

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.	2023-370 Amended
Name of Petitioner	Henry Ford Health System and Palace Sports & Entertainment LLC
Description of Petition	Please see request for the Establishment of Neighborhood Enterprise Zone Pursuant to PA 147 of 1992, as amended; 6005 Second Avenue, Henry Ford System and Palace Sports Entertainment
Type of Petition	Tax Abatement
Submission Date	11/9/2023
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	Richard A. Barr Honigam Office: 313-465-7308 Mobile: 248-701-2025 rbarr@honigman.com

2 Woodward Ave. Coleman A. Young Municipal Center Rm. 200, Detroit, MI 48226

(313) 224 - 3260 | Fax: (313) 224 - 1466

**HENRY FORD HEALTH SYSTEM
ONE FORD PLACE
DETROIT, MICHIGAN 48202-3450**

**PALACE SPORTS & ENTERTAINMENT, LLC
6201 SECOND AVENUE
DETROIT, MICHIGAN 48202**

By Email

October 31, 2023

Detroit City Council
c/o City Clerk
200 Coleman A. Young Municipal Building
2 Woodward Avenue
Detroit, MI 48226

Re: Amended Request for Establishment of Neighborhood Enterprise Zone Pursuant to P.A. 147 of 1992, as amended– 6005 Second Avenue, Henry Ford Health System and Palace Sports & Entertainment, LLC

Ladies and Gentlemen:

On behalf of Henry Ford Health System, a Michigan non-profit corporation whose address is One Ford Place, Detroit, Michigan 48202-3450 (“HFHS”), and Palace Sports & Entertainment LLC, a Delaware limited liability company whose address is 6201 Second Avenue, Detroit, Michigan 48202 (“Palace Sports”), please accept this letter as an amended request to establish a Neighborhood Enterprise Zone pursuant to MCL 207.771 for the parcel of property located at 6005 Second Avenue, as described on Attachment A and depicted as “Parcel 2” on Attachment B, to support the planned conversion and rehabilitation by Palace Sports or its affiliate of the building located at 6005 Second Avenue for residential uses as part of a mixed-use building with approximately four hundred three (403) mixed-income rental apartments and ground floor commercial uses. The commercial portion of the building will not be the subject to an NEZ certificate request but instead for which Palace Sports or its affiliate will submit an application for a P.A. 255 commercial facilities exemption certificate. See Attachment C for additional details.

HFHS proposes to lease the land and convey the building located on the land to Palace Sports or its affiliate to permit the conversion and rehabilitation of the building.

The conceptual plans for the project currently include 181 studio, 168 one-bedroom, 43 two-bedroom and 11 corporate apartments, which remains subject to change during the design process. The building is expected to be subject to an affordable housing agreement to be approved by the City Council after it receives input from the Neighborhood Advisory Council which currently is conducting meetings and deliberations pursuant to the City’s Community Benefits Ordinance.

Additional information about the proposed conversion and rehabilitation, as well as information on other components of the Future of Health project of which this project is a component, will be included in a transformational brownfield plan and other documents expected to be considered by the City Council in the near future.

The proposed zone consists of tax parcel 003440.003, whose legal description is in the process of being revised pursuant to a recently approved tax split which will take effect for the

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2024 tax year. HFHS owns 100% of the state equalized value of the commercial property located in the proposed zone.

The residential portion of the converted and rehabilitated building will be considered a "Rehabilitated Facility" pursuant to the Neighborhood Enterprise Zone Act. The property which is the subject of this request is located in a qualified downtown revitalization district and consists of approximately four hundred three (403) facilities, as defined by MCL 207.772(m), satisfying the requirement of MCL 207.773(1) that the zone include at least ten facilities for the establishment of a neighborhood enterprise zone.

We would appreciate your consideration and approval of this request.

Please direct any inquiries about this request to Richard A. Barr, Honigman LLP, rbarr@honigman.com, 313-465-7308.

Thank you for your attention to this matter.

Very truly yours,

HENRY FORD HEALTH SYSTEM

By: 

Its: 

PALACE SPORTS & ENTERTAINMENT, LLC

By: 

Its: Richard Haddad, EVP, COO & Chief Legal Officer

Attachments

c: DEGC

HRD

Richard A. Barr, Esq.

Attachment A

Tax Parcel and Legal Description of Proposed Neighborhood Enterprise Zone

<u>Parcel Tax ID Number</u>	<u>Address</u>	<u>Current Owner</u>	<u>Area</u>
003440.003	6005 Second Ave.	Henry Ford Health System	6.491 acres*

*Land area remaining after approved tax split becomes effective for the 2024 tax year.

Legal Description

Land in the City of Detroit, County of Wayne, State of Michigan, described as follows:

PARCEL 2 PROPERTY DESCRIPTION

LOT 16, INCLUSIVE, AND PART OF LOTS 17 THROUGH 25, OF BLOCK 14, LOTS 1 THROUGH 25, INCLUSIVE, OF BLOCK 15, TOGETHER WITH VACATED PUBLIC ALLEYS WITHIN SAID BLOCK, TOGETHER WITH THAT PART OF VACATED VIENNA STREET (50 FEET WIDE) LYING BETWEEN SECOND BOULEVARD AND THIRD AVENUE, AND TOGETHER WITH THE NORTH 1/2 OF VACATED YORK STREET (60 FEET WIDE) ADJACENT TO SAID LOTS, LYING BETWEEN SECOND BOULEVARD AND THIRD AVENUE, OF CASS FARM COMPANY LIMITED SUBDIVISION OF BLOCKS 111, 112, 113, 114, 115, 116, 118 AND 119 AND PART OF BLOCK 117 CASS FARM, AS RECORDED IN LIBER 19, PAGE 35 OF PLATS, WAYNE COUNTY RECORDS, AND ALSO THAT PORTION OF THIRD AVENUE AS FORMERLY LOCATED, LYING BETWEEN THE WESTERLY BOUNDARY OF SAID PROPERTY AS ABOVE DESCRIBED AND THE EASTERLY BOUNDARY OF THIRD AVENUE AS PRESENTLY LOCATED, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

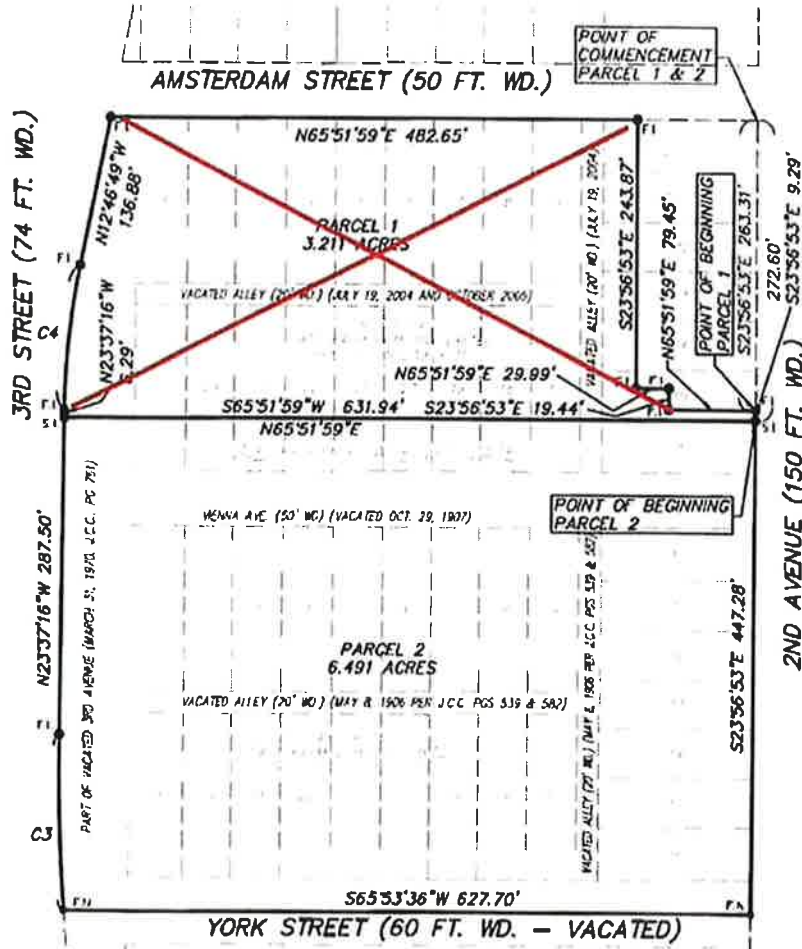
COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF AMSTERDAM STREET (50 FEET WIDE) AND THE WEST LINE OF SECOND AVENUE (150 FEET WIDE), SAID POINT ALSO BEING THE NORTHEAST CORNER OF LOT 10, BLOCK 14; THENCE ALONG SAID WEST LINE OF SECOND AVENUE, S23°56'53"E, 272.60 FEET TO THE POINT OF BEGINNING, POINT ALSO BEING THE NORTHEAST CORNER OF LOT 16, OF BLOCK 14, OF SAID CASS FARM LIMITED SUBDIVISION; THENCE CONTINUING ALONG SAID WEST LINE S23°56'53"E., 447.28 FEET TO THE INTERSECTION OF THE CENTERLINE OF YORK STREET (60 FEET WIDE) AND THE WEST LINE OF SECOND AVENUE; THENCE ALONG SAID CENTERLINE S65°53'36"W, 627.70 FEET TO A POINT ON THE EAST LINE OF THIRD STREET (74 FEET WIDE); THENCE ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 1873.00 FEET, ARC LENGTH OF 159.63 FEET, AND A CHORD BEARING N26°03'35"W, 159.58 FEET; THENCE N23°37'16"W., 287.50 FEET; THENCE N65°51'59"E, 631.94 FEET TO THE POINT OF BEGINNING AND CONTAINING 6.491 ACRES.

Attachment B

Survey of Parcel (request applies to only "Parcel 2")

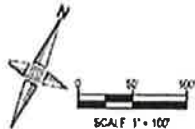
LEGEND

- SET IRON
- ◆ SET NAIL
- SI SET IRON
- SH SET NAIL



PARCEL CURVE DATA

CURVE #	LENGTH	RAIUS	DELTA	CH BEARING	CHORD
C3	159.83'	1873.00'	4°52'59"	N126°03'35"W	159.58
C4	133.01'	703.00'	10°50'27"	N187°2'02"W	132.82



3005 2ND AVENUE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN CERTIFICATE OF SURVEY

giffels webster
 20 Wood County Road
 S.W. 1302
 Euclid, MI 48121
 P: 313.887.8442
 F: 313.887.8000
 www.giffelswebster.com

Job No. J18
 Survey C.A.A.
 Station H.18
 South Curve C.A.A.
 Date 01.18.2017
 Title T.B. S. 112.8

DATE	BY

Doc. # 18223
 Exp. 7-1-20
 Fee 128.00
 Total 2021.00

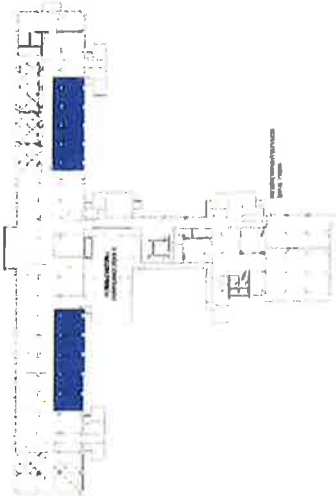
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Attachment C

Estimated Future Uses of Building

Approximately 17,060 gross square feet of retail/commercial space will be created on the ground floor. Approximately 403 residential apartments with an estimated 277,389 net rentable square feet will be created on all of the floors of the building. Conceptual floor plans, which are subject to change, are attached.

02 ONE FORD PLACE ADAPTIVE REUSE



BASEMENT PLAN



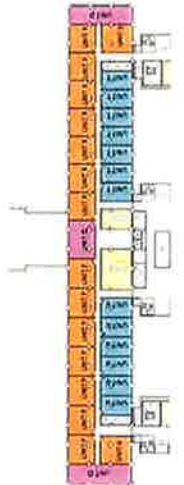
THIRD FLOOR PLAN



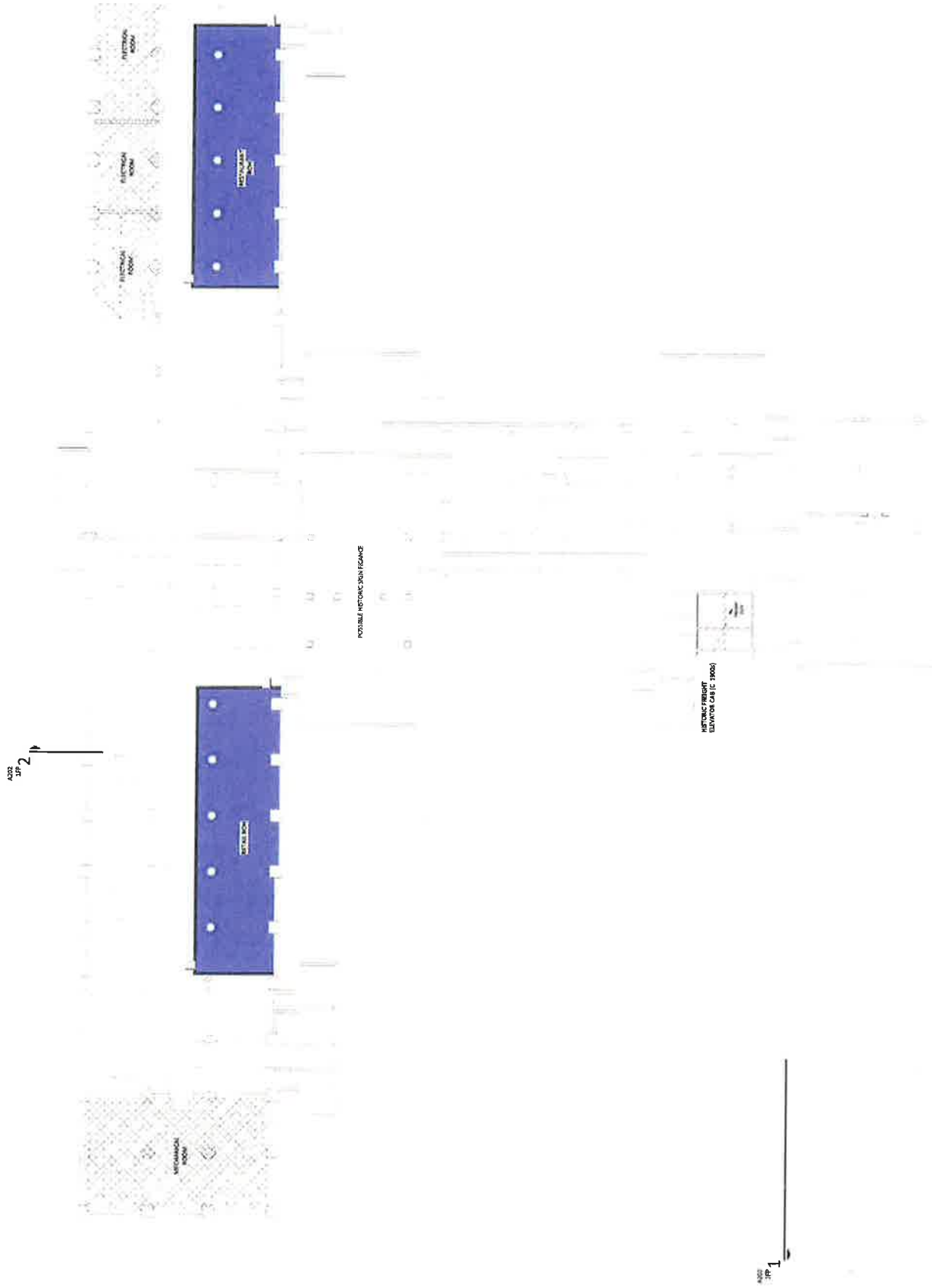
FIRST FLOOR PLAN



FOURTH FLOOR PLAN



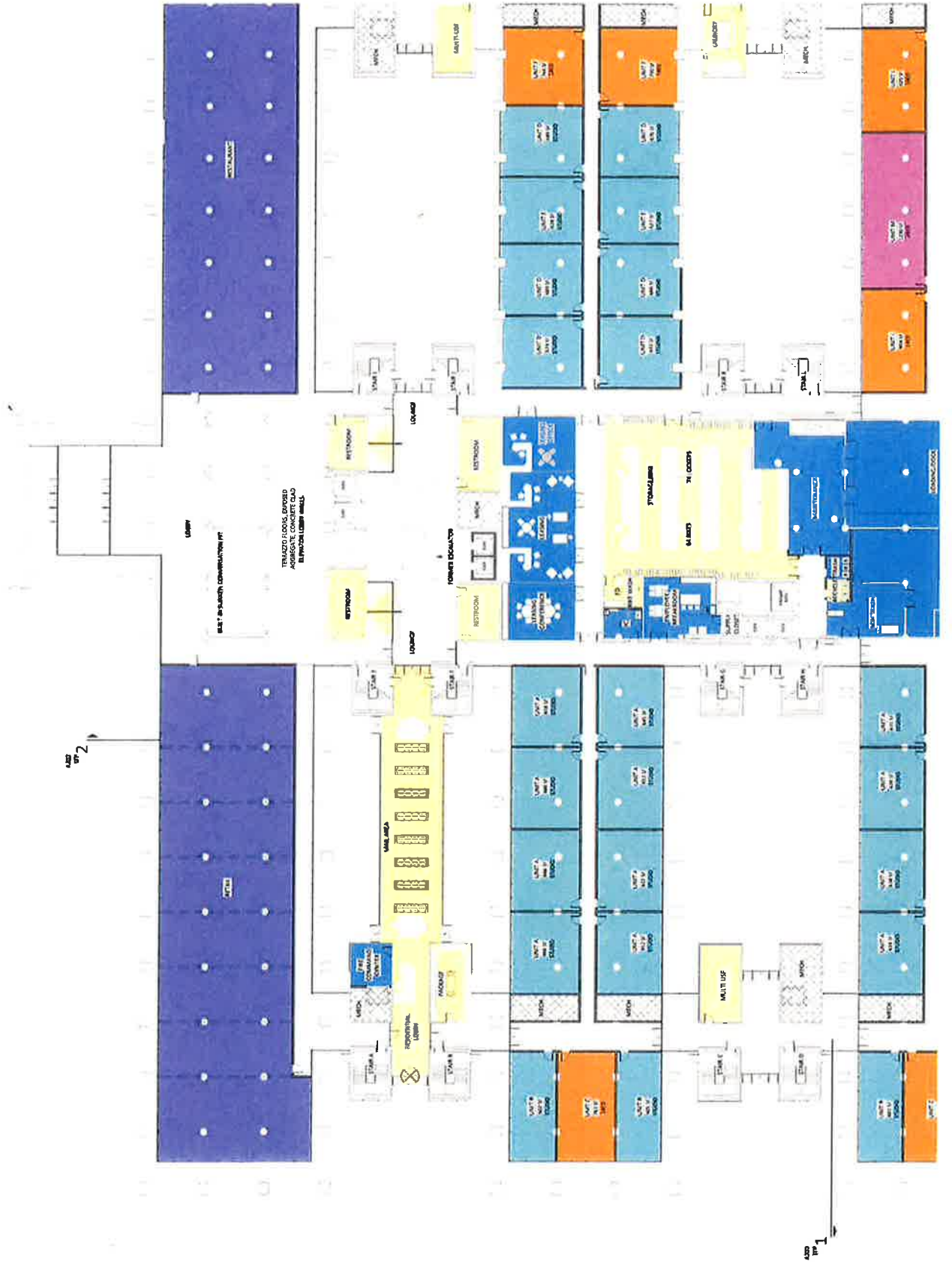
02 ONE FORD PLACE ADAPTIVE REUSE



02 ONE FORD PLACE ADAPTIVE REUSE

01

KITTY
COORP



02

02

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01

UNIT 201



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02 ONE FORD PLACE ADAPTIVE REUSE

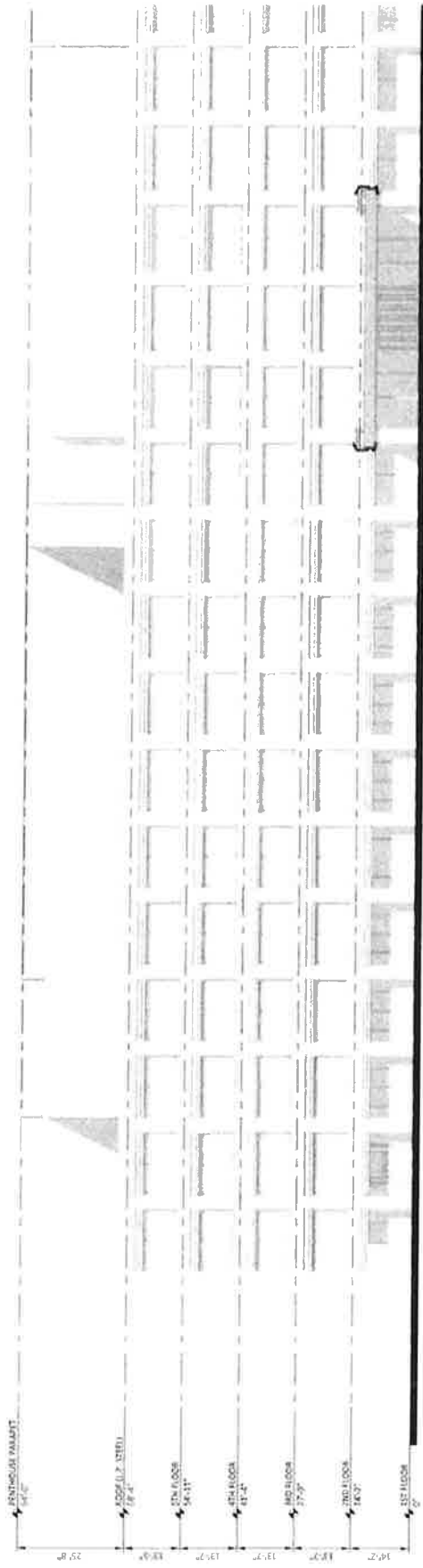
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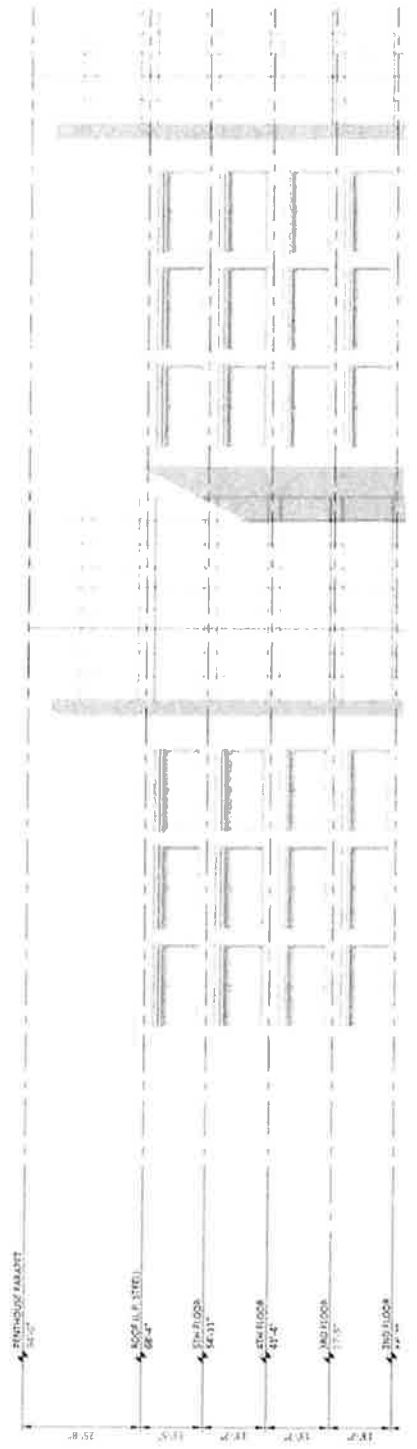
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02 ONE FORD PLACE ADAPTIVE REUSE

A



01 NORTH ELEVATION





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

November 9, 2023

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

RE: **Neighborhood Enterprise Zone**
Henry Ford Health System & Palace Sports & Entertainment LLC
Property Address: 6005 Second Ave.
Parcel Number: 04003440.003

Dear Mr. Antoine Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Neighborhood Enterprise Zone for the property located at 6005 Second Ave. in the **New Center district** area of the City of Detroit.

The rationale for creating NEZ projects under PA 147 of 1992, as amended, must be based on the anticipation of market value added to the neighborhood upon completion of new construction and/or significant rehabilitation of existing housing stock.

The district as proposed by **Henry Ford Health System & Palace Sports & Entertainment LLC** consists of 1 parcel with a total of 9.700 acres of land which includes one 4-story medical office building built in 1971 with approximately 593,372 sq. ft, and a commercial parking lot. The owner plans to rehabilitate the commercial portion of the property by creating a planned conversion and rehabilitation by Palace Sports or its affiliate of the ground floor of the building located at 6005 Second Avenue. Approximately 17,060 gross square feet of retail/commercial space will be created on the ground floor and approximately four hundred three (403) mixed-income rental apartments with an estimated 277,389 net rentable square feet will be created on all of the floors of the building. The conceptual plan for the project currently includes 181 Studios, 168 one-bedrooms, 43 two-bedrooms and 11 corporate apartments, which remains subject to change during the design process. The restoration to the property's exterior and interior requires extensive reconfiguration and upgrades, including replacement of substantial portions of all building systems including carpentry, roofing, windows, doors, glass, drywall, flooring, plumbing, and HVAC. **The current True Cash Value of the proposed area is \$72,675,082. The True Cash Value of the areas would be expected to increase due to the new construction of this project.**

This NEZ request is solely for the residential portion of the property.

Per MCL 207.772 Sec 2 (m) "Rehabilitated Facility" means the following:

"Rehabilitated facility" means, except as otherwise provided in section 2a, an existing structure or a portion of an existing structure with a current true cash value of \$120,000.00 or less per unit that has or will have as its primary purpose residential housing, consisting of 1 to 8 units, the owner of which proposes improvements that if done by a licensed contractor would cost in excess of \$10,000.00 per owner-occupied unit or 50% of the true cash value, whichever is less, or \$15,000.00 per nonowner-occupied unit or 50% of the true cash value, whichever is less, or the owner proposes improvements that would be done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000.00 per owner-occupied unit or \$4,500.00 per nonowner-occupied unit and will bring the structure into conformance with minimum local building code standards for occupancy or improve the livability of the units while meeting minimum local building code standards. The rehabilitated facility also includes an individual condominium unit, in a structure with 1 or more condominium units that has as its primary purpose residential housing, the owner of which proposes the above-described improvements. Rehabilitated facility also includes existing or proposed condominium units in a qualified historic building with 1 or more existing or proposed condominium units. Rehabilitated facility does not include a facility rehabilitated with the proceeds of an insurance policy for property or casualty loss. A qualified historic building may contain multiple rehabilitated facilities.



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Neighborhood Enterprise Zone

Henry Ford Health System & Palace Sports & Entertainment LLC

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A Neighborhood Enterprise Zone located in a qualified downtown revitalization district may contain less than 10 platted parcels if the platted parcels together contain 10 or more facilities. All the land within a neighborhood enterprise zone shall also be compact and contiguous. Contiguity is not broken by a road, right-of-way, or property purchased or taken under condemnation if the purchased or condemned property was a single parcel prior to the sale or condemnation.

Upon review, it has been determined that this proposed district located in the NW Goldberg area is eligible for designation as a Neighborhood Enterprise Zone per PA 147 of 1992, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



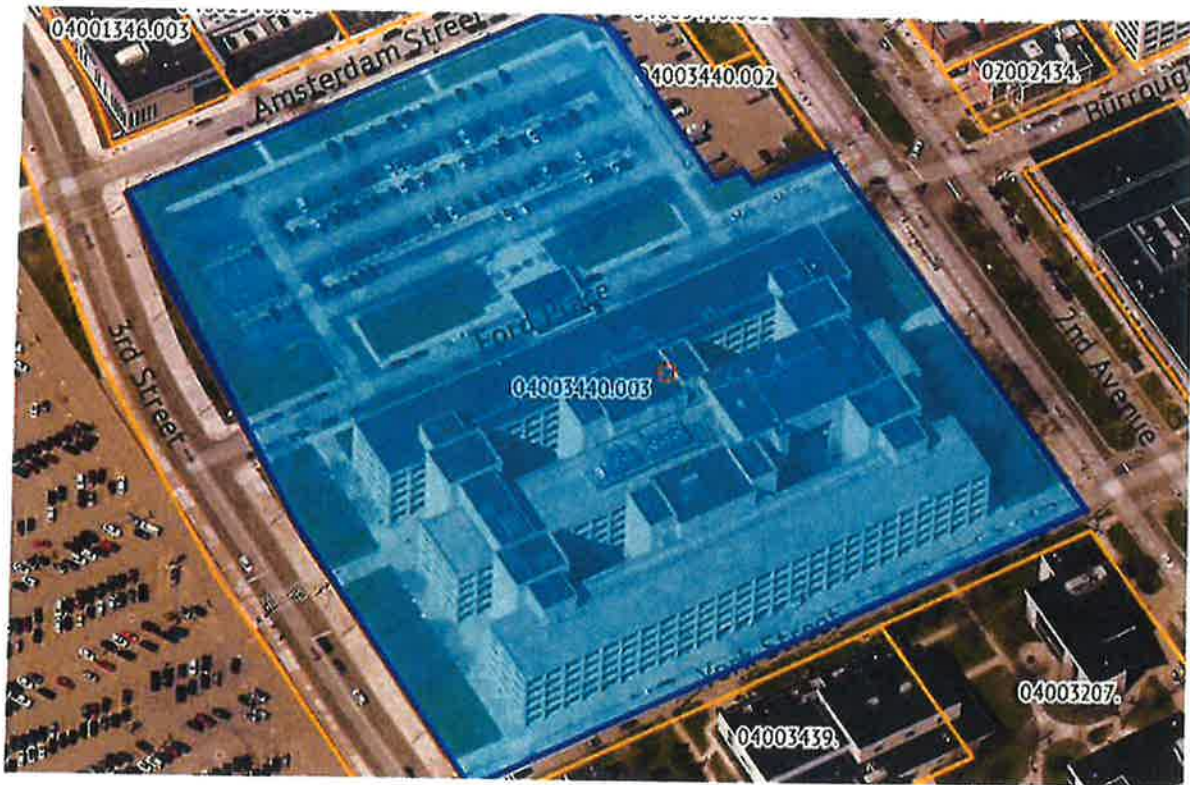
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Neighborhood Enterprise Zone

Henry Ford Health System & Palace Sports & Entertainment LLC

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TO: Justus Cook, Housing and Revitalization
FROM: Shelby Wyche, Planning and Development
RE: Master Plan Interpretation for **Neighborhood Enterprise Zone** (PA 147) at 6005 Second Avenue, Detroit, MI 48202 (Associated to Petition #2023-370)
DATE: November 7, 2023

In order to ensure consistency with the City's Master Plan of Policies, pursuant to State of Michigan, Public Act 147 of 1992 (section 207.773), the Planning and Development Department's Planning Division submits the following interpretation for the proposed establishment of Neighborhood Enterprise Zone (NEZ). The Petitioner is Henry Ford Health System and Palace Sports & Entertainment, LLC.

Location and Project Proposal: 6005 Second Avenue, Detroit MI 48202. The proposed project will be a mixed-use building with approximately 403 residential units and ground floor commercial use.

Current Master Plan (MP) & Zoning: MP Classification – Mixed Residential-Commercial (MRC)
Zoning – Special Development District, Mixed-Use (SD2)

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 Middle Woodward neighborhood describe the following recommendations:

- GOAL 3: Increase residential density.
- Policy 3.1: Develop East and West Grand Boulevard, and Woodward as a high-density mixed use area, with housing and ground-floor commercial.

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