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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: July 3, 2023

RE: **10:15 Public Hearing** Application for an **Obsolete Property Rehabilitation Certificate**
by **St. Agnes Lofts, LLC (7625 Rosa Parks)** Public Act 146 of 2000 **Petition # 1531-F**

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 7625 Rosa Parks Blvd, 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,¹ which has been vacant since 2006. The former Roman Catholic church, which was notable for hosting Mother Teresa² in 1979,³ when she established a Missionaries of Charity convent at the church.⁴

The developer plans to renovate the abandoned and vacant building, located at 7625 Rosa Parks. The proposed project consists of rehabilitating the building into two commercial spaces totaling 24,000 sq. ft., proposed to include a brewery and an urban market. The exterior of the building will include improved landscaping and enhanced site connectivity to the Rosa Parks Boulevard/12th Street corridor and the La Salle Gardens Neighborhood to become an anchor point for cultural and commercial exchanges. The building will undergo major renovations including structural repairs and replacement of roofing materials, doors, and windows to secure the property against additional scrapping and the weather elements. The building will also receive new utilities including electrical and plumbing distribution systems and new

¹ Detroiturbex.com - St. Agnes / Martyrs of Uganda Catholic Church
² [Mother Teresa - Biographical \(nobelprize.org\)](http://Mother Teresa - Biographical (nobelprize.org))
³ [St. Agnes Roman Catholic Church - Abandoned \(abandonedonline.net\)](http://St. Agnes Roman Catholic Church - Abandoned (abandonedonline.net))
⁴ Mother Teresa's Impact on Southeast Michigan | Unleash the Gospel

energy efficient heating, cooling and ventilation systems. This particular project is one of the elements of a larger development on the St. Agnes/Martyrs of Uganda Church campus site.⁵

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.	
DEGC Abatement Term Recommendation	12 years
Location	
Address	7625 Rosa Parks
City Council District	5
Neighborhood	La Salle Gardens
Located in HRD/SNF Targeted Area	N/A
Building Use	
Commercial Square Footage	24,000 SF
Residential Square Footage	N/A
Total Residential Units	N/A
Studio Units	N/A
1-Bed Units	N/A
3-Bed Units	N/A
Project Description	
<p>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.</p> <p>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.</p> <p>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.</p>	
Sources and Uses of Capital Summary	
Total Investment	\$4,580,000
Sources	\$567K Equity (12%); 3.029M Senior Loan (66%), \$985K PACE Financing (22%)
Uses	\$242K Acquisition (5%); 3.608M Hard Costs (79%); 730K Soft Costs (16%)

⁵ The full St. Agnes Lofts project will consist of a \$14.8 million renovation of the former St. Agnes Church & School campus. The completed project will provide 91 residential units in a mix of studio, one bedroom two-bedroom and 3-bedroom units and 3,000 additional square feet of commercial space.

Project Economic Benefits Summary	
Estimated Jobs (FTE/Construction)	10 FTE / 46 Construction
Estimated City benefits before tax abatement	\$759,936
Total estimated City value of OPRA abatement	\$272,172
Less cost of services & utility deductions	\$217,270
Net Benefit to City with OPRA abatement	\$270,494

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

	Amount
Real Property Taxes, before abatement	\$272,172
Personal Property Taxes, before abatement	\$0
New Residential Property Taxes	\$0
Municipal Income Taxes - Direct Workers	\$84,738
Municipal Income Taxes - Indirect Workers	\$18,413
Municipal Income Taxes - Corporate Income	\$30,177
Municipal Income Taxes - Construction Period	\$46,630
Utility Revenue	\$148,150
Utility Users' Excise Taxes	\$9,783
State Revenue Sharing - Sales Tax	\$54,716
Building Permits and Fees	\$29,450
Miscellaneous Taxes & User Fees	\$65,709
Subtotal Benefits	\$759,936
Cost of Providing Municipal Services	(\$69,121)
Cost of Providing Utility Services	(\$148,150)
Subtotal Costs	(\$217,270)
Net Benefits	\$542,666

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	\$759,936	(\$217,270)	(\$272,172)	\$0	\$0	\$270,494
Wayne County	\$77,092	(\$12,420)	(\$64,672)	\$0	\$0	\$0
Detroit Public Schools	\$296,274	(\$52,700)	(\$105,359)	\$0	\$0	\$138,215
State Education	\$48,627	\$0	\$0	\$0	\$0	\$48,627
Wayne RESA	\$43,987	\$0	(\$43,987)	\$0	\$0	\$0
Wayne County Comm. College	\$26,098	\$0	(\$26,098)	\$0	\$0	\$0
Wayne County Zoo	\$804	\$0	(\$804)	\$0	\$0	\$0
Detroit Institute of Arts	\$1,610	\$0	(\$1,610)	\$0	\$0	\$0
Total	\$1,254,428	(\$282,390)	(\$514,702)	\$0	\$0	\$457,336

⁶ Charts courtesy of the DEGC

DEGC Chart of Taxes Before, During & After the Incentive⁷

	Existing Taxes	New Taxes <i>With</i> Incentive(s)	New Taxes <i>Without</i> Incentive
City of Detroit	\$2,584	\$2,590	\$20,435
Library	\$413	\$414	\$3,268
Wayne County	\$712	\$714	\$5,632
Detroit Public Schools	\$2,681	\$13,192	\$21,205
State Education	\$536	\$4,235	\$4,235
Wayne RESA	\$484	\$485	\$3,831
Wayne County Comm. College	\$287	\$288	\$2,273
Wayne County Zoo	\$9	\$9	\$70
Detroit Institute of Arts	\$18	\$18	\$140
Total	\$7,725	\$21,945	\$61,088

Conclusion

The estimated total capital investment for this project is **\$4,580,000**. It is also estimated that the completed project will create 10 FTE's⁸ and 46 temporary construction jobs. The total value of the 12-year OPRA tax savings is estimated at **\$514,702**.

Based on the investment and jobs, this project is estimated to provide the City of Detroit a net benefit of **\$270,494**, and all of the impacted taxing units, a net benefit of **\$457,336**, 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.⁹

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

Attachments: Assessor's Letter, dated April 27, 2023
CRIO¹⁰ Employment Clearance, dated May 4, 2023

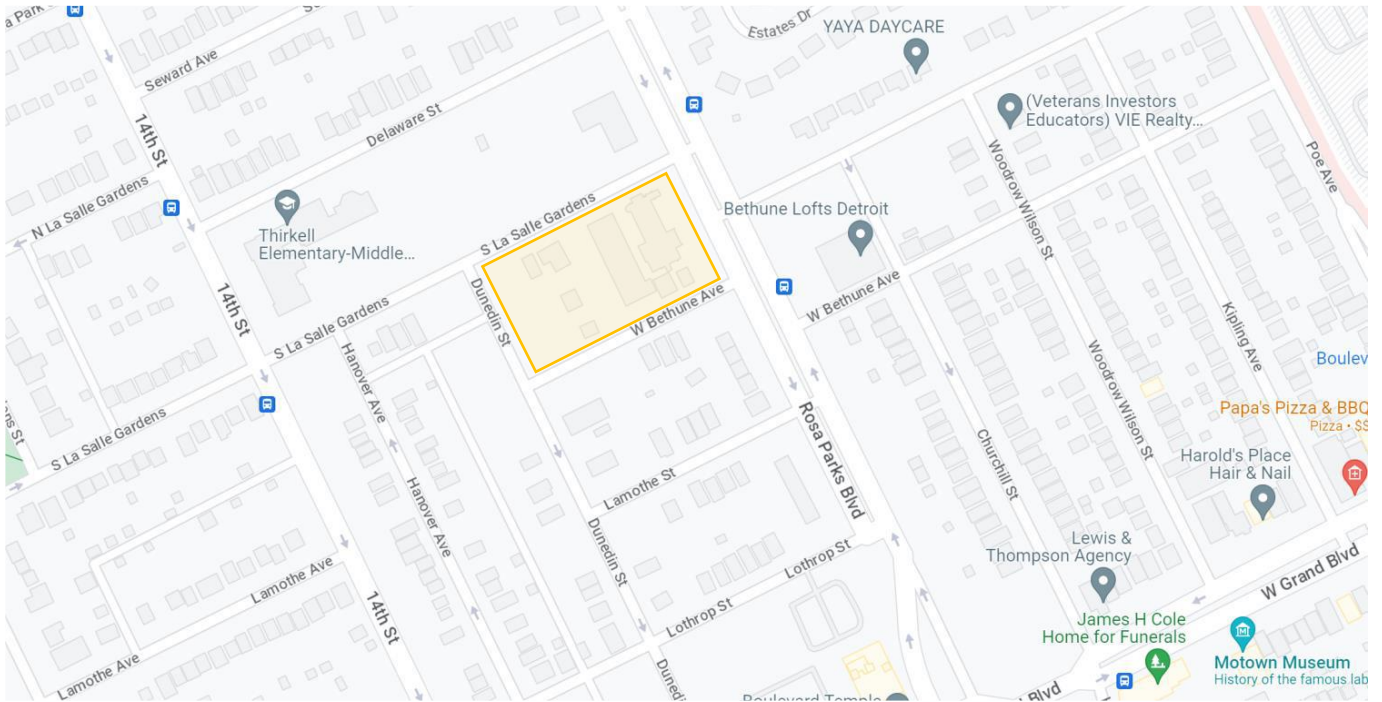
cc: Auditor General's Office
Donald Rencher, Chief of Services and Infrastructure
Antoine Bryant, Planning and Development Department
Julie Schneider, HRD
Justus Cook, HRD
Stephanie Grimes Washington, Mayor's Office
Malik Washington, Mayor's Office
Kenyetta Bridges, DEGC
Jennifer Kanalos, DEGC
Brian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

⁷ Existing Annual Taxes: \$7,725 - New Annual Taxes DURING the Incentive: \$21,945 & Taxes after the Incentive EXPIRES: \$61,088

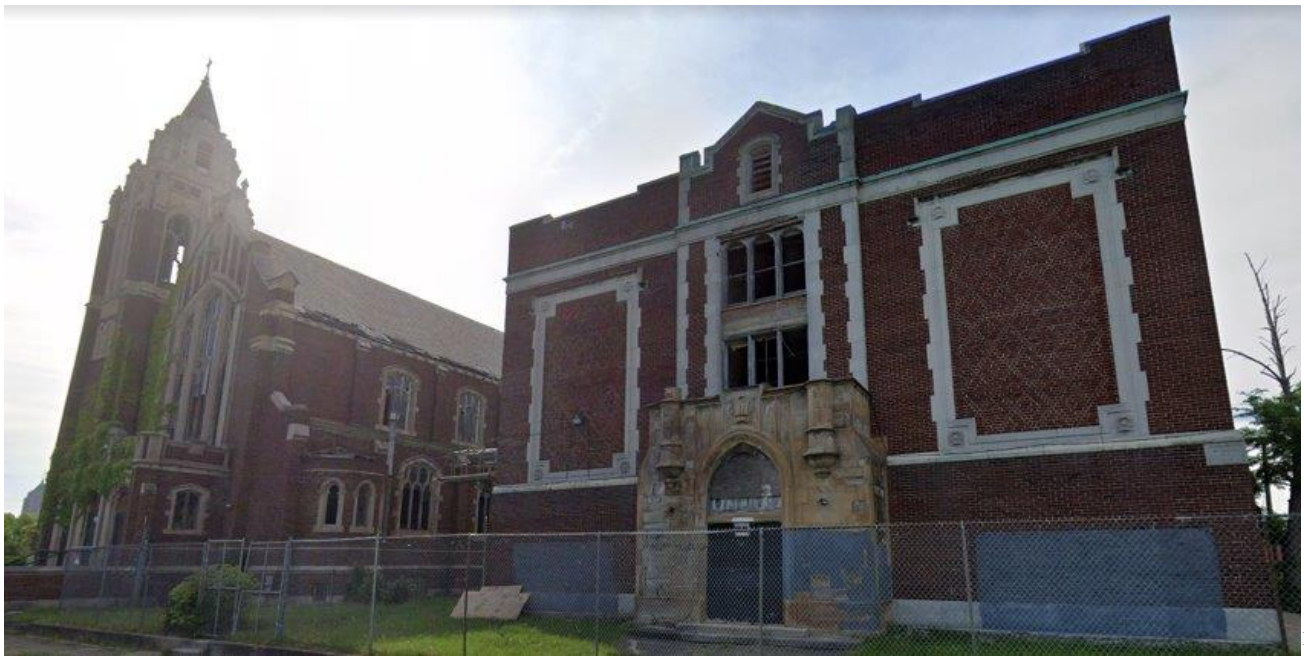
⁸ Full-time equivalent employee (FTE) [What Is Full-Time Equivalent \(FTE\)? Plus How To Calculate It | Indeed.com](#)

⁹ MCL 125.2792 (1) [Michigan Legislature - Section 125.2792](#)

¹⁰ Department of Civil Rights, Inclusion & Opportunity (CRIO)



Map of location



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

¹¹ 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 27, 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: 7625 Rosa Parks BLVD
 Parcel Number: 08007991.004

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation Certificate for the property located at **7625 Rosa Parks Blvd** located in the **La Salle Gardens** area of the City of Detroit.

The rationale for Obsolete Property Rehabilitation Certificates 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
08007991.004	7625 Rosa Parks BLVD	\$ 80,000	\$ 79,157	\$ 10,200	\$ 10,093

The project as proposed by the **St Agnes Lofts LLC** will entail the rehabilitation of the current building into two commercial spaces, envisioned to include a brewery and an urban market. This proposed project is part of a larger redevelopment effort of the former St. Agnes/Martyrs of Uganda church campus that will provide 82 residential units in a mix of studios, one-bedroom, and two-bedroom units and 3,000 additional square feet of commercial space. The exterior of the building will include improved landscaping and enhanced site connectivity to the Rosa Parks Boulevard/12th Street corridor and the La Salle Gardens Neighborhood to become an anchor point for cultural and commercial exchanges.



Obsolete Property Rehabilitation Certificate
St Agnes Lofts LLC – 7625 Rosa Parks Blvd
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The building will undergo major renovations including structural repairs and replacement of roofing materials, doors, and windows to secure the property against additional scrapping and the weather elements. As additional part of the rehabilitation, the building will receive new utilities including electrical and plumbing distribution and new energy efficient heating, cooling and ventilation systems. Apartment units will include new energy efficient windows and doors, new kitchen and bathroom cabinetry, stainless steel appliances, in-unit laundry, and fixtures.

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.

A review of the project plan and related statutes indicated that the proposed Obsolete Property Rehabilitation Certificate for the property located at **7601 Rosa Parks Blvd** 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



Obsolete Property Rehabilitation Certificate
St Agnes Lofts LLC – 7625 Rosa Parks Blvd
Page 3

Property Address: 7625 Rosa Parks Blvd
Parcel Number: 08007991.004
Property Owner: St Agnes Lofts LLC

Legal Description: E ROSA PARKS LOTS 1 THRU 6 & VAC ALLEYS ADJ MCGREGORS SUB L30 P39 PLATS, W C R 8/116 PT OF LOTS 57 THRU 60 & VAC ALLEY ADJ WHITNEYS SUB L27 P78 PLATS, W C R 8/82 ALL DESC AS BEG AT NELY COR LOT 6 TH S 26D 16M E 192 FT TH S 63D 16M W 118 FT TH N 26D 16M W 192 FT TH N 63D 16M E 118 FT TO POB 192 X 118 22,656 SQFT. SPLIT ON 03/15/2023 FROM 08007991.





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 5-50 Full-time Employees

Date: May 4, 2023

Tax Abatement Type: PA 146

New Renewal

Duration of Abatement: 12 years

Development Name: St Agnes Redevelopment Church Building

Development: The proposed project will entail the rehabilitation of the current building into two commercial spaces, envisioned to include a brewery and an urban market. This proposed project is part of a larger redevelopment effort of the former St. Agnes/Martyrs of Uganda church campus that will provide 85 residential units in a mix of studios, one-bedroom, and two-bedroom units and 3,000 additional sq ft of commercial space. The exterior of the building will include improved landscaping and enhanced site connectivity to the Rosa Parks Blvd/12th Street corridor and the La Salle Gardens Neighborhood to become an anchor point for cultural and commercial exchanges.

Parcel/Facility Address: 7625 Rosa Parks

Applicant/Recipient: Michael Rivait

Applicant Contact: 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: 10

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) with 5-50 full-time employees to do the following;
 - a. **Use DAW as the company's priority staffing partner** for all openings in Detroit for the life of the local incentive;
 - b. **Develop and implement a DAW Staffing Plan** in partnership with the company's DAW Staffing Consultant to include a regular meeting schedule of at least every 30 days and agreed-upon data-sharing related to program criteria and candidate submissions;
 - c. **Post all Detroit job openings through the DAW website;**
 - d. **Ban the Box:** To the extent possible according to law and job requirements, commits to removing the felony and/or misdemeanor question from the employment application, and agrees to using a background-friendly approach to hiring new employees in Detroit; and,



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Decision Regarding Employment Clearance for Tax Abatement Employment Commitment 5-50 Full-time Employees

- e. **Modify pre-employment screening and testing** so that an applicant who tests positive for a legalized substance in the State of Michigan are not disqualified from the hiring process, to the extent permissible under applicable laws, regulations, and other legal requirements.
- f. **Commit to one consultation with DAW staffing consultant** on strategies for upskilling of new employees, including offerings in adult basic education, State-provided training funds and incentives, apprenticeship programs development, and post-secondary educational attainment.
- g. **Commit to attending a New Employer Introduction meeting for Grow Detroit's Young Talent (GDYT)**, Detroit's summer youth employment program, in the first 90 days following approval;
- h. **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

4) Work with Commercial Tenant(s) who have **less than 5 full-time employees** to do 3-c and 3-h

The Applicant/Recipient has provided 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.

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

5/26/2023

Date