

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.	2024-154
Name of Petitioner	Ultreia LLC
Description of Petition	Please see the attached request for the Establishment of an Obsolete Property Rehabilitation District (PA 146) at 16131 East Warren Avenue [Parcel ID: 21002869], Detroit, MI 48224
Type of Petition	Tax Abatement
Submission Date	05/17/2024
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	Ellen Donnelly Ultreia, LLC ellen@field-day.design P: 347-809-0708

ULTREIA, LLC

2044 PETERS ROAD
ANN ARBOR, MI 48103

ellen@field-day.design
347.809.0708

marc@field-day.design
310.988.0960

May 1, 2024

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

RE: **Request for the Establishment of an Obsolete Property Rehabilitation District (PA 146)
at 16131 East Warren Avenue [Parcel ID: 21002869], Detroit, MI 48224**

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Development District for the property located at **16131 East Warren Avenue, Detroit, MI 48224** and described on Attachment A.

Ultreia LLC is a limited liability company formed by Marc Maxey and Ellen Donnelly for the purposes of rehabilitating 16131 East Warren. The property was acquired by Ultreia LLC on April 18, 2024. Together, Maxey and Donnelly are partners in Field Day, multi-faceted architecture and development practice dedicated to the stewardship of our built and natural environment. Field Day brings expertise in architectural design, a respect for history and a keen understanding of contemporary urbanism to their work. Field Day's approach to development is centered around authentic relationships with all of a project's constituents—understanding that improving the built environment is a collaborative process and by engaging with local communities vibrant, sustainable neighborhoods become possible.

16131 East Warren Avenue is a beautiful, but blighted, two-story mixed used building prominently sited on the corner of East Warren and Bedford Road. Built in 1927, its curving brick and limestone facade, including its trademark sculptural crest, contributes significantly to the historic architectural character of the East Warren Corridor. By fully renovating this now-vacant building, four ground floor commercial spaces and three residential units will contribute to the East Warren Corridor's revitalization, providing high quality renovated retail spaces and (2) one- and (1) two-bedroom apartments. Thoughtful material selection and open storefronts will restore the historic and pedestrian-friendly character of the building, while activating the streetscape. The ground floor spaces range from 650-1050 square feet; these spaces, with direct street frontage and large windows are inviting to Detroit-based entrepreneurs and business owners. The three residential units will be offered at 71-80% AMI, and each apartment will be equipped with a highly efficient heat pump heating and cooling system combined with a roof-top solar array and battery backup to keep utility costs low and power consistent in the event of a power outage. The developer's goal is to rehabilitate this building to its former beauty to attract business from the surrounding community while adding vibrancy to the corridor.

In its current state, 16131 East Warren is functionally obsolete and blighted. Along with the investment that will be made to our building and the site comes an increase in the taxable value which makes

ULTREIA, LLC

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this project challenging with respect to cash flow and the ability for the development to service the debt payments. In our current climate of high interest rates and rents that lag behind the national averages, we find ourselves in a position where funders are hesitant to lend on our project. It is for these reasons that we are coming before this honorable body to request consideration and support for the establishment of an OPRA District but for, this project would not receive the funding support from the lending community making the development infeasible.

During construction, an anticipated 42 temporary construction employees will work on the site. Following construction, the renovated storefronts will provide approximately 18 FTE positions. Due to the severe state of disrepair of the building, extensive capital improvements will be made starting with the complete demolition of the building's interior, including the first and second floor and roof joists and interior walls and remediation of environmental containments including asbestos. Other capital improvements to the building include new floor and roof, new mechanical, plumbing and electrical systems, new energy efficient windows and doors, and new historic storefronts. In addition, through an encroachment permit, Ultreia LLC will upgrade and maintain the city-owned garden beds that bookend the street parking provided on Bedford Road.

For this project, we respectfully request an OPRA tax abatement for a duration of 12 years.

The rehabilitation of 16131 East Warren will extend the city's efforts to revitalize the East Warren corridor by increasing both residential density and commercial activity in the Morningside neighborhood. This development offers housing at or below 80% to Detroit residents, and the (4) commercial/retail spaces will attract new business activity to the corridor. All property taxes are current on 16131 East Warren. In addition to seeking an OPRA tax abatement, Ultreia is seeking approval of a Brownfield Redevelopment Plan for this property.

Marc Maxey and Ellen Donnelly, owners of Ultreia LLC, look forward to the rehabilitation of 16131 East Warren and to contributing to the revitalization of the East Warren Corridor. The approval of an Obsolete Property Rehabilitation District (PA 146) is a critical aspect of making this project feasible and we thank you all for considering our request.

Respectfully submitted,



Ellen Donnelly
Ultreia, LLC
ellen@field-day.design
347.809.0708



Marc Maxey
Ultreia, LLC
marc@field-day.design
310.988.0960

Attachment A: Property Description

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

Attachment C: Warranty Deed / Paid Receipt of Current Taxes

cc: K. Bridges, DEGC
V. Farley, HRD

Attachment A

A. General description of the facility (year built, original use, most recent use, number of stories, square footage)

16131 East Warren Avenue, [Parcel ID: 21002869] is a currently vacant, 2-story mixed-use building in Detroit's Morningside neighborhood. The building is 7,200 square feet and sits on a 1.01 acre lot. Built in 1927, this brick and limestone building is sited prominently on the corner of Bedford Road and East Warren Avenue. Its original uses included a grocery, drug store, salon and medical offices. Over the life of the building there have been many other businesses and the second floor transitioned to residential apartment units. The most recent uses include a clothing store, dental laboratory and salon.

B. General description of the proposed use of the rehabilitated facility

16131 E Warren will be fully rehabilitated, returning the ground floor to viable retail and commercial spaces. The boarded up storefronts will be opened up to reveal the large-scale windows on the East Warren and Bedford Road facades. All commercial spaces will have ADA compliant restrooms and one of the spaces will be equipped with mechanical systems to accommodate food service. The spaces will be white boxed - framed, drywalled and painted. The second floor residential units will consist of (2) 1-bedroom units and (1) 2-bedroom unit. Each unit will have modern appliances and a thoughtful design layout for contemporary life.

C. Description of the general nature and extent of the rehabilitation to be undertaken

This project involves a full rehabilitation of 16131 E Warren, which has been vacant for approximately 30 years. The project involves fully rebuilding the roof and all of the interior floor framing, building out the building's interior, repairing its brick and limestone facade, replacing all windows with new wood windows and rebuilding the glass store storefronts. The building will have all new highly efficient mechanical, electrical and plumbing systems and will have a solar array with powerwalls for each residential unit. The end product will be (4) "white-boxed" ground floor commercial spaces and (3) residential apartment units. Through careful material selection and open storefronts, the historic and pedestrian-friendly character of the building will be maintained, while the replacement of the building's systems will be modernized. The resulting product - a fully renovated brick and limestone building - will serve as a visual and physical icon at the entry of the East Warren Corridor.

D. A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility

The building will have the following fixed equipment:

- (1) 7 ½ ton dual circuit rooftop air handler for large commercial / food service units
- (2) furnaces for large commercial/food service units
- (8) electric heat pumps (mini-split) for heating and cooling
- (6) air handlers for residential and non-food service commercial units
- (7) hot water heaters
- (4) point-of-source (on demand) hot water heaters

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E. A time schedule for undertaking and completing the rehabilitation of the facility

We anticipate starting construction once the OPRA District and Brownfield Plan and associated Act 381 Work Plans are approved, by late summer 2024. We expect construction to take 18 months and for the building to be completed in Spring 2026.

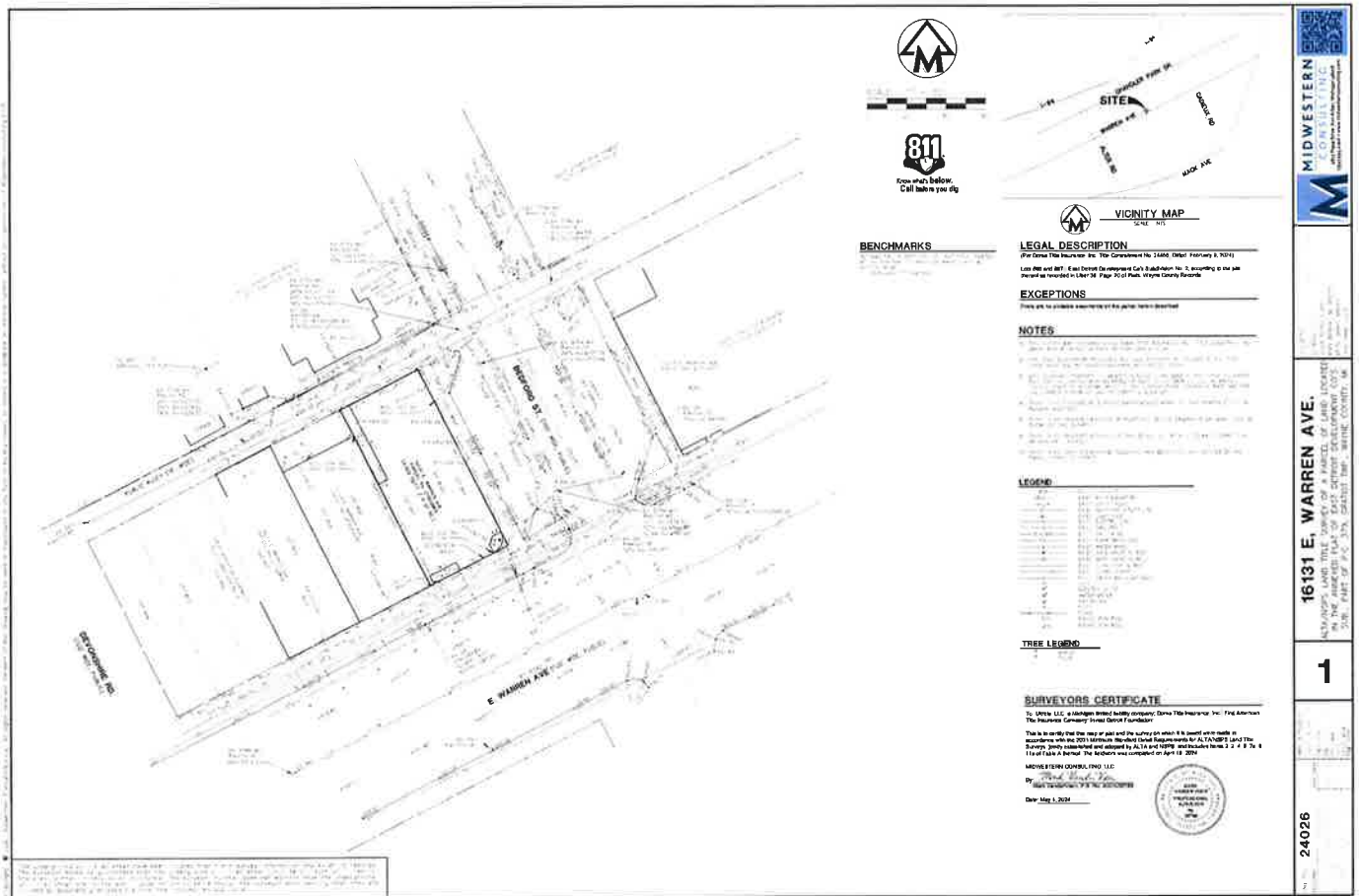
F. The parcel ID(s) and Legal Description(s) of the property

Parcel ID: 21002869

LEGAL DESCRIPTION: N WARREN E 867&866 EAST DETROIT DEVELOPMENT COS SUB NO 2 L36
P20 PLATS, W C R 21/426 44 X 100

Attachment B :
Parcel ID: 21002869

LEGAL DESCRIPTION: N WARREN E 867&866 EAST DETROIT DEVELOPMENT COS SUB NO 2
L36 P20 PLATS, W C R 21/426 44 X 100



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Attachment C:

Warranty Deed and Taxes

2024144927 L: 58832 P: 186 WD
04/22/2024 03:18:02 PM Total Pages: 2
Bernard J. Youngblood, Register of Deeds - Wayne County, MI
ELECTRONICALLY RECORDED

MICHIGAN REAL ESTATE TRANSFER TAX
Wayne County County Tax Stamp #694275
04/22/2024
Receipt# 24-138148 L: 58832 P: 186
State Tax: \$0.00 County Tax: \$9.90



WARRANTY DEED
STATUTORY FORM

KNOW ALL PEOPLE BY THESE PRESENTS THAT: Max_Ed Out Design LLC, a/k/a Max Ed Out Design, LLC, a Michigan limited liability company, BY: Marc Maxey, Member, and Ellen Donnelly, Member, whose address is 2044 Peters Rd., Ann Arbor, MI 48103

Conveys and Warrants to Ultreia, LLC, a Michigan limited liability company, whose address is 16131 E. Warren, Detroit, MI 48224

the following described premises situated in:

Property located in the City of Detroit; Wayne County, Michigan and described as:

Lots 866 and 867 - East Detroit Development Co's Subdivision No. 2, according to the plat thereof as recorded in Liber 36, Page 20 of Plats, Wayne County Records.

Commonly Known As: 16131 E. Warren, Detroit, MI 48224

Tax ID Number: WARD: 21 - ITEM: 002869

for the full consideration of NINE THOUSAND AND NO/100 DOLLARS (\$9,000.00)

Together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining thereto.

SUBJECT to easements and restrictions of record, zoning laws and ordinances affecting the premises, and rights of the public and of any governmental entity in any part thereof taken, used or deeded for street, road, right of way, or highway purposes, and subject to taxes and future installments of special assessments payable hereafter.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

This is to certify that there are no delinquent property taxes owed to our office on this property for five years prior to the date of this instrument. No representation is made as to the status of any tax liens or titles owed to any other entities.

Receipt: 239244591 Date: 4/22/2024 By: MJW (1)
Eric R. Sabree, Wayne County Treasurer, Detroit, Michigan

2023 NOT EXAMINED

Receipt: n/a 239244591 Date: 4/22/2024 By:
Eric R. Sabree, Wayne County Treasurer, Detroit, Michigan

Attachment C: Warranty Deed and Taxes

16131 E WARREN 48224 (Property Address)

Parcel Number: 21002869.



Item 1 of 13 12 Images / 1 Sketch

Property Owner: MAX_ED OUT DESIGN LLC

Summary Information

- > Commercial/Industrial Building Summary
 - Yr Built: 1927
 - # of Buildings: 2
 - Total Sq Ft.: 7,278
- > Assessed Value: \$62,600 | Taxable Value: \$23,641
- > Property Tax information found

Owner and Taxpayer Information

Owner	MAX_ED OUT DESIGN LLC 2044 PETERS RD ANN ARBOR, MI 48103-8702	Taxpayer	SEE OWNER INFORMATION
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Legal Description

N WARREN E 867&866 EAST DETROIT DEVELOPMENT COS SUB NO 2 L36 P20 PLATS, W C R 21/426 44 X 100

Other Information

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property.

Enter a Payment Date

Tax History

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2023	Winter	\$222.68	\$222.68	01/11/2024	\$0.00
2023	Summer	\$1,919.96	\$1,919.96	07/28/2023	\$0.00
2022	Winter	\$212.10	\$212.10	01/13/2023	\$0.00
2022	Summer	\$1,856.10	\$1,856.10	07/21/2022	\$0.00

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**PLANNING AND
DEVELOPMENT DEPARTMENT**

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 808
Detroit, Michigan 48226

Phone 313•224•1339
www.detroitmi.gov

TO: Justus Cook, Housing and Revitalization
FROM: Gregory Moots, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) 16131 E Warren Avenue
(Associated to Petition # 2024-154)
DATE: May 28, 2024

In order to ensure that the creation of an Obsolete Property District is in conformance 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 146 of 2000 (section 125.2788), the Planning and Development Department submits the following interpretation. The Petitioner is Ultra LLC.

Location and Project Proposal: 16131 East Warren. The proposed project is rehabilitation of an approximately 4,600-square-foot, two-story mixed-use building, which it will continue to be used as. Proposed are three second-floor apartments and four ground-floor commercial spaces.

Current Master Plan (MP) & Zoning: MP Classification – Neighborhood Commercial (CN).
Zoning – General Commercial District (B4).

Master Plan Interpretation

The subject site's CN designation "generally consist of a large collection of contiguous storefronts along a street or streets. This commercial type is pedestrian oriented with wide sidewalks and landscaping. Parking should be on the street, in structures (with ground floor retail), at the rear of commercial establishments or in concentrated nodes at the periphery of the area. In addition to commercial uses, Neighborhood Commercial areas may also include institutional uses such as libraries and post offices."

The following goal of the Finney neighborhood contains a relevant policy:

GOAL 3: Increase the vitality of neighborhood commercial areas

Policy 3.1: Target Warren, Mack and Harper with business improvement and retention programs, with an emphasis on the Warren and Outer Drive intersection as a commercial node.

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



**PLANNING AND
DEVELOPMENT DEPARTMENT**

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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

May 28, 2024

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

Re: **Obsolete Property Rehabilitation District – Ultreia LLC**

Address: 16131 E Warren
Parcel Number: 21002869.

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **16131 E Warren** in the **Morningside** area within the City of Detroit.

The rationale for creating Obsolete Property Rehabilitation Districts under PA 146 of 2000, as amended, is based on the anticipation of increased market value upon completion of new construction and /or significant rehabilitation of existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The district as proposed by **Ultreia, LLC** consists of A vacant two-story mixed- use building with 7,200 square feet of building area, built in 1927 on 1.01 acres of land. The proposed project consists of fully renovating the existing structure into four ground floor commercial spaces which will range from 650 – 1,050 square feet and the second floor into three residential, (2)- one bedroom and (1) two-bedroom apartment units. The project also consists of fully rebuilding the roof and all the interior floor framing, building out the building's interior, repairing its brick and limestone, replacing all windows with new windows, and rebuilding the glass store storefronts. Renovations will include new highly efficient mechanical, electrical, and plumbing systems and will have solar array with powerwalls for each residential unit. Careful material selection will take place to maintain the historic and pedestrian-friendly character of the building while the replacement of the building's system will be modernized.

This property meets the criteria set forth under PA 146 of 2000, as amended. It applies to blighted, functionally obsolete and contaminated properties. "Rehabilitation," meaning that changes to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation also includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, adding additional stories to a facility or adding additional space on the same floor level not to exceed 100% of the existing floor space on that floor level, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the obsolete property to an economically efficient condition.



Obsolete Property Rehabilitation District
Ultra LLC
Page 2

A review of the project and related statutes indicated that the proposed Obsolete Property Rehabilitation District located at **16131 E Warren** is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor/Board of Assessors

Property Address: 16131 E Warren
Parcel Number: 21002869.
Property Owner: Ultra LLC
Legal Description: N WARREN E 867&866 EAST DETROIT DEVELOPMENT COS SUB NO 2 L36 P20 PLATS, W C R 21/426 44 X 100

