

Janice M. Winfrey
City Clerk

City of Detroit

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

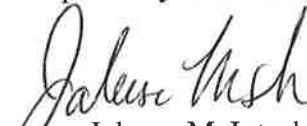
January 5, 2023

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 Neighborhood Enterprise Zone for the project to be located at 2205 Cass Avenue

Please find attached a Request for the Establishment of a Neighborhood Enterprise Zone for the project to be located at 2205 Cass Avenue

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 Neighborhood Enterprise Zone for the project to be located at 2205 Cass Avenue

Honorable City Council:

Please accept this letter as a request to establish Neighborhood Enterprise Zone for the property located at **2205 Cass Avenue** and described on Attachment A.

The project contained within this petition area are being undertaken by Related Olympia Predevelopment 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.

As part of the recently announced Detroit Center for Innovation (DCI) Campus, a parking lot will be the site of new construction of an apartment building (**2205 Cass Avenue**) and the conversion and repurposing of the former Loyal Order of Moose Lodge and expansion into portion of a parking lot for use as a business incubator (**2115 Cass Avenue**).

The newly constructed residential building at **2205 Cass Avenue** is projected to contain approximately 256,050 GSF which would utilizing 247,300 GSF for 261 apartments, 54 of which will be affordable at 50% AMI, as well as 8,750 GSF for retail. Construction activities are anticipated to create 1,410 direct onsite construction jobs. Ongoing economic impacts of the commercial activity following completion of the Project are expected to create 80 direct permanent jobs. This Project is anticipated to start construction in the Spring of 2024 and to complete eligible activities and the Project in the Winter of 2026.

Because the proposed zone is located in a qualified downtown revitalization district, per MCL 207.773(1), the zone may incorporate less than 10 platted parcels of land provided the platted parcels together contain 10 or more facilities. Here, the proposed building meets the definition of New Facility as that term is defined by MCL 207.772(g)(ii) (rental units in a mixed-



use building located in a qualified downtown revitalization district). Because the proposed zone will contain 261 facilities and is within a qualified downtown revitalization district, the proposed zone meets the requirements of MCL 207.773(1).

The 2205 Cass Avenue project 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 properties within this application. As outlined above, in aggregate, the proposed projects will create 1,410 direct construction jobs and 80 new permanent jobs.

The rehabilitation of the Facilities will require the demolition, site remediation, new construction and new machinery and equipment. The rehabilitation of the Historic Resources requires site remediation, renovation and new machinery and equipment.

The exemption requested for the projects in this application is the maximum of fifteen (15) years.

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, these projects are 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, these projects, 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 office and retail workers as well as from temporary construction jobs created by the proposed investment.

These Projects are included in 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.

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



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 parcel included in this project.

In addition to the incentives available under the Neighborhood Enterprise Zone program ("NEZ"), Developer anticipates obtaining State and local incentives that directly or indirectly benefit the Project in this application, including incentives available under the Commercial Property Rehabilitation Act ("PA 210"), and a Paid-In-Lieu-of-Taxes abatement ("PILOT").

As noted above, the members in 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.



To continue to with the development of District Detroit, we respectfully request your approval in the establishment of a Neighborhood Enterprise Zone for the project to be located at 2205 Cass Avenue 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);

2205 Cass Avenue

This property consists of a number of smaller platted lots with their own histories

- 426 W Elizabeth Street In the 1880s, this property was used for residential purposes. In the 1920s it was divided into a private parking garage, office, and battery charging. In 1950, the same building was divided into two storefronts and two warehouses. By 1983, the building was divided into manufacturing, printing and warehouse. The building was vacant by 1991 and thereafter was demolished.
- 2121 Cass Avenue In the 1880s, this property was a two-story residential dwelling and associated outbuildings. By 1919, it was a two-story 128-car capacity parking garage with an office. In the 1920s, a gasoline UST was added in the northeast corner of the garage. In 1977, the same building was a restaurant. By 1983, the building was vacant and then was later demolished.
- 2171 Cass Avenue In the 1880s, the property was used for residential purposes and by 1919, included a hotel. By 1950, the property was vacant and became a parking lot by 1977.
- 2203 Cass Avenue In the 1880s, the property was used for residential purposes and was a hotel by 1921. By 1983, the land was vacant and since 1988, the property has been used as a parking lot.
- 2211 Cass Avenue In the 1880s, the property was residential. There was an office used for some sort of film storage building in 1950. By 1983, the building was identified as a public building and was later demolished.
- 437 W. Columbia Street In the 1880s, the property housed stockyards and an office. By 1897, it was a two-story commercial building which was later used as a machine shop and metal storage and a carriage house and boarding stables and then for machine shops, storage, box making, office and shipping. By 1950, the same buildings were used as a carpenter's shop, factory building, and parking. In 1961 the property became a parking lot.
- 465 W. Columbia Street In the 1880s, the property housed stockyards and by 1897 it was a carpenters shop and lumber shed. In 1919, it was a boarding stable, auto house, one-story wagon shed, lumber shed, and warehouse. By 1950, it was a parking garage, storage warehouse, lithographing supplies and a parking lot. In 1966, an office building and parking lot were built and the building was later demolished.



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2205 Cass Avenue (Historical Photo) Google Earth: May 2018



RELATED

OLYMPIA
DEVELOPMENT
OF MICHIGAN

THE DISTRICT DETROIT



CONFIDENTIAL DRAFT – FOR DISCUSSION PURPOSES ONLY

RELATED

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Current Uses

Project Site	Current Use
2205 Cass Avenue	Parking lot



- (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	Parking
2205 Cass	+/- 193'	18	187,000	8,750			
Total			187,000	8,750	0	0	0

Restoration, Alteration, Renovation or Improvement							
Project Name	Bldg Ht	# of Stories	Square Footage by Use				
			Residential	Retail	Office	Hotel	Parking
Total			0	0	0	0	

Total			187,000	8,750	0	0	0
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2205 Cass Avenue

The DCI Residential Project is planned new construction of a mixed-use development, with first floor retail and 18 floors of multifamily residential units above. The building is proposed to be located at 2205 Cass Avenue as part of the DCI Campus, on the northeast portion of the block bounded by Cass Avenue to the east, Elizabeth Street to the south, Grand River Avenue to the west and W. Columbia Street to the north. This building is intended to be a significant component of the new Detroit Center for Innovation (“DCI”) campus, a world-class research, education, innovation and entrepreneurial center, anchored by the University of Michigan.

As part of the three-building DCI Campus development, U-M will operate an approximately \$250 Million, 200,000-square-foot center focused on academic programs and research related to advanced technology fields. The University of Michigan’s DCI Project research and education center (to be located on the west side of the block) will be financed through philanthropic and State mechanisms and does not depend on this Plan. The residential building and the incubator building (discussed below), combined with the education center facility, will make up the DCI Campus.

The DCI will increase access to opportunities for Detroiters, help nurture and retain talent and drive positive social and economic impacts throughout the City, region and State. The University of Michigan will provide instruction at its DCI’s academic center, with degrees and certificates to be awarded through the Ann Arbor campus. The academic center is designed to serve U-M students in the last year of their undergraduate programs, as well as students seeking graduate degrees or certificates in specified programs to learn the technologies and other skills needed to advance their careers. When opened, the DCI Campus will provide Michigan businesses and communities with a pipeline of talent, and will offer opportunities for current workers to further



their skills in a world of fast-paced technological change. It also will build on Detroit's growing presence as a center for innovation.

Adjacent to the academic building, the newly constructed residential building is projected to contain approximately 256,050 GSF which would utilize 247,300 GSF for 261 apartments, 54 of which will be affordable at 50% AMI, as well as 8,750 GSF for retail.

Construction activities are anticipated to create 1,410 direct onsite construction jobs. Ongoing economic impacts of the commercial activity following completion of the Project are expected to create 80 direct permanent jobs. This Project is anticipated to start construction in the Spring of 2024 and to complete eligible activities and the Project in the Winter of 2026.

Developer anticipates that the property owner, 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



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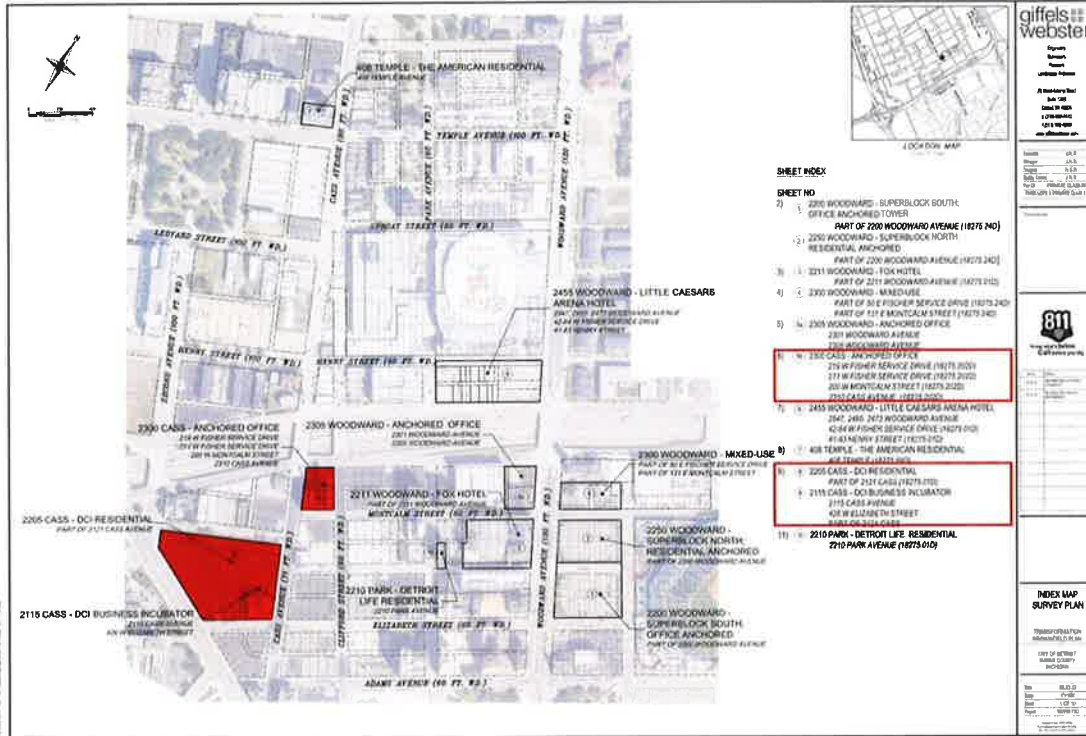
(e) A time schedule for undertaking and completing the rehabilitation of the facility

<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>
2205 Cass - DCI Residential	Winter 2024	Winter 2024	Winter 2024	Winter 2024	N/A	Spring 2024	Spring 2024	Winter 2026	Spring 2024	Winter 2026



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(f) The parcel ID(s) and Legal Description(s) of the property





Attachment B: Paid Receipt of Current Taxes

Project 8 – 2205 Cass DCI Residential:

Part of existing 2121 Cass, Parcel 02000353-6

2022 Summer Current Property Tax - City of Detroit - Parcel ID: 02000353-6

Parcel ID: 02000353-6
Owner Name: OLYMPIA DEVELOPMENT OF MI LLC
Property Address: 2121 CASS
Total Tax Amount: \$63,204.69
Administrative Fee: \$612.39
Interest & Penalty: \$0.00
Remaining Balance: \$31,602.34

Make payment	Remove payment
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