

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@tribeddevelopment.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,



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

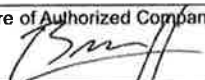
Application for Commercial Rehabilitation Exemption Certificate

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
<p><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></p> <p><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></p>			
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



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!	\$	\$	\$
FTF	\$ 10.66	\$		#DIV/0!	\$	\$	\$
TOTAL BUILDING, SITE AND INDIRECTS	\$ 358.07	\$	4,795,765	#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