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**City of Detroit**  
**CITY COUNCIL**  
LEGISLATIVE POLICY DIVISION  
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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director   
Legislative Policy Division Staff

DATE: June 28, 2023

RE: Application for an **Obsolete Property Rehabilitation Certificate by St. Agnes Lofts, LLC (1967 La Salle Gardens) Public Act 146 of 2000**  
**Petition # 1531-D**

The Obsolete Property Rehabilitation Act (OPRA), Public Act 146 of 2000, provides for a tax incentive to encourage the redevelopment of obsolete buildings. This tax incentive is designed to assist in the redevelopment of older buildings, which are contaminated, blighted or functionally obsolete, and to return them to the tax rolls.

St. Agnes Lofts, LLC, is the project developer of the property at 1967 S. La Salle Gardens, which is located in the La Salle Gardens area of Detroit. The project consists of the redevelopment of the former St. Agnes/Martyrs of Uganda Church & School campus,<sup>1</sup> which has been vacant since 2006. The former Roman Catholic church was notable for hosting Mother Teresa<sup>2</sup> in 1979,<sup>3</sup> when she established a Missionaries of Charity convent at the church.<sup>4</sup>

The developer plans to renovate the abandoned and vacant residential building, which has been vacant since 2007. The proposed project consists of rehabilitating the residence, which was constructed in 1916, into two three-bedroom apartments. The building will undergo major renovations including the reconfiguration of the layout, all major mechanical, HVAC, plumbing and electrical systems replacement, new windows and doors, structural repairs, and facade improvements. This particular project is one of the elements of a larger development on the St. Agnes/Martyrs of Uganda Church campus site.<sup>5</sup>

<sup>1</sup> [Detroiturbex.com - St. Agnes / Martyrs of Uganda Catholic Church](http://Detroiturbex.com - St. Agnes / Martyrs of Uganda Catholic Church)

<sup>2</sup> [Mother Teresa - Biographical \(nobelprize.org\)](http://Mother Teresa - Biographical (nobelprize.org))

<sup>3</sup> [St. Agnes Roman Catholic Church - Abandoned \(abandonedonline.net\)](http://St. Agnes Roman Catholic Church - Abandoned (abandonedonline.net))

<sup>4</sup> [Mother Teresa's Impact on Southeast Michigan | Unleash the Gospel](http://Mother Teresa's Impact on Southeast Michigan | Unleash the Gospel)

<sup>5</sup> The full St. Agnes Lofts project will consist of a \$14.8 million renovation of the former St. Agnes Church & School campus.

**DEGC Property Tax Abatement Evaluation**

**Developer:** St. Agnes Lofts, LLC.  
**Development Team Principal(s):** Michael Rivait  
**Prepared By:** Kaci Jackson

**Description of Incentive:** Obsolete Property Rehabilitation Act, PA 146 - incentive for redevelopment and rehabilitation for commercial or commercial mixed-use buildings that are contaminated, blighted, or functionally obsolete.

<b>DEGC Abatement Term Recommendation</b>	<b>12 years</b>
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**Location**

Address	1967 La Salle Gardens Blvd.
City Council District	5
Neighborhood	La Salle Gardens
Located in HRD/SNF Targeted Area	N/A

**Building Use**

Commercial Square Footage	N/A
Residential Square Footage	2,400 SF
Total Residential Units	2 units
Studio Units	N/A
1-Bed Units	N/A
3-Bed Units	2 units; 1,200 avg. SF; \$1,500/mo. rent

**Project Description**

The St. Agnes Lofts project will consist of a \$14.8 million renovation of the former St. Agnes Church & School campus. The project site is located in the LaSalle Gardens Neighborhood and is walking distance to Henry Ford Hospital, the Motown Museum, and LaSalle Park. Upon completion, the St. Agnes Lofts property will be reactivated into a mixed-use project with over 25,000 square feet of commercial space and 91 residential rental units – 85% of which will be designated affordable at 60% - 80% AMI.

The current state of the project site contains deteriorating buildings that will require repair and selective demolition. Substantial investment is necessary to rehabilitate the area into a viable, long-term development. The costs associated with the full rehabilitation are prohibitive, and the development would not be possible without the Obsolete Property Rehabilitation Certificate.

For the purpose of economic impact reporting, the investment and tax incentive have been broken out per site. The overall project investment is \$14.8M; total acquisition \$783K, total hard costs \$11.67M, total soft costs \$2.36M. The total value of the OPRA abatement to the city is estimated at \$880,747. The total net benefit to the city is estimated at \$925,037 over the life of the abatement.

**Sources and Uses of Capital Summary**

Total Investment	\$440,000
Sources	\$54K Equity (12%); 291K Senior Loan (66%), \$95K PACE Financing (22%)
Uses	\$23K Acquisition (5%); 346K Hard Costs (79%); 70K Soft Costs (16%)

**Project Economic Benefits Summary**

Estimated Jobs (FTE/Construction)	0 FTE / 4 Construction
Estimated City benefits before tax abatement	<b>\$61,621</b>
Total estimated City value of OPRA abatement	<b>\$26,128</b>
Less cost of services & utility deductions	<b>\$13,412</b>
Net Benefit to City with OPRA abatement	<b>\$22,080</b>

**City of Detroit: Benefits, Costs, and Net Benefits over the Next 12 Years**

	Amount
Real Property Taxes, before abatement	\$26,128
Personal Property Taxes, before abatement	\$0
New Residential Property Taxes	\$0
Municipal Income Taxes - Direct Workers	\$0
Municipal Income Taxes - Indirect Workers	\$0
Municipal Income Taxes - Corporate Income	\$0
Municipal Income Taxes - Construction Period	\$4,476
Municipal Income Taxes - New Res. Inhabitants	\$14,257
Utility Revenue	\$13,412
Utility Users' Excise Taxes	\$520
State Revenue Sharing - Sales Tax	\$0
Building Permits and Fees	\$2,827
Miscellaneous Taxes & User Fees	\$0
<b>Subtotal Benefits</b>	<b>\$61,621</b>
Cost of Providing Municipal Services	\$0
Cost of Providing Utility Services	(\$13,412)
<b>Subtotal Costs</b>	<b>(\$13,412)</b>
<b>Net Benefits</b>	<b>\$48,209</b>

**Impacted Taxing Units: Incentive Summary over the First 12 Years**

	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Utility Users Tax & Corporation Income Tax Exemption	Net Benefits After Tax Abatements & Incentives
City of Detroit	\$61,621	(\$13,412)	(\$26,128)	\$0	\$0	\$22,080
Wayne County	\$6,209	\$0	(\$6,209)	\$0	\$0	\$0
Detroit Public Schools	\$23,374	\$0	(\$10,114)	\$0	\$0	\$13,260
State Education	\$4,668	\$0	\$0	\$0	\$0	\$4,668
Wayne RESA	\$4,223	\$0	(\$4,223)	\$0	\$0	\$0
Wayne County Comm. College	\$2,505	\$0	(\$2,505)	\$0	\$0	\$0
Wayne County Zoo	\$77	\$0	(\$77)	\$0	\$0	\$0
Detroit Institute of Arts	\$155	\$0	(\$155)	\$0	\$0	\$0
<b>Total</b>	<b>\$102,832</b>	<b>(\$13,412)</b>	<b>(\$49,411)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$40,009</b>

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**DEGC Chart of Taxes Before, During & After the Incentive<sup>7</sup>**

	Existing Taxes	New Taxes <i>With</i> Incentive(s)	New Taxes <i>Without</i> Incentive
City of Detroit	\$742	\$742	\$2,455
Library	\$119	\$119	\$393
Wayne County	\$204	\$204	\$677
Detroit Public Schools	\$770	\$1,778	\$2,547
State Education	\$154	\$509	\$509
Wayne RESA	\$139	\$139	\$460
Wayne County Comm. College	\$83	\$83	\$273
Wayne County Zoo	\$3	\$3	\$8
Detroit Institute of Arts	\$5	\$5	\$17
<b>Total</b>	<b>\$2,217</b>	<b>\$3,581</b>	<b>\$7,339</b>

<sup>6</sup> Charts courtesy of the DEGC

<sup>7</sup> Existing Annual Taxes: \$2,217- New Annual Taxes DURING the Incentive: \$3,581 & Taxes after the Incentive EXPIRES: \$7,339

## Conclusion

The estimated total capital investment for this project is **\$440,000**. It is also estimated that the completed project will create 0 FTE's<sup>8</sup> and 4 temporary construction jobs. The total value of the 12-year OPRA tax savings is estimated at **\$49,411**.

Based on the investment and jobs, this project is estimated to provide the City of Detroit a net benefit of **\$22,080**, and all of the impacted taxing units, a net benefit of **\$40,009**, over the 12 years of the OPRA tax abatement.

The legislative body of the qualified local governmental unit may, by resolution, revoke the obsolete property rehabilitation exemption certificate of a facility if it finds that the completion of rehabilitation of the facility has not occurred within the time authorized by the legislative body in the exemption certificate or a duly authorized extension of that time, or that the holder of the obsolete property exemption certificate has not proceeded in good faith with the operation of the rehabilitated facility in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder of the exemption certificate.<sup>9</sup>

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

**Attachments: Assessor's Letter, dated April 28, 2023**  
**CRIO<sup>10</sup> Employment Clearance, dated May 4, 2023**

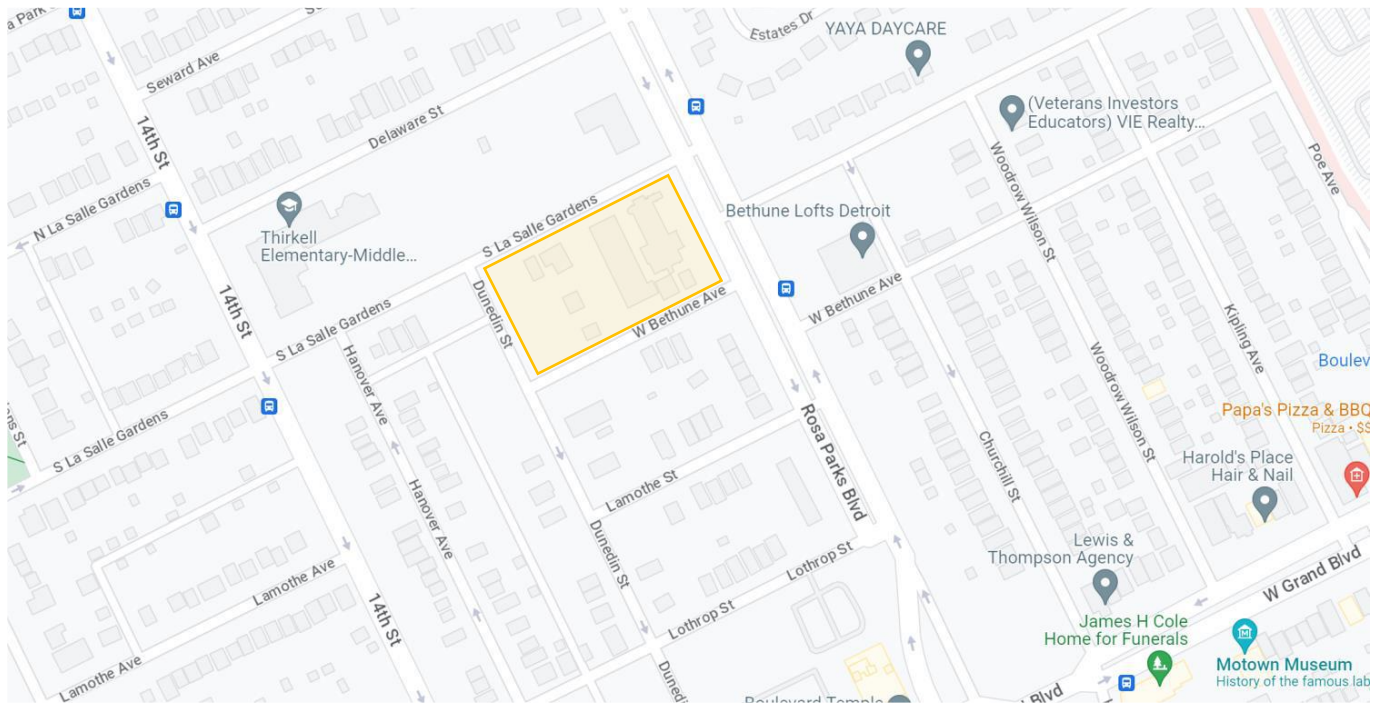
cc: Auditor General's Office  
Donald Rencher, Chief of Services and Infrastructure  
Antoine Bryant, Planning and Development Department  
Julie Schneider, HRD  
Justus Cook, HRD  
Stephanie Grimes Washington, Mayor's Office  
Malik Washington, Mayor's Office  
Kenyetta Bridges, DEGC  
Jennifer Kanalos, DEGC  
Brian Vosburg, DEGC

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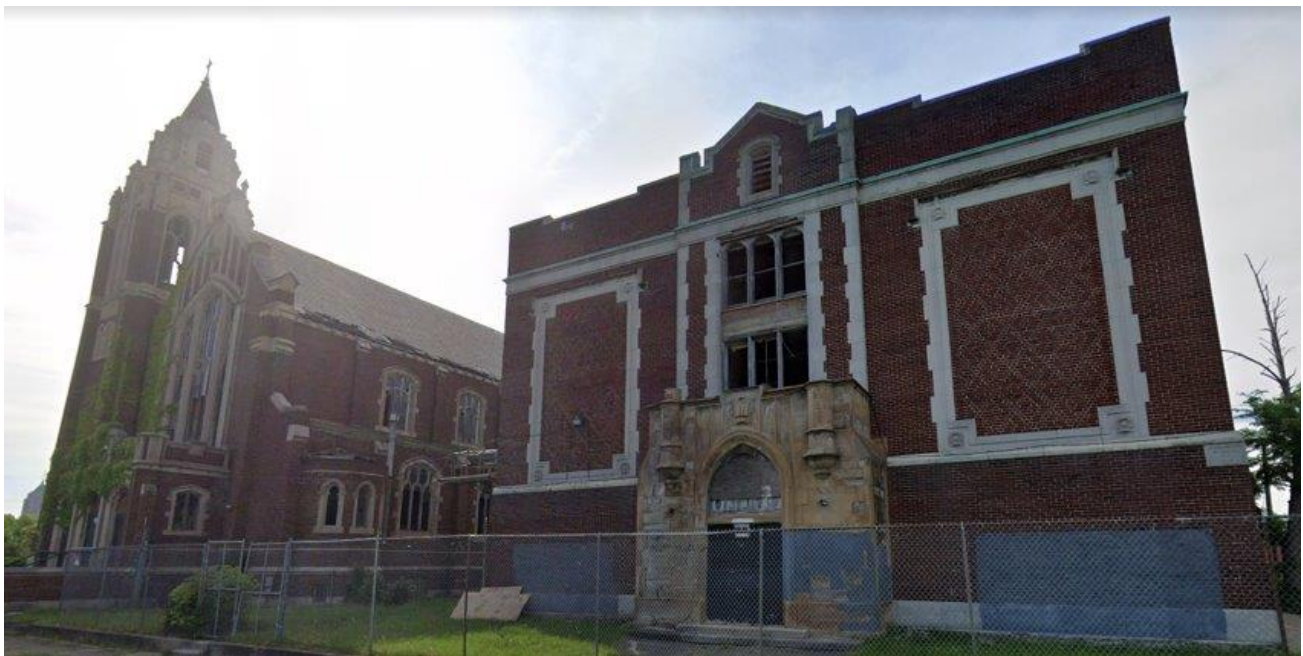
<sup>8</sup> Full-time equivalent employee (FTE) [What Is Full-Time Equivalent \(FTE\)? Plus How To Calculate It | Indeed.com](https://www.indeed.com/career-advice/finding-a-job/what-is-fte)

<sup>9</sup> MCL 125.2792 (1) [Michigan Legislature - Section 125.2792](https://legislature.mi.gov/doc.aspx/mcl-125-2792)

<sup>10</sup> Department of Civil Rights, Inclusion & Opportunity (CRIO)



**Map of location**



**Current view of the St. Agnes/Martyrs of Uganda Church campus site**

<sup>11</sup> Source of map and photo: DEGC



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

April 28, 2023

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

Re: **Obsolete Property Rehabilitation Certificate – St Agnes Lofts, LLC**

Addresses: 1967 South La Salle Gardens  
 Parcel Number: 08001742.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **1967 South La Salle Gardens** located in the La Salle Gardens 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.

The 2023 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
08001742.	1967 S La Salle Gardens	\$ 31,200	\$ 25,374	\$ 300	\$ 246

The project as proposed by **the St Agnes Lofts, LLC** was constructed in 1916, the home has been vacant since at least 2007. The proposed project consists of rehabilitating the residence into two three-bedroom apartments. The building will undergo major renovations including layout reconfiguration, all major mechanical, HVAC, plumbing and electrical systems replacement, new windows and doors, structural repairs, and façade improvements.

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.



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Obsolete Property Rehabilitation Certificate  
St Agnes Lofts, LLC  
Page 2

A statutory review indicated that the proposed Obsolete Property Rehabilitation Certificate for the property located at **1967 South La Salle Gardens** 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 Assessors



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

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Obsolete Property Rehabilitation Certificate  
St Agnes Lofts, LLC  
Page 3

Property Address: 1967 South La Salle Gardens  
Parcel Number: 08001742  
Property Owner: St Agnes Lofts, LLC  
Legal Description: S LA SALLE GDNS S 13 MC GREGORS SUB L30 P39 PLATS, W C R 8/1 16 35 X 104.6A.







COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 12  
DETROIT, MICHIGAN 48226  
PHONE: 313.224.4950  
FAX: 313.224.3434

## Decision Regarding Employment Clearance for Tax Abatement Employment Commitment <5 Full-time Employees

**Date:** May 4, 2023

**Tax Abatement Type:** PA 146

New  Renewal

**Duration of Abatement:** 12 years

**Development:** The proposed project will entail the rehabilitation of the current building into 17 residential studio and one-bedroom apartments. This proposed project is part of a larger redevelopment effort of the former St. Agnes/Martyrs of Uganda church campus that will provide an additional 68 residential units in a mix of studio, one bedroom, and two-bedroom units and 27,000 sq ft of commercial space. The exterior of the building will include new parking, residential gardens, and enhanced site connectivity to the Rosa Parks Blvd corridor and the La Salle Gardens neighborhood.

**Parcel/Facility Address:** 1967 S La Salle Gardens

**Applicant/Recipient:** Michael Rivait

**Applicant Contact:** [michael@newdetroit.com](mailto:michael@newdetroit.com) 248-670-2011

### Post-Construction Employment Commitments

If Developer Occupied is selected, the Developer will be responsible for both Developer and Tenant requirements listed below.

Developer Occupied  Tenant Occupied

**Total Employment: 0** (No jobs are attributed to this certificate request. However, the proposed redevelopment of the entire St. Agnes Campus will create approximately 2 FTE jobs by the developer related to the management and maintenance of the entire campus property, and approximately 12 FTE jobs will be created by commercial tenants.)

### Developer commits to

- 1) Report to CRIO annually;
  - a. Developer's efforts regarding tenants
  - b. Tenant's compliance with commitments stated below (3)
  - c. Total number of employees at the facility
  - d. Number of employees at the facility who are Detroit residents
- 2) Provide Detroit at Work (DAW) information to any/all tenant(s) for life of abatement
- 3) Work with Commercial Tenant(s) to do the following;
  - a. **Post all Detroit job openings through the DAW website;**
  - b. **Report to Developer annually;**
    - i. Tenant's compliance with requirements
    - ii. The number of individuals employed by Tenant
    - iii. The number of employees who are Detroit residents

The Applicant/Recipient has provided the Civil Rights, Inclusion and Opportunity Department (CRIO) required information in accordance with specific current and future employment data and commitments as part of a tax abatement agreement with the City of Detroit.



COLEMAN A. YOUNG MUNICIPAL CENTER  
2 WOODWARD AVENUE, SUITE 1240  
DETROIT, MICHIGAN 48226  
PHONE: 313.224.4950  
FAX: 313.224.3434

### Decision Regarding Employment Clearance for Tax Abatement Employment Commitment <5 Full-time Employees

Therefore my signature below grants Approval of the above tax abatement application/renewal based upon annual reports to and appraisals by this agency of the recipient's employment measures projected and achieved for the duration of the abatement.

Tenika R. Griggs, Esq.

CRIO Deputy Director Name

DocuSigned by:

Tenika R. Griggs, Esq.

FF584CDB98E341A

CRIO Deputy Director Signature

5/16/2023

Date