

Janice M. Winfrey
City Clerk

City of Detroit

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

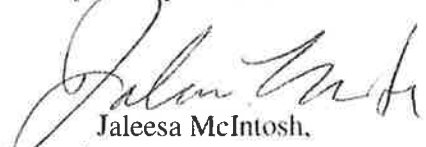
January 11, 2023

To: Katharine G. Trudeau, Deputy Director
Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 808
Detroit, MI. 48226

Re: Request for the Establishment of a Commercial Rehabilitation District for the project to be located at 408 Temple Street

Please find attached Request for the Establishment of a Commercial Rehabilitation District for the project to be located at 408 Temple Street (In reference to petition 2023-006).

Respectfully submitted,



Jaleesa McIntosh,
Jr. Assistant City Council Committee Clerk
Office of the City Clerk



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

RE: Request for the Establishment of a Commercial Rehabilitation District for the project to be located at 408 Temple Street

Honorable City Council:

Please accept this letter as a request to establish a Commercial Rehabilitation Development District for the property located at **408 Temple Street** and described on Attachment A.

The project contained within this petition area is being undertaken by Related Olympia Predevelopment Company, LLC, a joint venture of Related Companies and Olympia Development of Michigan, L.L.C. ("**Developer**"). Related Companies is a global real estate and lifestyle company defined by innovation and is the most prominent privately-owned real estate firm in the United States. Olympia Development of Michigan, L.L.C. ("**ODM**") is of the Ilitch family of companies, which include leading brands in the food, sports and entertainment industries. ODM provides a full range of services, with in-house teams for each area of expertise, including Leasing, Acquisition, Finance, Legal, Construction, Architecture, Historic Rehabilitation, Project Management, Parking and Security. The signature development of ODM is The District Detroit, a diverse mix of sports and entertainment, office, education, residential, and food and beverage destinations, anchored by Little Caesars Arena and Comerica Park.

The conversion and adaptive reuse of the former American Hotel, a building previously used for commercial purposes and a contributing building in the City's Cass Park Historic District, to mixed-income apartments above ground floor retail is proposed (**408 Temple**). The building is located on the northwest corner of Temple Street and Cass Avenue adjacent to the Masonic Temple. The rehabilitated building is projected to contain approximately 157,635 GSF, including 5,310 GSF of retail space and 152,325 GSF of residential space, making up 131 apartments, 27 of which will be affordable at 50% AMI. Construction activities are anticipated to create 660 direct onsite construction jobs. Ongoing economic impacts of the commercial activity following completion of the project is expected to create 50 direct permanent jobs. This project is anticipated to start construction Fall of 2026 and to complete eligible activities and the Project in the Summer of 2028.

The property proposed for incorporation into the requested commercial rehabilitation district is located within the boundaries of the Downtown Development District and zoned B4, General Business District. Because the proposed district is located in a downtown or business district, per MCL 207.842(b), the district may be established on land less than three acres in



area. The building within the proposed district is a qualified facility as that term is defined by MCL 207.842(h). The building was previously used for commercial purposes (hotel).

The rehabilitation of the qualified facility would not be undertaken without the receipt of the exemption certificates. The exemption is necessary to temporarily mitigate the very high real property tax rate in the City of Detroit (approx. 87.5226 mills).

There are currently no full-time employees (FTE) located at the property within this application. As outlined above, the proposed project will create 660 temporary construction jobs and 50 new permanent jobs.

The rehabilitation of the qualified facility will require replacements and renovations and new machinery and equipment.

The exemption requested for the project in this application is the maximum of ten (10) years, plus four (4) years of exemption during construction.

The projects is part of a broader 10-project plan of investment associated with the Developers transformational brownfield plan application. These Projects will strengthen the Woodward corridor and create a new Columbia corridor connecting Woodward to Cass and broadly deliver additional mixed-use operations reflecting changing requirements for urban space. This will support vibrant redevelopment of Cass Avenue and support future purpose-driven development utilizing the focus on education, engagement, employment, economic inclusion and environmental justice.

The City's revitalization is gaining momentum and Detroit is just getting started. This new phase of development is anticipated to create new tax revenues available for vital public services - continuing Detroit's rapid redevelopment. These developments connect downtown to growing nearby neighborhoods, such as Midtown, Corktown and Brush Park, while supporting the rebuilding neighborhoods and positioning this area for even more future investment and growth.

With the creation of anchor developments surrounded by new office, residential and retail opportunities, this project is anticipated to further the transformation of an area that has recently begun to see business development. In addition to spurring economic growth, new construction and historic renovation, this project, and The District Detroit in general, already have ignited, and are expected to continue to ignite, new careers, giving Detroit residents opportunities to learn skills that last a lifetime. Significant new city income taxes will be generated from the new hotel and retail workers as well as from temporary construction jobs created by the proposed investment.

Some of the most significant investments are underway now, and some of the City's most underutilized economic zones are being rejuvenated. The Projects included in this Plan are



THE DISTRICT DETROIT

projected to create or support 5,790 new permanent full-time jobs in the City, 12,450 temporary construction jobs, extensive contractor opportunities, expanded economic opportunities for the City's residents, economic boosts to the surrounding areas and contribute significantly to the City's long term tax base, thus supporting economic revitalization of the surrounding area for many years to come. Additionally, the developments included in this Plan are anticipated to build upon the recent flurry of construction within the downtown and Midtown areas creating a 24/7 walkable community and a safer environment for the people in the City. Furthermore, the Projects within this Plan are anticipated to promote significant infill development between and around the proposed Projects.

There are no delinquent taxes, interest or penalties are known to exist for the parcels included in this project.

In addition to the incentives available under the Commercial Property Rehabilitation Act ("PA 210"), Developer anticipates obtaining State and local incentives that directly or indirectly benefit the project in this application, including incentives available the Neighborhood Enterprise Zone program ("NEZ") and a Paid-In-Lieu-of-Taxes abatement ("PILOT") on all affordable housing projects. Additionally, the Developer anticipates securing federal 4% Low Income Housing Tax Credits ("LIHTC") with respect to 2250 Woodward Avenue.

As previously described, the members of the Developer both have substantial development history supporting Developer's ability to complete the project. Related Companies is one of the largest private owners and preservationists of affordable housing in the U.S. and a fully integrated, highly diversified industry leader with experience in virtually every aspect of development, acquisition, management, finance, marketing, and sales. Related has a 50-year track record of development of \$60 Billion in projects owned or under development. ODM is one of the Ilitch companies, which include leading brands in the food, sports and entertainment industries, including Little Caesars, Blue Line Distribution, the Detroit Red Wings, Ilitch Sports & Entertainment, the Detroit Tigers, Little Caesars Pizza Kit Fundraising Program and Champion Foods. ODM and its affiliates have over \$1 Billion in projects owned or under development including: Little Caesars Arena; Comerica Park; the historic Fox Theatre; Little Caesars Global Resource Center; 2715 Woodward Avenue; the Google Detroit offices; the Mercedes-Benz Farmington Hills offices; the historic Eddystone Residences; the historic Women's City Club; the historic Henry Street Apartments and ancillary retail and parking; and notably the creation of the mixed-use District Detroit. The District Detroit is currently expanding shopping, dining, and office locations.



**THE
DISTRICT
DETROIT**

To continue to with the development of District Detroit, we respectfully request your approval in the establishment of a Commercial Rehabilitation District for the project to be located at **408 Temple Street** as outlined herein.

Respectfully submitted,

RELATED OLYMPIA PREDEVELOPMENT COMPANY, LLC

By: _____

Name: _____

Its: _____

Attachment A: Site Map that includes the parcel(s) of property / Legal Description

Attachment B: Paid Receipt of Current Taxes

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



Attachment A

- (a) General description of the facility (year built, original use, most recent use, number of stories, square footage);

408 Temple Street

From 1888 to 2001, the property was used as a church, a lodge hall, a hotel with stores and restaurants. The current hotel building opened in 1926 and, since 2002, has been unoccupied.

Current Uses

Project Site	Current Use
408 Temple Street	Unoccupied former hotel



- (b) General description of the proposed use of the rehabilitated facility;
- (c) Description of the general nature and extent of the rehabilitation to be undertaken;

Project Details

New Construction						
Project Name	Bldg Ht	# of Stories	Square Footage by Use			
			Residential	Retail	Office	Hotel
Total			0	0	0	0

Restoration, Alteration, Renovation or Improvement						
Project Name	Bldg Ht	# of Stories	Square Footage by Use			
			Residential	Retail	Office	Hotel
408 Temple - The American Residential	+/- 142'	11	88,477	5,310		N/A
Total			88,477	5,310	0	0

Total			88,477	5,310	0	0	0
--------------	--	--	---------------	--------------	----------	----------	----------

408 Temple Street

The American Residential Redevelopment Project is a planned renovation of the brown brick and terra cotta building, formerly known as the American or Fort Wayne Hotel located in the City's Cass Park Historic District. It is proposed to be renovated into a mixed-use building with first floor retail and a mix of market-rate and affordable residences above. The building is located on the northwest corner of Temple Street and Cass Avenue adjacent to the Masonic Temple. It is a contributing building in the Cass Park Historic District. The rehabilitated building is projected to contain approximately 157,635 GSF, including 5,310 GSF of retail space and 152,325 GSF of residential space, making up 131 apartments, 27 of which will be affordable at 50% AMI.

Construction activities are anticipated to create 660 direct onsite construction jobs. Ongoing economic impacts of the commercial activity following completion of the Project are expected to create 50 direct permanent jobs. This Project is anticipated to start construction Fall of 2026 and to complete eligible activities and the Project in the Summer of 2028.

Developer anticipates that the owner of this property, Temple Commons, LLC, an affiliate of ODM, will convey this property to a new single purpose limited liability company affiliated with ODM, and that such new entity will ground lease the land and convey the existing improvements on the land to a new single purpose entity that will be wholly owned by an affiliate of Developer. The affiliate of Developer will be owned by affiliates of ODM and Related, and one or more capital partners.



(d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility; and

N/A



THE DISTRICT DETROIT

(e) A time schedule for undertaking and completing the rehabilitation of the facility

<u>Project Name</u>	<u>Zoning Approval</u>	<u>Site Plan Approval</u>	<u>Local Financial Contribution Final Approval</u>	<u>Obtain Building Permits</u>	<u>Part II of Historic Application</u>	<u>Anticipated Commencement of Eligible Investment</u>	<u>Close on Construction Financing</u>	<u>Close on Permanent Financing</u>	<u>Construction Commencement</u>	<u>Project Completion</u>
408 Temple - The American Residential	Summer 2026	Summer 2026	Summer 2026	Summer 2026	Fall 2026	Fall 2026	Fall 2026	Summer 2028	Fall 2026	Summer 2028



408 Temple Street

EXISTING PIN AND LEGAL DESCRIPTION FOR EXISTING PIN:

<i>Project Type</i>	<i>Parcel Address</i>	<i>Controlling Affiliate</i>	<i>PIN</i>	<i>GIS Legal Description</i>
<i>Project 7</i> 408 Temple - The American - Mixed-Use (Residential + Retail)	408 Temple	TEMPLE COMMONS, LLC	2002261	W CASS 2-1 BLK 83--PLAT PT CASS FARM L1 P131 PLATS, W C R 2/171 100 X 150

PROJECT 7 LEGAL DESCRIPTION

A PARCEL OF LAND IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN, BEING ALL OF LOTS 1 AND LOT 2, BLOCK 83, OF "PLAT OF CASS FARM", ACCORDING TO THE PLAT THEREOF, AS RECORDED IN LIBER 1 OF PLATS, PAGE 131, WAYNE COUNTY RECORDS, ALL BEING MORE PARTICULARLY DESCRIBED AS:

BEGINNING AT A POINT AT THE NORTH LINE OF TEMPLE AVENUE (100 FEET WIDE) AND THE WEST LINE OF CASS AVENUE (80 FEET WIDE), SAID POINT ALSO BEING THE SOUTHEAST CORNER OF SAID LOT 1; THENCE ALONG SAID NORTH LINE SOUTH 66 DEGREES 06 MINUTES 12 SECONDS WEST, 150.00 FEET TO A POINT ON THE EAST LINE OF A PUBLIC ALLEY (20 FEET WIDE), SAID POINT ALSO BEING THE SOUTHWEST CORNER OF SAID LOT 1; THENCE ALONG SAID EAST LINE NORTH 23 DEGREES 48 MINUTES 35 SECONDS WEST, 100.17 FEET TO THE NORTHWEST CORNER OF SAID LOT 2; THENCE ALONG THE NORTH LINE OF SAID LOT NORTH 66 DEGREES 07 MINUTES 17 SECONDS EAST, 150.00 FEET TO A POINT ON THE WEST LINE OF CASS AVENUE (80 FEET WIDE), SAID POINT BEING THE NORTHEAST CORNER OF SAID LOT 2; THENCE SOUTH 23 DEGREES 48 MINUTES 35 SECONDS EAST, 100.12 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.34 ACRES.



Attachment B: Paid Receipt of Current Taxes

Project 7 – 408 Temple:

408 Temple, Parcel 02002261

2022 Summer Current Property Tax - City of Detroit - Parcel ID: 02002261.

Parcel ID: 02002261
Owner Name: TEMPLE COMMONS LLC
Property Address: 408 TEMPLE
Total Tax Amount: \$3,388.09
Administrative Fee: \$32.55
Interest & Penalty: \$0.00
Remaining Balance: \$1,694.04

[Make payment](#) [Remove payment](#)



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

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 824
DETROIT, MI 48226
PHONE: 313•224•3011
FAX: 313•224•9400

January 11, 2023

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

RE: Commercial Rehabilitation District – **408 Temple**
Property Address: 408 Temple
Parcel Number: 02002261.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Commercial Rehabilitation District located at **408 Temple** in the **Midtown area** in the City of Detroit.

The rationale for creating Commercial Rehabilitation Districts under PA 210 of 2005, as amended, is based on the anticipation of increased market value upon completion of new construction and/or significant rehabilitation of commercial and former industrial property where the primary purpose and use is the operation of a commercial business enterprise or multifamily residential use. Commercial property also includes facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise.

The district as proposed by **Olympia Development of MI LLC** consists of the former vacant 11-story American Hotel, which consists of approximately 142,500 s.ft. and was built in 1925. The developer proposes to rehabilitate the structure into 131 apartments, of which 27 will be affordable housing units, and first floor retail space.

This area meets the criteria set forth under PA 210 of 2005, as amended. It applies to blighted, functionally obsolete and contaminated properties. "Commercial rehabilitation district" or "district" means an area not less than 3 acres in size of a qualified local governmental unit established as provided in section 3. However, if the commercial rehabilitation district is located in a downtown or business area or contains a qualified retail food establishment as determined by the legislative body of the qualified local governmental unit, the district may be less than 3 acres in size. The local government unit may establish by resolution a district that contains 1 or more parcels or tracts of land if at the time the resolution is adopted the parcel or tract of land or portion of a parcel or tract of land within the district is a qualified facility.



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

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 824
DETROIT, MI 48226
PHONE: 313•224•3011
FAX: 313•224•9400

Commercial Rehabilitation District
408 Temple
Page 2

A review of project details and applicable statutes indicated that the proposed Commercial Rehabilitation District located at **408 Temple** in the **Midtown area** in the City of Detroit is eligible as it pertains to the Commercial Rehabilitation Act under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



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

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 824
DETROIT, MI 48226
PHONE: 313•224•3011
FAX: 313•224•9400

Commercial Rehabilitation District
408 Temple
Page 3

Parcel: 02002216.
Property Address: 408 TEMPLE
Owner: TEMPLE COMMONS LLC
Legal Description: W CASS 2-1 BLK 83--PLAT PT CASS FARM L1 P131 PLATS, W C R 2/171 100 X 150





TO: Justus Cook, Housing and Revitalization
FROM: Shelby Holmes, Planning and Development
RE: Master Plan Interpretation for **Commercial Rehabilitation District** (PA 210) for 408 Temple St. Detroit, MI 48201 (Associated to Petition # 2023-006)
DATE: January 12, 2023

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

Location and Project Proposal: 408 Temple St. Detroit, MI 48201. The proposed project is a conversion and adaptive reuse of the former American Hotel, a building previously used for commercial purposes and a contributing building in the City's Cass Park Historic District, to mixed-income apartments above ground floor retail is proposed (408 Temple). The building is located on the northwest corner of Temple Street and Cass Avenue adjacent to the Masonic Temple. The rehabilitated building is projected to contain approximately 157,635 GSF, including 5,310 GSF of retail space and 152,325 GSF of residential space, making up 131 apartments, 27 of which will be affordable at 50% AMI.

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

This project is located in a local historic 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 Lower Woodward neighborhood describe the following recommendations:

- GOAL 2: Increase residential density
- Policy 2.1: Develop Woodward and Cass as high-density mixed-use corridors with housing and ground-floor commercial.

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