

To: Detroit Historic District Commission ("Commission")

From: Polaris Construction, Inc.

Date: August 27, 2025

Subject: Recommendation for Demolition of 14501-14523 E. Jefferson, Detroit, MI 48215

(collectively, the "Properties")

I. Executive Summary:

This report is respectfully submitted to the Commission to request approval for the demolition of the structures located on the above-referenced Properties. The Properties consist of four lots (Lots 9, 10, 11, and 12; see **Exhibit A – Survey** for details). Lot 9 is currently a flat asphalt parking lot. Lots 10 and 11 (14501–14515 E. Jefferson) contain multiple structures that have been opened and connected to function as a single retail building. Lot 12 (14512 E. Jefferson) has a separate entrance and was previously occupied by a Chinese restaurant.

Due to significant deterioration, all of the buildings are structurally unsound and economically impractical to restore (see **Exhibit B – Exterior/Interior Photographs**). Moreover, demolition of the structures on Lots 10 and 11 (14501–14515 E. Jefferson) would further compromise the structural integrity of the building on Lot 12 (14521 E. Jefferson).

If any portion of the front facia of Lot 12 (14521 E. Jefferson) (e.g., colored tile) is deemed to be historically valuable, then stock material can be removed prior to demolition, held by Jefferson East Inc, and used as reclaimed tile on a new development.

II. Structural Condition:

I have conducted multiple independent inspections and structural assessments of the buildings on Lots 10, 11, & 12 (collectively, the "Buildings") and have confirmed that all Buildings at the Properties have been severely compromised. Specific issues include:

- 1. <u>Foundation failure</u>: The foundation of all Buildings are cracked and sinking in multiple areas, with signs of severe erosion and instability.
- 2. <u>Buckling walls</u>: The exterior and interior load-bearing walls of the Buildings are visibly bowing and cracking, posing the risk of imminent collapse.
- 3. <u>Waving floors</u>: The floors throughout the Buildings are uneven and warped, signaling systemic structural deterioration beneath the surface.
- 4. <u>Roof collapse</u>: Much of the roof for the Buildings has collapsed, causing further internal damage, exposure to the elements, and accelerating the building's decline.

These conditions not only render the Buildings unsafe but also make it non-compliant with local building codes. Emergency stabilization efforts have been deemed insufficient and unsustainable given the severity of the damage.



III. Public Safety Concerns:

The current state of the building poses a significant safety hazard to the community, including:

- 1. Risk of collapse or falling debris
- 2. Attracting trespassers, vagrancy, and illegal activity
- 3. Fire hazards due to exposed materials and lack of fire suppression systems
- 4. Potential liability for injuries or property damage
- 5. Local emergency services have expressed concern regarding the dangers the structure presents, especially during inclement weather or in the event of further deterioration.

IV. Lack of Historical Value:

The property owner has spoken with Garrick Landsberg of the City of Detroit and Garrick believes that the front facia (specifically the colored tile) on the front of the building on Lot 12 (14521 E. Jefferson) has distinct character. While the front facia may be considered to have distinct character, the rest of the structure is unsound. Other than some colored tiles, the Buildings do not have any architectural, cultural, or historical significance, nor are the Buildings listed on the National Register of Historic Places nor associated with any notable events, individuals, or design styles. The current structure has undergone extensive, undocumented alterations over the years, stripping it of any historical integrity it may have once had.

V. Economic Infeasibility:

A cost-benefit analysis comparing restoration to demolition and new construction yielded the following findings:

Restoration cost estimate: \$200 per ft plus cost overruns. Est the current buildings ~5k sq ft.

Demolition and new construction estimate: \$40,000+ for demolition and \$1M for new construction.

Estimated rental rate per ft: At \$10/ft x 5k sq ft or \$50,000 per yr (\$4,100/m) in rental income.

Debt Service: Debt Service on \$1M at 6.5% interest is \$12,171 per month, which exceed monthly rental income.

Given the extreme state of disrepair, restoration would necessitate full-scale reconstruction rather than simple refurbishment. The financial burden of such a project is unjustifiable in light of the absence of historical value and the existence of more practical, cost-effective alternatives. Furthermore, no financial institution would be willing to provide funding, as rental rates are insufficient to support debt service on new construction.

VI. Conclusion & Recommendation:

In summary, the buildings located at 14501–14523 E. Jefferson, Detroit, MI 48215 are beyond reasonable repair, pose a threat to public safety, lack historical significance, and would require exorbitant funding—funding that is unavailable—rendering restoration economically infeasible.



Accordingly, we respectfully recommend that the Historic District Committee approve the demolition of the building located at 14501–14521 E. Jefferson, Detroit, MI 48215. Such action would enable responsible redevelopment of the site in a manner that more effectively serves the safety, aesthetic, and economic needs of the surrounding community.

VII. Attachments:

Exhibit A – Survey of the Property
Exhibit B – Interior and exterior photos

Please contact me at 917-753-6000 with any questions or to arrange a site visit.

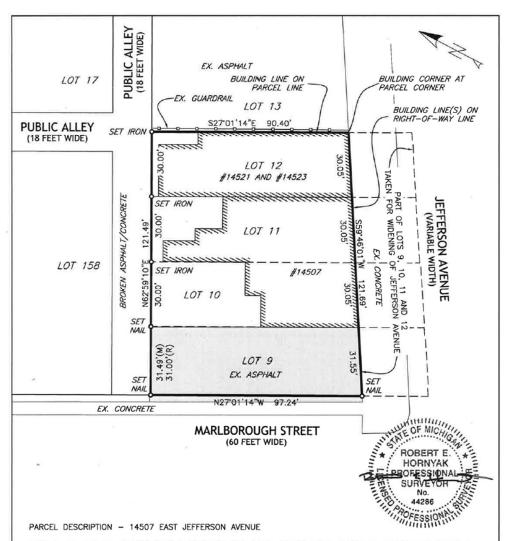
Sincerely, Polaris Construction, Inc

Robert Kato President



EXHIBIT A SURVEY - 14501-14523 E. Jefferson, Detroit, MI 48215





LOTS 9, 10, AND 11, EXCEPT THAT PART TAKEN FOR ROAD, POINTE VIEW, JOSEPH S. VISGER AND EDGAR J. HITCHINGS SUBDIVISION, OF THAT PART OF LOT 1 OF THE SUBDIVISION OF THE EAST 1/2 OF PRIVATE CLAIM 321, BETWEEN JEFFERSON AVENUE AND LAFFERTY ROAD, GROSSE POINTE TOWNSHIP (NOW CITY OF DETROIT), WAYNE COUNTY, MICHIGAN, AS RECORDED IN LIBER 17 OF PLATS, PAGE 87, WAYNE COUNTY RECORDS.

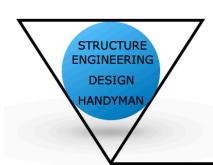
PARCEL DESCRIPTION - 14521 AND 14523 FAST JEFFERSON AVENUE

LOT 12, POINTE VIEW, JOSEPH S. VISGER AND EDGAR J. HITCHINGS SUBDIVISION, OF THAT PART OF LOT 1 OF THE SUBDIVISION OF THE EAST 1/2 OF PRIVATE CLAIM 321, BETWEEN JEFFERSON AVENUE AND LAFFERTY ROAD, GROSSE POINTE TOWNSHIP (NOW CITY OF DETROIT), WAYNE COUNTY, MICHIGAN, AS RECORDED IN LIBER 17 OF PLATS, PAGE 87, WAYNE COUNTY RECORDS.

NOTE:

THE DESCRIPTION PROVIDED FOR 14521 AND 14523 EAST JEFFERSON AVENUE DOES NOT EXCEPT A PART OF LOT 12 TAKEN FOR THE WIDENING OF EAST JEFFERSON AVENUE. BASED ON THE DESCRIPTION FOR 14507 EAST JEFFERSON AVENUE EXCEPTING A PART OF LOTS 9, 10 AND 11 FOR THE WIDENING OF JEFFERSON AVENUE, AND BASED ON FIELD OBSERVATIONS, IT WOULD APPEAR THAT THE DESCRIPTION FOR 14521 AND 14523 EAST JEFFERSON AVENUE SHOULD EXCEPT PART OF LOT 12 FOR THE WIDENING OF EAST JEFFERSON AVENUE.

BEARINGS ARE BASED ON THE MICHIGAN STATE PLANE COORDINATE SYSTEM.



SARK & ASSOCIATES

ENGINEER ◆ DESIGN ◆ BUILD

greq@sarkassoc.com

May 7, 2025

Mr. Steven Nofar 32600 Telegraph Rd, Ste 100 Bingham Farms, Michigan 48025

Dear Mr. Nofar:

RE: Structural Inspection of Buildings at 14501 & 14521 E Jefferson Ave, Detroit

Description and Scope of Work

The buildings are connected and are constructed with mostly concrete, masonry and wood materials. The buildings have been vacant for several years and are in a severe state of disrepair on the exterior and interior, and should be considered a hazard to public safety. The floors are a combination of concrete slab-on-grade and platform wood framing. The exterior is mostly brick with stone facade and trim details. Windows are missing and/or boarded over. It appears the interior was mostly plaster and lath. I inspected the exterior and the interior only from the entry doors. The building is currently unsafe for entry.

Foundation

The foundation is not visible for inspection. However, there are multiple locations with evidence of prior settlements. These are indicated by crack patterns in the brick mortar joints, and visible separations between buildings. The slab floors have buckled and have significant settlements.

Floor Framing

The framed floors are rotted and mostly collapsed and require full replacement.

Exterior Walls

Most of the framed walls have rotted wood that requires full replacement. The brick walls have significant water damage causing loose or empty mortar joints and decayed bricks, as well as corroded and distorted steel lintels over windows and doors. These walls would require full replacement, materials dependent on new architectural plans.

Roof

All of the roofs have either rotted wood or fully collapsed. These require full replacement.

Conclusions

The condition of these buildings is such that a full teardown and rebuild is recommended, for the following reasons:

- The buildings are currently unsafe for contractors to work on the interior and the roof.
- Reconstruction of the roof requires structurally sound and stable exterior walls, which do not exist.
- The exterior walls are not structurally sound and are unstable in the current condition.
- The foundation shows signs of past settlements and would require reconstruction of those specific areas.
- Other areas of the foundation can only be evaluated by excavation, which requires the exterior walls to be demolished.
- Interior load-bearing walls require reconstruction.

In conclusion, the buildings cannot be safely renovated and should be demolished to avoid becoming a more severe hazard to public safety.

Thank you for the opportunity to be of service and if you have any questions with regards to this letter report please <u>email</u> me.

SARKISIAN ENGINEER

ESSIONO OF

Sincerely,

Gregory Sarkisian, P.E.

Gugny Sonhi-

Northville Michigan 48167 www.sarkassoc.com



August 27th, 2025

Detroit Historic District Commission Coleman A. Young Municipal Center 2 Woodward Avenue Suite 808 Detroit, MI 48226

RE: Demolition of 14501-14521 E. Jefferson

Dear Honorable Commission Members,

Jefferson East, Inc. (JEI) is supportive of efforts to demolish 14501 and 14521 E. Jefferson Ave. As the organization that established the Jefferson Chalmers Historic Business District in 2007 and that has successfully redeveloped four historic buildings in the district (14300 and 14628 E Jefferson & 910 and 1031 Marlborough), we do not often support such requests. The decision to support this request is based on several key factors:

- 1. Both buildings have experienced severe degradation and structural deterioration over the past several decades. In addition, 14501 was subjected to fire-bombing in 2008-2009 which lead to extensive fire damage.
- 2. Given the low retail rents in the area and high construction costs, the redevelopment of small historic structures is not economically feasible. Recently, JEI completed an analysis that indicated that in order to successfully rehab smaller historic retail buildings in the area, the properties would need to be able to command rents of more than \$37/square foot. Current retail rents in the historic Jefferson Chalmers Business District range between \$7-\$12/square foot.
- 3. In 2022, the City of Detroit elected to not implement an innovative economic development tool, a Targeted Redevelopment Area or TRA, for the historic Jefferson Chalmers Business District. This multi parcel Tax Increment Finance District would have generated more than \$94 million in support for the redevelopment of historic structures in the area and help fill the previously mentioned development gaps. Absent the TRA, JEI has shifted its economic development activities towards creating larger cleared sites that could be redeveloped into and/or support larger scale developments that have smaller development gaps. Demolition of 14501-14521 is in alignment with this new strategy.

While we are supportive of the demolition of these two blighted and dangerous structures, we would request that the historic tile that adorn the façade of 14521 E. Jefferson be preserved by the applicant so that they could be included in a future redevelopment project. JEI would be happy to receive and hold these tiles for their potential inclusion in several upcoming development projects within the historic Jefferson Chalmers Business District

Sincerely,

Joshua R. Elling

CEO



Accordingly, we respectfully recommend that the Historic District Committee approve the demolition of the building located at 14501–14521 E. Jefferson, Detroit, MI 48215. Such action would enable responsible redevelopment of the site in a manner that more effectively serves the safety, aesthetic, and economic needs of the surrounding community.

VII. Attachments:

Exhibit A – Survey of the Property Exhibit B – Interior and exterior photos

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Sincerely,

Polaris Construction, Inc

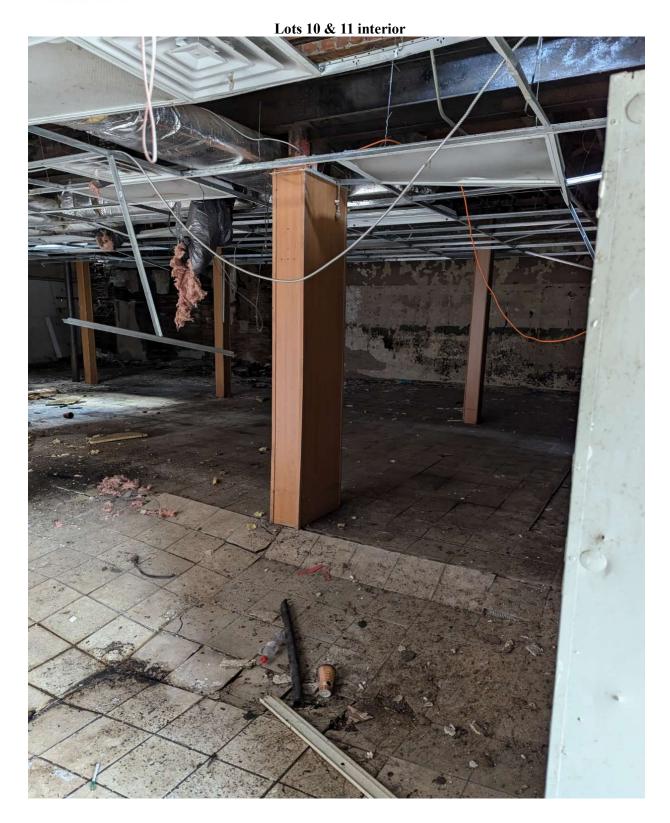
Robert Kato

President

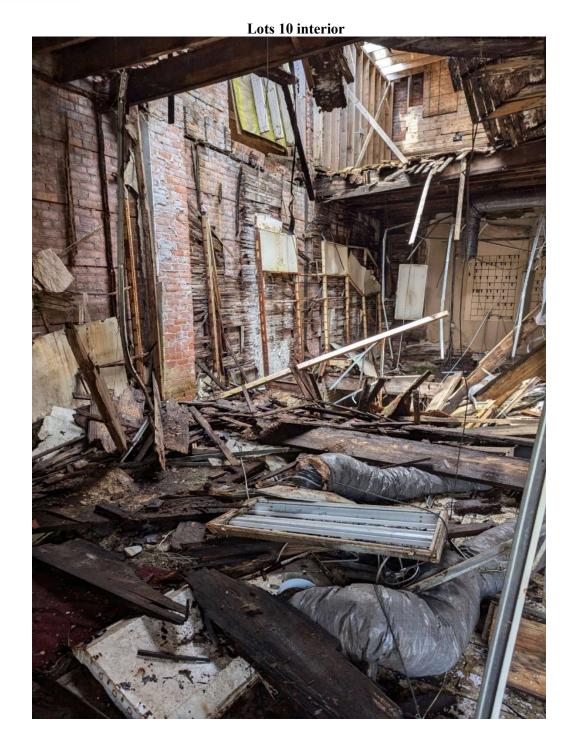


EXHIBIT B INTERIOR PICTURES 14501-14515

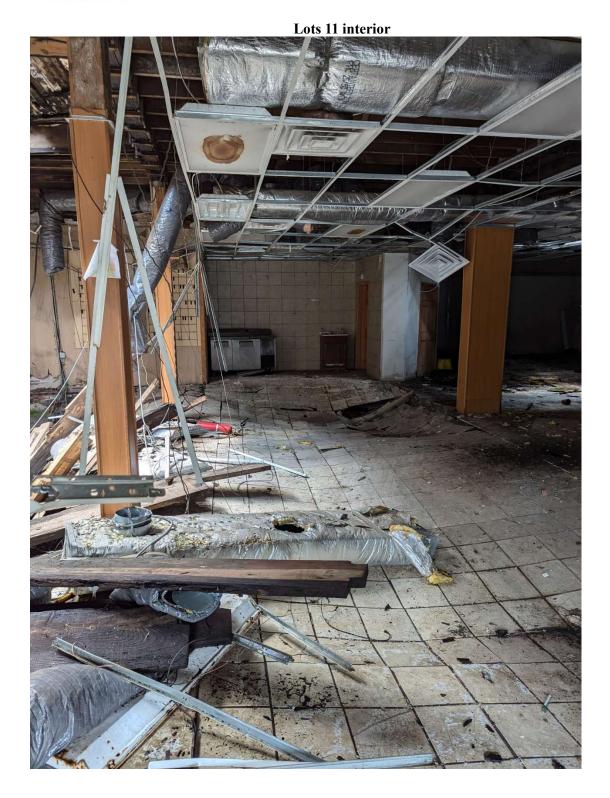




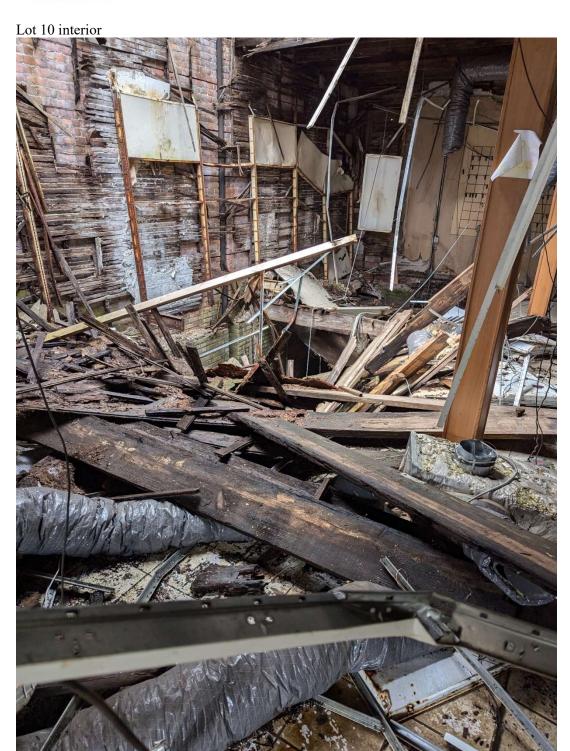






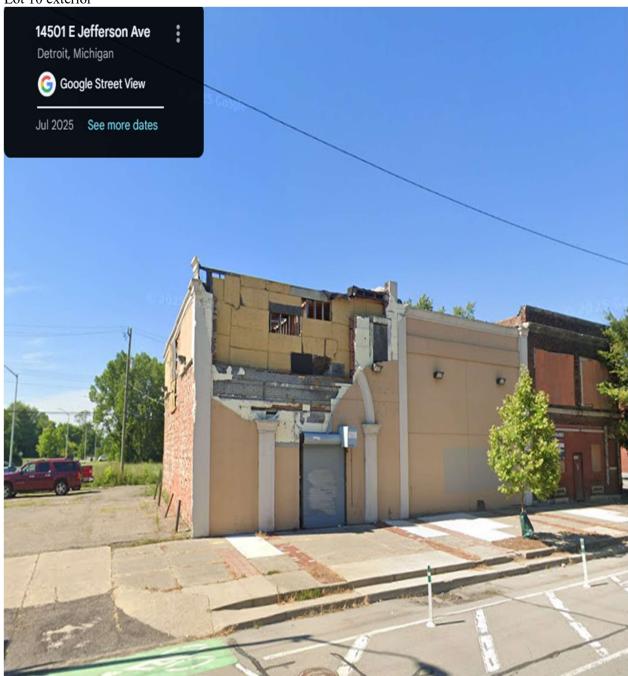






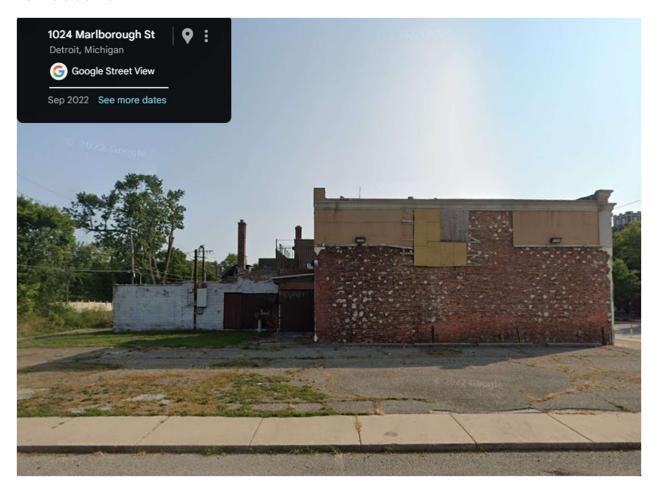


Lot 10 exterior



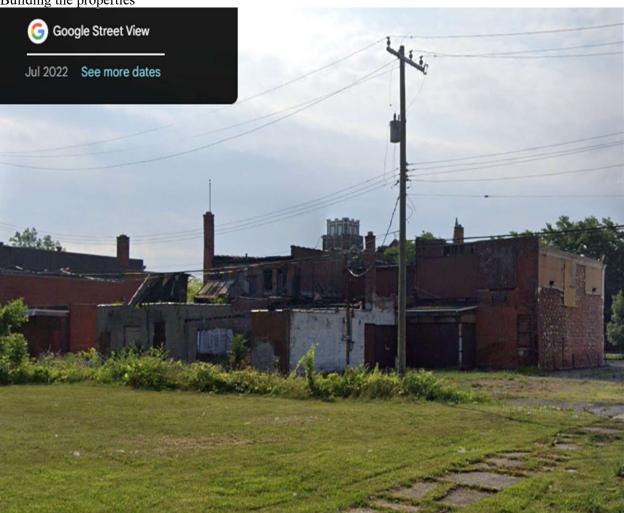


Lot 10 side view



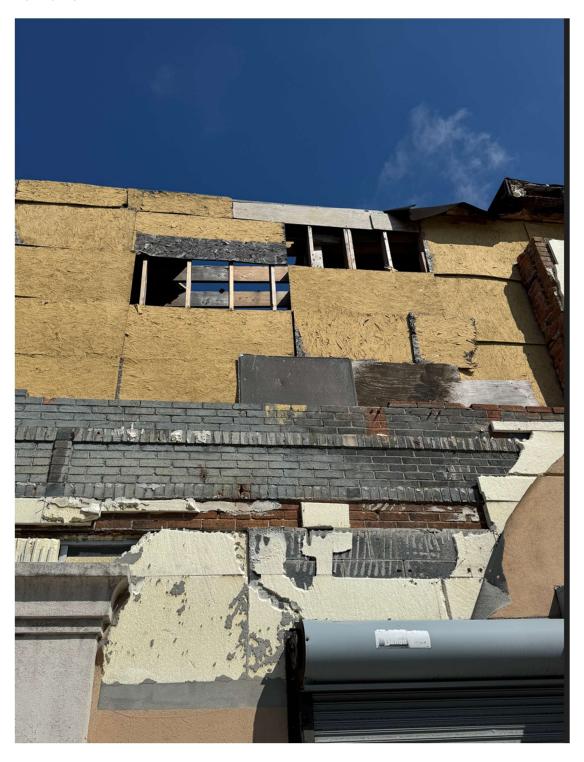


Building the properties



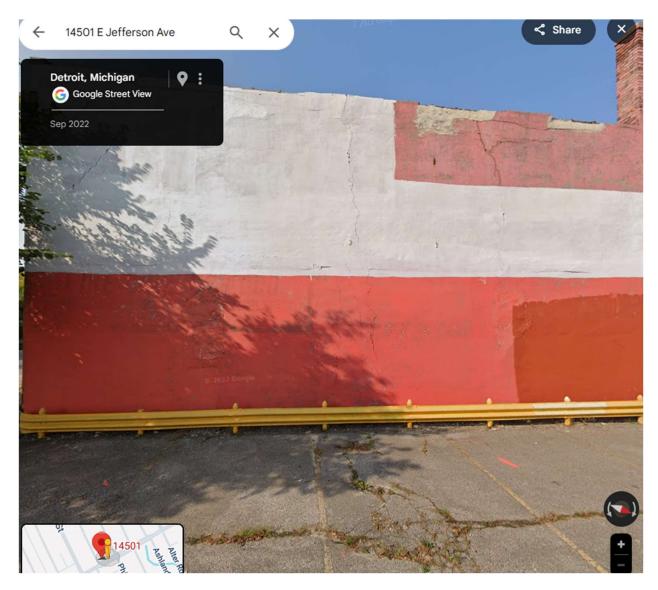


Lot 10 front





Lot 12 side view



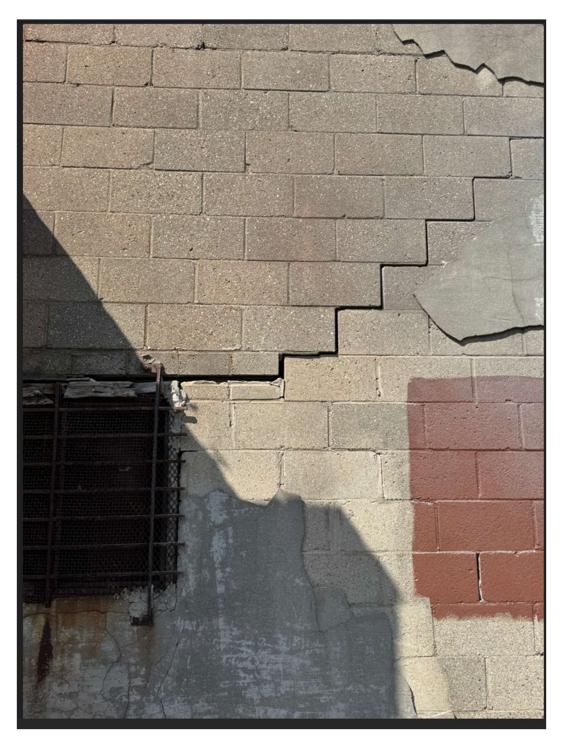


Lot 12 rear





Lot 12 rear





Lot 12 front

