

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.	2024-095
Name of Petitioner	7326 West McNichols LLC
Description of Petition	Please see request for the Establishment of a PA 210 Commercial Rehabilitation Development Certificate at 7326 W. McNichols, Detroit, MI 48221
Type of Petition	Tax Abatement
Submission Date	3/18/24
Concerned Departments	Finance Department, Planning and Development, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	Brandon Hodges 7326 West McNichols LLC 202-368-9955 bhodges@tribedevelopment.city

March 2024

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

**RE: Request for the Establishment of a PA 210 Commercial Rehabilitation
Development Certificate at 7326 W. McNichols, Detroit, MI 48221**

Honorable City Council:

Please accept this letter as a request to establish a Commercial Rehabilitation Development Certificate for the property located at **(7326 W. McNichols, Detroit, MI 48221)** and described on Attachment A.

7326 West McNichols LLC is a newly formed entity that will be the owner of the property. The ownership entity is a joint venture between Chase L. Cantrell, Brandon Hodges and Damon Dickerson, all experienced development and design professionals in the city of Detroit. Chase Cantrell currently serves as the Executive Director of Building Community Value, a local nonprofit focused on real estate education. Brandon is the Principal and founder of TRIBE Development, a Detroit-based real estate development and consulting firm. Damon Dickerson is a business development lead with Progressive A/E, an architecture firm with locations in Detroit and Grand Rapids. All three are Detroit residents and Chase Cantrell lives in the neighborhood and has recently undertaken the redevelopment of the adjacent 7400 W. McNichols development. They also have years of development experience throughout the neighborhoods of Detroit, focused on revitalization projects that honor Detroit communities and residents.

The proposed development at 7326 W. McNichols features the demolition and new construction and an existing vacant single-story building in the Liv/6 commercial corridor, a Strategic Neighborhood in the City's SNF framework plan. The development team will activate the space into a two-story Artisan Market and Event Space, focused on giving emerging entrepreneurs a turnkey opportunity to sell their products and services. The development team plans on leveling the existing functionally obsolete building and newly constructing the referenced market and event space. The development team purchased the existing building from the City of Detroit P&DD in June 2023 and has secured predevelopment financing for the initial design and assessment work for the project from Invest Detroit.

Given the lower achievable rental rates in the neighborhoods of Detroit, especially compared to higher rent areas in Midtown and Downtown, the project will need assistance on its operating expenses to become sustainable in the short and long terms. The project would not be feasible if taxed at its full post renovation value and requires the exemption certificate to undertake the proposed renovation. We are requesting an abatement of taxes for a period of 10 years from construction completion.

The project is anticipated to create 8-12 new retail jobs as well as additional workforce opportunities across building maintenance and property management. Total development costs are estimated at \$7M. Proposed funding sources for the project include sponsor equity, a senior construction loan by a local CDFI, SNF Funding, a CRP Grant from the Michigan Strategic Fund of the MEDC. The development also intends to pursue tax increment financing through the local Brownfield Redevelopment Authority for eligible site and infrastructure work.

The proposed redevelopment will serve as a catalyst for the Liv/6 corridor and compliment many of the existing housing and commercial projects initiated throughout the neighborhood. The development team will undertake a robust community engagement process which will include dedicated meetings with neighborhood residents, adjacent small businesses and organizations such as the Liv 6 Alliance.

We thank you for the opportunity and consideration of the project for the PA 210 tax abatement assistance and look forward to bringing an exciting amenity to the Bagley neighborhood and the Liv/6 commercial corridor.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Brandon Hodges', with a stylized, cursive script.

Brandon Hodges
Manager, 7326 West McNichols LLC
(202) 368-9955
bhodges@tribedevelopment.city

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

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

N--W MCNICHOLS RD LOTS 24 THRU 29 STAFFORDS INTER-COLLEGE SUB
L46 P82 PLATS, WCR 16/333 120 x 90

Parcel ID: 16008268-73

The existing building is approximately 10,000 SF and has been vacant since at least 2005. The building will be renovated into ~15,000 SF of commercial and event space. Financial closing and construction commencement for the property is anticipated for Q3 of 2024 with construction completion to occur in Q4 of 2025.

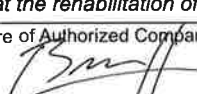


STATE USE ONLY		
Application Number	Date Received	LUCI Code

Application for Commercial Rehabilitation Exemption Certificate

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

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 one original application form (with required attachments) and one additional copy 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) 7326 West McNichols LLC		NAICS or SIC Code	
Facility's Street Address 7326 W. McNichols	City Detroit	State MI	ZIP Code 48221
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility is Located DPSCD	
<input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 11/01/2024	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 11/30/2025		
Estimated Cost of Rehabilitation \$7,000,000	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	No. of jobs to be retained due to facility's rehabilitation	No. of construction jobs to be created during rehabilitation	
PART 2: APPLICATION DOCUMENTS			
Prepare and attach the following items:			
<input type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage)		<input type="checkbox"/> Statement of the economic advantages expected from the exemption	
<input type="checkbox"/> Description of the qualified facility's proposed use		<input type="checkbox"/> Legal description	
<input 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 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 type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation			
PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) Brandon Hodges		Telephone Number (202) 368-9955	
Fax Number		E-mail Address bhodges@tribedevelopment.city	
Street Address 779 Piper Avenue	City Detroit	State MI	ZIP Code 48215
<i>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>			
<i>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.</i>			
Signature of Authorized Company Officer (no authorized agents) 		Title Managing Member	Date 03/14/2024

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

The clerk must retain the original application at the local unit and mail one copy of the completed application with attachments to:

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. Submit the completed application to: 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.

For guaranteed receipt by the State Tax Commission, send applications and attachments via certified mail.

If you have questions or need additional information or sample documents, visit www.michigan.gov/propertytaxexemptions or call (517) 373-2408.

Part 2 Supplemental Information
PA 210 Commercial Rehabilitation Exemption Application

General Description

- Facility Address: 7326 W. McNichols, Detroit, MI
- Year Built: 1946
- Most Recent Use: Church and formerly a furniture store
- Number of Stories: 1 story
- Square Footage: 10,000 sf

Description of the qualified facility's proposed use

The development team will activate the space into a two-story Artisan Market and Event Space, focused on giving emerging entrepreneurs a turnkey opportunity to sell their products and services.

Description of Rehabilitation to be Undertaken

The facility will be razed, and a new two-story mixed-use building will be constructed on the existing site. The building will feature the following improvements:

- New structural walls, storefront, and roofing system
- New mechanical, electrical, and plumbing systems throughout
- A new elevator lift for ADA accommodation
- Addition of 2-3 dedicated parking spots to the rear of the building
- New windows throughout
- New rough and finish carpentry for artisan market stalls and 2nd story event space

Description of Fixed Building Equipment

- Small kitchenette for event space to include sink, warming station, and refrigerator.
- New elevator

Time Schedule for Undertaking and Completing Rehabilitation

Financial closing and construction commencement for the property is anticipated for Q3 of 2024 with construction completion to occur in Q4 of 2025.

Statement of Economic Advantages from Exemption

Given the lower achievable rental rates in the neighborhoods of Detroit, especially compared to higher rent areas in Midtown and Downtown, the project will need assistance on its operating expenses to become sustainable in the short and long terms.

The project would not be feasible if taxed at its full post renovation value and requires the exemption certificate to undertake the proposed renovation.

Legal Description

LEGAL DESCRIPTION

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

N--W MCNICHOLS RD LOTS 24 THRU 29 STAFFORDS INTER-COLLEGE SUB
L46 P82 PLATS, WCR 16/333 120 x 90

Parcel ID: 16008268-73



Nora Contracting

5/25/23

7326 McNichols Development Schematic Design 1 Cost Model Summary Report

7326 McNichols Development				
GROSS AREA:		13,106		
SYSTEMS		COST	COST / GSF	% of DIRECTS
BUILDING COSTS (a):				
FOUNDATIONS (A10)	\$	183,484	\$ 14.00	5.54%
SUPERSTRUCTURE (B10)	\$	183,484	\$ 14.00	5.54%
EXTERIOR ENCLOSURE (B20)	\$	216,249	\$ 16.50	6.53%
ROOFING (B30)	\$	170,378	\$ 13.00	5.15%
INTERIOR CONSTRUCTION (C10)	\$	366,968	\$ 28.00	11.09%
INTERIOR FINISHES (C30)	\$	301,438	\$ 23.00	9.11%
CONVEYING SYSTEMS (D10)	\$	327,650	\$ 25.00	9.90%
PLUMBING (D20)	\$	288,332	\$ 22.00	8.71%
HVAC (D30)	\$	406,286	\$ 31.00	12.28%
FIRE PROTECTION (D40)	\$	196,590	\$ 15.00	5.94%
ELECTRICAL (D50)	\$	249,014	\$ 19.00	7.52%
EQUIPMENT (E10)	\$	-	\$ -	0.00%
FURNISHINGS (E20)	\$	65,530	\$ 5.00	1.98%
MEZZANINE (F20)	\$	222,802	\$ 17.00	6.73%
SUBTOTAL(a):		\$ 3,178,205	\$ 242.50	95.04%
SITE COSTS (b):				
SITework	\$	131,060	\$ 10.00	3.96%
SUBTOTAL(a+b):		\$ 3,309,265	\$ 252.50	100.00%
CONTINGENCY COSTS (c):				
DESIGN CONTINGENCY	\$	165,463	\$ 12.63	
CONSTRUCTION / ESTIMATE CONTINGENCY	\$	347,473	\$ 26.51	
ESCALATION	\$	152,888	\$ 11.67	
SUBTOTAL(a+b+c):		\$ 3,975,089	\$ 303.30	
GENERAL CONDITIONS	\$	329,932	\$ 25.17	
GENERAL REQUIREMENTS	\$	119,253	\$ 9.10	
BUILDING PERMIT	\$	119,253	\$ 9.10	
PRECONSTRUCTION	\$	10,000	\$ 0.76	
GENERAL LIABILITY INSURANCE	\$	37,606	\$ 2.87	
BUILDERS RISK INSURANCE	\$	13,273	\$ 1.01	
SUBCONTRACTOR DEFAULT INSURANCE	\$	51,676	\$ 3.94	
CM FEE	3.00%	\$ 139,682	\$ 10.66	
TOTAL CONSTRUCTION COST:		\$ 4,795,765	\$ 365.92	



Nora Contracting

5/25/23

7326 McNichols Development Schematic Design 1 Cost Model Detail Report

PHYSICAL DATA NAME: PROGRAM: LOCATION: GROSS AREA: PROGRAM % OF TOTAL FLOORS BELOW GRADE: FLOOR ABOVE GRADE: ACRES: # OF SPACES NOTES: FINANCIAL DATA	COMPONENT #1 7326 McNichols Development Main Building Detroit 13,106 100% 0 1.5		COMPONENT #2 7326 McNichols Development Storage Building Detroit 0 0% 0 1		COMPONENT #3 7326 McNichols Development Site Various 0 0% 0 2 0	
	COST / GSF		COST / GSF		COST / ACRE	
	COST		COST		COST	
SYSTEMS						
FOUNDATIONS	\$ 14.00	\$	\$ -	\$ -	\$ -	\$ -
SUPERSTRUCTURE	\$ 14.00	\$	\$ -	\$ -	\$ -	\$ -
EXTERIOR WALL	\$ 16.50	\$	\$ -	\$ -	\$ -	\$ -
ROOFING	\$ 13.00	\$	\$ -	\$ -	\$ -	\$ -
INTERIOR CONSTRUCTION	\$ 28.00	\$	\$ -	\$ -	\$ -	\$ -
INTERIOR FINISHES	\$ 23.00	\$	\$ -	\$ -	\$ -	\$ -
CONVEYING SYSTEMS	\$ -	\$	\$ -	\$ -	\$ -	\$ -
VERTICAL TRANSPORTATION	\$ 25.00	\$	\$ -	\$ -	\$ -	\$ -
PLUMBING	\$ 22.00	\$	\$ -	\$ -	\$ -	\$ -
HVAC	\$ 31.00	\$	\$ -	\$ -	\$ -	\$ -
FIRE PROTECTION	\$ 15.00	\$	\$ -	\$ -	\$ -	\$ -
ELECTRICAL	\$ 19.00	\$	\$ -	\$ -	\$ -	\$ -
EQUIPMENT	\$ -	\$	\$ -	\$ -	\$ -	\$ -
FURNISHINGS	\$ 5.00	\$	\$ -	\$ -	\$ -	\$ -
MEZZANINE	\$ 17.00	\$ 222.80	\$ -	\$ -	\$ -	\$ -
SUBTOTAL BUILDING:	\$ 242.50	\$	\$ -	\$ -	\$ -	\$ -
SITework	\$ 10	\$ 131.06	\$ -	\$ -	\$ -	\$ -
SUBTOTAL BUILDING AND SITE:	\$ 252.50	\$	\$ -	\$ -	\$ -	\$ -
DESIGN CONTINGENCY	\$ 12.63	\$	#DIV/0!	\$ -	\$ -	\$ -
CONSTRUCTION/ESTIMATE CONTINGENCY	\$ 26.51	\$	#DIV/0!	\$ -	\$ -	\$ -
ESCALATION - 2024 WORK SCHEDULE	\$ 11.67	\$	#DIV/0!	\$ -	\$ -	\$ -
GENERAL CONDITIONS	\$ 25.17	\$	#DIV/0!	\$ -	\$ -	\$ -

GENERAL REQUIREMENTS	\$ 9.10	\$	#DIV/0!	\$	\$	\$
PERMIT ALLOWANCE	\$ 1.25	\$	\$ 1.25	\$	\$	\$
PRECONSTRUCTION	\$ 0.76	\$	#DIV/0!	\$	\$	\$
GENERAL LIABILITY INSURANCE	\$ 2.87	\$	#DIV/0!	\$	\$	\$
BUILDERS RISK INSURANCE	\$ 1.01	\$	#DIV/0!	\$	\$	\$
SUBCONTRACTOR DEFAULT INSURANCE	\$ 3.94	\$	#DIV/0!	\$	\$	\$
FEES	\$ 10.00	\$	#DIV/0!	\$	\$	\$
TOTAL BUILDING, SITE AND INDIRECTS:	\$ 358.07	\$ 4,785,765	#DIV/0!	\$	\$ / ACRE	\$



A Substructure	\$ 22.00
A1010 Standard Foundations	14
A1020 Special Foundations	
A1030 Slab on grade	7
A2010 Basement Excavation	1
B Shell	\$ 35.50
B1020 Roof Construction	6
B2010 Exterior Walls	10
B2020 Exterior Windows	5
B2030 Exterior Doors	1.5
B3010 Roof Covering	13
B3020 Roof Openings	
C Interiors	\$ 51.00
C1010 Partitions	12
C1020 Interior Doors	10
C1030 Fittings	2
C2010 Stairs	4
C3010 Wall Finishes	3
C3020 Floor Finishes	9
C3030 Ceiling Finishes	11
D Services	\$
D1010 Elevators	25
D2010 Plumbing Fixtures	12
D2020 Domestic Water Distribution	7
D2040 Rain Water Drainage	3
D3050 Terminal & Packages Units	31
D4010 Sprinklers	12
D4020 Standpipes	3
D5010 Electrical Service / Distribution	2
D5020 Lighting and Branch Wiring	13
D5030 Comm and Security	4

\$ 220.50



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 26, 2024

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

RE: Commercial Rehabilitation District – **7326 West McNichols, LLC**
Property Address: 7326 W McNichols
Parcel Number: 16008268-73

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Commercial Rehabilitation District located in the **W McNichols business 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 **7326 West McNichols, LLC** consists of rehabilitating and expanding a vacant one-story, 10,366 sq.ft. building, built in 1946, into a two-story structure on 0.248 acres of land. The proposed project consists of having an artesian market on the ground floor area, and event space on the top floor that focuses on giving emerging entrepreneurs a turnkey opportunity to sell their products and services. The building will undergo major renovations including window replacement, floor replacement, roof replacement, all major mechanical, plumbing, and electrical systems replacement, and environmental remediation.

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
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FAX: 313•224•9400

Commercial Rehabilitation District
7326 West McNichols, LLC
Page 2

A review of the proposed district and relevant statutes indicated that the proposed Commercial Rehabilitation District located in the **W McNichols business 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



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 District
7326 West McNichols, LLC
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Property Address: 7326 W McNichols
Parcel Number: 16008268-73
Property Owner: 7326 West McNichols, LLC
Legal Description: N--W MC NICHOLS RD 24 THRU 29 STAFFORDS INTER-COLLEGE SUB L46 P82 PLATS, W C R
16/333 120 X 90



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 **7326 West McNichols, LLC**, an ("Applicant") with an office at **779 Piper Avenue Detroit MI, 48215**.

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: **7326 W. McNichols Detroit MI 48221** ("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 **November 30, 2025**.

c. The Applicant shall create, or cause to be created, at least **Eight (8)** (the “Employee Commitment Number”) full-time employees 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.

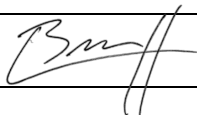
This Agreement may not be amended or modified except by a written instrument executed by each of the parties hereto.

[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: 7326 West McNichols LLC

By: 

Print: Brandon Hodges

Its: Managing Member

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**



Detroit Clearance Unit
2 Woodward Avenue, Suite 130
Detroit, Michigan 48226

City of Detroit Clearance Application Business

APPLICANT INFORMATION

Name of Applying Individual: Brandon Kendall Hodges

Title of Applying Individual: Managing Member

Contact email: bhodges@tribedevelopment.city

Business Name: 7326 West McNichols LLC

Business's EIN: 87-4705445

Business Type: Partnership (this could be an LLC filed using an EIN)

Does the business file Withholding returns under a separate EIN?	Yes		No	X
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Does the business use a PEO/Co-Employment/Employee Leasing arrangement?	Yes		No	X
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Withholding Entity Name:

Withholding Entity EIN:

Are the business's Income tax returns filed under a separate EIN?	Yes		No	X
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Income-Tax-Filing Entity Name:

Income-Tax-Entity EIN:

Sole Proprietorship/Single Member LLC Name:

Owner's Social Security Number:

Do you have W-2 employees working in the City of Detroit or with the City of Detroit?	Yes		No	
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Does the business file Withholding returns under a separate EIN?	Yes		No	
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Does the business use a PEO/Co-Employment/Employee Leasing arrangement?	Yes		No	
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Withholding Entity Name:

Withholding Entity EIN: