

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 the request for the Establishment of a Commercial Rehabilitation District 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

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 District 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 District 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

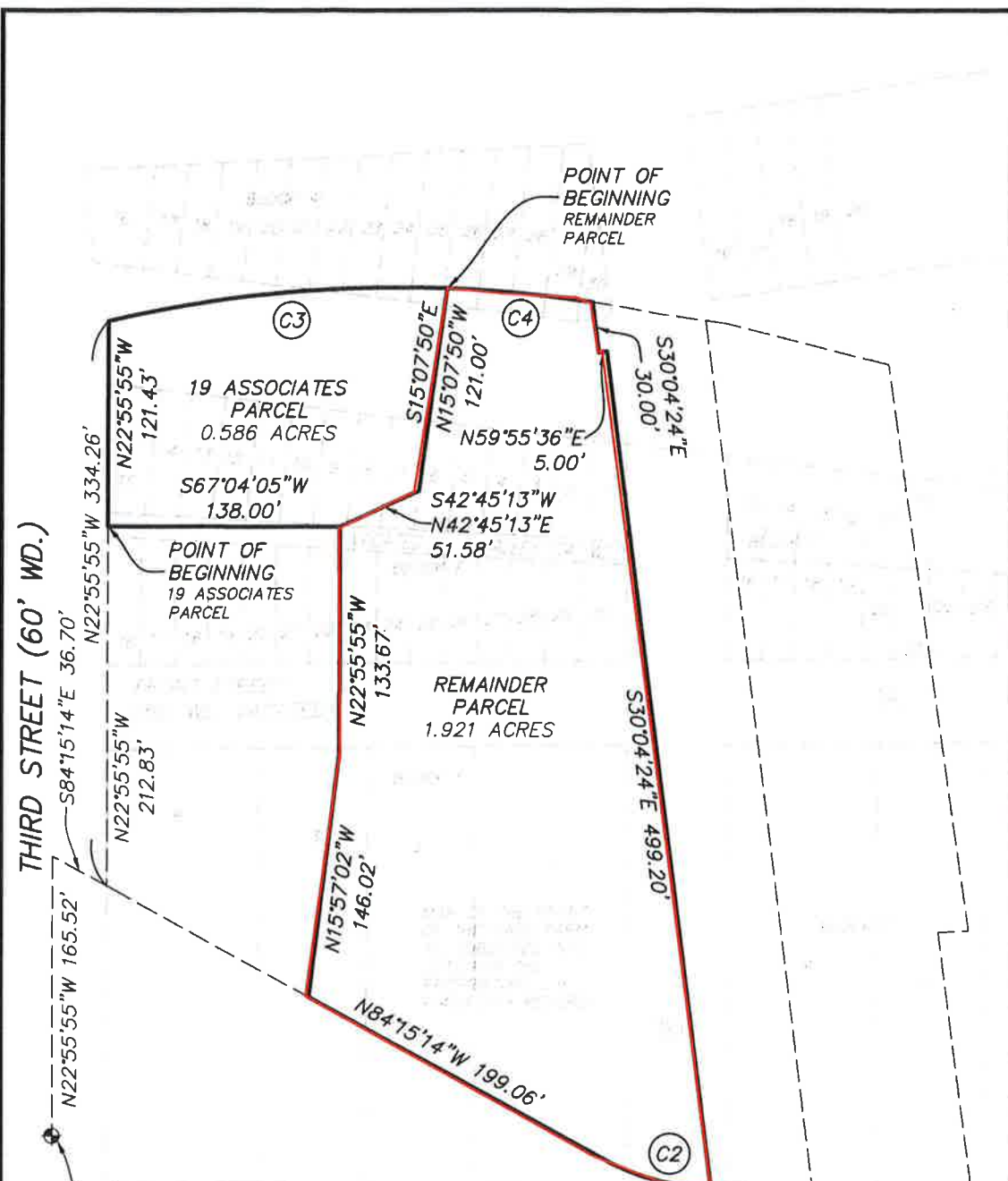
Parcel ID: 04000010-9

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.



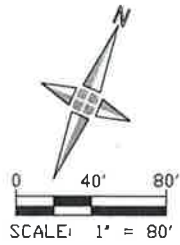
POINT OF COMMENCEMENT

BRASS MONUMENT
RM-39

(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
 f (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:\18808\18808.03 - J.A. Second Ave\Drawings\Boundary\19 Associates Parcel_Split_18808BDD.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:

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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:

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19 ASSOCIATES PARCEL SPLIT

CITY OF DETROIT, WAYNE COUNTY, MICHIGAN

PARCEL DESCRIPTION



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Suite 1200
Detroit, MI 48226
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Executive: J.N.R.
Manager: A.L.G.
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Date: 08.22.2023
Scale: N/A
Sheet: 4 OF 4
Project: 18808.13D

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TO: Justus Cook, Housing and Revitalization
FROM: Shelby Wyche, Planning and Development
RE: Master Plan Interpretation for **Commercial Rehabilitation District** (PA 210) for 600 Civic Center Drive Detroit, MI 48226
DATE: January 26, 2024

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 Atwater & Second Associates, LLC.

Location and Project Proposal: 600 Civic Center Drive Detroit, MI 48226. The proposed project is 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.

Current Master Plan (MP) & Zoning: MP Classification – Special Commercial (CS)
Zoning – Major Business District (B5)

Master Plan Interpretation

The subject site area is designated Special Commercial (CS). Special Commercial areas attract people from the City, region and State. These areas may include sport stadia, convention centers, casinos, or compatible uses such as theatres, nightclubs, bars and restaurants. Areas should be accessible to mass transit routes and automobile parking on the street or in structures, Ground level activity should be pedestrian oriented. Ancillary uses may include medium-rise offices, hotels, high density housing, and mixed-use development.

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.