

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

DEPARTMENT PETITION REFERENCE COMMUNICATION

To: The Department or Commission Listed Below

From: Janice M Winfrey, Detroit City Clerk

The following petition is herewith referred to you for report and recommendation to the City Council.

In accordance with that body's directive, kindly return the same with your report in duplicate within four (4) weeks.

Petition No.	2023-088
Name of Petitioner	1550 Webward Avenue, LLC
Description of Petition	Request for the Establishment of an PA 210 Commercial Rehabilitation Exemption Certificate
Type of Petition	Tax Abatement
Submission Date	9/18/2023
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	Kofi Bonner 630 Woodward Ave. Detroit, MI 48226 kofibonner@bedrockdetroit.com

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

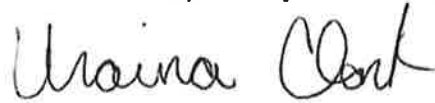
September 18, 2023

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 Exemption Certificate located at 1550 Woodward Ave, Detroit, Michigan 48226 for 1550 Webward Avenue LLC

Please find attached Petition Request for the Establishment of a Commercial Exemption Certificate located at 1550 Woodward Ave, Detroit, Michigan 48226 for 1550 Webward Avenue LLC **(In reference to petition 2023-088)**

Respectfully submitted,



Uraina Clark,
Junior Assistant City Council Committee Clerk
Office of the City Clerk

**1550 Webward Avenue LLC
an affiliate of
Bedrock Management Services LLC**

September 16, 2023

Detroit City Council
Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: Request for a Commercial Rehabilitation Exemption Certificate for 1550
Woodward Ave, Detroit, MI 48226**

Honorable City Council:

Please accept this letter as a request for a Commercial Rehabilitation Exemption Certificate (CREC) for the redevelopment of the building located at 1550 Woodward Avenue, Detroit, MI 48226 (the "Property"), as more particularly described in Attachment A.

General Description of Facility and Proposed Use

1550 Webward Avenue LLC ("Developer") is the project developer and owner of the one-story historic building located at 1550 Woodward Avenue.

The rehabilitation, which is anticipated to cost approximately \$8,600,000 based on current construction estimates, will create a food and beverage concept consisting of basement, ground floor, mezzanine and rooftop space.

The structure is located in the Lower Woodward Avenue Historic District. It was completed in 1965 and has sat vacant since 2005. Prior to acquisition by Developer, the Property fell into a state of disrepair. Developer is planning to undertake a complete rehabilitation and restoration of the historic structure, including:

- Replacement of all mechanical and electrical systems, plumbing, elevator system, life safety systems, and windows
- Demolition and complete restoration of exterior enclosure
- Complete interior restoration and build-out
- Installation of necessary fixed building equipment for a modern restaurant and bar

Location Map



1550 Woodward Avenue Façade (Pre-Rehabilitation)



Basis for Qualification and Statement of Economic Advantages

Pursuant to Section 3(1) of the Commercial Rehabilitation Act (the “Act”), 2005 PA 210, MCL 207.843, a qualified local government unit may designate a Commercial Rehabilitation District consisting of one or more parcels of commercial property if at the time the resolution is adopted, the parcel is a “qualified facility”. The Act further defines “qualified facility” as property that is “a building or a group of contiguous buildings...which, within the immediately preceding 15 years, was commercial property...”. The subject Property was constructed in 1965 as a commercial building and has been designated as Commercial property for the past 58 years. Accordingly, the rehabilitation of the Property is eligible for issuance of a Commercial Rehabilitation Exemption Certificate.

Once rehabilitation is complete, the project will restore one of the last obsolete buildings in the lower Woodward corridor into a multi-faceted food and beverage concept. The bar and restaurant will cover 14,000 square feet across basement, ground floor, mezzanine and rooftop levels. It will deliver the kind of amenity that is important to attracting residents and visitors to Detroit. In addition, the project, which will be managed by a third-party operator, is expected to create 83 full-time equivalent jobs.

Timeline for Rehabilitation

Rehabilitation commenced on June 20, 2023. The timeline for completion is being finalized, but the project is anticipated to be complete within one year from commencement.

Bedrock and its affiliates are deeply committed to the revitalization of Detroit. We appreciate your Honorable Body’s consideration of this request and support for this project.

For questions about this request, please contact Jared Fleisher at JaredFleisher@rock.com.

Respectfully submitted,

1550 Webward Avenue LLC,
a Michigan limited liability company

DocuSigned by:
By: Kofi Bonner
C6230DD0CF39404
KOFI S. BONNER
Its: Authorized Representative

ATTACHMENT A: PARCEL ID AND LEGAL DESCRIPTION

Parcel Tax ID Number	Address	Owner	Legal Description
01004135-6	1550 Woodward Avenue	1550 Webward Avenue LLC	E WOODWARD N 15 FT 24 S 30 FT 23 PLAT OF SEC 7 GOVERNOR & JUDGES PLAN L34 P544 DEEDS, W C R 1/9 45 IRREG


Michigan Department of Treasury
4507 (Rev. 12-20)

Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

LOCAL GOVERNMENT UNIT USE ONLY	
▶ Application No.	▶ Date Received
STATE USE ONLY	
▶ Application No.	▶ Date Received

Read the instructions page before completing the form. **This application should be filed after the commercial rehabilitation district is established.** The applicant must complete Parts 1, 2 and 3 and file the application form (with required attachments) with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) 1550 Webward Avenue LLC			NAICS or SIC Code
Facility's Street Address 1550 Woodward Avenue	City Detroit	State MI	ZIP Code 48226
Name of City, Township or Village (taxing authority) City of Detroit	County Wayne	School District Where Facility is Located DPS-CD	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 06/20/2023	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 06/20/2024		
Estimated Cost of Rehabilitation \$8,600,000	Number of Years Exemption Requested (1-10) 10		
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity	<input type="checkbox"/> Retain Employment	<input checked="" type="checkbox"/> Revitalize Urban Areas	
<input checked="" type="checkbox"/> Create Employment	<input type="checkbox"/> Prevent Loss of Employment	<input type="checkbox"/> Increase Number of Residents in Facility's Community	
No. of jobs to be created due to facility's rehabilitation 83	No. of jobs to be retained due to facility's rehabilitation 0	No. of construction jobs to be created during rehabilitation 138	
PART 2: APPLICATION DOCUMENTS			
Prepare and attach the following items:			
<input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage)	<input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption		
<input checked="" type="checkbox"/> Description of the qualified facility's proposed use	<input checked="" type="checkbox"/> Legal description		
<input checked="" type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken	<input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only)		
<input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility	<input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only)		
<input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation			
PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) Kofi Bonner	Telephone Number (313) 373-8700		
Fax Number (855) 455-2929	E-mail Address KofiBonner@bedrockdetroit.com		
Street Address 630 Woodward Avenue	City Detroit	State MI	ZIP Code 48226
I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.			
I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.			
Signature of Authorized Company Officer (no authorized agents) 	Title Authorized Representative	Date 9/16/2023	

PART 4: ASSESSOR RECOMMENDATIONS (assessor of LGU must complete Part 4)			
Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).			
	Taxable Value	State Equalized Value (SEV)	
Land			
Building(s)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.			
<input type="checkbox"/> By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.			
Name of Local Government Body			
Name of Assessor (first and last name)		Telephone Number	
Fax Number		E-mail Address	
<i>I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.</i>			
Assessor's Signature			Date
PART 5: LOCAL GOVERNMENT ACTION (clerk of LGU must complete Part 5)			
Action Taken By LGU (attach a certified copy of the resolution).			
<input type="checkbox"/> Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)			
<input type="checkbox"/> Exemption Denied			
Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code	
PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION (clerk of LGU must complete Part 6)			
Clerk's Name (first and last)		Telephone Number	
Fax Number		E-mail Address	
Mailing Address	City	State	ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number	
<i>I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.</i>			
Clerk's Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
 P.O. Box 30471
 Lansing, MI 48909

Instructions for Completing Form 4507

Application for Commercial Rehabilitation Exemption Certificate

The Commercial Rehabilitation Exemption Certificate was created by Public Act 210 of 2005, as amended. The application is initially filed, reviewed, and approved by the LGU and then reviewed and approved by the State Tax Commission. According to Section 3 of Public Act 210 of 2005, as amended, the LGU must establish a Commercial Rehabilitation District. **Rehabilitation may commence after establishment of the Commercial Rehabilitation District.**

Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of application
2. Prepare and attach all documents required under Part 2 of the application:
 - a. General description of the facility (year built, original use, most recent use, number of stories, square footage)
 - b. Description of the qualified facility's proposed use
 - c. Description of the general nature and extent of the rehabilitation to be undertaken
 - d. Descriptive list of the fixed building equipment that will be a part of the qualified facility
 - e. Time schedule for undertaking and completing the facility's rehabilitation
 - f. Statement of the economic advantages expected from the exemption
 - g. Legal description of the facility
 - h. Description of the "underserved area" (Qualified Retail Food Establishments only)
3. Qualified Retail Food Establishments:
 - a. Complete Part 1 of the *Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments* (Form 4753). Submit to LGU clerk along with application.
 - b. Describe the "underserved area" and provide supporting documentation to show how the project area meets one or more of the following requirements:
 - i. An area that contains a low to moderate income census tract(s) which, based on per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars) and a below average supermarket density
 - ii. An area that has a supermarket customer base with more than 50% living in a low income census tract(s) which based on the per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars)
 - iii. An area that has demonstrated significant access limitations due to travel distance and has no Qualified Retail Food Establishments within two miles of the geo-center for an urban area or has no Qualified Retail Food Establishments within nine miles of the geo-center for a rural area.

For assistance in determining the project area's eligibility, visit www.michigan.gov/propertytaxexemptions and click on Commercial Rehabilitation Act.
4. Submit the application and all attachments to the clerk of the LGU where the property is located.

LGU Assessor Instructions

Complete and sign Part 4 of the application.

LGU Clerk Instructions

1. After LGU action, complete Part 5 of the application.
2. After reviewing the application for complete and accurate information, complete Part 6 and sign the application to certify the application meets the requirements as outlined by Public Act 210 of 2005, as amended.
3. Assemble the following for a complete application:
 - a. Completed *Application for Commercial Rehabilitation Exemption Certificate* (Form 4507)
 - b. All required attachments listed under Part 2
 - c. A copy of the resolution by the LGU establishing the district
 - d. A certified copy of the resolution by the LGU approving the application
 - e. Complete Form 4753 (Qualified Retail Food Establishments only)
4. **For faster service, email the completed application and additional required documentation to PTE@michigan.gov.** An additional submission option is to mail the completed application and required documents to: Michigan Department of Treasury, State Tax Commission, P.O. Box 30471, Lansing, MI 48909

Application Deadline

The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

If you have questions or need additional information or sample documents, visit www.michigan.gov/propertytaxexemptions or call 517-335-7491.



Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, Michigan 48226

Phone: 313.224.6380
Fax: 313.224.1629
www.detroitmi.gov

March 29, 2023

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Request for Public Hearing to Establish a Commercial Rehabilitation District for 1550 Webward Avenue, LLC in the area of 1550 Woodward Ave, Detroit, Michigan, in accordance with Public Act 210 of 2005. (Petition #2023-088)

Honorable City Council:

The Housing and Revitalization Department has reviewed the request of **1550 Webward Avenue, LLC** to establish a Commercial Rehabilitation District and find that it satisfies the criteria set forth by Public Act 210 of 2005 and that it would be consistent with the development and economic goals of the Master Plan.

Per Public Act 210 of 2005, prior to acting upon the resolution to approve a district, a public hearing must be held, and the City Clerk must provide written notice of the public hearing to the assessor and to the governing body of each taxing unit that levies an ad valorem tax within the eligible district, **said notice to be made not less than 10 days or more than 30 days** prior to your Honorable Body's adoption of said resolution.

We request that a public hearing be scheduled on the issue of adopting a resolution to establish a new commercial rehabilitation district. Attached for your consideration, please find a resolution establishing a date and time for the public hearing.

Respectfully submitted,

DocuSigned by:


A1E218A0ECAA417...

Kelly R. Vickers

Chief Housing Investment & Development Officer

KV/jc

cc: S. Washington, Mayor's Office
A. Bryant, PDD
J. Schneider, HRD
J. Cook, HRD



Housing and Revitalization
Department

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, Michigan 48226

Phone: 313.224.6380
Fax: 313.224.1629
www.detroitmi.gov

BY COUNCIL MEMBER _____

WHEREAS, pursuant to Public Act No. 210 of 2005 (“the Act”) this City Council may adopt resolution which approves the request to establish a Commercial Rehabilitation District within the boundaries of the City of Detroit; and

WHEREAS, 1550 Webward Avenue, LLC, has requested that a Commercial Rehabilitation District be established as particularly described in the legal description and illustrated in the map attached hereto; and

WHEREAS, prior to such approval, the City Council shall provide an opportunity for a Public Hearing, at which Public Hearing on such adoption of a resolution providing such tax exemption, at which Public Hearing representatives of any taxing authority levying *ad valorem* taxes within the City, or any other resident or taxpayer of the City of Detroit may appear and be heard on the matter.

NOW THEREFORE BE IT

RESOLVED, that on _____, 2023 in an electronic meeting held via ZOOM, a Public Hearing be held on the above-described application and be it finally

RESOLVED, that the City Clerk shall give notice of the Public Hearing to the general public and shall give written notice of the Public Hearing by certified mail to all taxing authorities levying an *ad valorem* tax within the City of Detroit, **such notices to be provided not less than 10 days or more than 30 days** before the date of the hearing.

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

March 22, 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 under Michigan Public Act 210 of 2005 for 1550 Woodward Ave, Detroit, MI 48226

Please find attached Petition Request for the Establishment of a Commercial Rehabilitation District under Michigan Public Act 210 of 2005 for 1550 Woodward Ave, Detroit, MI 48226

Respectfully submitted,



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

**1550 Webward Avenue LLC
an affiliate of
Bedrock Management Services LLC**

February 28, 2023

Detroit City Council
Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Request for the Establishment of a Commercial Rehabilitation District under Michigan Public Act 210 of 2005 for 1550 Woodward Ave, Detroit, MI 48226

Honorable City Council:

Please accept this letter as a request to establish a Commercial Rehabilitation Act District for the redevelopment of the building located at 1550 Woodward Avenue, Detroit, MI, 48226 (the "Property"), as more particularly described in Attachment A.

General Description of Facility and Proposed Use

1550 Webward Avenue LLC ("Developer") is the project developer and owner of the one-story historic building located at 1550 Woodward Avenue.

The rehabilitation, which is anticipated to cost approximately \$8,600,000 based on preliminary construction estimates, is intended to create a food and beverage concept consisting of ground floor, mezzanine and rooftop space.

The structure is located in the Lower Woodward Avenue Historic District. It was completed in 1965 and has sat vacant since 2005. Prior to acquisition by Developer, the Property fell into a state of disrepair. Developer is planning to undertake a complete rehabilitation and restoration of the historic structure, including:

- Replacement of all mechanical and electrical systems, plumbing, elevator system, life safety systems, and windows;
- Lead and asbestos abatement and hazardous materials removal, as necessary;
- Façade restoration; and
- Complete interior restoration and build-out.



1550 Woodward Avenue Façade



1550 Woodward Avenue

Basis for Qualification

Pursuant to Section 3(1) of the Commercial Rehabilitation Act (the “Act”), 2005 PA 210, MCL 207.843, a qualified local government unit may designate a Commercial Rehabilitation District consisting of one or more parcels of commercial property if at the time the resolution is adopted, the parcel is a “qualified facility”. The Act further defines “qualified facility” as property that is “a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was commercial property...”

- The subject Property was constructed in 1965 as a commercial building and has been designated as Commercial property for the past 58 years.

Timeline for Rehabilitation

Rehabilitation is expected to commence in June 2023. The timeline for completion is being finalized but is currently anticipated to require approximately 10 months.

ATTACHMENT A: PARCEL ID AND LEGAL DESCRIPTION

Parcel Tax ID Number	Address	Owner	Legal Description
01004135-6	1550 Woodward Avenue	1550 Webward Avenue LLC	E WOODWARD N 15 FT 24 S 30 FT 23 PLAT OF SEC 7 GOVERNOR & JUDGES PLAN L34 P544 DEEDS, W C R 1/9 45 IRREG



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

March 31, 2023

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

Re: **Commercial Rehabilitation District – 1550 Woodward Ave LLC**
Address: 1550 Woodward Ave
Parcel Number: 01004135-6.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Commercial Rehabilitation District located at **1550 Woodward** in the **Lower Woodward Avenue Historic District** area of 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 the **1550 Woodward Ave LLC** consists of a vacant one-story retail building with 4,055 square feet of total floor area, built in 1963, on 0.086 acres of land. The building fell into a state of disrepair due to outdated architectural design, and technology, as well as deterioration due to vacancy in recent years. The proposed project consists of rehabilitating and transforming the current structure into a modernized structure as a restaurant. Intended to create a food and beverage concept consisting of ground floor, mezzanine, and rooftop space. Major repairs will be made to the building's interior and exterior, including full interior restoration and build-out, replacement of all electrical and plumbing systems, the elevator system, life safety systems and windows, HVAC, and façade restoration.

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 48228
PHONE: 313•224•3011
FAX: 313•224•9400

Commercial Rehabilitation District
1550 Woodward Ave LLC
Page 2

A review of the project details and relevant statutes indicated that the proposed Commercial Rehabilitation District located at **1550 Woodward Ave** in the **Lower Woodward Avenue Historic District** 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



TO: Justus Cook, Housing and Revitalization
FROM: Shelby Holmes, Planning and Development
RE: Master Plan Interpretation for Commercial Rehabilitation District (PA 210) at 1550 Woodward Ave Detroit, MI 48226 (Associated to Petition # 2023-088)
DATE: March 21, 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 1550 Woodward Avenue, LLC.

Location and Project Proposal: 1550 Woodward Ave Detroit, MI 48226. The proposed project is a rehabilitation of a vacant building into a restaurant/Bar with rooftop access.

Current Master Plan (MP) & Zoning: MP Classification – Mixed Residential-Commercial (MRC)
Zoning – Major Business District (B5)

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 Central Business District neighborhood describe the following recommendations:

- GOAL 5: Improve the appearance of commercial areas.
- Policy 5.1: Introduce façade improvements, street furniture and landscaping to facilitate pedestrian activity along the major retail nodes.

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



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

September 19, 2023

Mr. Antoine Bryant, Director
 Planning & Development Department
 Coleman A. Young Municipal Center
 2 Woodward Ave, Suite 808
 Detroit, MI 48226

Re: **Commercial Rehabilitation Certificate – 1550 Webward Ave LLC**
 Addresses: 1550 Woodward Ave
 Parcel Number: 01004135-6.

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Commercial Rehabilitation certificate application for the property located at **1550 Woodward Ave** located in the **Lower Woodward Avenue Historic District** area of 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 2023 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
01004135-6.	1550 Woodward Ave	\$ 212,000	\$ 62,812	\$ 230,000	\$ 68,145

The project proposed by the **1550 Webward Ave LLC** consists of a vacant one-story retail building with 4,055 square feet of total floor area, built in 1963, on 0.086 acres of land. The building fell into a state of disrepair due to outdated architectural design, and technology, as well as deterioration due to vacancy in recent years. The proposed project consists of rehabilitating and transforming the current structure into a modernized structure as a restaurant. Intended to create a food and beverage concept consisting of ground floor, mezzanine, and rooftop space. Major repairs will be made to the building's interior and exterior, including full interior restoration and build-out, replacement of all electrical and plumbing systems, the elevator system, life safety systems and windows, HVAC, and façade restoration.



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

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 824
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Commercial Rehabilitation Certificate
1550 Webward Ave LLC
Page 2

This property 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.

A review of the project plan and related statutes indicated that the proposed Commercial Rehabilitation Act for the property located at **1550 Woodward Ave** is eligible as it pertains to the Commercial Rehabilitation certificate criteria 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
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Commercial Rehabilitation Certificate
1550 Woodward Ave LLC
Page 3

Property Address: 1550 Woodward Ave
Parcel Number: 01004135-6.
Property Owner: 1550 Webward Ave LLC
Legal Description: E WOODWARD N 15 FT 24 S 30 FT 23 PLAT OF SEC 7 GOVERNOR & JUDGES PLAN L34 P544 DEEDS,
W C R 1/9 45 IRREG



**COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE
AGREEMENT**

THIS COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this "Agreement") is made this _____ day of _____, 20__ by and between the City of Detroit, a Michigan municipal corporation ("City"), acting by and through its Planning & Development Department, with an office at 2 Woodward Avenue, Suite 808, Detroit, Michigan 48226 and 1550 Webward Avenue, LLC an ("Applicant") with an office at 630 Woodward Avenue.

WITNESSETH:

WHEREAS, Public Act 210 of 2005 as amended, also known as the Commercial Rehabilitation Act ("Act"), (1) provides for the establishment of commercial rehabilitation districts by local governmental units, (2) provides for the abatement or exemption from certain taxes for qualified facility owners, and (3) allows local governmental units to levy and collect a specific tax from the owners of certain qualified facilities, among other provisions; and

WHEREAS, the Applicant has submitted an Application for Commercial Rehabilitation Exemption Certificate ("Application") for the property located at: 1550 Woodward Avenue ("Property"). A copy of the Application is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City has previously approved a commercial rehabilitation district pursuant to the Act and the Property is located in such district; and

WHEREAS, the Applicant has committed to complete a Rehabilitation of the Property, as defined in the Act, and to hire or retain a certain amount of full-time employees at the Property during the Term (as defined below); and

WHEREAS, the City has approved the Application by adopting a resolution granting the Commercial Rehabilitation Exemption Certificate ("CREC"), contingent upon the covenants and representations contained herein and pending approval by the Michigan State Tax Commission. A copy of the City resolution granting the CREC is attached hereto as Exhibit B and made a part hereof; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. General.

a. Unless earlier revoked as provided for in Section 12 of the Act, being MCL 207.852, or as provided for in this Agreement, the CREC term and the term of this Agreement (collectively, the "Term") will be for a period of **Ten (10) years**, beginning on the certificate beginning date stated in the CREC issued by the Michigan State Tax Commission.

b. The Applicant will complete the Rehabilitation of the Property (the “Project”), as defined in the Act and as set forth in the Application, no later than June 20, 2024.

c. The Applicant shall create, or cause to be created, at least **One (1)** (the “Employee Commitment Number”) full-time employee at the Property within one (1) year of the effective date of this Agreement.

d. The Applicant will recruit and hire City of Detroit residents in accordance with specified targets as set forth in the City of Detroit Resident Employment Plan (“Employment Plan”) submitted by the Applicant to the City as part of the Application and approved by the City of Detroit Civil Rights, Inclusion and Opportunity Department (“CRIO”). Throughout the Term, the Employment Plan may not be modified without CRIO’s prior written approval, which approval may be granted or withheld in CRIO’s sole discretion. CRIO will monitor the Applicant’s compliance with the Employment Plan on an annual basis throughout the Term. Upon notice from CRIO of a discrepancy between the Applicant’s commitment in the Employment Plan and the actual number of City of Detroit residents employed at the Property, Applicant shall submit a correction plan setting forth the Applicant’s plan to bring the number of City of Detroit residents employed at the Property back up to the specified targets as set forth in the Employment Plan. Applicant’s correction plan must be approved by CRIO. Applicant shall be required to fulfill the terms of such correction plan in the timeline set forth in the correction plan.

e. For purposes of this Agreement, a “full-time employee” is defined as a person: (i) who is employed by the Applicant or its affiliates on a salary, wage, commission, or other basis, for a minimum period of forty (40) hours a week and (ii) from whose compensation the Applicant or its affiliates, including a staffing agency, are required by law to withhold City of Detroit income taxes. Affiliates may include Applicant’s tenant(s) that lease space at the Property.

2. Applicant Representations and Warranties.

In compliance with the Act and in order to induce the City to grant a CREC to the Applicant, the Applicant represents and warrants that:

a. The Applicant was the owner of the Property at the time of Applicant’s submission of the Application and is the owner of the Property as of the date of this Agreement.

b. The Property is a “Qualified Facility” as defined under the Act.

c. During the Term, no portion of the Property will be used as a professional sports stadium.

d. During the Term, no portion of the Property will be used, owned or operated by a casino or affiliated company as defined in the Act.

e. Applicant would not have considered undertaking the Project without a CREC.

- f. The Project did not start earlier than six (6) months before the Applicant filed the Application.
- g. There are no delinquent taxes owed on the Property.
- h. The Applicant will pay any applicable taxes on the Property as they become due.
- i. The Project and the Applicant's current and planned future operation of the Property are in compliance with the City of Detroit Zoning Ordinance and Master Plan.
- j. If the Project will include the provision of housing at the Property, the Applicant agrees: (i) to comply with Fair Housing Practices that meet the guidelines set forth by the U.S. Fair Housing Act (42 U.S.C. 3601 through 3619); and (ii) to comply with the Affordability Requirements set forth on Addendum 2, attached hereto.

3. Community Benefits Requirements.

Pursuant to City of Detroit Ordinance 35-16 (the "Ordinance"), also known as the Community Benefits Ordinance, if the Property involves a Tier 2 Development Project (as defined by the Ordinance), then the Applicant will:

- a. Partner with the City, and, when appropriate, a workforce development agency to promote the hiring, training and employability of Detroit residents consistent with State and Federal Law.
- b. Partner with the Director of the Planning & Development Department to address and mitigate negative impacts that the Tier 2 Development Project may have on the community and local residents. The Applicant will adhere to the mitigation requirements, if any, stated in the attached Addendum 1 – Requirements, which is incorporated herein by reference.

4. Reporting to the City by the Applicant.

Applicant agrees to provide the City with sufficient information, subject to review and audit by the City, in order to determine compliance with this Agreement. At a minimum, the Applicant shall comply with the following covenants during the Term:

- a. Upon request, the Applicant shall provide the Planning & Development Department copies of all construction plans, building permits and certificates of occupancy related to the Rehabilitation of the Property.
- b. Applicant shall permit the City to perform periodic site visits to the Property by the City to establish whether the Applicant is completing the Rehabilitation to the Property as required by the Act and this Agreement.
- c. Annually, within two (2) weeks after each anniversary of the commencement of the Term, Applicant shall submit to the Planning & Development Department a certified status report ("Status Report") signed by an authorized officer of the Applicant. The Status Report shall set forth

for the previous year: (i) the Rehabilitation work completed at the Property and the Applicant's financial investment in the Property for that year and (ii) the number of full-time employees at the Property for that year.

d. Annually, within two (2) weeks after each anniversary of the commencement of the Term, the Applicant shall submit to CRIO the Annual Employment Report for Tax Abatements (the "Status Report"), including copies of proofs of residency that have been accepted by CRIO.

e. Applicant shall use and participate in the City of Detroit's central affordable housing portal (the "Housing Portal") to advertise available rental units at the Property, so long as the Housing Portal exists. Applicants shall work with City staff to create a property listing for the Property within the Housing Portal and shall coordinate marketing efforts for available units at the Property with the City. Applicant shall review its listing on the Housing Portal and shall make updates to any listings, if necessary, on at least an annual basis. When the Property has immediate vacancies and the Applicant has exhausted its waitlist (if any) for the Property, Applicant shall use the Housing Portal to market those vacancies. Applicant shall update its listing within the Housing Portal when Applicants waitlists (if any) for the Property opens or closes. Applicant shall provide the City with such information as the City may reasonably request to maintain accurate information about the Property on the Housing Portal. Communications to the City regarding the property listing for the Property, vacancies, waitlist openings, or other information required to be provided pursuant to this Section 4.e may be sent to detroithomeconnect@detroitmi.gov.

5. Revocation of CREC and Termination of this Agreement.

The City may, in its sole discretion and by resolution of Detroit City Council, revoke the CREC if the City finds that: (a) the completion of Rehabilitation of the Property has not occurred in the time or manner authorized by this Agreement; or (b) that the Applicant has not proceeded in good faith with the Rehabilitation of the Property in a manner consistent with the purposes of the Act, taking into account any circumstances that are beyond the control of the Applicant.

As used in this Section 5, "good faith" includes, but is not limited to, the following: (i) Applicant is actively working with an agency or City Department to hire and ascertain methods of recruiting and employing Detroit residents at the Property, and (ii) Applicant is actively working with the Detroit Economic Growth Corporation, the City's Planning & Development Department, and CRIO to ascertain methods of obtaining resources to improve Applicant's business in a manner that will allow for compliance with this Agreement.

6. Payment of Exempted Taxes for Shortfall of Employment.

If the average number of full-time employees at the Property for any given year of the Term is less than the Employee Commitment Number, the Applicant agrees to pay to the City, in addition to the Commercial Rehabilitation Tax due under the CREC, an amount equal to the difference between the amount of ad valorem tax that would be due on the Property without the CREC, and the amount of Commercial Rehabilitation Tax due on the Property under the CREC, for that given year, multiplied by a fraction, the numerator of which is the shortfall in the number of full-time employees indicated in the Status Report, and the denominator of which is the Employee Commitment Number. Prior to taking any action to require the Applicant to pay an amount to the City pursuant to this

Section, the City must afford the Applicant an opportunity to present reasons for the employment shortfall at a public hearing.

In the event that the Applicant fails to report in the Status Report the number of full-time employees at the Property for a given year of the Term, the number of full-time employees at the Property for purposes of this Section shall be deemed to be zero (0).

7. Notice to City of Discontinuance of Operations.

If during the Term the Applicant intends to discontinue operations at the Property, the Applicant will provide thirty (30) days' prior written notice of such shutdown of operations to the Director of the Planning & Development Department.

8. Reservation of Remedies.

The City and the Applicant agree that each of the rights and remedies provided by this Agreement may be exercised separately or cumulatively, and shall not be exclusive of any other rights and remedies provided by law. Invalidation of any of the provisions contained in this Agreement by operation of law, judgment, court order or otherwise shall not invalidate any of the other provisions of this Agreement.

9. Transfer.

Neither the CREC nor this Agreement may be transferred or assigned by the Applicant to a new owner of the Property unless the City, in its sole discretion, approves such transfer or assignment upon application by the new owner.

10. Headings.

The headings contained in this Agreement are for descriptive purposes only, and do not alter or govern the substantive content of the provisions of the Agreement.

11. Capitalized Terms.

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Act.

12. Governing Law; Venue.

This Agreement and all actions arising under it shall be governed by, subject to, and construed according to the law of the State of Michigan. Applicant agrees, consents and submits to the exclusive personal jurisdiction of any state or federal court of competent jurisdiction in Wayne County, Michigan, for any action arising out of this Agreement. Applicant also agrees that it shall not commence any action against the City because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this Agreement in any state or federal court of competent jurisdiction other than one in Wayne County, Michigan.

13. Amendment.

This Agreement may not be amended or modified except by a written instrument executed by each of the parties hereto.

[Remainder of Page Intentionally Left Blank]

**[SIGNATURE PAGE TO COMMERCIAL REHABILITATION EXEMPTION
CERTIFICATE AGREEMENT]**

IN WITNESS WHEREOF, the City and the Applicant, by and through their authorized officers and representatives, have executed this Agreement as follows:

APPLICANT:

1550 Webward Avenue LLC

DocuSigned by:

By: Kofi Bonner

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Print: Kofi Bonner

Its: Authorized Representative

CITY OF DETROIT

PLANNING & DEVELOPMENT DEPT.

By: _____

Print: _____

Its: _____

THIS AGREEMENT WAS APPROVED BY
THE CITY COUNCIL ON:

APPROVED BY LAW DEPARTMENT
PURSUANT TO § 7.5-206 OF THE CHARTER
OF THE CITY OF DETROIT

Date

Corporation Counsel Date

**THIS AGREEMENT IS NOT EFFECTIVE OR VALID UNTIL APPROVED BY
RESOLUTION OF THE CITY COUNCIL, SIGNED BY ALL PARTIES HERETO, AND A
COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE IS APPROVED BY
THE MICHIGAN STATE TAX COMMISSION**

ADDENDUM 1
Requirements

EXHIBIT A
Application for Commercial Rehabilitation Exemption Certificate

EXHIBIT B
Detroit City Council Resolution
Granting the Commercial Rehabilitation Exemption Certificate



Civil Rights, Inclusion
and Opportunity

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

Date: October 3, 2023

Tax Abatement Type: PA 210

New Renewal

Duration of Abatement: 10 years

Development Name: 1550 Webward Avenue LLC

Development: The proposed project consists of rehabilitating and transforming the current structure into a modernized structure as a restaurant. Intended to create a food and beverage concept consisting of ground floor, mezzanine, and rooftop space.

Parcel/Facility Address: 1550 Woodward Avenue

Applicant/Recipient: Brian Watkins

Applicant Contact: 313-682-6793 brianwatkins@rock.com

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: 1

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.

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.



Civil Rights, Inclusion
and Opportunity

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**

Tenika R. Griggs, Esq.

CRIO Deputy Director Name

DocuSigned by:

Tenika R. Griggs, Esq.

FF584CDB98E341A

CRIO Deputy Director Signature

10/4/2023

Date