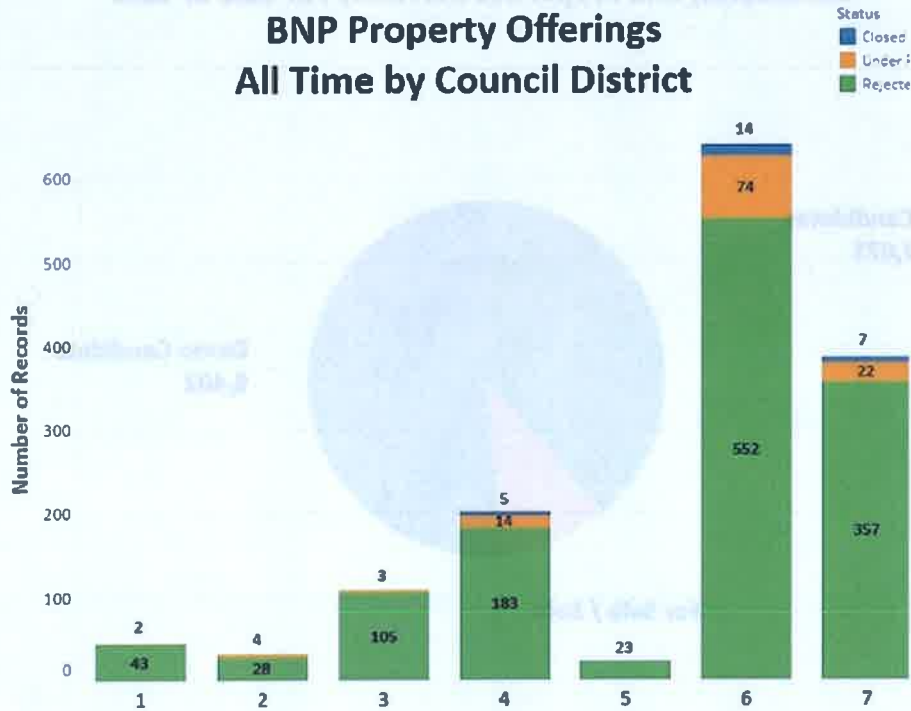


Oakman Boulevard Building Blocks (District 2)

The team has seen a correlation between the number of resources engaged and the number of residents who attend Building Blocks events. As time progresses and there are more sales to assess, the team will evaluate whether these increased resources boost the number of sales and successful renovations as part of the Building Blocks strategy. is removal, board-ups, lawn services, tarping roofs, and pumping out basements.



BNP Property Offerings All Time by Council District

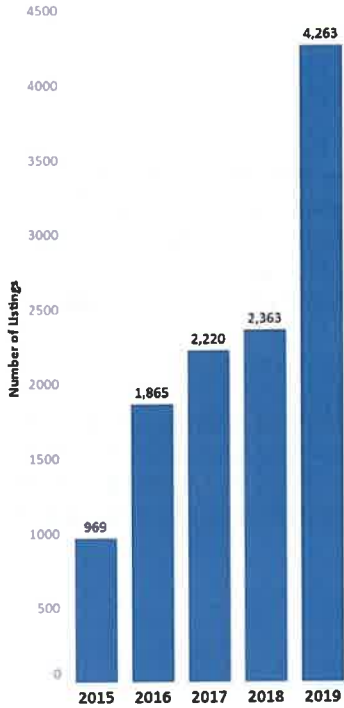


PROPERTY EVALUATION AND PIPELINE MANAGEMENT

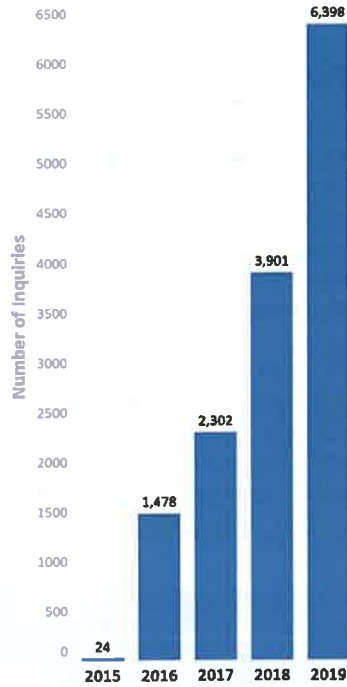
The Property Evaluation and Pipeline Management team of the Inventory Department combines property condition information, zoning, market data, neighborhood plans, and resident input to determine the best strategy for returning DLBA-owned structures to productive use. Team staff use those data points--balancing condition, location, and public input -- to evaluate DLBA-owned structures for demolition or sale¹. The following chart shows the current breakdown of vacant DLBA-owned structures by demolition or sales/rehab candidates.

¹ For more detail on this process, please see the Property Evaluation and Pipeline Management section of the Q1 2020 City Council quarterly report.

Homes Listed for Sale by Year

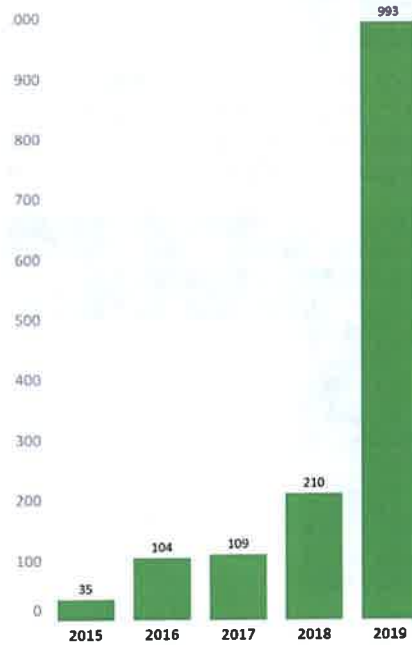


Purchase Inquiries followed by Home Sale Listing



During this period of growth, the Property Evaluation and Pipeline Management Division focused on intervening more heavily in areas of the city that have historically received less investment. For example, in the DLBA listed nearly five times as many homes for sale outside of Hardest Hit Fund (HHF) zones in CY2019 than it did in CY2018

Homes Listed for Sale Outside of HHF Zones by Year



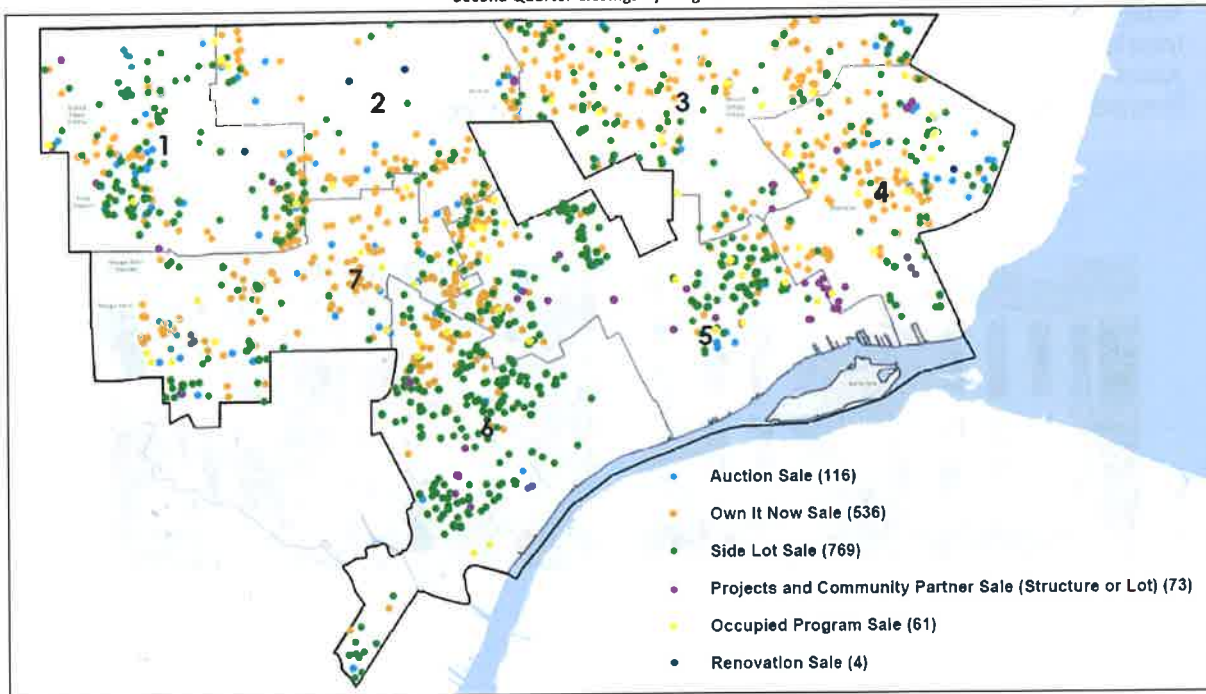
AUCTION AND OWN IT NOW CLOSED								
By COUNCIL DISTRICT FOR Q2								
	1	2	3	4	5	6	7	GRAND TOTAL
AUCTION	33	14	13	20	10	6	20	116
OWN IT NOW	63	56	117	88	71	44	97	536
GRAND TOTAL	96	70	130	108	81	50	117	652

SIDE LOTS

In 2018, Dispositions launched a monthly District Side Lot Sale pilot. While similar to Side Lot Fairs, these events are smaller in scale and allow the DLBA to provide more direct and frequent sale services in the community. During the second quarter, there were a total of 769 side lots sold.

SIDE LOTS SOLD								
By COUNCIL DISTRICT FOR Q2								
MONTH SOLD	1	2	3	4	5	6	7	GRAND TOTAL
OCTOBER	10	6	64	21	78	29	12	220
NOVEMBER	38	14	25	26	80	139	39	361
DECEMBER	68	9	13	25	32	33	8	188
GRAND TOTAL	116	29	102	72	190	201	59	769

Detroit Land Bank Authority
Second Quarter Closings by Program



DISPOSITION

- **Detroit Mercy School of Architecture:** We are coordinating with the school regarding 4098 Fullerton in Russell Woods. They want to utilize the property as a design studio for the winter term 2019. The school will produce a design packet and provide it to our Property Rehab Team to review, finalize and put into action with our construction team.
 - o In addition, we are working with green construction experts with a goal of turning the house into an energy efficient demonstration property for six months to one year post-rehab. Then, it will be put on the market for sale.
 - o We are seeking product donations, financial donations, and strategic partnerships for the project.
 - o MOU: The school is preparing an MOU for our legal team and board to review.
- **Fitzgerald Neighborhood Rehab Status**
 - o Properties: 7
 - o Funded: \$500k City of Detroit and \$500K DLBA
 - o All seven properties are currently under construction
- **IVGV Neighborhood Rehab Status**
 - o Properties: 16
 - o Three (3) properties are currently under construction and with an estimated completion target January 2020.
 - o The team is currently preparing the other 13 for rehabilitation.

Property Before and After Renovation



Seyburn

DISPOSITION

PROJECTS TEAM

The Community Partnership Team and the Economic Development Team has now become the "Projects Team." Developers and Community Partners follow the same process for property acquisition, with Community Partners receiving a 20% discount off the purchase prices. Applicants looking to acquire property through the Projects Team may do so through the online application process on buildingdetroit.org or the marketing tract, with listings available on the Multiple Listings Service (MLS).

Projects Closed				
Lots and Structures				
	Oct	Nov	Dec	Q2 Total
Community Partners	9	21	12	42
Economic Development	30	11	21	62
Grand Total	39	32	33	104

Development Update

The Detroit Land Bank Authority, in partnership with the City of Detroit's Housing and Revitalization Department and Planning and Development Department, seeks a developer for approximately 1.1 acres of vacant land in the Woodbridge neighborhood. The site has approximately 300 feet of frontage along Merrick street and 230 feet of frontage along Avery street. The property is zoned R2 which allows for single and two-family residences by-right and townhomes via a conditional use.

The successful respondent will demonstrate a strong track record in delivering quality projects on time and have residential and/or mixed-use development experience coupled with a commitment to creating quality, well-designed housing

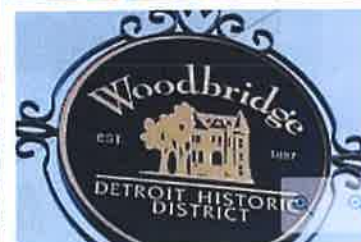


James J. Bugalino
BROKER / OWNER

\$ 350,000

1727 Merrick
Detroit, MI 48208

VACANT LAND - FOR SALE



DISPOSITION

OCCUPIED PROGRAMS

Our occupied programs further the mission of the DLBA and focus on providing a path to homeownership for occupants living in DLBA-owned properties along with returning properties to the tax roll. Our tiered approach includes our flagship Buy Back Program, Occupied Non-Profit Program, and Occupied Sales Program.

Buy Back

The DLBA created the Buy Back Program to provide a path forward for occupants of houses in its inventory. Buy Back allows an eligible occupant of a DLBA-owned property the opportunity to gain ownership of the house in which they live. After qualifying for the program and purchasing the property, the occupant officially enters the program and must display consistent savings until their next tax bill arrives.

Month-Year	Closed	Total
October-19	16	\$16,000
November-19	21	\$21,000
December-19	13	\$13,000
Total	50	\$50,000

Executive Summary	
Buy Back Closed	765
Buy Back Complete	555
Monitor Compliance for July 2020 exit	193
Reconveyance Complete	11

Occupied Non-Profit

The team created the Occupied Non-Profit program to engage non-profit organizations and provide opportunities to increase neighborhood stability. Currently, seven non-profit partners assist occupants who do not qualify for the Buy Back Program to transition to homeownership. Once title is transferred, the non-profit partner provides the occupant services that include renovation, resource support, plus lease and purchase options.

Month-Year	Closed
October-19	1
November-19	3
December-19	0
Total	4

Community Meetings & Presentations Attended

Month	Number of Meetings
October 2019	22
November 2019	20
December 2019	10
Total	52

Community Emails Answered

Topic	October 2019	November 2019	December 2019	Total per Topic
Board/Secure	15	6	6	27
Purchase Inquiry/Status request	23	12	16	51
Auction information/ Sale Timing	18	5	3	26
Lot Purchase	27	17	2	46
Deed/Purchase Agreement Post Sale Inquiries	5	0	1	6
Inquiry Status update	17	9	2	28
Discount Programs inquiries	3	6	1	10
Demolition Request/Status updates	6	7	7	20
General Inquiry	210	174	192	576
Total per Month	324	236	210	790



The Detroit Land Bank Authority has an opportunity for you to make an impact in the city of Detroit.

PLEASE PROVIDE:

- ▶ Name of organization
- ▶ Address of organization
- ▶ Name & Phone Number of contact person



For follow-up purposes, please email the requested information to:

communitypartnerevents@detroitlandbank.org

	Motivation Monday	Tip Tuesday	Wisdom/Community Wednesday	Throwback Thursday	Fact Friday
Posts created	26	10	11	30	10



LEGAL

TIM DEVINE, GENERAL COUNSEL

The Legal Department is responsible for the legal affairs of the Detroit Land Bank Authority (DLBA). The Legal Department provides legal advice and support to the DLBA to facilitate property disposition, remediate nuisances, and address illegal activity at properties throughout Detroit, helping the Land Bank to achieve its goal of restoring blighted and vacant properties to productive use. The Legal Department also represents the DLBA in a variety of legal, regulatory, transactional, and other contexts.

QUIET TITLE

The Legal Department files and oversees expedited Quiet Title Actions pursuant to authority under Section 9 of the Land Bank Fast Track Act, MCL 124.759. On September 2, 2014, the Chief Judge of the Wayne County Circuit Court issued a special docket directive creating a special docket allowing the Detroit Land Bank Authority to file these actions efficiently. The DLBA files quiet title actions on its properties, enabling the DLBA to sell those properties with clear, insurable title. Clear, insurable title is very important for anyone buying property—not just from the DLBA, but in general. Clear title provides the property owner confidence in their ownership and any investment they make in the property. It is also a requirement for a lending institution considering financing a mortgage. As of December 31, 2019, this last quarter, the Legal Department obtained 493 quiet title judgments.

NUISANCE ABATEMENT

ABANDONED PROPERTIES

The DLBA established its Nuisance Abatement Program (NAP) in February 2014. The Detroit City Council delegated non-exclusive authority to commence Nuisance Abatement litigation on February 18, 2014 (Council Action Number 23). Properties meeting the NAP criteria are vacant and unoccupied, boarded, open to trespass, appear to be abandoned or neglected.

The DLBA initially identifies NAP property addresses using several sources, then locations are verified by investigators, community groups, or neighbors in targeted geographic areas. The City of Detroit Department of Neighborhoods defined the NAP Target Areas with input from members of the community. To determine specific boundaries, the DLBA used data sources to specify areas where NAP actions would be most effective: areas with relatively low levels of vacancy where a limited number of NAP lawsuits could make a significant difference to an otherwise stable block.

Service of Process is achieved as to all current owners. The DLBA searches tax, title, and other records for each property to determine current interest holders of record, including owners, mortgage companies, and other liens. The NAP civil suit names current owners of record and requests abatement of the 'nuisance' created by the property's condition. Owners or interest holders in properties who fail to respond to the lawsuit may lose their ownership rights to the property at a hearing for default judgment.

During the second quarter, the Legal Department identified and placed notices ("posters") on 61 properties and filed suit against 54 properties in 28 different neighborhoods throughout the City. These actions will result in agreements to address the blight or in judgments awarding ownership of the properties to the DLBA to facilitate blight resolution through its various programs.

occurred at the property; there were no default judgments and no new lawsuits filed. Of the six raids on DLBA-owned properties, there were five unique addresses impacted. Of those five addresses, two investigations are in progress. The legal department has initiated removal proceedings in two instances. Investigators determined one property was vacant, and the structure is now in the inventory assessment pipeline.

DHU Q2 FY2020 Results

DHU Process	Number of Raids
DLBA-Owned	6
Publicly Owned	4
Warning Letters Sent	13
Lawsuit in Process	0
Consent Judgments	1
Default Judgments	0
Total	24

REMOVALS

The Legal Department is responsible for the removal of unauthorized occupants from DLBA- owned properties. Due to the impact removals have on occupants, every removal is reviewed individually and with a high level of scrutiny. The DLBA reviews every occupant for potential Buy Back Program eligibility first; if the occupant is found to meet none of the initial Buy Back Program entry points or has been vetted and found ineligible for the Buy Back Program, the legal team may go forward with removal. Buy Back vetting will not occur if the DLBA finds there to be extenuating circumstances such as confirmed reports of illegal activity at the property or confirmed vacancy and third-party sale. If the DLBA deems a property unfit for habitation, the land bank will connect the occupant to the Detroit Health Department (DHD) to assist with relocation while initiating removal proceedings. The final step in a removal proceeding is to secure the property and return it to the Inventory Department pipeline for assessment and potential sale.

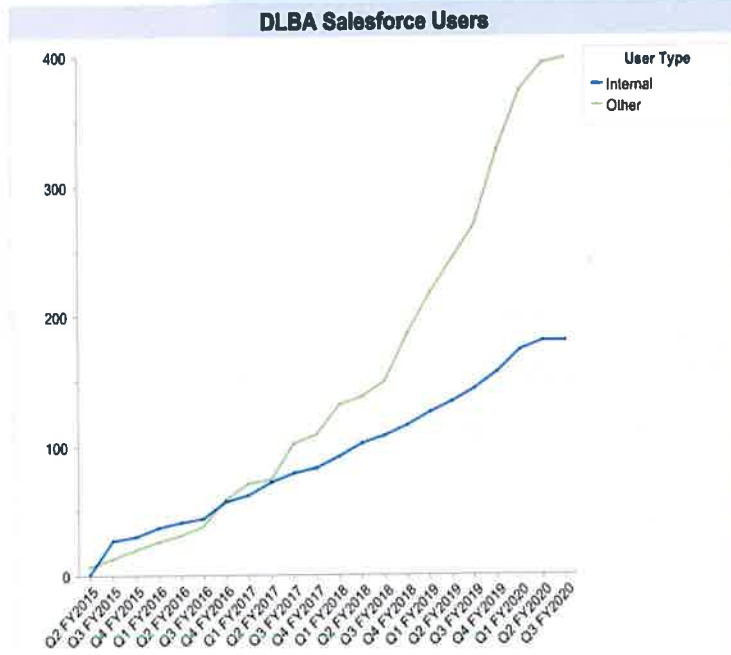
In the second quarter, the DLBA initiated removal proceedings at 12 properties and completed removal proceedings at 13 properties.

FREEDOM OF INFORMATION ACT (FOIA) REQUESTS

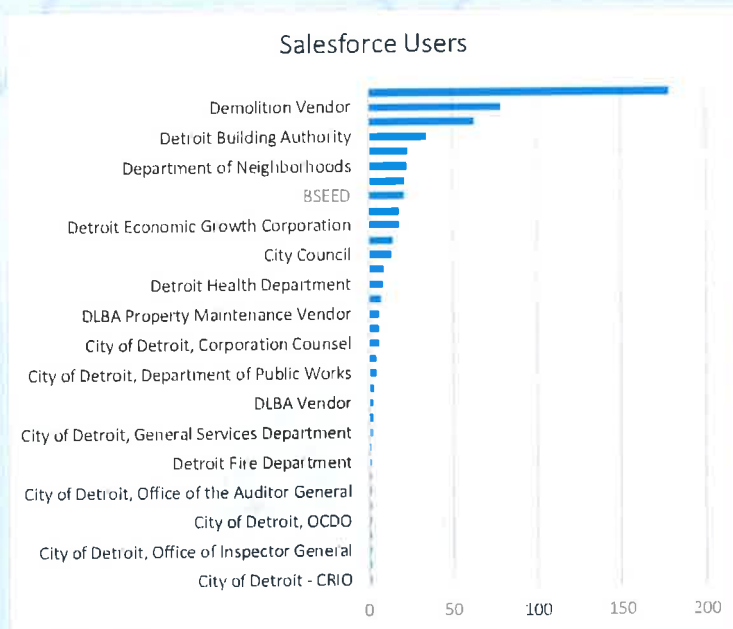
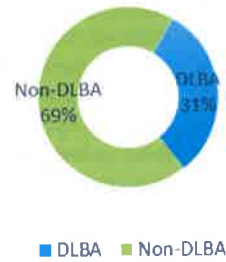
Under the Michigan Freedom of Information Act (FOIA), MCL 15.231 et seq., all persons, except those who are incarcerated, can submit a FOIA request to the Detroit Land Bank Authority (DLBA) FOIA Coordinator. In the second quarter, the DLBA received 12 new FOIA requests and completed 15 FOIA requests, all within the statutory timeframes.

ADMINISTRATION & OPERATIONS

In Q2 2020 a record number of external Salesforce partner users were added. There are currently 578 active Salesforce users across 32 different organizations and City of Detroit departments.



Salesforce Users



FINANCE

MARLENE BEACH, INTERIM CFO

The Finance Department continues with the transformation process by aligning itself to fully support the DLBA's dynamic and ever-evolving operational day-to-day functions. The summary below will discuss (1) December 2019 Fiscal Year to Date Revenue and Expenses - Actual versus Budget; (2) Balance Sheet Highlights; and (3) Status Update on the Hardest Hit Fund.

December 2019 Year to Date Revenue and Expenses - Actual versus Budget

Overall Revenue for the quarter was \$38.5M versus Budget of \$33.1M. Expenses were \$40.0M versus Budget of \$33.1M. Budget versus Actual variances were primarily driven by timing of demolition activities being executed relating to the Hardest Hit Fund.

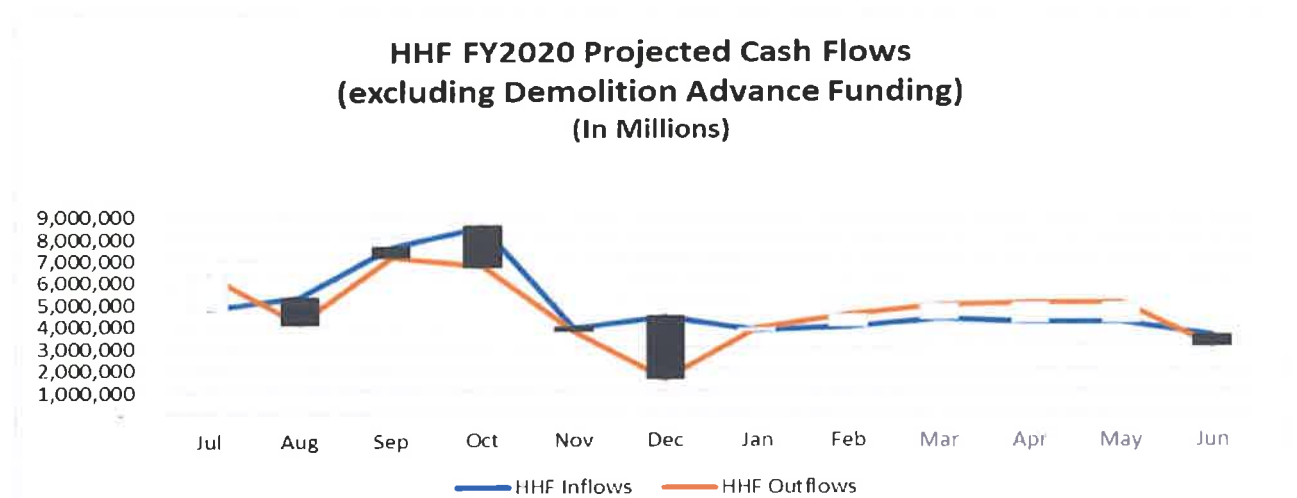
December 2019 Balance Sheet Highlights

- The Balance Sheet ended strong with a working capital ratio showing that the DLBA's current assets exceeded current liabilities by 1.8 times.
- Restricted cash balance of \$6.7M consisted of maintenance fees for over 13,400 demolitions completed within the Hardest Hit Fund Program (inception to date), along with private donor donations where obligations have not been fulfilled.
- Designated cash from private donors and contractual obligations amounted to \$18M (i.e., Demolition, Rehabbed Programs).

Hardest Hit Fund Updates

FY20 Activity

From July 2019 through December 2019, over \$29.5M was paid for reimbursable demolition expenses relating to this program. Cash receipts from our partner, MSHDA, also exceeded \$34.4M. As the program is in the final phases it is projected that the cash flow from reimbursements will exceed the cash flow to payments to vendors as prior year receivable balances are collected. The chart below is a summary of the projected cash flows through the end of this fiscal year.



UNAUDITED YEAR TO DATE **DECEMBER 31, 2019 REVENUE AND EXPENSES**

buildingdetroit.org

Income Statement Summary- Management View

1/8/2020 3:38 PM

Company Name: **Detroit Land Bank Authority**
 As of Period Ending: **2020/006**
 Audit Status: **Unaudited**
 Report Status: **Draft**

City Council Grouping Level	Actual YTD	Budget YTD	Variance	Variance%
Income				
Structure Sales	4,352,109	4,118,560	233,639	5.67%
Side Lot Sales	393,520	100,000	293,520	293.52%
Cost of Inventory	(870,600)	0.00	(870,600)	100.00%
Discounts	(738,440)	0.00	(738,440)	100.00%
Gain (Loss) on Sale of Property	(31,491)	0.00	(31,491)	100.00%
Total Net Sales	3,107,187	4,218,560	(1,111,373)	(26.34%)
Government Revenue	25,279,094	22,002,238	3,276,856	14.89%
Total Government Revenues(MSHDA)	25,279,094	22,002,238	3,276,856	14.89%
COD Operating	6,500,000	6,500,000	0.00	0.00%
COD Blight	3,171,565	0.00	3,171,565	100.00%
Total City of Detroit Revenue	9,671,565	6,500,000	3,171,565	48.79%
Inter-Company Revenue	11,238	0.00	11,238	100.00%
Private Grant Revenue	586,524	100,000	486,524	486.52%
Total Other Private Grant Revenue	597,762	100,000	497,762	497.76%
Donated Goods and Service	15,600	0.00	15,600	100.00%
Inventory Impairment	(643,100)	0.00	(643,100)	100.00%
Total Donated Goods and Service	(627,500)	0.00	(627,500)	100.00%
5/50 Proceeds	227,940	225,000	2,940	1.31%
Closing Refunds to the Seller	62,795	39,908	22,888	57.35%
Housing Showing Fees	17,640	5,500	12,140	220.73%
Lease Revenue	3,300	10,000	(6,700)	(67.00%)
Legal Recoveries	23,425	12,500	10,925	87.40%
Other Income	55,313	0.00	55,313	100.00%
Quiet Title Fees	145,051	30,000	115,051	383.50%
Total Other Income	535,463	322,907	212,556	65.83%
Inter-Department Revenue	555,689	555,889	0.00	0.00%
Total Inter-Departmental	555,689	555,889	0.00	0.00%
SUB TOTAL	39,119,261	33,699,395	5,419,866	16.08%

UNAUDITED DECEMBER 31, 2019 BALANCE SHEET



buildingdetroit.org

Balance Sheet Detailed - Management View

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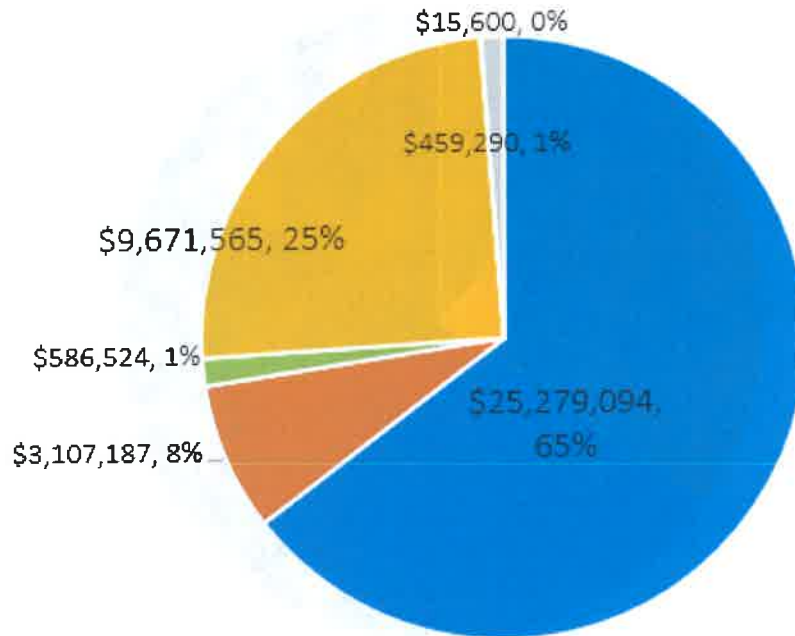
Company Name: Detroit Land Bank Authority
 As of Period Ending: 2020/006
 Audit Status: Unaudited
 Last Fiscal Year (Closed): 2019

Balance Sheet	Current Period June 30 (Last year) Current Vs June		
Current Assets			
Cash and Cash Equivalents	27,182,086	21,099,730	6,082,366
Accrued/Accounts Receivable	28,497,204	38,900,405	(10,403,201)
Other Current Assets	21,355,355	22,170,475	(815,120)
Current Assets Total	77,034,654	82,170,609	(5,135,955)
Fixed Assets			
Fixed Assets	599,151	695,097	(95,946)
Fixed Assets Total	599,151	695,097	(95,946)
Total Assets	77,633,805	82,865,706	(5,231,901)
Current Liabilities			
Demo Advance Fund - City of Detroit	10,000,000	10,000,000	0.00
Line of Credit - City of Detroit	0.00	0.00	0.00
Accrued/Accounts Payable/Other Liabilities	33,263,990	37,046,128	3,782,138
Current Liabilities Total	43,263,990	47,046,128	3,782,138
Equity			
Equity	34,369,815	35,819,579	(1,449,764)
Equity Total	34,369,815	35,819,579	(1,449,764)
Total Liabilities and Equity	77,633,805	82,865,706	(5,231,901)

GRAPHIC SUMMARY OF REVENUE AND EXPENSES

Fiscal Year 2020 – December Year to Date Revenue Summary

Revenue - Actual YTD



- HHF Grant
- Net Sales
- Private Grant Revenue
- City of Detroit
- Donated Goods and Services
- Other Income

*HHF Grant includes: State Revenues, HHF Admin Fee, and HHF Maintenance Fee

*Net Sales includes: Structure Sales, Discounts, Side Lot Sales, Gain (Loss) on Sale of Property, minus Cost of Inventory

*Private Grant Revenue includes: Private Grant Revenue

*Donated Goods and Services includes: Donated Goods and Services

*City of Detroit includes: City Revenues and Non-Reimbursable – Demo – City of Detroit

*Other Income includes: 5/50 Proceeds, Closing Refunds, Fire Escrow Proceeds, House Showing Fees, Lease Revenue, Legal Recoveries, Other Income, Program Income, Quiet Title Fees, and Inter-Company Revenue less Impairment of Inventory

FY 2019 AUDITED FINANCIAL STATEMENTS

DETROIT LAND BANK AUTHORITY
(A Component Unit of the City of Detroit, Michigan)

FINANCIAL STATEMENTS
(With Required Supplementary Information)

June 30, 2019 and 2018





1200 Buhl Building
535 Griswold Street
Detroit, Michigan 48226-3689

(313) 965-2655 • Fax (313) 965-4614

INDEPENDENT AUDITOR'S REPORT

November 1, 2019

To the Board of Directors
Detroit Land Bank Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Detroit Land Bank Authority (the "DLBA"), a component unit of the City of Detroit, Michigan, as of, and for the years ended, June 30, 2019 and 2018, as well as the related notes to the financial statements, which collectively comprise the DLBA's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

The DLBA's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the DLBA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DLBA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

An Independent Member of the BDO Alliance USA

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

June 30, 2019 and 2018

This section of the annual report of the Detroit Land Bank Authority (the "DLBA") presents management's discussion and analysis of the DLBA's financial performance during the fiscal years that ended on June 30, 2019 and 2018. Please read it in conjunction with the DLBA's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The DLBA's purpose is to exercise the powers, duties, functions, and responsibilities of an authority under the Land Bank Act for the benefits of the City of Detroit (the "City") and the State of Michigan. The DLBA endeavors to carry out the powers, duties, functions, and responsibilities of an authority under the Land Bank Act consistent with the inter-governmental agreement including, but not limited to, the power, privilege, and authority to acquire, manage, and dispose of interests in property, and performing all other functions necessary or convenient to implement the purposes, objectives, and provisions of the Land Bank Act and the purposes, objectives, and powers delegated to a City authority under the laws or executive orders.

The DLBA's demolition activities funded by the Hardest Hit Blight program for the fiscal year ended June 30, 2019 totaled 2,204 properties, compared to 1,638 in the previous fiscal year. The DLBA's inventory of property decreased to 90,860 parcels, compared to 95,242 as of the end of the previous fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report contains two types of financial statements. The statements of net position and statements of activities (which are presented on pages 9 and 10) are considered government-wide financial statements. The balance sheets and statements of revenue, expenditures, and changes in fund balances for governmental funds (which are presented on pages 11, 12, 14, and 15) are considered fund financial statements. A further discussion of each type of statement follows.

Government-Wide Financial Statements

The government-wide financial statements report information about the DLBA as a whole using accounting methods similar to those used by private-sector companies and non-profit organizations. The statements of net position include all of the DLBA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statements of activities, regardless of when cash is received or paid.

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2019 and 2018

FINANCIAL ANALYSIS OF THE ORGANIZATION AS A WHOLE

Table 1 reflects a condensed summary of the DLBA's assets, liabilities, and net position as of June 30, 2019, 2018, and 2017:

Table 1
Statements of Net Position
June 30, 2019, 2018, and 2017
(in millions of dollars)

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Assets:			
Cash	\$ 19.4	\$ 18.5	\$ 11.9
Escrow deposits	2.0	2.0	-0-
Accounts receivable	38.9	19.5	18.3
Property held for resale	21.9	23.3	24.5
Capital assets	0.7	0.6	0.2
Prepaid expenses	0.2	0.1	-0-
Total Assets	<u>83.1</u>	<u>64.0</u>	<u>54.9</u>
Liabilities:			
Accounts payable and accrued expenses	27.9	19.2	11.0
Deferred revenue	5.1	5.4	5.2
Escrow deposits payable	2.0	2.0	-0-
Advances and loans	12.0	7.0	18.5
Total Liabilities	<u>47.0</u>	<u>33.6</u>	<u>34.7</u>
Net Position:			
Net investment in capital assets	0.7	0.6	0.2
Restricted	7.6	7.5	5.5
Unrestricted	27.8	22.3	14.5
Total Net Position	<u>\$ 36.1</u>	<u>\$ 30.4</u>	<u>\$ 20.2</u>

Total assets increased to \$83.1 million as of June 30, 2019 from \$64.0 million as of June 30, 2018. This increase was mainly a result of revenue accruals earned for demolitions under the Hardest Hit Fund ("HHF") program and other contractual or designated funds.

DETROIT LAND BANK AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONTINUED)

June 30, 2019 and 2018

CAPITAL ASSETS

As of June 30, 2019, the DLBA has \$695,096 invested in capital assets, including furniture, computers, software, and other equipment. Accumulated depreciation as of June 30, 2019 was \$721,143.

ECONOMIC FACTORS

The DLBA is dedicated to returning Detroit's vacant, abandoned, and foreclosed property to productive use. To meet this mission, there are four main divisions of the DLBA:

- Inventory division, which is responsible for acquiring, evaluating, and assessing the disposition of the property
- Demolition division, which manages all demolition activities
- Disposition division, which is responsible for disposing of the property through sales or donations
- Legal division, which is responsible for clearing title and enforcing compliance with the City's Housing Regulations and representing the DLBA for all legal matters

The DLBA is demolishing and removing derelict structures, holding and maintaining property, and disposing of the property in conjunction with a development project or other appropriate use. Most transactions that remove a property from the DLBA's inventory generate revenue for the organization. Examples of these transactions include, but are not limited to, property sales, side lot sales, and special purpose projects.

As the opportunity arises, the DLBA will also execute federal, state, and local grants that have a public land component. The DLBA played a key role in implementing several rounds of the federally funded Neighborhood Stabilization Program in conjunction with the City and the Michigan State Housing Development Authority ("MSHDA").

In the coming years, the DLBA will continue to focus on activities through contracts with MSHDA. The DLBA will also continue to build relationships with the philanthropic community, seeking to attract foundation grant support to leverage public funds.

DETROIT LAND BANK AUTHORITY

STATEMENTS OF NET POSITION

June 30, 2019 and 2018

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
Assets:		
Cash (Note B):		
Unrestricted	\$ 11,810,648	\$ 11,030,872
Restricted	<u>7,601,956</u>	<u>7,508,407</u>
Total Cash	19,412,604	18,539,279
Escrow deposits (Note B)	2,000,000	2,000,000
Accounts receivable (net of allowance of \$-0- and \$21,528 for 2019 and 2018, respectively)	38,900,405	19,456,157
Prepaid expenses	186,409	66,096
Property held for resale (Note A)	21,919,066	23,341,284
Capital assets (Note C):		
Depreciable capital assets, net	<u>695,096</u>	<u>616,332</u>
Total Assets	<u>83,113,580</u>	<u>64,019,148</u>
Liabilities:		
Accounts payable and accrued expenses	27,910,420	19,170,400
Deferred revenue (Note D)	5,135,708	5,411,918
Escrow deposits payable (Note B)	2,000,000	2,000,000
Advances and loans (Note E)	<u>12,000,000</u>	<u>7,000,000</u>
Total Liabilities	<u>47,046,128</u>	<u>33,582,318</u>
Net Position:		
Net investment in capital assets	695,096	616,332
Restricted	7,601,956	7,508,407
Unrestricted	<u>27,770,400</u>	<u>22,312,091</u>
Total Net Position	<u>\$ 36,067,452</u>	<u>\$ 30,436,830</u>

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

BALANCE SHEETS — GOVERNMENTAL FUNDS

June 30, 2019 and 2018

	2019				2018			
	General Fund	Special Revenue Fund	Interfund Eliminations (Note A)	Total All Funds	General Fund	Special Revenue Fund	Interfund Eliminations (Note A)	Total All Funds
ASSETS								
Cash (Note B)								
Unrestricted	\$ 11,497,774	\$ 312,874	\$ -0-	\$ 11,810,648	\$ 10,782,654	\$ 248,218	\$ -0-	\$ 11,030,872
Restricted	7,601,956			7,601,956	7,508,807			7,508,807
Total Cash	19,099,730	312,874	-0-	19,412,604	18,291,461	248,218	-0-	18,539,279
Encrow deposits (Note B)	2,000,000			2,000,000	2,000,000			2,000,000
Accounts receivable (net of allowance of \$-0- and \$21,528 for 2019 and 2018, respectively)	38,965,405		65,000	38,900,405	19,456,207		50	19,456,157
Prepaid expenditures	186,409			186,409	66,096			66,096
Property held for resale (Note A)	21,919,066			21,919,066	23,341,784			23,341,784
Total Assets	\$ 82,170,610	\$ 312,874	\$ 65,000	\$ 82,412,684	\$ 63,154,648	\$ 248,218	\$ 50	\$ 63,402,816

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEETS TO STATEMENTS OF NET POSITION

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Total Fund Balances, Governmental Funds	\$ 3,596,568	\$ 14,491,365
<p>Amounts reported for governmental activities in the statements of net position differ from amounts reported in the governmental funds balance sheets due to the following:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. These assets consist of the following:</p>		
<p>Depreciable capital assets:</p>		
Cost	1,416,239	1,133,016
Less: Accumulated depreciation	(721,143)	(516,684)
<p>Certain revenue applicable to governmental activities is not available for use as of the end of the period and, therefore, is reported as a deferred inflow of resources in the funds. These amounts consist of the following:</p>		
Unavailable revenue	<u>31,775,788</u>	<u>15,329,133</u>
Total Net Position, Governmental Activities	<u>\$ 36,067,452</u>	<u>\$ 30,436,830</u>

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS (CONTINUED)

For the Years Ended June 30, 2019 and 2018

	2019			2018		
	General Fund	Special Revenue Fund	Total All Funds	General Fund	Special Revenue Fund	Total All Funds
Excess (Deficiency) of Revenue over Expenditures	\$ (11,559,503)	\$ 664,706	\$ (10,894,797)	\$ 7,065,662	\$ 1,344,720	\$ 8,410,382
Other Financing Sources (Uses):						
Interfund transfers	665,000	(665,000)	-0-	1,345,050	(1,345,050)	-0-
Change in Fund Balances	(10,894,503)	(294)	(10,894,797)	8,410,712	(330)	8,410,382
Fund Balances, Beginning of Year	14,243,197	248,168	14,491,365	5,832,485	248,498	6,080,983
Fund Balances, End of Year	\$ 3,348,694	\$ 247,874	\$ 3,596,568	\$ 14,243,197	\$ 248,168	\$ 14,491,365

See notes to financial statements.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Nature of Activities and Purpose**

The Detroit Land Bank Authority (the "DLBA") was created on February 18, 2009 as a Michigan Public Body Corporate. It was created through an inter-local agreement between the Michigan Land Bank Fast Track Authority and the City of Detroit (the "City") for the purpose of administering land bank programs and functions in the City.

For financial reporting purposes, the DLBA is a component unit of the City because the majority of the members of the DLBA's Board of Directors is appointed by the City's mayor and is confirmed by the Detroit City Council, which approves the DLBA's budget. There are no fiduciary funds included in the accompanying financial statements.

The DLBA has established the Detroit Land Bank Community Development Corporation (the "DLB CDC"). The DLB CDC is a legally separate, tax-exempt component unit of the DLBA. The DLBA has the power to appoint a majority of the DLB CDC's directors, and the DLB CDC was created and operates exclusively to support the DLBA. As such, the financial activity of the DLBA CDC is included as part of the DLBA's financial statements.

Adoption of New Accounting Pronouncements

In March 2018, the Governmental Accounting Standards Board ("GASB") issued Statement of Governmental Accounting Standards ("SGAS") No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Under SGAS No. 88, in addition to previously-existing disclosure requirements related to debt, disclosures are now required regarding the amount of unused lines of credit and assets pledged as collateral for debt. Also, the disclosure requirements for certain terms in debt agreements are expanded, and debt disclosures regarding direct borrowings and direct placements of debt are required to be reported separately from debt disclosures regarding other debt. The DLBA adopted the provisions of SGAS No. 88, effective July 1, 2018. The implementation of SGAS No. 88 did not impact the DLBA's net position, changes in net position, fund balances, or changes in fund balances.

Basis of Presentation

The financial statements of the DLBA consist of government-wide financial statements, which include the statements of net position and statements of activities, and fund financial statements, which include the balance sheets and statements of revenue, expenditures, and changes in fund balances for governmental funds.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

Fund Financial Statements (continued)

The DLBA's fund balances are classified as follows, based on the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable

These fund balances consist of amounts that are not in a spendable form (such as property held for resale, inventory, or prepaid expenditures) or that are required to be maintained intact.

Restricted

These fund balances consist of amounts that are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed

These fund balances consist of amounts that are constrained to specific purposes by the DLBA itself, using its highest level of decision-making authority, which is the Board of Directors. To be reported as committed, such amounts cannot be used for any other purpose unless the Board of Directors takes action to remove or change the constraint. The Board of Directors typically establishes (and modifies or rescinds) fund balance commitments by passage of a resolution, or through adoption and amendment of the budget.

Assigned

These fund balances consist of amounts that the DLBA intends to use for a specific purpose. Such intent can be expressed by the governing body, which is the Board of Directors, or by an official or body to which the Board of Directors delegates the authority, such as the DLBA's duly authorized agents. Assigned fund balances are typically established through adoption or amendment of the budget.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Grant Revenue**

Grant revenue is recognized when expenses that are reimbursable under an agreement with the funding source are incurred.

Receivables

All receivables are shown as net of an allowance for uncollectible amounts.

Capital Assets

Capital assets are defined by the DLBA as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives of the related assets, which range from three to seven years.

Property Held for Resale

Real property inventory consists of properties and their associated costs. Properties are recorded at cost, which includes the purchase price plus all associated costs to get each property ready for sale, and are removed from inventory when title to each property transfers from the DLBA to the purchaser. The DLBA has 90,860 and 95,242 properties in inventory held for resale as of June 30, 2019 and 2018, respectively, with a cost of \$21,919,066 and \$23,341,284 as of June 30, 2019 and 2018, respectively.

Deferred Inflows of Resources

Deferred inflows of resources represent revenue that applies to a future period and are not considered to be available as of the financial statement date. Therefore, these amounts are not recognized as revenue in the fund financial statements until they become available.

Interfund Transactions and Eliminations

Transfers from the DLB CDC to the DLBA to support the DLBA's operations are recorded as interfund transactions in the fund financial statements. All interfund transactions and balances have been eliminated in the accompanying financial statements.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE A — NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Concentration of Credit Risk

The DLBA received funding from the Michigan State Housing Development Authority (“MSHDA”) for the purpose of demolishing vacant and abandoned properties in the City. Such revenue received from MSHDA for the years ended June 30, 2019 and 2018 totaled \$60,230,159 and \$35,369,033, respectively, or 70 percent and 52 percent, respectively, of total revenue. The DLBA utilized two vendors during the year ended June 30, 2019 and three vendors during the year ended June 30, 2018 for purchases of \$25,030,403 and \$13,780,178, respectively, or 32 percent and 33 percent, respectively, of total purchases. A balance of \$5,438,524 and \$1,077,746 was due to these vendors as of June 30, 2019 and 2018, respectively.

NOTE B — CASH AND ESCROW DEPOSITS

Cash Deposits

State of Michigan (the “State”) statutes require that certificates of deposit, savings accounts, deposit accounts, and depository receipts be made with banks doing business, and having a place of business in the State that are also members of a federal or national insurance corporation.

Custodial credit risk is the risk that in the event of a bank failure, the DLBA’s deposits may not be returned to the DLBA. The DLBA does not have a deposit policy for custodial credit risk.

As of June 30, 2019 and 2018, the DLBA’s carrying amounts of deposits and bank balances, and the bank balances that are not covered by federal depository insurance, are as follows:

	<u>2019</u>	<u>2018</u>
Carrying amount of deposits	<u>\$ 19,412,604</u>	<u>\$ 18,539,279</u>
Total bank balances	<u>\$ 21,791,940</u>	<u>\$ 19,583,643</u>
Uninsured and uncollateralized bank balances	<u>\$ 21,291,940</u>	<u>\$ 19,083,643</u>

Escrow Deposits

Escrow deposits are monies which are provided by the City to fulfill the requirements of the DLBA’s title company as part of the abatement program. If a Nuisance and Abatement Program issuer receives any filings with the Court of Claims for property sold by the DLBA, those funds held in the escrow account will be used to cover legal expenses associated with enforcing the requirements of the title sale.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE C — CAPITAL ASSETS (CONTINUED)

	<u>Furniture and Equipment</u>	<u>Computer and Telephone</u>	<u>Software</u>	<u>Total</u>
Accumulated Depreciation:				
Balance, July 1, 2017	\$ -0-	\$ 97,107	\$ 237,290	\$ 334,397
Depreciation expense	<u>22,211</u>	<u>41,904</u>	<u>118,172</u>	<u>182,287</u>
Balance, June 30, 2018	22,211	139,011	355,462	516,684
Depreciation expense	46,807	96,514	95,407	238,728
Less: Dispositions		<u>(34,269)</u>		<u>(34,269)</u>
Balance, June 30, 2019	<u>\$ 69,018</u>	<u>\$ 201,256</u>	<u>\$ 450,869</u>	<u>\$ 721,143</u>
Net Depreciable Capital Assets:				
Balance, June 30, 2018	<u>\$ 144,371</u>	<u>\$ 294,361</u>	<u>\$ 177,600</u>	<u>\$ 616,332</u>
Balance, June 30, 2019	<u>\$ 323,563</u>	<u>\$ 289,340</u>	<u>\$ 82,193</u>	<u>\$ 695,096</u>

NOTE D — DEFERRED REVENUE AND DEFERRED INFLOWS OF RESOURCES

The DLBA had \$5,135,708 and \$5,411,918 as of June 30, 2019 and 2018, respectively, available under a number of grant agreements with funds originating from various foundations, corporations, and the City for activities involving the establishment of administrative operations related to the Nuisance Proceedings and Blight Abatement Programs, in addition to planning activities of the DLBA. These balances remained unutilized as of June 30, 2019 and 2018 and are recorded as deferred revenue.

The DLBA had a balance of \$31,775,788 and \$15,329,133 as of June 30, 2019 and 2018, respectively, primarily in MSHDA funding, for which expenses were incurred prior to the end of the fiscal year but for which reimbursement was not obtained until after the 60-day period described in Note A. Accordingly, these amounts are classified as deferred inflows of resources on the fund financial statements.

DETROIT LAND BANK AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2019 and 2018

NOTE E — ADVANCES AND LOANS (CONTINUED)

Activity related to these advances and loans for the years ended June 30, 2019 and 2018 is as follows:

	<u>Line of Credit</u>	<u>Loan Due to Outside Party</u>	<u>Interest-Free Advance</u>	<u>Total</u>
Balance, July 1, 2017	\$ 10,000,000	\$ 2,000,000	\$ 6,500,000	\$ 18,500,000
Less:				
Repayments	(5,000,000)			(5,000,000)
Reclassification of advance as grant revenue			(6,500,000)	(6,500,000)
Balance, June 30, 2018	5,000,000	2,000,000	-0-	7,000,000
Additions	5,000,000			5,000,000
Balance, June 30, 2018	<u>\$ 10,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ -0-</u>	<u>\$ 12,000,000</u>

NOTE F — LEASES

The DLBA leases office space and equipment under operating leases that expire at various dates through November 2023. Future minimum lease payments under these leases as of June 30, 2019 are as follows:

For the Years Ending June 30:	
2020	\$ 858,428
2021	871,528
2022	888,554
2023	3,449
2024	3,449
Total Minimum Lease Payments	<u>\$ 2,625,408</u>

Rental expense under operating leases for the years ended June 30, 2019 and 2018 was \$843,609 and \$701,454, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

DETROIT LAND BANK AUTHORITY

SCHEDULES OF REVENUE AND EXPENDITURES — BUDGET AND ACTUAL — GENERAL FUND (UNAUDITED) (CONTINUED)

For the Years Ended June 30, 2019 and 2018

	2019				2018			
	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget	Original Budget	Final Budget	Actual	Positive (Negative) Variance with Final Budget
Excess (Deficiency) of Revenue over Expenditures	\$ -	\$ -	\$ (11,599,563)	\$ (11,599,563)	\$ -	\$ -	\$ 7,865,662	\$ 7,865,662
Other Financing Sources:								
Interfund transfers			665,000	665,000			1,345,050	1,345,050
Change in Fund Balance	\$ -	\$ -	\$ (10,934,563)	\$ (10,934,563)	\$ -	\$ -	\$ 8,410,712	\$ 8,410,712

See note to schedules of revenue and expenditures — budget and actual (general fund).



CITY OF DETROIT
HOUSING AND REVITALIZATION DEPARTMENT

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

18

January 13, 2020

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 1441 Holden, LLC in the area of 1419, 1441, 1447 Holden Street and 6103, 6109, 6113, 6119, 6125, 6131, 6139, 6145 Lincoln Detroit, Michigan, in accordance with Public Act 146 of 2000 (Petition #604).

Honorable City Council:

The Housing and Revitalization Department has reviewed the application of **1441 Holden 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/ah

cc: S. Washington, Mayor's Office
K. Trudeau, P&DD
D. Rencher, HRD
A. Hill, 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, **1441 Holden 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 **February 6, 2020** 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.



TO: Veronica Farley, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** at 1419 Holden Street
DATE: January 16, 2019
CC: Maurice Cox, Director

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.

Petitioner: 1441 Holden, LLC

Project Description: The proposal is an adaptive reuse of the property to include a variety of functions. On the ground floor will include a small restaurant, a deli, and a bar. Also looking to house a multi-purpose event space for artistic functions the space will include a kitchen. The second floor will be converted to 9 residential loft-style units. The loft units will be for rent and two (2) of the units will be set aside as affordable units. All of the units are to be priced below market rate.

Project Location: 1419 Holden Street

Interpretation:

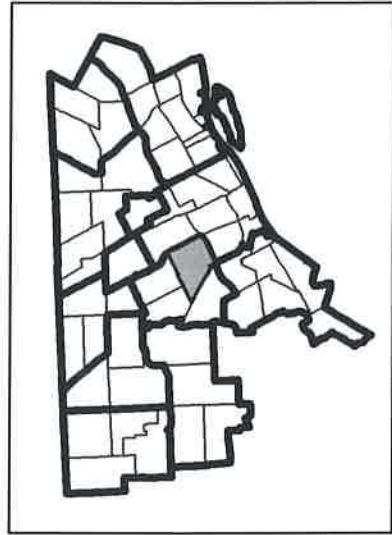
The Master Plan Future General Land Use designation of the site is MRC (Mixed Residential /Commercial). Mixed - Residential / Commercial areas consist primarily of high density housing developed compatibly with commercial and/or institutional uses. This classification is well suited to areas proximal to existing centers of major commercial activity major thoroughfares, transportation nodes or gateways into the City.

Additionally, Policy 4.1 of the Rosa Parks Neighborhood recommends development in the southeast corner of the neighborhood that "encourage the conversion of vacant industrial buildings into residential lofts"

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

Attachment

Future General Land Use Map: Master Plan 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 Commercial (CG)		Institutional (INST)
	General Industrial (IG)		
	Light Industrial (IL)		

Map 6-2B

City of Detroit
Master Plan of
Policies

Neighborhood Cluster 6
Rosa Parks





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 9, 2019

Maurice Cox, Director
Planning & Development Department
2 Woodward Ave, Suite 808
Detroit, MI 48226

Re: **Obsolete Property Rehabilitation District**
Addresses: 1419, 1441 and 1447 Holden and 6103, 6109, 6113, 6119, 6125, 6131, 6139 and 6145 Lincoln
Parcel Numbers: See Attached List

Dear Mr. Cox:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **1419, 1441 and 1447 Holden and 6103, 6109, 6113, 6119, 6125, 6131, 6139 and 6145 Lincoln** located in **N W Goldberg** area of 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.

1441 Holden LLC plans to convert the building at 1419 Holden to include a small restaurant, a deli, and a bar with the second floor to be converted to 9 residential loft-style units. The large open area behind these uses along Holden Street will house a multi-purpose event space to be used for a host of artistic functions and will be supported by its own kitchen. The building at 1419 Holden is currently a 2 story vacant discount store warehouse building in 1905 with 22,938 square feet of building area on .267 acres of land. The other parcels consist of parking area, except for the vacant land at 1441 and 1447 Holden, on a total of .829 acres of land. The building new have a new fire protection sprinkler system, new electrical service, new mechanical equipment, walls repaired and rebuilt, new finishes for the residential apartments and a new roof.

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 **1419, 1441 and 1447 Holden and 6103, 6109, 6113, 6119, 6125, 6131, 6139 and 6145 Lincoln** is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

Sincerely,


Charles Ericson
Assessor/Board of Assessors

mmp

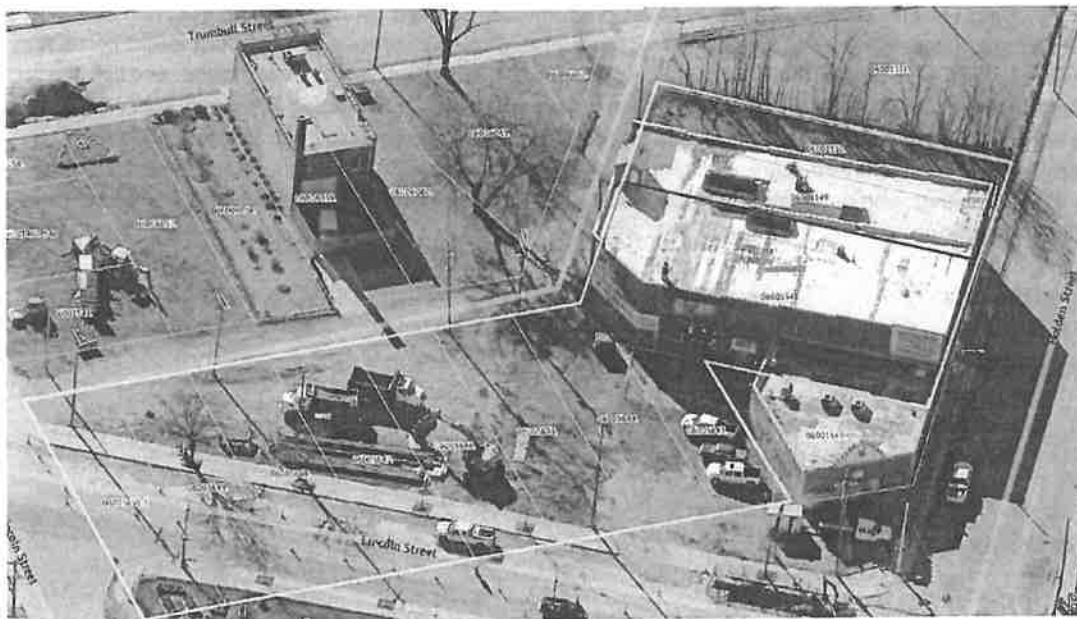


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Obsolete Property Rehabilitation District
1441 Holden LLC
Page 2

Parcel Number	Property Address	Property Owner	Legal Description
06001548.	1419 Holden	1441 Holden LLC	S HOLDEN 2-3-4 E I & A K STIMSONS SUB L10 P31 PLATS, W C R 6/96 90 IRREG
06001549.	1441 Holden	1441 Holden LLC	S HOLDEN 5 E I & A K STIMSONS SUB L10 P31 PLATS, W C R 6/96 30 X 130
06001550.	1447 Holden	1441 Holden LLC	S HOLDEN 6 E I & A K STIMSONS SUB L10 P31 PLATS, W C R 6/96 30 X 130
06005643.	6145 Lincoln	1441 Holden LLC	W LINCOLN S 25 FT 28 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 REAR S 25.84 FT OF W 85.99 FT RUNNING TO A POINT 1 E I & A K STIMSONS SUB OF PT MANDLEBAUMS SUB L10 P31 PLATS, W C R 6/96 25 X 97.09A
06005644.	6139 Lincoln	1441 Holden LLC	W LINCOLN 27 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 IRREG
06005645.	6131 Lincoln	1441 Holden LLC	W LINCOLN 26 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 X 124
06005646.	6125 Lincoln	1441 Holden LLC	W LINCOLN 25 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 X 124
06005647.	6119 Lincoln	1441 Holden LLC	W LINCOLN 24 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 X 124
06005648.	6113 Lincoln	1441 Holden LLC	W LINCOLN 23 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 X 124
06006549.	6109 Lincoln	1441 Holden LLC	W LINCOLN 22 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 X 124
06005650-1	6103 Lincoln	1441 Holden LLC	W LINCOLN 21 SCRIPPS SUB OF PT OF WOODBRIDGE FARM L12 P10 PLATS, W C R 6/97 30 X 124



City of Detroit

OFFICE OF THE CITY CLERK

Janice M. Winfrey
City Clerk

Caven West
Deputy City Clerk/Chief of Staff

DEPARTMENTAL REFERENCE COMMUNICATION

Wednesday, December 12, 2018

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 DEPT/ASSESSMENTS DIV.

604 *1441 Holden, LLC, request for establishment of an Obsolete Property Rehabilitation Act Tax Abatement (OPRA) at 1419 Holden Street, Detroit, MI 48208 under P.A. 146 of 2000.*

#604

Weider Building

1419 Holden Street, Detroit, Michigan 48208
Business & Mailing Address: 4529 Commonwealth, Detroit, MI 48208

December 3, 2018

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 Tax Abatement (OPRA) at 1419 Holden Street, Detroit, Michigan 48208

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation District for the property located at 1419 Holden Street and described on Attachment A.

The Petitioner for the project is 1441 Holden, LLC. 1441 Holden, LLC is a single purpose entity for the redevelopment of the property. The Owners of 1441 Holden, LLC are Katherine Kupka, Sean Patrick, Lynette Marie Schneid, Rachel Myers and Erwin Bakx. The owners have a great deal of experience in turning around old and abandoned buildings, managing residential and commercial developments, developing and managing food and beverage establishments and retail stores. Their most recent project is the Willis Showtime bar at Willis and 3rd Avenue in Midtown.

The development of the property cannot happen without the OPRA tax relief and abatement. There are a number of factors which have contributed to the project requiring tax relief assistance.

First, the building is obsolete and out of date from its original purpose as a hardware store. The building envelope is not completely watertight and the interior of the building has many code related issues which need to be addressed to make the building safe. The years of minimal investment and improvements before 1441 Holden, LLC purchased the building took a heavy and expensive toll on the structure and systems of the building. It is all repairable but requires a great deal of investment to restore the building back to a habitable and safe condition.

Second, the building location, south of Grand Blvd and west of the Lodge Freeway, is in an area which has not seen any development prior to the beginning of construction for the Henry Ford Cancer Center south of Grand Blvd. The property is approximately 2.2 miles

Weider Building

1419 Holden Street, Detroit, Michigan 48208

Business & Mailing Address: 4529 Commonwealth, Detroit, MI 48208

The City of Detroit can expect to have long term and short term benefits by providing tax relief for the project. These include:

1. The rehabilitation of a currently blighted building, fully renovated with private funding, to a fully functioning, essentially brand new building. A very important corner at the intersection of Holden and Trumbull Avenue, one of the main entry thoroughfares to Henry Ford Hospital, will have a newly, renovated building.
2. The removal of blighted properties has an positive, upward effect, on housing values in the surrounding neighborhood. This will generate additional property taxes for the City of Detroit.
3. The residential units will have residents who are paying City of Detroit income taxes
4. The residents of the residential units will be buying goods and services within the City of Detroit.
5. There will be more "eyes and ears on the street" from the businesses and their customers as well as the residents who live there. More "eyes and ears" means less crime and trouble.
6. Residents who currently live in the area will have the opportunity to rent fully, renovated housing units. The area has few, if any, recently renovated units to rent.
7. The Commercial/Retail spaces of the project can generate between (40) and (80) jobs. These employees will be paying City of Detroit income taxes.
8. The Commercial/Retail spaces will have tenants who will be buying services and spending their money with other business in the City of Detroit.
9. The construction of the project will provide jobs for City of Detroit construction workers during the construction.
10. The project will provide confidence to other building and land owners that the neighborhood is now receiving investment and encourage them to rehabilitate and invest in their own buildings and properties.
11. The project will begin to extend the positive image and growth which has occurred in Midtown proper to the west towards Trumbull Avenue and south from the Henry Ford Hospital.

The 1441 Holden, LLC project has a huge, potential benefit for the neighborhood. To achieve these benefits, 1441 Holden, LLC needs the assistance of the City of Detroit for the tax relief. The Owners of are committed to rebuilding this neighborhood using and leveraging their own funds to achieve the greatest benefit possible for the neighborhood. We will be contributing to the revitalization of Detroit and we see this project as another step in our contribution to taking the abandoned and blighted buildings which exist in Detroit and putting in back into service.

Weider Building

1419 Holden Street, Detroit, Michigan 48208

Business & Mailing Address: 4529 Commonwealth, Detroit, MI 48208

from what is considered the “heart of downtown Detroit” at the corner of Holden and Lincoln/Trumbull Avenue and approximately three blocks south of Grand Blvd. Since the property is located outside the greater Downtown/Midtown, this area is what is considered a “distressed” or “transitioning” area. The rents commanded for both retail and residential will be considerably lower than what would be expected in Downtown or Midtown proper. The project Pro forma and Cash Flow are “negative” without including the tax relief based on the Construction Costs and expected Rents.

Third, the “neighborhood” in which the building is located is only loosely defined and has not been included in any of the City of Detroit’s long term planning and investment strategies. What was once a beautiful and strong residential neighborhood has seen dramatic change over the past decade. The assembling of the land for the Henry Ford Cancer Center has removed many of the once occupied and beautiful houses throughout the neighborhood. The limited amount of retail that existed along Grand Blvd has been displaced by the new hospital as well as the former church and children’s day-care center. At one time, the corner of Holden and Trumbull had a number of commercial and retail businesses which have been shuttered for decades. Only in the past year has reinvestment besides the Henry Ford Hospital begun to happen. This building and site is one of the key components to this areas rebirth as it is so prominent at the corner of Holden, between Lincoln and Trumbull.

There are not currently any employees for 1441 Holden, LLC. Only the owners Kathy Kupka, Sean Patrick, Lynette Marie Scheid, Rachel Myers and Erwin Bakx are presently working for 1441 Holden LLC. It is expected that once the 1st Floor of the buildings is redeveloped there will be a minimum of (40) new jobs created at the site and depending on the final use, it could be as high as (80) new jobs.

The project financing relies on lending; private lenders such as banks, plus we are looking for secondary financing through such groups as Invest Detroit, Capital Impact, LISK and Pace Equity. Additionally, we have applied for a loan through the Michigan Economic Development Corporation (MEDC) through its Community Revitalization Program (CRP).

The petitioner is requesting the exemption for the full (12) years.

The Obsolete Property Rehabilitation District is requested for the entire building including any commercial portions of the building and any residential portions within the building.

Weider Building

1419 Holden Street, Detroit, Michigan 48208

Business & Mailing Address: 4529 Commonwealth, Detroit, MI 48208

Thank you in advance for your consideration.

John Biggar
313-549-2790
jpb@ware-house.com

Respectfully submitted,



1441 Holden LLC
Kathy Kupka, Manager

Attachment A: Site Map that includes the parcel(s) of property / Legal Description
Attachment B: Paid Receipt of Current Taxes

cc: K. Bridges, DEGC
N. Marsh, DEGC
V. Farley, HRD

Attachment A:

- (a) *General Description of the Facility* – The existing building/facility located at 1441 Holden Street, near the corner of Holden Street and Lincoln, where Trumbull Avenue transitions to Lincoln, traces its history back to the 1920..

The existing building is 2-story building at one time used as a hardware store. It appears it has gone through many different uses throughout its life. It was vacant when purchased.

The building is part of a small stretch of business and commercial buildings along both sides of Holden Street for approximately two blocks along Holden. All the buildings in this stretch of Holden are vacant and blighted.

- (b) *General description of the proposed use of the Rehabilitated Facility* - The building is going to be converted and adaptively reused.
- (c) The ground floor will have a variety of commercial functions. The commercial uses include a small restaurant, a deli, and a bar along Holden Street. The large, open area behind these uses along Holden Street will house a multi-purpose event space to be used for a host of artistic functions, from art showings, to cooking demonstrations, to stage performances. This space will be supported by its own kitchen.

Weider Building

1419 Holden Street, Detroit, Michigan 48208

Business & Mailing Address: 4529 Commonwealth, Detroit, MI 48208

The second floor will be converted to (9) residential loft-style units. The loft units will be for rent and (2) of the units have been set aside as affordable units. All of the units are to be priced below market rate.

- (d) *Description of the general nature and extent of the Rehabilitation to be undertaken* - The entire building is in an outdated and blighted condition. The entire building will be renovated as part of the rehabilitation. The current water, gas, and electricity are outdated and need to be upgraded. It is assumed the sewer line to the building remains active.

The existing building envelope has leaks and is not weather tight. The walls will be repaired and rebuilt as required and a new roof installed. The retail/commercial spaces will be completely built with new systems, finishes and equipment. The upper floor of the building will have new residential apartments with completely new utilities and systems plus entire new finishes.

The building systems will incorporate utilizing the latest in energy saving technologies, such as solar panels, geo-thermal wells to heat and cool the building's heat pumps plus other technologies to lessen the building's environmental footprint.

- (e) *A descriptive list of the fixed Building Equipment* - The building will have the following:
- a. Fire protection sprinkler system integral to the building.
 - b. New electrical service and associated switch gears and electrical panels
 - c. Mechanical equipment for the retail/commercial spaces and the residential units.
 - d. Food and beverage equipment for the retail and restaurant spaces.
- (f) *A time schedule for undertaking and completing the Rehabilitation of the Facility*
- See the attached Project Schedule

Property Address: 1419 HOLDEN

Ad Valorem



2018 CITY OF DETROIT

SUMMER TAX BILL

DEPARTMENT 268301
 CITY OF DETROIT - PROPERTY TAX
 PO BOX 55000
 DETROIT MI 48255-2683

1441 HOLDEN LLC
 280 N. OLD WOODWARDS STE 12
 BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE
STATE EDUCATION	6.0000	303.48	PARCEL # 06001548. Bill No. 017160 School District DETROIT PUBLIC SCHOOLS SEV 53,300 Taxable Value 50,581 PRE/MBT% .0000 Prop Class 201-COMMERCIAL TIF Dist Mortgage Co: CORELOGIC TAX SERVICE PARTIAL PROPERTY DESCRIPTION FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE S HOLDEN 2-3-4 E I & A K STIMMONS SUB L10 P31 PLATS, W C R 6/96 90 IRREG
GENERAL CITY	19.9520	1,009.19	
DEBT SERVICE	7.0000	354.06	
LIBRARY	4.6307	234.22	
SCHOOL DEBT	13.0000	657.55	
SCHOOL OPERATING	18.0000	910.45	
W COUNTY TAX	5.6483	285.69	
WC RESA ENH	2.0000	101.16	
INSPECTION FEE	0.0000	100.00	
Total Summer Rate	76.2310		
Summer Taxes		3,855.80	* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY. * SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.
Summer Special Fees		100.00	
Summer Adm'n Fee		38.55	
PREV. PAYMENTS			IMPORTANT INFORMATION - SEE REVERSE SIDE Pay using the DIVDAT mobile app. Visit your app store to download for free.
Total Due		3,994.35	

1st Half Payment Due 8/15/2018 1,997.18
 2nd Half Payment Due 1/15/2019 1,997.17



Property Address: 1441 HOLDEN

Ad Valorem



2018 CITY OF DETROIT

SUMMER TAX BILL

DEPARTMENT 268301
 CITY OF DETROIT - PROPERTY TAX
 PO BOX 55000
 DETROIT MI 48255-2683

1441 HOLDEN LLC
 280 N. OLD WOODWARD STE 12
 BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE
STATE EDUCATION	6.0000	8.57	PARCEL # 06001549. Bill No. 017161 School District DETROIT PUBLIC SCHOOLS SEV 1,500 Taxable Value 1,429 PRE/MBT% .0000 Prop Class 202-COMMERCIAL VACANT TIF Dist Mortgage Co: CORELOGIC TAX SERVICE PARTIAL PROPERTY DESCRIPTION <small>FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE</small> S HOLDEN 5 E I & A K STIMSONS SUB L10 P31 PLATS, W C R 6/96 30 X 130
GENERAL CITY	19.9520	28.51	
DEBT SERVICE	7.0000	10.00	
LIBRARY	4.6307	6.61	
SCHOOL DEBT	13.0000	18.57	
SCHOOL OPERATING	18.0000	25.72	
W COUNTY TAX	5.6483	8.07	
WC RESA ENH	2.0000	2.85	
Total Summer Rate	76.2310		
Summer Taxes		108.90	
Summer Special Fees			
Summer Admin Fee		1.08	
PREV. PAYMENTS			
Total Due		109.98	

* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY.
 * SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.

IMPORTANT INFORMATION - SEE REVERSE SIDE

1st Half Payment Due 8/15/2018 54.99
 2nd Half Payment Due 1/15/2019 54.99

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Property Address: **1447 HOLDEN**

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2018 CITY OF DETROIT

SUMMER TAX BILL

DEPARTMENT 268301
 CITY OF DETROIT - PROPERTY TAX
 PO BOX 55000
 DETROIT MI 48255-2683

1441 HOLDEN LLC
 280 N OLD WOODWARD STE 12
 BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE	
STATE EDUCATION	6.0000	8.57	PARCEL #	06001550.
GENERAL CITY	19.9520	28.51	Bill No.	017162
DEBT SERVICE	7.0000	10.00	School District	DETROIT PUBLIC SCHOOLS
LIBRARY	4.6307	6.61	SEV	1,500
SCHOOL DEBT	13.0000	18.57	Taxable Value	1,429
SCHOOL OPERATING	18.0000	25.72	PRE/MBT%	.0000
W COUNTY TAX	5.6483	8.07	Prop Class	202-COMMERCIAL VACANT
WC RESA ENH	2.0000	2.85	TIF Dist	
			Mortgage Co:	CORELOGIC TAX SERVICE
			PARTIAL PROPERTY DESCRIPTION FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE S HOLDEN 6 E I & A K STIMMONS SUB L10 P31 PLATS, W C R 6/96 30 X 130	
Total Summer Rate	76.2310		* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY.	
Summer Taxes		108.90	* SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.	
Summer Special Fees				
Summer Admin Fee		1.08		
PREV. PAYMENTS				
Total Due		109.98	IMPORTANT INFORMATION - SEE REVERSE SIDE	

1st Half Payment Due 8/15/2018 54.99
 2nd Half Payment Due 1/15/2019 54.99

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Property Address: **6103 LINCOLN**

Ad Valorem



2018 CITY OF DETROIT
SUMMER TAX BILL
 DEPARTMENT 268301
 CITY OF DETROIT - PROPERTY TAX
 PO BOX 55000
 DETROIT MI 48255-2683

1441 HOLDEN LLC
 280 N OLD WOODWARD STE 12
 BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE	
STATE EDUCATION	6.0000	7.20	PARCEL #	06005650-1
GENERAL CITY	19.9520	23.94	Bill No.	018611
DEBT SERVICE	7.0000	8.40	School District	DETROIT PUBLIC SCHOOLS
LIBRARY	4.6307	5.55	SEV	1,200
SCHOOL DEBT	13.0000	15.60	Taxable Value	1,200
SCHOOL OPERATING	18.0000	21.60	PRE/MBT%	.0000
W COUNTY TAX	5.6483	6.77	Prop Class	402-RESIDENTIAL VACANT
WC RESA ENH	2.0000	2.40	TIF Dist	
Total Summer Rate			76.2310	
Summer Taxes		91.46	* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY.	
Summer Special Fees			* SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.	
Summer Admin Fee		0.91		
PREV. PAYMENTS				
Total Due		92.37	IMPORTANT INFORMATION - SEE REVERSE SIDE	

PARTIAL PROPERTY DESCRIPTION
 FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE
 W LINCOLN 21 SCRIPPS SUB OF PT OF WOODBRIDGE FARM L12 P10 PLATS,
 W C R 6/97 30 X 124

1st Half Payment Due 8/15/2018 46.19
 2nd Half Payment Due 1/15/2019 46.18

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Property Address: 6109 LINCOLN

Ad Valorem



2018 CITY OF DETROIT

SUMMER TAX BILL

DEPARTMENT 268301
CITY OF DETROIT - PROPERTY TAX
PO BOX 55000
DETROIT MI 48255-2683

1441 HOLDEN LLC
280 N OLD WOODWARD STE 12
BIRMINGHAM MI 48009

Table with columns: TAXING UNITS, RATE, TAX AMOUNT, IMPORTANT INFORMATION - SEE REVERSE SIDE. Rows include STATE EDUCATION, GENERAL CITY, DEBT SERVICE, LIBRARY, SCHOOL DEBT, SCHOOL OPERATING, W COUNTY TAX, WC RESA ENH, Total Summer Rate, Summer Taxes, Summer Special Fees, Summer Admin Fee, PREV. PAYMENTS, Total Due.

PARTIAL PROPERTY DESCRIPTION
FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE
W LINCOLN 22 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 X 124

* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY.
* SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.

IMPORTANT INFORMATION - SEE REVERSE SIDE

1st Half Payment Due 8/15/2018 46.19
2nd Half Payment Due 1/15/2019 46.18

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Logos for Apple App Store, Google Play, and VISA.

Property Address: 6113 LINCOLN

Ad Valorem



**2018 CITY OF DETROIT
SUMMER TAX BILL**
DEPARTMENT 268301
CITY OF DETROIT - PROPERTY TAX
PO BOX 55000
DETROIT MI 48255-2683

1441 HOLDEN LLC
280 N OLD WOODWARD STE 12
BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE
STATE EDUCATION	6.0000	7.20	PARCEL # 06005648. Bill No. 018609 School District DETROIT PUBLIC SCHOOLS SEV 1,200 Taxable Value 1,200 PRE/MBT% .0000 Prop Class 402-RESIDENTIAL VACANT TIF Dist PARTIAL PROPERTY DESCRIPTION FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE W LINCOLN 23 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 X 124
GENERAL CITY	19.9520	23.94	
DEBT SERVICE	7.0000	8.40	
LIBRARY	4.6307	5.55	
SCHOOL DEBT	13.0000	15.60	
SCHOOL OPERATING	18.0000	21.60	
W COUNTY TAX	5.6483	6.77	
WC RESA ENH	2.0000	2.40	
Total Summer Rate	76.2310		
Summer Taxes		91.46	
Summer Special Fees			
Summer Admin Fee		0.91	
PREV. PAYMENTS			
Total Due		92.37	

* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY.
 * SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.

IMPORTANT INFORMATION - SEE REVERSE SIDE

1st Half Payment Due 8/15/2018 46.19
 2nd Half Payment Due 1/15/2019 46.18

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Property Address: 6119 LINCOLN

Ad Valorem



2018 CITY OF DETROIT

SUMMER TAX BILL
 DEPARTMENT 268301
 CITY OF DETROIT - PROPERTY TAX
 PO BOX 55000
 DETROIT MI 48255-2683

1441 HOLDEN LLC
 280 N OLD WOODWARD STE 12
 BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE	
STATE EDUCATION	6.0000	7.20	PARCEL #	06005647
GENERAL CITY	19.9520	23.94	Bill No.	018608
DEBT SERVICE	7.0000	8.40	School District	DETROIT PUBLIC SCHOOLS
LIBRARY	4.6307	5.55	SEV	1,200
SCHOOL DEBT	13.0000	15.60	Taxable Value	1,200
SCHOOL OPERATING	18.0000	21.60	PRE/MBT%	.0000
W COUNTY TAX	5.6483	6.77	Prop Class	402-RESIDENTIAL VACANT
WC RESA ENH	2.0000	2.40	TIF Dist	
Total Summer Rate			76.2310	
Summer Taxes		91.46	* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY. * SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.	
Summer Special Fees				
Summer Admin Fee		0.91		
PREV. PAYMENTS			IMPORTANT INFORMATION - SEE REVERSE SIDE	
Total Due		92.37		

1st Half Payment Due 8/15/2018 46.19
 2nd Half Payment Due 1/15/2019 46.18

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Property Address: 5125 LINCOLN

Ad Valorem



**2018 CITY OF DETROIT
SUMMER TAX BILL**
DEPARTMENT 268301
CITY OF DETROIT - PROPERTY TAX
PO BOX 55000
DETROIT MI 48255-2683

1441 HOLDEN BLVD
280 N OLD WOODWARD STE 12
BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE	
STATE EDUCATION	6.0000	7.20	PARCEL #	06005646.
GENERAL CITY	19.9520	23.94	Bill No.	018607
DEBT SERVICE	7.0000	8.40	School District	DETROIT PUBLIC SCHOOLS
LIBRARY	4.6307	5.55	SEV	1,200
SCHOOL DEBT	13.0000	15.60	Taxable Value	1,200
SCHOOL OPERATING	18.0000	21.60	PRE/MBT%	.0000
W COUNTY TAX	5.6483	6.77	Prop Class	402-RESIDENTIAL VACANT
WC RESA ENH	2.0000	2.40	TIF Dist	
Total Summer Rate			76.2310	
Summer Taxes		91.46	* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY. * SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.	
Summer Special Fees				
Summer AdmIn Fee		0.91		
PREV. PAYMENTS			IMPORTANT INFORMATION - SEE REVERSE SIDE	
Total Due		92.37		

1st Half Payment Due 8/15/2018 46.19
2nd Half Payment Due 1/15/2019 46.18

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Property Address: **6131 LINCOLN**

Ad Valorem



**2018 CITY OF DETROIT
SUMMER TAX BILL**
DEPARTMENT 268301
CITY OF DETROIT - PROPERTY TAX
PO BOX 55000
DETROIT MI 48255-2683

1441 HOLDENCLIFF ROAD
280 N OLD WOODWARD STE 12
BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE	
STATE EDUCATION	6.0000	24.10	PARCEL #	06005645
GENERAL CITY	19.9520	80.14	Bill No.	018606
DEBT SERVICE	7.0000	28.11	School District	DETROIT PUBLIC SCHOOLS
LIBRARY	4.6307	18.60	SEV	4,300
SCHOOL DEBT	13.0000	52.22	Taxable Value	4,017
SCHOOL OPERATING	18.0000	72.30	PRE/MBT%	.0000
W COUNTY TAX	5.6483	22.68	Prop Class	202-COMMERCIAL VACANT
WC RESA ENH	2.0000	8.03	TIF Dist	
			Mortgage Co:	CORELOGIC TAX SERVICE
			PARTIAL PROPERTY DESCRIPTION FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE W LINCOLN 26 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 X 124	
Total Summer Rate	76.2310		* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY. * SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.	
Summer Taxes		306.18		
Summer Special Fees				
Summer AdmIn Fee		3.06		
PREV. PAYMENTS				
Total Due		309.24	IMPORTANT INFORMATION - SEE REVERSE SIDE	

1st Half Payment Due 8/15/2018 154.62
2nd Half Payment Due 1/15/2019 154.62

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Property Address: 6139 LINCOLN

Ad Valorem



2018 CITY OF DETROIT

SUMMER TAX BILL
 DEPARTMENT 268301
 CITY OF DETROIT - PROPERTY TAX
 PO BOX 55000
 DETROIT MI 48255-2683

1441 HOLDEN-LLC
 280 N OLD WOODWARD STE 12
 BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE	
STATE EDUCATION	6.0000	30.28	PARCEL #	06005644.
GENERAL CITY	19.9520	100.69	Bill No.	018605
DEBT SERVICE	7.0000	35.32	School District	DETROIT PUBLIC SCHOOLS
LIBRARY	4.6307	23.37	SEV	5,400
SCHOOL DEBT	13.0000	65.61	Taxable Value	5,047
SCHOOL OPERATING	18.0000	90.84	PRE/MBT%	.0000
W COUNTY TAX	5.6483	28.50	Prop Class	202-COMMERCIAL VACANT
WC RESA ENH	2.0000	10.09	TIF Dist	
			Mortgage Co:	CORELOGIC TAX SERVICE
			PARTIAL PROPERTY DESCRIPTION FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE W LINCOLN 27 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 30 IRREG	
Total Summer Rate	76.2310		* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY.	
Summer Taxes		384.70	* SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.	
Summer Special Fees				
Summer Admin Fee		3.84		
PREV. PAYMENTS				
Total Due		388.54	IMPORTANT INFORMATION - SEE REVERSE SIDE	

1st Half Payment Due 8/15/2018 194.27
 2nd Half Payment Due 1/15/2019 194.27

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Property Address: **6445 LINCOLN**

Ad Valorem



2018 CITY OF DETROIT

SUMMER TAX BILL
 DEPARTMENT 268301
 CITY OF DETROIT - PROPERTY TAX
 PO BOX 55000
 DETROIT MI 48255-2683

1441 HOLDEN LLC
 280 N OLD WOODWARD STE 12
 BIRMINGHAM MI 48009

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE
STATE EDUCATION	6.0000	15.92	PARCEL # 06005643. Bill No. 018604 School District DETROIT PUBLIC SCHOOLS SEV 2,800 Taxable Value 2,654 PRE/MBT% .0000 Prop Class 202-COMMERCIAL VACANT TIF Dist Mortgage Co: CORELOGIC TAX SERVICE PARTIAL PROPERTY DESCRIPTION FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE W LINCOLN S 25 FT 28 SCRIPPS SUB L12 P10 PLATS, W C R 6/97 REAR S 25.84 FT OF W 85.99 FT RUNNING TO A POINT 1 E I & A K STIMMONS SUB OF PT MANDLEBAUMS SUB L10 P31 PLATS, W C R 6/96 25 X 97.09A
GENERAL CITY	19.9520	52.95	
DEBT SERVICE	7.0000	18.57	
LIBRARY	4.6307	12.28	
SCHOOL DEBT	13.0000	34.50	
SCHOOL OPERATING	18.0000	47.77	
W COUNTY TAX	5.6483	14.99	
WC RESA ENH	2.0000	5.30	
Total Summer Rate	76.2310		
Summer Taxes		202.28	
Summer Special Fees			
Summer Admin Fee		2.02	
PREV. PAYMENTS			
Total Due		204.30	

* SUMMER TAXES PAYABLE IN FULL JULY 1, 2018 - AUGUST 31, 2018 WITHOUT INTEREST AND PENALTY.
 * SUMMER TAXES MAY ALSO BE PAID IN TWO PAYMENTS WITHOUT INTEREST AND PENALTY. 1ST PAYMENT DUE AUGUST 15, 2018 AND 2ND PAYMENT DUE JANUARY 15, 2019.

IMPORTANT INFORMATION - SEE REVERSE SIDE

1st Half Payment Due 8/15/2018 102.15
 2nd Half Payment Due 1/15/2019 102.15

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WEIDER BUILDING RE-DEVELOPMENT PROJECT SCHEDULE

MONTH/JUNE	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
<p>PRE-CONSTRUCTION</p> <p>Architectural/Engineering Drawings</p> <p>Financing Due Diligence</p> <p>CPA Approval</p> <p>Financing Completed</p>																			
<p>CONSTRUCTION</p> <p>DIVISION 1 - GENERAL REQUIREMENTS</p> <p>DIVISION 2 - SITEWORK / DEMOLITION</p> <p>DIVISION 3 - CONCRETE</p> <p>DIVISION 4 - MASONRY</p> <p>DIVISION 5 - METALS</p> <p>DIVISION 6 - WOOD & PLASTICS</p> <p>DIVISION 7 - THERMAL & MOISTURE PROTECTOR</p> <p>DIVISION 8 - DOORS & WINDOWS</p> <p>DIVISION 9 - FINISHES</p> <p>DIVISION 10 - SPECIALTIES</p> <p>DIVISION 11 - EQUIPMENT</p> <p>DIVISION 12 - FURNISHINGS</p> <p>DIVISION 21 - FIRE SUPPRESSION</p> <p>DIVISION 22 - MECHANICAL HVAC</p> <p>DIVISION 23 - PLUMBING</p> <p>DIVISION 16 - ELECTRICAL</p>																			

Detroit, Michigan
11/30/18

Consulting

Contractor

Subcontractor

Manufacturer

Supplier

Vendor

Installer

Finisher

Inspector

Tester

Operator

Maintainer

Repairer

Replacer

Remover

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2018-12-11

604

604 *Petition of 1441 Holden, LLC, request
for establishment of an Obsolete
Property Rehabilitation Act Tax
Abatement (OPRA) at 1419 Holden
Street, Detroit, MI 48208 under P.A.
146 of 2000.*

REFERRED TO THE FOLLOWING DEPARTMENT(S)

LEGISLATIVE POLICY DIVISION PLANNING AND
DEVELOPMENT DEPARTMENT
LAW DEPARTMENT FINANCE DEPT/ASSESSMENTS
DIV.

INCENTIVE INFORMATION CHART:

Project Type	Incentive Type	Investment Amount	District
Renovation	OPRA	\$3,439,366	5

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
(2)		(78)	(21)	(10)	(40)	(0)	(1)

1. What is the plan for hiring Detroiters?

The Owners of Holden Street, LLC have hired studiozONE, llc as the architect for the project and Integrity Building Group as the Construction Manager for the project. Both are Detroit based and Detroit Headquartered businesses and both employ Detroit Residents.

The organizations have a long history in the City of Detroit since 1996 and has built a large network of Detroit based companies and companies who employ many Detroit residents. Integrity Building Group has committed to continue to draw upon and utilize Detroit residents and businesses.

Integrity Building Group will also continue to seek out new subcontractors who employ Detroit residents.

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

Job Type	Job Description / Worker	Qualifications	Positions
01 Project Management	Project Manager & Superintendent	Secondary Degree / OSHA 30	(2)
02 Demolition	Equipment Operators and Laborers	Operators License	(12)
03 Concrete	Concrete Flat Work	Previous experience	(2)
04 Masonry	Mason	Mason training & apprentice	(8)
05 Steel	Steel Erector & Steel Fabricator	Steel Erector training & apprentice	(2)
06 Carpentry	Carpenter & Millworker	Carpentry training	(20)
07 Roofing	General Laborers	Work experience	(6)
08 Doors & Windows	Window Installer / Carpenter	Carpentry training	(6)
09 Finishes	Drywall / Flooring Installer / Painter	Drywall, Tile and painting experience	(30)
11 Equipment	Supplier Only	Not Applicable	(1)
21 Fire Supression	Fire Suppression Installer	NFPA certified	(4)
22 HVAC-Mechanical	Sheet Metal Worker	SMNACA Certified and apprentice	(6)
23 Plumbing	Plumber	Master plumber, journeyman and apprentice	(6)
26 Electrical	Electricians	Master electrician, journeymand and apprentice	(8)
32 Sitework	Equipment Operators and Laborers	Operators License	(5)

Holden Street, LLC Incentive Information Chart (continued)

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

The building is currently vacate and no Detroit residents will need to relocate.

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

We have only started and plan to meet with local community groups.

5. *When is construction slated to begin?*

Spring 2019

6. *What is the expected completed date of the construction.*

The beginning of 2020.

19

CITY CLERK 2020 JAN 15 AM 11:17

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

John Alexander
LaKisha Barclift, Esq.
M. Rory Bolger, Ph.D.,
AICP
Elizabeth Cabot, Esq.

City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION

208 Coleman A. Young Municipal Center
Detroit, Michigan 48226

Phone: (313) 224-4946 Fax: (313) 224-4336

Christopher Gulock,
AICP
Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Carolyn Nelson
Kim Newby
Analine Powers, Ph.D.
Jennifer Reinhardt
Sabrina Shockley
Thomas Stephens,

TO: COUNCIL MEMBERS
FROM: David Whitaker, Director
Legislative Policy Division Staff
DATE: January 14, 2020
RE: 2119 Field Street Apartments Brownfield Redevelopment Plan
PA 381 of 1996 **PUBLIC HEARING**

The Brownfield Redevelopment Financing Act 381 of 1996

The Brownfield Redevelopment Financing Act 381 of 1996 provides tax incentives (i.e. tax increment financing) to develop brownfields properties in an area at or on which there has been a release (or threat of release) or disposal of a hazardous substance, in order to promote the revitalization of economically distressed and blighted areas within the City of Detroit.

2119 Field Street Apartments Brownfield Redevelopment Plan

The project developer is K8 Partners, LLC on behalf of its parent company, Astral Weeks Development¹. The property consists of one .34 acre parcel located in the Islandview Neighborhood (Belle Isle area) on the east side of Detroit, at the corner of Kercheval and Field Street. The property is bounded by the property line to the north, Field Street to the east, Kercheval Avenue to the south, and the property line to the west. The plan entails the complete rehabilitation of the existing building into eight 3-bedroom residential townhomes, with a new 8-space private parking lot². It is anticipated that the building will consist of approximately 11,761 square feet of living space and 5,951 square feet of basement space. A minimum of 20% of the

¹ K8 Partners, LLC was created in 2018. Astral Weeks Development, is a privately held real estate development and management company, working primarily in the New York City region and Detroit. They've been active in Detroit since 2014, rehabbing approximately 60 single family duplexes, 15 of which have been completed and leased or sold. Astral Weeks' website stated, other projects in Detroit include: North Village Detroit, Bagley & 16th, Islandview, and Brush Park.

² Each unit has two stories with a basement and a private entrance. Front porches face the street and back porches will face a private parking lot (1 parking space per unit) in the rear of the building.

units will be priced at 80% of the Area Median Income (AMI), which translates to 2 of the 8 units being affordable. Construction prep work has already begun and construction is set to be completed by October 2021.

There are many vacant buildings in the area. According to the development team, there are a limited number of vacancies on the same side of the street as the property, however, the parcels across from the property on Field Street are vacant. This fact, in addition to a limited level of redevelopment planning and lack of completion of the projects which were started by other developers, has led to some contention amongst residents during the required CAC meetings. Commenters at the regular CAC meeting held Wednesday, October 9, 2019 at the DEGC office, were concerned about the development team's community engagement and the availability of affordable units; which triggered a Special Community Advisory Committee meeting on Wednesday October 30, 2019 at the DEGC office. As a consequence of the first meeting, the development team increased its community engagement and disclosed the results of their efforts at the special meeting. Since these meetings, the developers have gained the support of the Villages Community Development Corporation, the pastors of the Church of Messiah, and Five Alive. All of which have submitted letters of support for the project. The developers also mentioned at the meeting, that it would not be financially feasible to increase the amount of affordable units available or offer deeper affordability rates for the 2 proposed affordable units.

The Property is considered an "eligible property" as defined by Act 381, Section 2 because: (a) the Property was previously utilized for residential purposes; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is determined to be functionally obsolete as defined by Act 381. The building was constructed in 1910. Historically, the property has been limited to residential use and has been vacant for almost a decade. A level III or IV assessor has certified that the property is functionally obsolete due to deterioration³, rendering it inadequate to perform the function for which it was intended. There are no residents or businesses residing in the eligible property, therefore, there will be no displacement or relocation of persons or businesses under this plan. The developer was approved for a 12-year Obsolete Property Rehabilitation Act (OPRA) Tax Abatement⁴ at the Formal Session on October 15, 2019. The developer is also requesting a Brownfield TIF, which is set to begin capture in 2020. **The capture period for this Brownfield request is 28 years.**⁵

The estimated total capital investment from the developer is approximately \$2.46 million. It is estimated that 73 temporary construction jobs will be needed to complete the project. One (1) FTE property management position will be needed post-construction⁶. The Roy Company (general contractor) is partnering with Astral Weeks to assist the developer with the

³ Leaking roof, no windows or operating utilities, and antiquated electrical, mechanical, and plumbing systems.

⁴ **Obsolete Property Rehabilitation Abatement**, PA 146 of 2000, a tax incentive for commercial and commercial housing properties that are in need of rehabilitation. The taxable value is frozen for 1-12 years. If approved, it will reduce property tax obligations and lower the amount of incremental tax revenues during the approved time period of the tax abatement.

⁵ The DBRA public hearing for the Plan was held on Monday, October 28, 2019 at 5:30 pm at The Commons 7900 Mack Ave., Detroit, Michigan. Three people were in support of the project. Four people indicated their opposition to the project on the sign-in sheet. The major concern was the affordability of the units and how incentives are distributed in Detroit. Many commenters wanted there to be a signed agreement with community organizations and the development team to ensure this project will benefit the community. The hearing closed at 6:55 pm.

⁶ The property management for the project will be conducted by Villages Property Management. As per an agreement between the development team and community organizations this position will be a Detroit resident.

rehabilitation of the historic building. The Roy Company, a Detroit-based business, plans to hire Detroit residents and has requested bids from several Detroit-based contractors they've used in the past. The development team has stated that if any additional local contractors are needed, the developer is prepared to reach out to the Skilled Trades taskforce⁷.

The Developer is requesting a \$276,897 TIF⁸ reimbursement and the total costs under the plan is a \$432,883 for "eligible activities" as illustrated below:

COSTS TO REIMBURSED WITH TIF

1.	Pre-Approved Activities	\$14,850
2.	Demolition	\$75,250
3.	Abestos and Lead Activies	\$13,750
4.	Infastructure	\$30,500
5.	Site Preparation	\$82,280
6.	Brownfield Plan and Woek Plan Preparation	\$30,000
7.	Contingency (15%)	\$30,267
Total Reimbursement to Developer		\$276,897
8.	Authority Administrative Costs	\$64,333
9.	State Brownfield Redevelopment Fund	\$15,111
10.	Local Brownfield Revolving Fund	\$76,241
TOTAL Estimated Costs		\$432,883

Tax increments are projected to be captured and applied to (i) reimbursement of eligible activity costs and payment of DBRA administrative and operating expenses, (ii) make deposits into the State Brownfield Redevelopment Fund, and (iii) make deposits into the DBRA's Local Brownfield Revolving Fund, as follows:

	<u>Reimbursements</u> <u>Costs</u>	<u>Admin.</u> <u>Costs</u>	<u>State</u> <u>Brownfield</u> <u>Fund</u>	<u>Local</u> <u>Revolving</u> <u>Fund</u>
School Operating Tax	\$87,198	\$0	\$0	\$0
State Education Tax	\$14,533	\$0	\$15,111	\$0
City Operating	\$88,875	\$32,793	\$0	\$38,682
Library	\$20,627	\$7,611	\$0	\$8,978
Wayne County	\$34,843	\$12,856	\$0	\$15,165
HCMA	\$953	\$352	\$0	\$416
RESA/Special Ed	\$15,432	\$5,694	\$0	\$6,716
Wayne County Community College	\$14,436	\$5,327	\$0	\$6,283
TOTALS	\$276,897	\$64,633	\$15,111	\$76,241

In addition, the following taxes are projected to be generated but shall not be captured during the life of this Plan:

City Debt	\$70,947	
School Debt	\$102,479	
Wayne County DIA	\$1,577	
Wayne County Zoo	\$788	
Total	\$175,792	

⁷ There wasn't any additional information provided regarding how these bids were received, the selection process or the businesses that may have been awarded a contract.

⁸ Tax Increment Financing (TIF) subsidizes an entity by refunding or diverting a portion of their taxes to help finance development in an area or on a project site.

Legal Description of the Eligible Property

Address	2119 Field Street
Parcel ID	15007454.002L
Owner	K8 Partners LLC
Legal Description	LOTS 29 AND 30 OF LINDEN LAWN SUBDIVISION, ACCORDING TO THE PLAT THEREOF AS RECORDED IN LIBER 21 OF PLATS PAGE 21, WAYNE COUNTY RECORDS, BEING MORE PARTICULARLY DESCRIBED AS: BEGINNING AT THE NORTHERLY RIGHT OF WAY LINE OF KERCHEVAL AVENUE (80FT WIDE) AND THE WESTERLY RIGHT OF WAY LINE OF FIELD AVENUE (80 FT WIDE), ALSO BEING THE SOUTHEAST CORNER OF LOT 30 OF SAID LINDEN LAWN SUBDIVISION, THENCE ALONG SAID NORTHERLY LINE, SOUTH 62 DEGREES 57 MINUTES 26 SECONDS WEST 150 FEET TO THE EASTERLY LINE OF A PUBLIC ALLEY (VARIABLE WIDTH); THENCE ALONG SAID EASTERLY LINE, NORTH 26 DEGREES 57 MINUTES 26 SECONDS WEST 100.00 FEET TO THE NORTHWEST CORNER OF LOT 29; THENCE NORTH 62 DEGREES 57 MINUTES 26 SECONDS EAST 150.00 FEET TO THE WESTERLY LINE OF SAID FIELD STREET; THENCE ALONG SAID WESTERLY LINE SOUTH 26 DEGREES 57 MINUTES 26 SECONDS EAST 100.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.344 ACRES.

Feasibility of the Brownfield Approval

- ✚ The City of Detroit Building, Safety Engineering, and Environmental Department has received the **Phase I Environmental Site Assessment**⁹ pursuant to USEPA’s guidelines.
- ✚ The site is currently vacant.
- ✚ The Structure does not meet market demand for residential use.
- ✚ Mechanical, electrical, and plumbing systems needs to be updated.
- ✚ Operating utilities need to be installed.
- ✚ The roof has active leaks.
- ✚ The building lacks windows.
- ✚ The building doesn’t have interior partitions.
- ✚ Residential units will be rehabilitated.
- ✚ New parking lot, with an automatic gate, a four foot fence, and hedge green space must be constructed.
- ✚ Concrete walkways must be constructed throughout the property.

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

Attachments: **ATTACHMENT E:** Estimated Cost of Eligible Activities Table
ATTACHMENT G: Environmental Assessment

⁹ The **Phase I ESA** (Environmental Site Assessment) is generally considered the first step in the process of environmental due diligence.

ATTACHMENT H: Incentive Information Chart and Q & A

cc: Auditor General's Office
Arthur Jemison, Chief of Services and Infrastructure
Katy Trudeau, Planning and Development Department
Donald Rencher, HRD
Veronica Farley, HRD
Stephanie Grimes Washington, Mayor's Office
Malinda Jensen, DEGC
Kenyetta Bridges, DEGC
Jennifer Kanalos, DEGC
Brian Vosburg, DEGC

ATTACHMENT E
Estimated Cost of Eligible Activities Table

The estimated cost of eligible activities is \$276,897. The total amount of increment tax revenues are \$448,326. For informational purposes, the eligible activities intended to be paid for with tax increment revenues are presented below:

Table 1: Eligible Activities Cost Estimates			
Item/Activity	Total Request	MSF Act 381 Eligible Activities	MDEQ Act 381 Eligible Activities
Pre-Approved Activities			
Phase I ESA	\$ 2,200		\$ 2,200
Hazardous Materials Survey	\$ 12,650		\$ 12,650
Pre-Approved Activities Sub-Total	\$ 14,850	\$ -	\$ 14,850
Demolition			
Building Demolition Activities	\$ 55,900	\$ 55,900	
Site Demolition Activities	\$ 19,350	\$ 19,350	
Demolition Sub-Total	\$ 75,250	\$ 75,250	\$ -
Asbestos and Lead Activities			
Asbestos Abatement	\$ 13,750	\$ 13,750	
Asbestos and Lead Activities Sub-Total	\$ 13,750	\$ 13,750	
Infrastructure Improvements			
Roads	\$ 7,000	\$ 7,000	
Sanitary Sewer Mains	\$ 23,500	\$ 23,500	
Infrastructure Sub-Total	\$ 30,500	\$ 30,500	
Site Preparation			
Temporary Facility	\$ 37,280	\$ 37,280	
Relocation of Active Utilities (Electric, Gas, Water, Sewer)	\$ 45,000	\$ 45,000	
Site Preparation Sub-Total	\$ 82,280	\$ 82,280	
Preparation of Brownfield Plan and Act 381 Workplan			
Brownfield Plan and Act 381 Work Plan	\$ 30,000	\$ 30,000	\$ -
Brownfield Plan and Act 381 Workplan Sub-Total	\$ 30,000	\$ 30,000	\$ -
Eligible Activities Sub-Total	\$ 246,630	\$ 231,780	\$ 14,850
15% Contingency*	\$ 30,267	\$ 30,267	\$ -
Developer Eligible Reimbursement Total	\$ 276,897	\$ 262,047	\$ 14,850
TIF Capture for Local Brownfield Revolving Fund	\$ 76,241	\$ -	\$ -
Administrative Fee	\$ 64,633		
State Brownfield Fund	\$ 15,111		
Total	\$ 432,883	\$ 262,047	\$ 14,850

*15% Contingency excludes preparation of Brownfield Plan/381 Work Plan and Pre-Approved Activities

ATTACHMENT G
Environmental Assessment

TO: THE DETROIT BROWNFIELD REDEVELOPMENT AUTHORITY

FROM: DETROIT, BUILDINGS, SAFETY ENGINEERING, AND ENVIRONMENTAL DEPARTMENT

PROJECT: 2119 FIELD/K8 PARTNERS LLC

DATE: August 21, 2019

The undersigned, from the City of Detroit, Buildings, Safety Engineering, and Environmental Department acknowledges the receipt of the environmental documents listed below, which have been submitted by PM Environmental on behalf of K8 Partners LLC, as developer, as part of its Brownfield Plan submittal to the Detroit Brownfield Redevelopment Authority (DBRA), for the 2119 Field Project.

- Phase I Environmental Site Assessment, pursuant to USEPA's. All Appropriate Inquiry using American Society of Testing Materials (ASTM) Standard E 1527-13
- Phase II Environmental Site Assessment, pursuant to ASTM Standard 1903 (if appropriate)
- Baseline Environmental Assessment, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).
- Due Care Plan, pursuant to Part 201 of Michigan's Natural Resources and Environmental Protection Act, MCL 324.20101 *et seq.* (if appropriate).

Based upon its review of the above environmental documents and the representations of the developer, the City of Detroit, Buildings, Safety Engineering, and Environmental Department agrees with the environmental consultant that there are no Recognized Environmental Concerns associated with the site and no further investigation of the site is warranted. The property would qualify only as a blighted property or as functionally obsolete. The Buildings, Safety Engineering and Environmental Department has determined that the documents received for this project satisfy the DBRA Guidelines.

City of Detroit, Buildings, Safety
Engineering, and Environmental
Department

By: Paul Max

Its: General Manager

**ATTACHMENT H
Incentive Information Chart**

Project Type	Incentive Type	Investment Amount	District
Multi-family residential	PA 146 – OPRA / Brownfield	\$2.46 Million	District 5

Jobs Available							
Construction				Post Construction			
Professional	Non-Professional	Skilled Labor	Non-Skilled Labor	Professional	Non-Professional	Skilled Labor	Non-Skilled Labor
2		70	1	1			

1. What is the plan for hiring Detroiters?

The Roy Company (the GC) has several Detroit-based contractors 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. In addition, should additional contractors be needed for the project, the Developer will reach out to the Skilled Trades Taskforce meetings to ensure Detroit based contractors benefit from the development.

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

It is anticipated that 1 full-time equivalent (FTE) permanent job associated with the management and maintenance aspects of the proposed development. The developer will be hiring skilled and non-skilled labor for all of the rehab and construction, which would include roofers, framers, electricians, plumbers, heating, window installation, insulators, drywallers, painters, finish carpenters, cabinets installers, flooring, clean up, security.

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

There are no current residents at the subject property that will need to be relocated as a result of this development. Rather, the development will create eight new housing units 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?

Members of the Development team are planning to reach out to local community groups regarding the new ownership and anticipated improvements to receive meaningful feedback on the anticipated project.

5. When is construction slated to begin?

Fall of 2019.

6. What is the expected completion date of construction?

Fall 2021.

Satellite View of the property



Picture of the property



Planned Development





CITY OF DETROIT 2020 JAN 15 PM 4:11

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

City of Detroit CITY COUNCIL

LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Christopher Gulock, AICP
Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Carolyn Nelson
Kim Newby
Analine Powers, Ph.D.
Jennifer Reinhardt
Sabrina Shockley
Thomas Stephens, Esq.
David Teeter
Theresa Thomas
Kathryn Lynch Underwood
Ashley A. Wilson

John Alexander
LaKisha Barclift, Esq.
M. Rory Bolger, Ph.D., AICP
Elizabeth Cabot, Esq.
Tasha Cowen
Richard Drumb
George Etheridge
Deborah Goldstein

TO: COUNCIL MEMBERS
FROM: David Whitaker, Director
Legislative Policy Division Staff
DATE: January 14, 2020
RE: City Club Apartments Brownfield Redevelopment Plan
PA 381 of 1996 **PUBLIC HEARING**

The Brownfield Redevelopment Financing Act 381 of 1996

The Brownfield Redevelopment Financing Act 381 of 1996 provides tax incentives (i.e. tax increment financing) to develop brownfields properties in an area at or on which there has been a release (or threat of release) or disposal of a hazardous substance.

CCA CBD Detroit LLC, a Delaware limited liability company, is the project developer and owner of the parcel in the City Club Apartments Plan, located at 313 Park Avenue, which is located on the former site of the historic *Statler Hotel*.¹ The hotel closed its doors and ceased operations in 1975 and was vacant for 30 years, until it was demolished in 2005.

The plan is to construct a mixed-use building on the site that will contain approximately 288 apartments, with 11,291 square feet of retail, additional commercial space and an underground parking garage with a capacity for approximately 396 vehicles. The Detroit City Council approved a Neighborhood Enterprise Zone (NEZ) for the parcel in 2016 and pursuant to the NEZ agreement dated July 15, 2016, twenty percent (20%) of the apartments (57)² will be offered as affordable housing for those with income not greater than 80% of area median income (AMI).³

¹ "The (Statler) hotel -- designed by George B. Post in the Italian and Renaissance Revival styles -- cost \$3.5 million to build (\$70.9 million today), making it Detroit's most expensive and luxurious hotel at the time. It also was the largest hotel in the Midwest when it opened, Feb. 6, 1915." **Statler Hotel** By DAN AUSTIN of HistoricDetroit.org <https://www.historicdetroit.org/buildings/statler-hotel>

² At the time of the agreement, the developer anticipated developing 287 apartments.

³ Detroit-Warren-Livonia 80% of AMI is \$42,750 (which equates to approximately \$1,068 for rent). --Section 8 Income Limits (2019) <https://www.huduser.gov/portal/datasets/il/il19/Section8-IncomeLimits-FY19.pdf>

The total overall investment in this project is estimated.⁴ The developer is requesting a **\$4,118,324 (without MSF work plan approval)⁵ or a \$6,510,156 (with MSF work plan approval) TIF,⁶** with the overall value of the plan estimated at **\$5,085,121 or \$11,309,617 (with MSF work plan approval)**, which includes local brownfield costs. It is currently anticipated that this project will create approximately 450 temporary construction jobs and 58 FTE jobs created under this Plan. Of the 58 FTE's, approximately 50 part time and full-time retail jobs are anticipated for the commercial and retail establishments and 8 full time jobs anticipated to be related to property management.. The reimbursement and the total costs allocation under the plan are indicated in the chart below (*without MSF work plan approval*) and on the following page (*with MSF work plan approval*):

**Estimated Cost of Eligible Activities Table
(without MSF work plan approval)**

Description of Eligible Activities	Estimated Cost
1. Brownfield Plan and Possible Work Plan Preparation	\$15,000
2. Baseline Environmental Assessment Activities	\$28,000
3. Additional Response Activities (effective 4/3/17, part of "Department Specific Activities")	\$0
4. Due Care Activities	\$0
5. Site Preparation	\$0
6. Infrastructure Improvements, including a 396 space parking garage, storm water management features and right of way improvements	\$4,060,324
7. Lead and Asbestos Survey and Abatement	\$0
8. Site Demolition	\$0
9. Brownfield Plan Implementation	\$15,000
10. Department Specific Activities Contingency (15%)	\$0
11. MSF Activities Contingency	\$0
Subtotal Site Eligible Activities	\$4,118,324
12. Interest	\$204,028
13. DBRA Administrative Fees	\$762,768
14. Local Brownfield Revolving Fund	\$0
15. State Brownfield Redevelopment Fund	\$0
Total Estimated Cost to be Funded Through TIF	\$5,085,121

⁴ At the time of the NEZ approval in 2016, the estimated investment in the project was \$65,000,000: LPD Report, Application of VG Statler City, LLC for a Neighborhood Enterprise Zone (NEZ) Certificate (Public Act 147 of 1992) in the area bounded by Park Avenue, Washington Blvd., Clifford and Bagley, dated July 6, 2016. A significant part by the additional costs were caused by the unknown underground obstructions and unforeseen cost conditions and circumstances, which now account for the majority of the increase.

⁵ In the event that the Michigan Strategic Fund ("MSF") does not approve the use of school taxes to reimburse eligible activity costs.

⁶ Tax Increment Financing (TIF) subsidizes an entity by refunding or diverting a portion of their taxes to help finance development in an area or on a project site.

**Estimated Cost of Eligible Activities Table
(with MSF work plan approval)**

Description of Eligible Activities	Estimated Cost
1. Brownfield Plan and Possible Work Plan Preparation	\$15,000
2. Baseline Environmental Assessment Activities	\$28,000
3. Additional Response Activities (effective 4/3/17, part of "Department Specific Activities")	\$0
4. Due Care Activities	\$0
5. Site Preparation	\$0
6. Infrastructure Improvements, including a 396 space parking garage, storm water management features and right of way improvements	\$6,452,156
7. Lead and Asbestos Survey and Abatement	\$0
8. Site Demolition	\$0
9. Brownfield Plan Implementation	\$15,000
10. Department Specific Activities Contingency (15%)	\$0
11. MSF Activities Contingency	\$0
Subtotal Site Eligible Activities	\$6,510,156
12. Interest	\$1,441,612
13. DBRA Administrative Fees	\$1,420,055
14. Local Brownfield Revolving Fund	\$994,472
15. State Brownfield Redevelopment Fund	\$943,322
Total Estimated Cost to be Funded Through TIF	\$11,309,617

Description of the Eligible Property & Legal Description

Address	Tax ID	Basis of Eligibility	Developer
313 Park Avenue	02000315-7	Facility	CCA CBD Detroit LLC

Property Subject to the Plan

ATTACHMENT B:

Legal Description of Eligible Property to which the Plan Applies

Land situated in the City of Detroit in the County of Wayne in the State of Michigan:

PARCEL 1:

Lot 16 and the South 40 feet of Lot 17 and the West 5 feet of vacated Washington Blvd. adjacent and 1/2 vacated alley West of and adjacent of Governor and Judges Plan of Section 10, as recorded in Liber 34 of Deeds, Page 553, Wayne County Records.

PARCEL 2:

Lot 26, also that part of the Westerly one-half of that portion of public alley, 20 feet wide, Governor and Judge's Plan as recorded in Liber 34, Page 553 of Deeds, Wayne County Records.

PARCEL 3:

North 20 feet of Lot 27, Block 10, also that part of the Westerly one-half of that portion of public alley, 20 foot wide, Governor and Judge's Plan, as recorded in Liber 34 of Deeds, Page 553, Wayne County Records.

PARCEL 4:

Lot 67 and West one-half of vacated alley formerly located on East side of Lot 67, also the East one-half of vacated alley formerly located on the West side of Lot 67, Section 10, Governor and Judges Plan, as recorded in Liber 34, Page 553 of Deeds, Wayne County Records.

PARCEL 5:

The South 40 feet of Lot 27, also that part of the Westerly one-half of that portion of public alley, 20 feet wide, Plat of Section 10, Governor & Judge's Plan as recorded in Liber 34, Page 553 of Deeds, Wayne County Records.

PARCEL 6:

Land in the City of Detroit, County of Wayne, Michigan, being all of Lots 16 through 24 of the Plan of Section 10 of the "Plat of the City of Detroit as laid out by the Governor & Judges", recorded in the Governor & Judges Journal, Wayne County, and in Liber 34 of Deeds, Page 553, Wayne County Records; also the vacated westerly 5.00 feet of Washington Blvd., vacated by the Common Council of the City of Detroit on January 2, 1912 and May 16, 1916; also that part of the Easterly one-half of that portion of public alley, 20 feet wide, adjoining Lots 16 thru 18, of above said Section 10 of the "Governor & Judges Plan of the City of Detroit."

Except for the Lot 16 and the South 40 feet of Lot 17 and the West 5 feet of vacated Washington Blvd. adjacent and 1/2 vacated alley West of and adjacent of Governor and Judges Plan of Section 10, recorded in Liber 34 of Deeds, Page 553, Wayne County Records.

PARCEL 7:

Lot Twenty-Five (25), also the Westerly one-half of that portion of public alley, 20 feet wide, of the Plan of Section 10 of the "Plat of the City of Detroit as laid out by the Governor & Judges", recorded in the Governor & Judges Journal, Wayne County, and in Liber 34 of Deeds, Page 553, Wayne County Records.

Basis of Eligibility

The Property is considered "eligible property" as defined by Act 381, Section 2 because (a) the Property was previously utilized for a commercial residential purpose; (b) it is located within the City of Detroit, a qualified local governmental unit under Act 381; and (c) the Property is a "facility" pursuant to Part 201.

The tax parcel included in this plan is a facility under Part 201 due to the presence of arsenic, lead, benzo(a)Pyrene, polychlorinated bi-phenyls, 1, 2-dichlorobenzene, 1, 3-dichlorobenzene, 1, 4-dichlorobenzene, and other hazardous substances above the Part 201 generic residential cleanup criteria.

Tax increments are projected to be captured and applied to (i) reimbursement of eligible activity costs and payment of DBRA administrative and operating expenses, (ii) make deposits into the State Brownfield Redevelopment Fund, and (iii) make deposits into the DBRA's Local Brownfield Revolving Fund, as follows:

Captured Taxes	Totals	Reimbursement of costs & Interest	DBRA Admin. Fees	State Redev. Fund	Local Brownfield Revolving Fund
School Operating Taxes	\$0	\$0	\$0	\$0	\$0
State Education Taxes	\$0	\$0	\$0	\$0	\$0
School Taxes Total	\$0	\$0	\$0	\$0	\$0
Wayne County Winter, Jail and Parks	\$1,423,381	\$1,209,874	\$213,507	\$0	\$0
REBA	\$3,661,739	\$3,112,479	\$549,261	\$0	\$0
Local Taxes Total	\$5,085,120	\$4,322,352	\$762,768	\$0	\$0
Total Captured Incremental Taxes	\$ 5,085,120	\$ 4,322,352	\$ 762,768	\$ -	\$ -

In addition, in the event that school taxes are not approved by the MSF for use in the reimbursement of MSF eligible costs, the following taxes are projected to be generated but shall not be captured during the life of this Plan:

City Debt	\$5,971,462
School Debt	\$8,625,445
DIA Tax	\$132,699
Zoo Tax	\$66,350
Total Debt and Special Millages	\$14,795,955

Eligible Activities and Projected Costs

The “eligible activities” that have been carried out or are intended to be carried out at the Property are considered “eligible activities” as defined by Section 2 of Act 381, because they consist of infrastructure improvements and interest. The adoption of this Plan is being requested after the commencement of construction due to the discovery of significant unknown underground obstructions during construction. Due to the location of the obstructions over 30 feet below grade, the extent, type, thickness and cost to remove the obstructions could not reasonably have been discovered and determined prior to the commencement of construction.

The extent of the problem was not known until deep, difficult underground work was conducted. This necessitated revision of planned measures required under the EPA-approved PCB remediation plan and EGLE-approved work plan after experts were consulted as to how to break, cut and remove PCB-contaminated, concrete encased, steel I-beams more than 30 feet below grade.

Although eligible activities in connection with the Project are expected to exceed \$10,000,000, **the Developer is requesting approval of only Six Million Five Hundred Ten Thousand One Hundred Fifty-Six Dollars (\$6,510,156)** of these costs, which amount corresponds to the additional costs that have been incurred due to the discovery of the unknown underground obstructions. Further, in the event that the Michigan Strategic Fund (“MSF”) does not approve the use of school taxes to reimburse eligible activity costs, **the Developer seeks approval for only Four Million One Hundred Eighteen Thousand Three Hundred Twenty Four Dollars (\$4,118,324)** of the eligible activity costs and interest.

In addition to the Brownfield, the Developer has received approval of property tax abatements under the Neighborhood Enterprise Zone Act, PA 147 of 1994, as amended (NEZ) and a Commercial Rehabilitation Act tax abatement, PA 210 of 2005. If approved, the approved NEZ certificates will reduce the residential property tax obligations of the property for the period applicable under each abatement certificate, and the PA 210 will reduce the taxable obligation for the commercial portion of the property, thereby reducing the amount of tax increment revenues available pursuant to this plan for the City Club Apartments mixed-use project. **The period for this Brownfield request is for 30 years.**

Feasibility of the Brownfield Approval

The overall project consists of the construction of a mixed-use building that will contain approximately 288 apartments, 11,291 square feet of retail and other commercial space and an underground parking garage with capacity for approximately 396 vehicles. Over 100 of the parking spaces are expected to be available for parking for the general public, including customers of the retail businesses in the building, with daytime capacity for public parking expected to be approximately 200 vehicles.

The project encountered over \$6,500,000 of unexpected costs due to substantial, deep previously unknown underground obstructions including concrete encased steel I-beams contaminated by PCBs and other contaminants. Substantial additional effort was required approximately 30’ below grade in the Winter of 2016-2017 to identify and remove and properly dispose of these obstructions, causing delays in the project timeline. The additional costs

include winter conditions, special equipment for deep excavation, torch-cutting of steel I-beams, removal and disposal of contaminated steel, soils and concrete and similar costs.



Pictures of some of the unexpected underground obstructions

The cleanup plan consists of 1) removing and properly disposing the PCB contamination at levels greater than 100 ppm⁷ from the property, 2) construction a new building on the property and using the building itself or clean fill as a cap, and 3) placing a restricted covenant (deed restriction) on the delineated PCB contamination area that is designated as a low-occupancy area and requiring preservation of a newly installed cap.⁸

The project implements several notable “green” construction aspects, including:

1. 9,179 square feet of vegetated green roof system.
2. Drip irrigation for landscape beds, including evapotranspiration (ET) based irrigation controller with rain sensor.
3. ICC 700-2012 National Green Building Standard™⁹

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

⁷ Removing (PCB) Polychlorinated Biphenyl at levels greater than 100 Parts Per Million (ppm)

⁸ *Source, page 5 SME PCB Remediation Notification and Certification Work Plan CCA CBD Detroit Redevelopment Former Statler Hotel Site*, dated September 9, 2016

⁹ A new green multifamily building can be awarded a Bronze, Silver, Gold, or Emerald certification level, depending on the number of green practices successfully incorporated in its design and construction. Existing multifamily buildings can also attain one of the four levels of certification when remodeled according to the requirements of the NGBS. Home Innovation Research Labs certifies the entire building, not individual apartments.

cc: Auditor General's Office
Arthur Jemison, Chief of Services and Infrastructure
Katy Trudeau, Planning and Development Department
Donald Rencher, HRD
Veronica Farley, HRD
Stephanie Grimes Washington, Mayor's Office
Malinda Jensen, DEGC
Kenyetta Bridges, DEGC
Jennifer Kanalos, DEGC
Brian Vosburg, DEGC

Site Map



City of Detroit

CITY COUNCIL

COUNCIL PRESIDENT BRENDA JONES

INCENTIVE INFORMATION CHART:

Project Type	Incentive Type	Investment Amount	District				
Mixed use	Brownfield plan	\$92,000,000*	6				
*Investment has increased since commencement of project							
Jobs Available							
Construction				Post Construction**			
	Non-Professional	Skilled Labor	Non-Skilled Labor		Non-Professional	Skilled Labor	Non-Skilled Labor
5	10	285	150	4	42	6	6

**Primarily expected jobs by tenants. An estimated 8 jobs will be created by the Developer.

1. What is the plan for hiring Detroiters?

Detroit-based contracting and employment—The Developer has a binding agreement to comply with the Mayor’s executive orders under the Development Agreement signed in 2015 with the DDA.

- The Developer worked with the D2D Business Program as a vehicle for engaging Detroit-based contractors, vendors and suppliers for all phases of the Project.
- Retail tenants will be connected with Detroit Employment Solutions to aid in recruiting Detroit residents for jobs.

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

- 50 part time and full time retail jobs expected for the commercial and retail establishments.
- 8 full time apartment employees will be engaged.

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

No. New residents to Detroit are expected to be attracted to live at the property.

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

There has been outreach to the downtown business organizations and to other neighboring property owners. Specifically, the Capital Park Neighborhood group supported the project on the record at the Historic Commission meeting (when the Certificate of Appropriateness was issued).



City of Detroit

CITY COUNCIL

COUNCIL PRESIDENT BRENDA JONES

5. When is construction slated to begin?

Construction began in the Fall of 2016.

6. What is the expected completion date of construction?

Early, 2020.

*Please contact Linda Wesley at (313) 628-2993 or wesley1@detroitmi.gov to schedule a date to attend the Skilled Trades Task Force.