

City of Detroit

Janice M. Winfrey
City Clerk

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.	2024-033
Name of Petitioner	Atwater & Second Associates LLC
Description of Petition	Please see request for the Establishment of a Commercial Rehabilitation Exemption Certificate for the Property at 600 Civic Center Drive, Detroit, MI
Type of Petition	Tax Abatement
Submission Date	1/24/24
Concerned Departments	Finance Department, Planning and Development, Housing and Revitalization Department, Legislative Policy Division, City Planning
Petitioner Contact	Ben Wayntraub Atwater & Second Associates LLC 600 Civic Center Drive Detroit, MI 48226 313-963-1212 benw@sgdetroit.com

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) Atwater & Second Associates LLC		NAICS or SIC Code 721110	
Facility's Street Address 600 Civic Center Drive	City Detroit	State MI	ZIP Code 48226
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility is Located Detroit	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 05/01/2024	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 12/31/2027		
Estimated Cost of Rehabilitation \$303,590,275	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"/> Create Employment		<input type="checkbox"/> Prevent Loss of Employment	
		<input checked="" type="checkbox"/> Revitalize Urban Areas	
		<input type="checkbox"/> Increase Number of Residents in Facility's Community	
No. of jobs to be created due to facility's rehabilitation 354	No. of jobs to be retained due to facility's rehabilitation 0	No. of construction jobs to be created during rehabilitation 624	

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) Ben Wayntraub	Telephone Number (313) 963-1212		
Fax Number	E-mail Address benw@sgdetroit.com		
Street Address 333 W. Fort Street	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 CFO	Date 1-23-24
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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

Atwater & Second Associates LLC

January 23, 2024

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: Request for the Establishment of a Commercial Rehabilitation Exemption Certificate for the Property at 600 Civic Center Drive, Detroit, MI

Honorable City Council:

Please accept this letter as a request by the owner of 50% or more the taxable value of the property to establish a Commercial Rehabilitation Exemption Certificate for the property located at **600 Civic Center Drive** and described on Attachment A.

The Property is eligible because it meets the following criteria. The property:

- Will be located in a downtown or business area and therefore may be less than 3 acres in size
- Meets the definition of a “qualified facility” because it is:
 - Vacant property which, within the immediately preceding 15 years, was commercial property and the operation of a commercial business enterprise
- Will undergo rehabilitation as it includes new construction on vacant property from which a previous structure has been demolished and will be an economic benefit to the local community. Rehabilitation will also include improvements that will be greater than 10% the true cash value at commencement of the rehabilitation
- Upon completion will meet the definition of commercial property

Project Background

The Petitioner is Atwater & Second Associates LLC, an entity related to the Sterling Group. The Sterling Group is team is dedicated to creating real estate and business environments that meet the needs of the people they serve and contribute to the community at large. Successfully achieving the balance between high performance and civic contribution has earned Sterling Group a reputation as a leader with integrity. Sterling Group has held a presence in Detroit and most notably undertook the construction and successful redevelopment of the Marquette Building and Huntington Tower which is home to the Huntington National Bank Detroit Headquarters and was the first office tower built in downtown Detroit in more than 30 years.

The Petitioner is proposing the construction of a 25-story, approximately 600 room hotel. This impressive structure will consist of 5 podium floors which include a ground floor restaurant, a lobby bar, two ballrooms, meeting rooms, swimming pool, spa and fitness area. The back-of-house areas will include offices, staff support spaces, and a large kitchen to support the seamless operations behind the scenes. A pedestrian bridge will span over the future 2nd Avenue and provide a direct connection to the forthcoming Huntington Place Convention Center. The undertaking entails an estimated \$397 million dollars in private investment. Upon completion, it is anticipated that approximately 354 indirect, permanent jobs will be created. Approximately 624 construction jobs are also anticipated to be created.

Financial Need

The proposed new construction project would not be possible without the receipt of the request tax exemption certificate. All taxes are current for the developer and applicant owned property.

Tax Exemption Duration

The exemption is requested for 10 years, starting in the year following construction completion.

Economic Benefits

A hotel study analysis was completed by a 3rd party which analyzed a list of events lost from 2017 to 2022. This lost business includes events that tentatively reserved dates at Huntington Place but ultimately decided not to come to the venue for reasons that would be addressed by the development of the Proposed Convention Hotel. The City of Detroit is at a significant disadvantage when competing for convention business, as the number of rooms within walking distance of the convention center is a major concern of all meeting planners. With such vast capacity, this hotel will allow Huntington Place and the City of Detroit to attract events and conventions that were previously not attainable.

The Petitioner is also requesting tax incentive assistance through a Renaissance Zone Tax Exemption. In closing, Atwater & Second Associates appreciates consideration of this request.

Respectfully submitted,



Ben Wayntraub
Atwater & Second Associates LLC

Attachment A: Site Map that includes the parcel(s) of property / Legal Description

cc: D. Howell, DEGC
C. Hughes, DEGC

Attachment A

(a) General Description of the Facility

The property currently consists of vacant land. The property was previously occupied by the Joe Louis Arena within the last 15 years.

(b) General Description of the Current and Proposed Use

The property is currently vacant. The proposed project entails the construction of new commercial property, and it is proposed that a 25-story, 600-room convention hotel be constructed.

(c) Nature and Extent of the Rehabilitation to be Undertaken

This impressive structure will consist of 5 podium floors which include a ground floor restaurant, a lobby bar, two ballrooms, meeting rooms, swimming pool, spa and fitness area. The back-of-house areas will include offices, staff support spaces, and a large kitchen to support the seamless operations behind the scenes. A pedestrian bridge will span over the future 2nd Avenue and provide a direct connection to the forthcoming Huntington Place Convention Center.

(d) Descriptive List of Fixed Building Equipment

A descriptive list of the anticipated fixed building equipment that will be a part of the new facility are:

- Metal Siding and Panels
- Roofing
- Doors and Hardware
- Interior Glass and Glazing
- Hard Tile
- Acoustical Walls and Ceilings
- Food service equipment in support of the restaurants, ballrooms, meeting rooms, and guestrooms
- Laundry equipment to support guestrooms
- Pool equipment
- Spa and fitness equipment
- Loading dock equipment
- Elevators
- Fire protection pump equipment
- Equipment for plumbing and mechanical systems
- Electrical equipment

(e) Time Schedule

The developer intends to start construction in the Spring of 2024. Completion is anticipated by the end of 2027.

(f) Economic Advantages Expected

Detroit is at a significant disadvantage when competing for convention business, as the number of rooms within walking distance of the convention center is a major concern of all meeting planners. With such vast capacity, this hotel will allow Huntington Place and the City of Detroit to attract events and conventions that were previously not attainable. The project is also anticipated to create approximately 624 construction jobs and 354 permanent jobs associated with the hotel operations.

(g) Parcel Identification Number and Legal Description

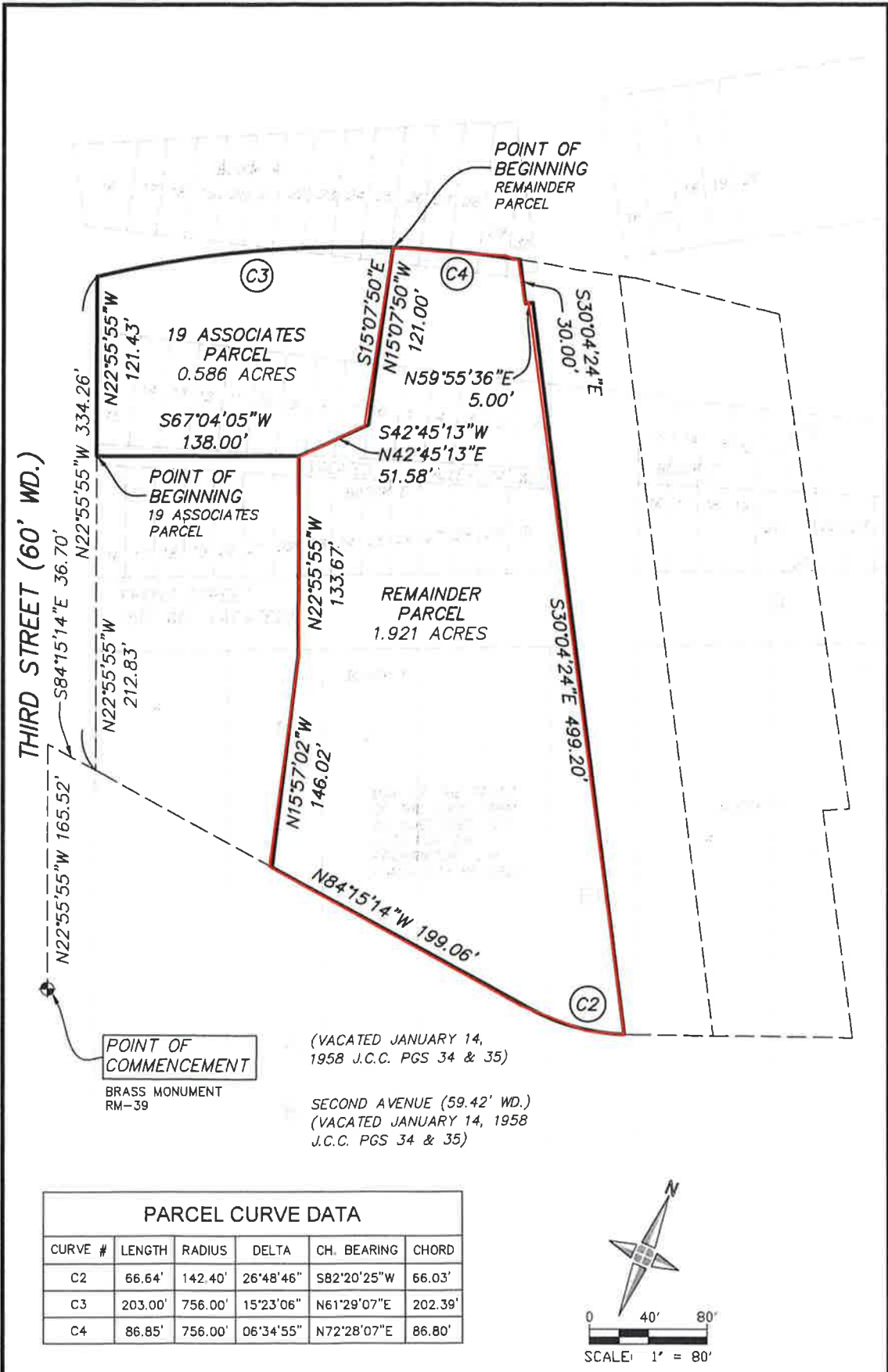
Parcel ID: 04000010-9

LAND IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN, BEING ALL OF LOTS 2 THROUGH 5 AND LOTS 23 THROUGH 30, AND PART OF LOTS 1, 6, 7, 8, 9 AND 22, OF BLOCK E; ALSO PART OF LOTS 1, 2, AND 3, OF BLOCK F; ALSO PART OF LOTS 26 THROUGH 30, OF BLOCK 4, ALL OF THE MAP OF THE FRONT OF THE CASS FARM AS SUBDIVIDED INTO LOTS FOR THE PROPRIETORS, ACCORDING TO THE PLAT THEREOF AS RECORDED ON NOVEMBER 19, 1836, IN LIBER 9 OF CITY RECORDS, PAGE 409; INCLUDING ALL OF THE VACATED STREETS AND ALLEYS ADJACENT TO THE ABOVE DESCRIBED LOTS WITHIN THE BOUNDS OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT HARBOR REFERENCE MONUMENT NO. 39, SAID MONUMENT BEING 2.20 FEET WEST OF THE CENTERLINE OF THIRD STREET (60' WIDE) EXTENDED; THENCE NORTH 22°55'55" WEST, 165.52 FEET ALONG A LINE PARALLEL TO AND 2.20 FEET WEST OF THE CENTERLINE OF THIRD STREET TO A POINT ON THE NORTH LINE OF STEVE YZERMAN DRIVE (DEDICATED AS CIVIC CENTER DRIVE) EXTENDED; THENCE SOUTH 84°15'14" EAST, 36.70 FEET TO A POINT AT THE INTERSECTION OF THE EAST LINE OF THIRD STREET AND THE NORTH LINE OF STEVE YZERMAN DRIVE; THENCE NORTH 22°55'55" WEST, 334.26 FEET ALONG SAID EAST LINE OF THIRD STREET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT 203.00 FEET, SAID CURVE HAVING A RADIUS OF 756.00 FEET, A CENTRAL ANGLE OF 15°23'06", AND A CHORD BEARING NORTH 61°29'07" EAST, 202.39 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID CURVE 86.85 FEET, SAID CURVE HAVING A RADIUS OF 756.00 FEET, A CENTRAL ANGLE OF 06°34'55", AND A CHORD BEARING NORTH 72°28'07" EAST, 86.80 FEET; THENCE SOUTH 30°04'24" EAST, 30.00 FEET; THENCE NORTH 59°55'36" EAST, 5.00 FEET; THENCE SOUTH 30°04'24" EAST, 499.20 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT 66.64 FEET, SAID CURVE HAVING A RADIUS OF 142.40 FEET, A CENTRAL ANGLE OF 26°48'46", AND A CHORD BEARING SOUTH 82°20'25" WEST, 66.03 FEET; THENCE NORTH 84°15'14" WEST, 199.06 FEET; THENCE NORTH 15°57'02" WEST, 146.02 FEET; THENCE NORTH 22°55'55" WEST, 133.67 FEET; THENCE NORTH 42°45'13" EAST, 51.58 FEET; THENCE NORTH 15°07'50" WEST, 121.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.921 ACRES.

(h) Site Map

See attached.

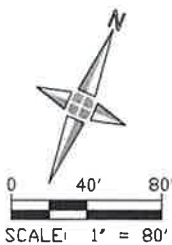


POINT OF COMMENCEMENT

(VACATED JANUARY 14, 1958 J.C.C. PGS 34 & 35)

SECOND AVENUE (59.42' WD.)
(VACATED JANUARY 14, 1958 J.C.C. PGS 34 & 35)

PARCEL CURVE DATA					
CURVE #	LENGTH	RADIUS	DELTA	CH. BEARING	CHORD
C2	66.64'	142.40'	26°48'46"	S82°20'25"W	66.03'
C3	203.00'	756.00'	15°23'06"	N61°29'07"E	202.39'
C4	86.85'	756.00'	06°34'55"	N72°28'07"E	86.80'



19 ASSOCIATES PARCEL SPLIT CITY OF DETROIT, WAYNE COUNTY, MICHIGAN SKETCH OF SPLIT PARCELS

giffels webster
Engineers Surveyors Planners
Landscape Architects

28 West Adams Road
Suite 1200
Detroit, MI 48226
p (313) 962-4442
(313) 962-5068
www.giffelswebster.com

Executive: J.N.R.
Manager: A.L.G.
Designer: A.L.G.
Quality Control: C.A.A.
Private Claim: 55

DATE	ISSUE

Date: 08.22.2023
Scale: 1"=80'
Sheet: 3 OF 4
Project: 18808.13D

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N:\18168001\18808.06 - J.J. Second Avenue\dwg\boundary\19 Associates Parcel Split 18808080.dwg

19 ASSOCIATES NEW PARCEL DESCRIPTION

(PART OF TAX ID: 04000004-19)

LAND IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN, BEING ALL OF LOTS 10 THROUGH 15 AND PART OF LOTS 6, 7, 8 AND 9 OF BLOCK E; ALSO, PART OF LOTS 22 THROUGH 26 OF BLOCK 4 OF ALL OF THE MAP OF THE FRONT OF THE CASS FARM AS SUBDIVIDED INTO LOTS FOR THE PROPRIETORS, ACCORDING TO THE PLAT THEREOF AS RECORDED ON NOVEMBER 19, 1836, IN LIBER 9 OF CITY RECORDS, PAGE 409; INCLUDING ALL OF THE VACATED STREETS AND ALLEYS ADJACENT TO THE ABOVE DESCRIBED LOTS WITHIN THE BOUNDS OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT HARBOR REFERENCE MONUMENT NO. 39, SAID MONUMENT BEING 2.20 FEET WEST OF THE CENTERLINE OF THIRD STREET (60' WIDE) EXTENDED; THENCE NORTH 22°55'55" WEST, 165.52 FEET ALONG A LINE PARALLEL TO AND 2.20 FEET WEST OF THE CENTERLINE OF THIRD STREET TO A POINT ON THE NORTH LINE OF STEVE YZERMAN DRIVE (DEDICATED AS CIVIC CENTER DRIVE) EXTENDED; THENCE SOUTH 84°15'14" EAST, 36.70 FEET TO A POINT AT THE INTERSECTION OF THE EAST LINE OF THIRD STREET AND THE NORTH LINE OF STEVE YZERMAN DRIVE; THENCE NORTH 22°55'55" WEST, 212.83 FEET ALONG SAID EAST LINE OF THIRD STREET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 22°55'55" WEST, 121.43 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT 203.00 FEET, SAID CURVE HAVING A RADIUS OF 756.00 FEET, A CENTRAL ANGLE OF 15°23'06", AND A CHORD BEARING NORTH 61°29'07" EAST, 202.39 FEET; THENCE SOUTH 15°07'50" EAST, 121.00 FEET; THENCE SOUTH 42°45'13" WEST, 51.58 FEET; THENCE SOUTH 67°04'05" WEST, 138.00 FEET; TO THE POINT OF BEGINNING AND CONTAINING 0.586 ACRES.

REMAINDER PARCEL DESCRIPTION

(PART OF TAX ID: 04000004-19)

LAND IN THE CITY OF DETROIT, WAYNE COUNTY, MICHIGAN, BEING ALL OF LOTS 2 THROUGH 5 AND LOTS 23 THROUGH 30, AND PART OF LOTS 1, 6, 7, 8, 9 AND 22, OF BLOCK E; ALSO PART OF LOTS 1, 2, AND 3, OF BLOCK F; ALSO PART OF LOTS 26 THROUGH 30, OF BLOCK 4, ALL OF THE MAP OF THE FRONT OF THE CASS FARM AS SUBDIVIDED INTO LOTS FOR THE PROPRIETORS, ACCORDING TO THE PLAT THEREOF AS RECORDED ON NOVEMBER 19, 1836, IN LIBER 9 OF CITY RECORDS, PAGE 409; INCLUDING ALL OF THE VACATED STREETS AND ALLEYS ADJACENT TO THE ABOVE DESCRIBED LOTS WITHIN THE BOUNDS OF THE FOLLOWING DESCRIBED PARCEL:

COMMENCING AT HARBOR REFERENCE MONUMENT NO. 39, SAID MONUMENT BEING 2.20 FEET WEST OF THE CENTERLINE OF THIRD STREET (60' WIDE) EXTENDED; THENCE NORTH 22°55'55" WEST, 165.52 FEET ALONG A LINE PARALLEL TO AND 2.20 FEET WEST OF THE CENTERLINE OF THIRD STREET TO A POINT ON THE NORTH LINE OF STEVE YZERMAN DRIVE (DEDICATED AS CIVIC CENTER DRIVE) EXTENDED; THENCE SOUTH 84°15'14" EAST, 36.70 FEET TO A POINT AT THE INTERSECTION OF THE EAST LINE OF THIRD STREET AND THE NORTH LINE OF STEVE YZERMAN DRIVE; THENCE NORTH 22°55'55" WEST, 334.26 FEET ALONG SAID EAST LINE OF THIRD STREET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT 203.00 FEET, SAID CURVE HAVING A RADIUS OF 756.00 FEET, A CENTRAL ANGLE OF 15°23'06", AND A CHORD BEARING NORTH 61°29'07" EAST, 202.39 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID CURVE 86.85 FEET, SAID CURVE HAVING A RADIUS OF 756.00 FEET, A CENTRAL ANGLE OF 06°34'55", AND A CHORD BEARING NORTH 72°28'07" EAST, 86.80 FEET; THENCE SOUTH 30°04'24" EAST, 30.00 FEET; THENCE NORTH 59°55'36" EAST, 5.00 FEET; THENCE SOUTH 30°04'24" EAST, 499.20 FEET; THENCE ALONG A NON-TANGENT CURVE TO THE RIGHT 66.64 FEET, SAID CURVE HAVING A RADIUS OF 142.40 FEET, A CENTRAL ANGLE OF 26°48'46", AND A CHORD BEARING SOUTH 82°20'25" WEST, 66.03 FEET; THENCE NORTH 84°15'14" WEST, 199.06 FEET; THENCE NORTH 15°57'02" WEST, 146.02 FEET; THENCE NORTH 22°55'55" WEST, 133.67 FEET; THENCE NORTH 42°45'13" EAST, 51.58 FEET; THENCE NORTH 15°07'50" WEST, 121.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.921 ACRES.

1:181890016900.08 - LA Second Aved Drawings (Boundary) 19 Associates Parcel Split 18000010.dwg

19 ASSOCIATES PARCEL SPLIT

CITY OF DETROIT, WAYNE COUNTY, MICHIGAN

PARCEL DESCRIPTION



28 West Adams Road
Suite 1200
Detroit, MI 48226
p (313) 982-4442
f (313) 982-5068
www.giffelswebster.com

Executive: J.N.R.
Manager: A.L.G.
Designer: A.L.G.
Quality Control: C.A.A.
Private Claim: 55

DATE	ISSUE

Date: 08.22.2023
Scale: N/A
Sheet: 4 OF 4
Project: 18806.13D

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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

February 2, 2024

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

RE: Commercial Rehabilitation District – **Atwater & Second Associates, LLC**
Property Address: 600 Civic Center DR
Parcel Number: 04000010-9

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Commercial Rehabilitation District located in the **Central Business District area** in 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 **Atwater & Second Associates, LLC** consists of constructing a 25-story hotel with 600 rooms on 1.291 acres of land. The proposed project consists of having 5 podium floors which includes a ground floor restaurant, a lobby bar, two ballrooms, meeting rooms, etc. The back of housing areas will include offices, a large kitchen support, and staff support offices. The Proposed project also will include a pedestrian bridge that will span over Second Avenue and provide a direct connection to the Huntington Place Convention Center.

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 48226
PHONE: 313•224•3011
FAX: 313•224•9400

Commercial Rehabilitation District
Atwater & Second Associates, LLC
Page 2

A review of the proposed district and relevant statutes indicated that the proposed Commercial Rehabilitation District located in the **Central Business 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, Board of Assessors



Commercial Rehabilitation District
Atwater & Second Associates, LLC
Page 3

Property Address: 600 Civic Center Dr
Parcel Number: 04000010-9

Property Owner: Atwater & Second Associates, LLC

Legal Description: N CIVIC CENTER 2 THRU 5 23 THRU 30 PT OF 1 6THRU 9 22 BLK E; ALSO PT OF 1 THRU 3 BLK F; PT 26 THRU 30 BLK 4 MAP OF FRONT OF CASS FARM L9 P409 CITY RECORDS, WCR 2/67 AND STREETS AND ALLEYS ADJ; ALL DESC AS COMM AT HARBOR REF MNMT 39 SAID MNMT BNG 2.20 FT W OF THE CL OF THIRD ST (60' WIDE) EXT TH N 22D 55M 55S W 165.52 FT TH S 84D 15M 14S E 36.70 FT TH N 22D 55M 55S W 334.26 FT TH ON A 203.00 FT CUR TO R RAD 756.00 FT CHD BRG N 61D 29M 07S E 202.39 FT TO POB TH ON A 86.85 FT CUR TO R RAD 756.00 FT CHD BRG N 72D 28M 07S E 86.80 FT TH S 30D 04M 24S E 30.00 FT TH N 59D 55M 36S E 5.00 FT TH S 30D 04M 24S E 499.20 FT TH ON A 66.64 FT CUR TO R RAD 142.40 FT CHD BRG S 82D 20M 25S W 66.03 FT TH N 84D 15M 14S W 199.06 FT TH N 15D 57M 02S W 146.02 FT TH N 22D 55M 55S W 133.67 FT TH N 42D 45M 13S E 51.58 FT TH N 15D 07M 50S W 121.00 FT TO POB; 1.921 AC



**COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE
AGREEMENT**

THIS COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this “Agreement”) is made this _____ day of _____, 2024 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 ATWATER & SECOND ASSOCIATES LLC, a Michigan limited liability company (“Applicant”) with an office at 333 West Fort Street, Suite 1350, Detroit, Michigan 48226.

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: 600 Civic Center Drive, Detroit, Michigan 48226 (“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 commencing on the certificate beginning date stated in the CREC issued by the Michigan State Tax Commission and concluding on the ending date stated in the CREC issued by the Michigan State Tax Commission, said ending date being December 30, 2037,

being ten (10) years following the Rehabilitation Completion Date (as defined herein).

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 December 31, 2027 (the “Rehabilitation Completion Date”).

c. The Applicant shall create, or cause to be created, zero (0) (the “Employee Commitment Number”) full-time employees at the Property within one (1) year of the Rehabilitation Completion Date.

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.

3. Community Benefits Requirements.

a. The Project, together with other projects owned and/or operated by Applicant or entities controlling, controlled by, or under common control with Developer constitute a "Tier I Development Project" pursuant to City of Detroit Ordinance No. 2021-4 (2019 Detroit City Code, Section 12-8-1 *et. seq.*), also known as the "Community Benefits Ordinance". Applicant shall comply with all covenants and obligations contained in that certain Community Benefits Agreement dated _____, 2024, by and between the City and Applicant, as such covenants and obligations relate to the Property.

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.

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]

EXHIBIT A

Application for Commercial Rehabilitation Exemption Certificate

(Attached hereto.)

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

(Attached hereto.)

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

Date: March 8, 2024

Tax Abatement Type: PA 210 & Renaissance Zone

New Renewal

Duration of Abatement: 30 Years

Development: Hotel at Water Square

Parcel/Facility Address: 600 Civic Center Drive

Applicant/Recipient: Atwater & Second Associates LLC

Applicant Contact:

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 Jobs

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 **0-5** 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,
 - 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.

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

- 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 Griggs

CRIO Deputy Director Name

DocuSigned by:
Tenika Griggs
FF584CDB98E341A...

CRIO Deputy Director Signature

3/8/2024

Date