



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

Phone: 313.224.6380
Fax: 313.224.1629
www.detroitmi.gov

96

April 27, 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 4122 Grand River, LLC in the area of 4122 and 4126 Grand River, Detroit, Michigan, in accordance with Public Act 146 of 2000 (Petition # 1158).

Honorable City Council:

The Housing and Revitalization Department has reviewed the application of **4122 Grand River, 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,

A handwritten signature in blue ink, appearing to read "Donald Rencher".

Donald Rencher
Director

DR/ml

cc: A. Peeples, Mayor's Office
K. Trudeau, P&DD
D. Rencher, HRD
M. Langston, HRD



Housing and Revitalization
Department

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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, **4122 Grand River, LLC** has filed an application for an Obsolete Property Rehabilitation District whose boundaries are particularly described in the map and legal description attached hereto; and

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

NOW THEREFORE BE IT

RESOLVED, that on the _____, 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.

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

DEPARTMENTAL REFERENCE COMMUNICATION

Friday, December 13, 2019

To: The Department or Commission Listed Below

From: Janice M. Winfrey, Detroit City Clerk

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

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

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

1158 *4122 Grand River, LLC, request the establishment of an Obsolete Property
Rehabilitation District at 4122 and 4126 Grand River.*

4122 Grand River, LLC
42 Watson Street, Suite D
Detroit, MI 48201

December 10, 2019

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

RE: Request for the Establishment of an Obsolete Property Rehabilitation District at 4122 and 4126 Grand River.

Honorable City Council,

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Development District for the property located at 4122 and 4126 Grand River, Detroit MI and described in Attachment A.

4122 Grand River LLC is a Michigan (The Entity) limited liability company consisting of 4 partners with equal ownership percentages. Scott Seltzer and Kevin Kovachevich acting as Co-Managers with authority to make any and all decisions related to the Entity. This Entity was established to acquire 4122 Grand River and 4126 Grand River, an approximate 4,800 square foot vacant and uninhabitable commercial building. Our proposed plan is to lease the entire two-story building to a single tenant. The proposed tenant will utilize the second-floor space as a private music studio, podcast studio and private offices. The first-floor space will be proposed retail that fits with the theme of the building. It could include a clothing/record space along side a coffee/snack space next door. The project will strengthen the Woodbridge neighborhood by reusing this vacant building and making the neighborhood more attractive to new residents and visitors.

The request to establish 4122 Grand River and 4126 Grand River as a Development District is pursuant to Michigan Compiled Law (MCL) Section 125.2783, Section 3 Part 2 that states "The legislative body of a qualified local governmental unit may establish an obsolete property rehabilitation district on its own initiative or upon a written request filed by the owner or owners of property comprising at least 50% of all taxable value of the property located within a proposed obsolete property rehabilitation district." As stated above, Scott Seltzer and Kevin Kovachevich, as acting Co-Managers of The Entity, we comprise 50% of the taxable value of the property.

This building would not be rehabilitated without the applicant's receipt of the OPRA exemption certificate. We believe as Owners the rehabilitation and future economic feasibility of this property needs the OPRA. It is necessary for tax relief in order to allow this project to proceed and enhance this area of Detroit, adding at least 4-8 new jobs to the local community. Presently, the site has no full-time staff, where the tax relief will allow at least 4-8 new jobs upon stabilization.

Significant capital investment is needed to rehabilitate the building. The entire building has been vacant for decades and is in dire need of repair to bring it up to code and allow it to be safe for users. It will require the full cadre of improvements and equipment to permit a market development to operate efficiently and to attract new business and consumers to the area, including new floors, new roof, new foundation, new HVAC, new furnaces, etc. Per the attached Construction Budget, the total renovation cost is estimated to be \$700,000.

The project has been evaluated by several local Lenders, including local banks and credit unions who are excited about the proposed project. Upon completion of this process, we will engage our desired Lender and be on the path towards starting construction. Our goal is to begin Construction in Spring 2020

4122 Grand River, LLC is requesting an exemption for the full twelve (12) years.

As previously eluded to, the economic advantages of the project are significant. It will remove a blighting vacant building and convert it to a viable commercial space to facilitate the arts, namely creating music and video production in a professional studio. The retail portion is expected to house a clothing/record space along with a coffee/sandwich type shop to allow for the local community to use it as a meeting place, beyond a destination simply for those utilizing the studio. The destination aspect of the development will further expand the viability of the Woodbridge neighborhood and the additional patronage will encourage the further development of the residential and commercial business along Grand River, thereby attracting more residents. All taxes are presently current and in the short term bring in additional income taxes and in the long term (after the twelve (12) year abatement period, significantly expand property taxes). No additional incentives are being requested.

We are completely dedicated to the City of Detroit in our efforts to provide a high-quality commercial development that positively impacts the residents and patrons of Woodbridge, while at the same time creating a profitable venture to the benefit of investors and the City. This project will be an excellent public private partnership where the City is providing the incentives to make the project feasible. It is a win-win situation, where the City earns more tax revenue and improves the neighborhood to encourage more investment. Without the incentive, the project would not be economically feasible and would not move forward.

Respectfully submitted,



4122 Grand River, LLC
Scott Seltzer
(248) 752-3535
scott@coreseniorcare.com

Attachment A: Site Map that includes the parcel(s) of property / legal description

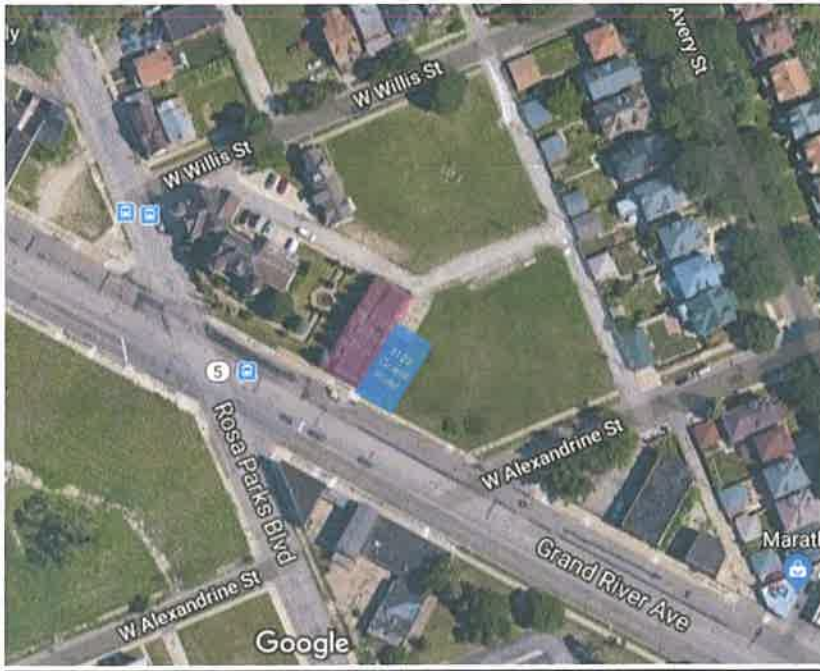
Attachment B: Paid receipt of Current Taxes

Attachment C: Financing Commitment Letter

Attachment D: Construction Budget

cc: Ashley McLeod, Housing and Revitalization Department
Nicholas Marsh, Detroit Economic Growth Corporation

4122 & 4126 Grand River Avenue



4122 Grand River



Legal Description N GRAND RIVER 2 SUB OF P C 227 L138
P12 DEEDS, W C R 8/60 25 X 100

4126 Grand River



Legal Description N GRAND RIVER 3 SUB OF P C 227 L138
P12 DEEDS, W C R 8/60 25 X 100



Step 1: Select Payments

Step 2: Review and Submit

Step 3: Confirmation and Receipt

Step 3: Confirmation and Receipt

Result: Payment Authorized

Confirmation Number: 66982738

Your payment has been authorized successfully and payment will be processed.

The City of Detroit Thanks You for your payment. Thank you for using our bill payment services.

Please save or print a copy of this receipt for record keeping purposes.

My Bills

Description	Amount
Full Summer Tax Payment payment of \$212.19 on Parcel Number 08001173.	\$212.19

Customer Information

First Name: Adam
 Last Name: Kessler
 Address Line 1: 500 Woodward
 Address Line 2:
 City: Detroit
 State: Michigan
 Zip Code: 48226
 Phone Number: 2489333573
 Email Address: adam@cliviccompanies.com

Subtotal:	\$212.19
Convenience Fee:	\$5.30
Total Payment:	\$217.49

Payment Information

Payment Date: 11/15/2019
 Card Type: American Express
 Card Number: *****003

Print



Step 1: Select Payments

Step 2: Review and Submit

Step 3: Confirmation and Receipt

Step 3: Confirmation and Receipt

Result: Payment Authorized

Confirmation Number: 66982359

Your payment has been authorized successfully and payment will be processed.

The City of Detroit Thanks You for your payment. Thank you for using our bill payment services.

Please save or print a copy of this receipt for record keeping purposes.

My Bills

Description	Amount
Full Summer Tax Payment payment of \$559.36 on Parcel Number 08001174.	\$559.36

Customer Information

First Name: Adam
 Last Name: Kessler
 Address Line 1: 500 Woodward
 Address Line 2:
 City: DETROIT
 State: Michigan
 Zip Code: 48226
 Phone Number: 2489333573
 Email Address: adam@civiccompanies.com

Subtotal:	\$559.36
Convenience Fee:	\$13.98
Total Payment:	\$573.34

Payment Information

Payment Date: 11/15/2019
 Card Type: American Express
 Card Number: *****003

Print

4122 - 4126 GRAND RIVER - PROJECT COSTS

DESCRIPTION	Cost	
Dumpsters	4,500	
Site Prep	8,500	
Landscape		
Fence -Temp	3,500	
Demo	31,500	
TOTAL SITE		\$48,000
Foundation	1,665	
Flatwork	6,770	
Masonry	9,460	
Concrete Materials	4,525	
Finish Materials	5,600	
Steel-Stair	20,000	
Carpentry	90,000	
Finish Carpentry	4,400	
Roofing	44,000	
Windows	6,500	
H.M. and Hardware	1,900	
Glass	5,600	
Flooring	10,596	
Ceramic Tile	9,416	
Paint	23,150	
Overhead Doors	16,000	
Toilet Accessories	1,500	
Waterproof Deck	4,600	
Deck Pavers	3,500	
Specialty Doors	20,900	
Cabinets/Tops	15,750	
TOTAL BUILDING		\$305,832
Plumbing	34,675	
HVAC	29,500	
Electric	63,750	
Interior Point up	20,000	
TOTAL MECHANICAL		\$147,925
General Conditions	21,250	
Supervision	10,000	
Engineering	38,500	
Permits & Fees	15,000	
Insurance	5,015	
TOTAL SOFT COSTS		\$89,765
SUB TOTAL		\$591,522
Mark Up (%)		\$62,500
GRAND TOTAL		\$654,022
Contingency		\$45,978
CONTRACT AMOUNT		\$700,000

2019-12-13

1158

1158 *Petition of 4122 Grand River, LLC,
request the establishment of an
Obsolete Property Revitalitation
District at 4122 and 4126 Grand River.*

REFERRED TO THE FOLLOWING DEPARTMENT(S)

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



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

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
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WWW.DETROITMI.GOV

January 6, 2020

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

Re: **Obsolete Property Rehabilitation District – 4122 Grand River LLC**
Property Address: 4122 and 4126 W Grand River
Parcel Numbers: 08001174. And 08001173.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **4122 and 4126 W. Grand River** in the **Woodbridge** area in the City of Detroit.

The rationale for creating Obsolete Property Rehabilitation Districts under PA 146 of 2000, as amended, is based on the anticipation of increased market value upon completion of new construction and /or significant rehabilitation of existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

4122 Grand River LLC plans to rehabilitate the two vacant two-story retail/apartment buildings with a total of 5,901 square feet of building area, built in 1900 on .114 acres of land into a private music studio, podcast studio and private offices on the second floor and retail on the first floor to match the theme of the second floor. The buildings have been vacant for decades and major renovation include new floors, new roof, new foundation, new HVAC and new furnaces and new plumbing and electrical systems.

This property meets the criteria set forth under PA 146 of 2000, as amended. It applies to blighted, functionally obsolete and contaminated properties. "Rehabilitation," meaning that changes to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation also includes deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, adding additional stories to a facility or adding additional space on the same floor level not to exceed 100% of the existing floor space on that floor level, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the obsolete property to an economically efficient condition.

A field investigation indicated that the proposed Obsolete Property Rehabilitation District located at **4122 and 4126 W. Grand River** is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

Sincerely,

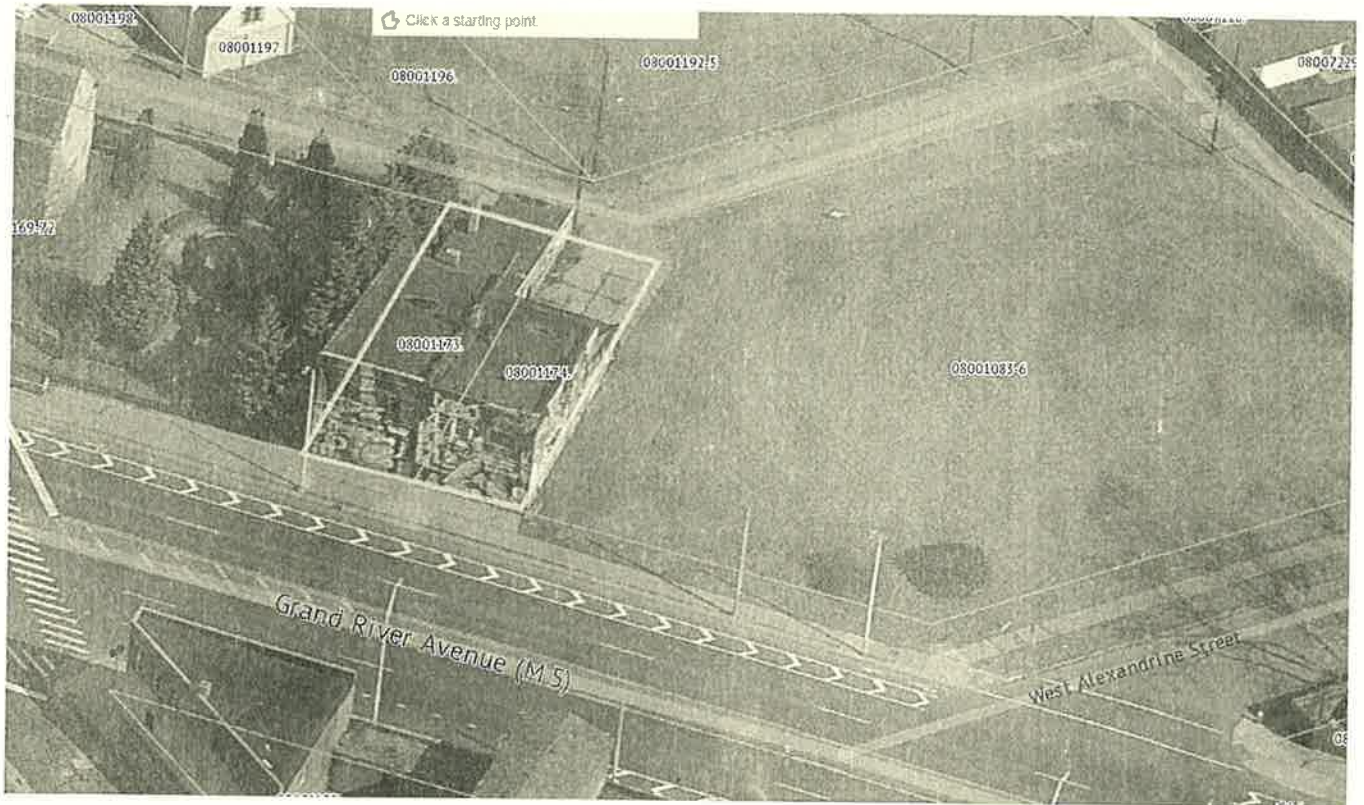
Charles Ericson, MMAO
Assessor, Board of Assessor



Obsolete Property Rehabilitation District
4122 Grand River LLC
Page 2

PARCEL NUMBER	PROPERTY ADDRESS	OWNER NAME	LEGAL DESCRIPTION
08001173.	4126 W GRAND RIVER	4122 GRAND RIVER LLC	N GRAND RIVER 3 SUB OF P C 227 L138 P12 DEEDS, W C R 8/60 25 X 100
08001174.	4122 W GRAND RIVER	4122 GRAND RIVER LLC	N GRAND RIVER 2 SUB OF P C 227 L138 P12 DEEDS, W C R 8/60 25 X 100

The legal description matches the OPRA district request.





TO: Matthew Langston, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 4122 and 4126 Grand River (Associated to Petition #1158)
DATE: January 10, 2020
CC: Katharine Trudeau, Deputy Director, Planning and Development
Kevin Schronce, PDD Central, Planning and Development
Karen Gage, PDD Zoning, Planning and Development

In order to ensure that the **creation** of an **Obsolete Property District** is in conformance with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 146 of 2000 (section 125.2788), the Planning and Development Department submits the following interpretation. The Petitioner is 4122 Grand River, LLC.

Location and Project Proposal: 4122 and 4126 Grand River; Project site is an approximate 4,800 square foot vacant commercial building. Project proposes to lease the entire two-story property to a single tenant. The proposed tenant will utilize the second-floor space as a private music studio, podcast studio, and private offices. The first-floor space will be proposed retail that fits the theme of the building.

Current Master Plan (MP) & Zoning: MP Classification – Mixed Residential-Commercial (MRC);
Zoning – B4 General Business District

Master Plan Interpretation

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

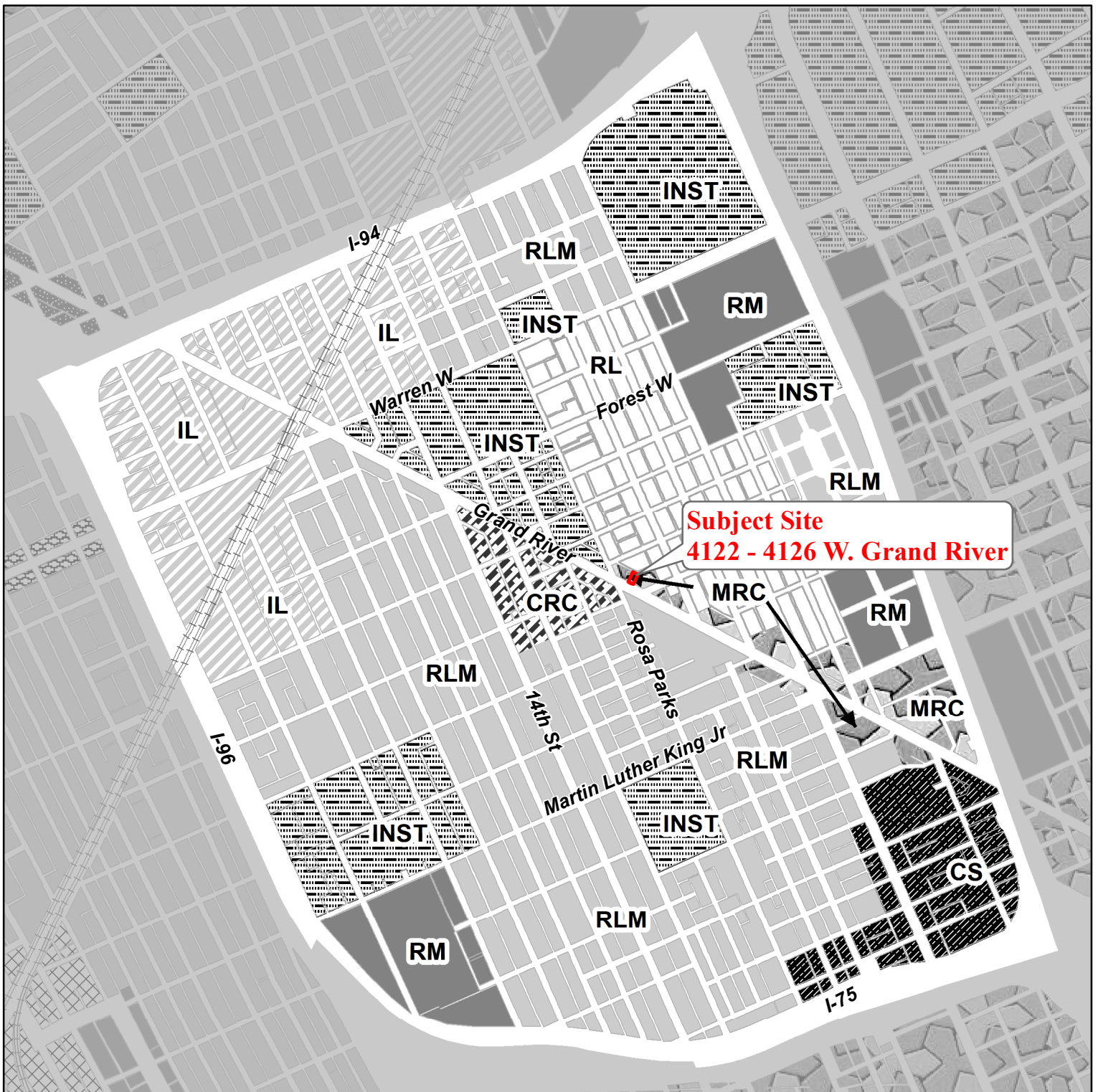
The following policies of the Jeffries neighborhood describe the following recommendations:

- Policy 4.1: Encourage high-density mixed-use development to replace obsolete commercial properties along Grand River

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

Attachments

Future General Land Use Map: Neighborhood Cluster 4, Jeffries; Map 4-3B



Map 4-3B
City of Detroit
Master Plan of
Policies

Neighborhood Cluster 4
Jeffries



Future Land Use

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

