

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.	2024-324 District
Name of Petitioner	Eskay Holdings LLC
Description of Petition	Please accept this letter as a request to establish an Obsolete Property Rehabilitation Development District for the property located at 3641/3651 Oakman Blvd Detroit MI 48204 and described on Attachment A.
Type of Petition	Tax Abatement
Submission Date	9/13/2024
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	Shakar K Manns Eskay Holdings LLC 810-210-2355 EskayHoldingsLLC@gmail.com



8/22/24

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 at 3641 and 3651 Oakman Blvd, Detroit, MI 48204

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Development District for the property located at **3641/3651 Oakman Blvd Detroit MI 48204** and described on Attachment A.

Originally developed in 1965 as a part of a three-building development known as the Grand Oak Condominium of the Robert Oakman's Cortland and Ford Highway Subdivision. Building "B" as it is described is a two-story structure containing eight individual apartments, all for residential purposes, totaling 7600 square feet. Over a decade ago, building "B" fell into disrepair and scattered ownership, including private owners and governmental agencies. As a new owner of two units, it was quickly recognized that without a functional HOA to act in the best interests of its members, the only way to bring the property back to purposeful use would be to acquire all remaining units. To date, we own all 8 units with complete site control. Our development strategy for this property focuses on optimizing the building's potential by taking advantage of its current state of disrepair and transitioning the property from combustible mechanicals to all electric functionality. Our vision is to electrify the building utilizing energy efficient appliances, geothermal heat pumps, and rooftop solar while also bridging the information gap with wireless internet available for tenant use. The goal is to provide all-inclusive housing, rent, utilities and WIFI at a single cost of 60% AMI. This will essentially level fluctuating utility costs for a more predictable monthly bill, creating an **affordable, healthy and comfortable** place to live.

Eskay Holdings is uniquely equipped to handle this challenge. Established in 2015, Eskay Holdings is a real estate development company servicing the metro Detroit area. Our work consists of modernizing distressed properties with a focus on making utility use more efficient in residential and commercial buildings in underserved communities. In this capacity, our approach to real estate development adheres to a sustainable business strategy (by positively impacting the environment, society, or both) without the sacrifice of economic performance. The founder is an

electrical engineer, certified energy manager and licensed general contractor with over 15 years of experience in the Water and Power Utility industries throughout the United States. It is this experience that makes this project achievable, relying on relationships established over the years with vendors and consultants with the proven skillsets necessary to make this a success.

As mentioned, we purposely look to restore existing mid-sized structures throughout the neighborhoods of the city, complimenting the larger developments occurring in the more notable locations. Unfortunately, the funding sources to renovate standard projects of this nature are non-existent through traditional lending institutions. This fact combined with the renewable energy sources/energy reduction design at 60% AMI and a renovation budget exceeding \$1.3 million, this project is not feasible and will certainly not be undertaken without the receipt of an exemption certificate. In addition to the green design, the renovation will include replacing 50+ windows, installing completely new HVAC, plumbing and electrical systems. All systems have been removed from the structure and cut from the utility both underground and overhead by the provider due to theft of service. All elements that would make this a livable structure have been either removed or degraded beyond its useful life. This includes the removal of all kitchens, bathrooms and multiple roof leaks causing walls and ceilings to collapse. The property is functionally obsolete and is a blight to an otherwise strong community, and as such, is eligible under the Obsolete Property Rehabilitation Act 146 of 2000 MCL PA Section 125.2782, MCL 125.2652 (e) "Facility", except as otherwise provided in this act, means a building or group of contiguous buildings and therefore qualifies 3641/3651 Oakman Blvd for the establishment of a district and issuance of an OPRA certificate pursuant to the Act 146 of 2000.

We believe this project should proceed as designed because it addresses many of the concerns raised in the Michigan Statewide Housing Plan (MSHP) and the 7-point city of Detroit Housing Plan (DHP) that includes converting long-vacant apartment buildings into affordable rental housing. The State Plan highlights that **47%** of the state's housing units are old, having been built prior to 1970. This contributes to the fact that over **48%** of renters are cost burdened by living in properties that are inefficient and utility cost heavy. Our development strategy addresses these issues by leveraging the condition of currently offline properties and maximizing their potential by transitioning the structure from combustible mechanicals to all electric functionality. What we are proposing with this project is not simply a renovation of an old structure. We are "building a better thermos". By highly insulating the structure it will retain the desired interior temperature for longer, resulting in fewer times for the heat pump to run (Comfort). This step alone will save up to **30% on energy bills**. Utilizing a highly efficient geothermal heat pump system increases the energy savings further with a payback period between **5-10 years** and eliminates toxic combustible fumes because it does not burn gas (Health). Lastly, by creating energy onsite with rooftop solar, initial studies for this project show the potential to save **\$5000 annually** in electricity savings. This green strategy does not only impact the environment, it positively impacts the bottom line. The savings created with this design helps to keep the housing affordable and inline with the naturally occurring affordability of the neighborhood at 60% AMI. A **bonus** benefit to this design is the necessity for the systems to be monitored for performance through wireless internet. The internet service will be made available for tenant use, bridging the digital divide also highlighted in the MSHP. It is for these reasons that we are asking for the City of Detroit to support this development with an OPRA certificate for 12 years beginning upon completion of the renovation.

The ripple effect of a project such as this is that in the short term, it immediately creates 8 affordable housing units at 60% AMI for potentially 14 new residents to the neighborhood who would support area businesses. The project will support 10 FTE positions during the renovation period and 1 FTE upon completion. It also compliments other development in the area including the Joe Louis Greenway, SNF areas Nardin Park/Russell Woods, Dexter Corridor and the newly finished \$30M Union Carpenters and Millwrights Skilled Training Center. However, the standout to this development is the renewable design. In the long term, there are many benefits to developing with energy efficiency in mind. The demand for skilled workers in green building practices fosters innovation and investment in sustainable technologies. Renovating in this manner provides a buffer to fluctuating energy costs, making tenants less vulnerable to rising costs while keeping rents affordable. This reduces turnover, providing stability to the development and potentially the neighborhood. Energy-efficient developments often have higher market value compared to traditional homes. Properties that feature energy-efficient technologies become more attractive in the real estate market, increasing the value of the property and the surrounding area.

With a multitude of similarly vacant structures available throughout the city, this is one approach to addressing the issues outlined in the MSHP and the DHP. With the success of this project and with the local support of state/city programs and federally through the Inflation Reduction Act, this project will encourage more developers to look at projects of this size and implement a similar scope. Since initially pitching this project in May, we have been approached by several seasoned developers to understand how they too can incorporate green solutions into their designs.

Eskay Holdings through The Grand Oak Apartment redevelopment will showcase that affordable housing can be energy efficient, beneficial to the community and economically feasible at the midsize development level.

Respectfully submitted,



Eskay Holdings LLC/Shaker K Manns
810-210-2355
EskayHoldingsLLC@gmail.com

Attachment A: Site Map that includes the parcel(s) of property / Legal Description
Attachment B: Paid Receipt of Current Taxes

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

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



Aerial View 8 Parcels

Address	Parcel	Legal Description
3641 Oakman Blvd, Unit 201	16025189.001	E Oakman BLVD BLDG B APT 201 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.460%Grand Oak Condominium
3641 Oakman Blvd, Unit 202	16025189.002	E Oakman BLVD BLDG B APT 202 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs,
3641 Oakman Blvd, Unit 102	16025188.002	E Oakman BLVD BLDG B APT 102 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs,
3641 Oakman Blvd, Unit 101	16025188.001	E Oakman BLVD BLDG B APT 101 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs,
3651 Oakman Blvd, Unit 103	16025188.003	E Oakman BLVD BLDG B APT 103 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.270%Grand Oak Condominium
3651 Oakman Blvd, Unit 104	16025188.004L	E Oakman BLVD BLDG B APT 104 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.560%Grand Oak Condominium
3651 Oakman Blvd, Unit 203	16025189.003	E Oakman BLVD BLDG B APT 203 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.190%Grand Oak Condominium
3651 Oakman Blvd, Unit 204	16025189.004L	E Oakman BLVD BLDG B APT 204 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.460%Grand Oak Condominium

Attachment B: Paid Receipt of Current Taxes

***Note:** DLBA parcels were purchased in May 2023. The ownership designation will change to Eskay Holdings upon completion of the redevelopment

Parcel ID: 16025188.001 - 3641 OAKMAN BLVD 101

🔴 For more information regarding your delinquent personal property tax balance, please contact TreasuryInfo@detroitmi.gov

2024 Summer Current Property Tax - City of Detroit - Parcel ID: 16025188.001

Parcel ID: 16025188.001
Owner Name: DETROIT LAND BANK AUTHORITY
Property Address: 3641 OAKMAN BLVD 101
Total Tax Amount: \$0.00
Remaining Balance: \$0.00

🔴 Per our records, there are no Summer 2024 taxes currently due.

Parcel ID: 16025188.002 - 3641 OAKMAN BLVD 102

2024 Summer Current Property Tax - City of Detroit - Parcel ID: 16025188.002

Parcel ID: 16025188.002
Owner Name: DETROIT LAND BANK AUTHORITY
Property Address: 3641 OAKMAN BLVD 102
Total Tax Amount: \$0.00
Remaining Balance: \$0.00

🔴 Per our records, there are no Summer 2024 taxes currently due.

Parcel ID: 16025189.001 - 3641 OAKMAN BLVD 201

2024 Summer Current Property Tax - City of Detroit - Parcel ID: 16025189.001

Parcel ID: 16025189.001
Owner Name: ESKAY HOLDINGS LLC
Property Address: 3641 OAKMAN BLVD 201
Total Tax Amount: \$582.64
Remaining Balance: \$0.00

🔴 Per our records, there are no Summer 2024 taxes currently due.

Parcel ID: 16025189.002 - 3641 OAKMAN BLVD 202

2024 Summer Current Property Tax - City of Detroit - Parcel ID: 16025189.002

Parcel ID: 16025189.002
Owner Name: ESKAY HOLDINGS LLC
Property Address: 3641 OAKMAN BLVD 202
Total Tax Amount: \$277.70
Remaining Balance: \$0.00

🔴 Per our records, there are no Summer 2024 taxes currently due.

Parcel ID: 16025188.003 - 3651 OAKMAN BLVD 103

2024 Summer Current Property Tax - City of Detroit - Parcel ID: 16025188.003

Parcel ID: 16025188.003
Owner Name: ESKAY HOLDINGS LLC
Property Address: 3651 OAKMAN BLVD 103
Total Tax Amount: \$240.57
Remaining Balance: \$0.00

❗ Per our records, there are no Summer 2024 taxes currently due.

Parcel ID: 16025188.004L - 3651 OAKMAN BLVD 104

2024 Summer Current Property Tax - City of Detroit - Parcel ID: 16025188.004L

Parcel ID: 16025188.004L
Owner Name: ESKAY HOLDINGS LLC
Property Address: 3651 OAKMAN BLVD 104
Total Tax Amount: \$277.70
Remaining Balance: \$0.00

❗ Per our records, there are no Summer 2024 taxes currently due.

Parcel ID: 16025189.003 - 3651 OAKMAN BLVD 203

2024 Summer Current Property Tax - City of Detroit - Parcel ID: 16025189.003

Parcel ID: 16025189.003
Owner Name: ESKAY HOLDINGS LLC
Property Address: 3651 OAKMAN BLVD 203
Total Tax Amount: \$486.97
Remaining Balance: \$0.00

❗ Per our records, there are no Summer 2024 taxes currently due.

Parcel ID: 16025189.004L - 3651 OAKMAN BLVD 204

2024 Summer Current Property Tax - City of Detroit - Parcel ID: 16025189.004L

Parcel ID: 16025189.004L
Owner Name: ESKAY HOLDINGS LLC
Property Address: 3651 OAKMAN BLVD 204
Total Tax Amount: \$582.64
Remaining Balance: \$0.00

❗ Per our records, there are no Summer 2024 taxes currently due.



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

September 27, 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 – Eskay Holdings LLC**

Address: 3641/3651 Oakman Blvd
Parcel Number: 16025188.001 – 16025189.004L
8 Parcels (See Chart on Page 2)

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **3641/3651 Oakman Blvd** in the **Oakland Boulevard Community** 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 **Eskay Holdings LLC** consists of a vacant two-story structure composed of eight (8) individual condominiums units with a combined building area of 7600 square feet. The proposed project consists of fully renovating the existing structure. Renovations will include new highly efficient geothermal heat pump system, and solar rooftop. The building will undergo major renovations including floor reconfiguration, all major mechanical, plumbing and electrical systems replacement, new kitchens and bathrooms.

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, new or improved fixed building equipment, including heating, ventilation, and lighting, 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.

A review of the project and related statutes indicated that the proposed Obsolete Property Rehabilitation District located at **3641/3651 Oakman Blvd** 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



Obsolete Property Rehabilitation District
Eskay Holdings LLC
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Parcel Number	Property Address	Property Owner	Legal Description
16025189.001	3641 Oakman Blvd 201	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 201 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.460% GRAND OAK CONDOMINIUM
16025189.002	3641 Oakman Blvd 202	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 202 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.440% GRAND OAK CONDOMINIUM
16025188.002	3641 Oakman Blvd 102	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 102 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.460% GRAND OAK CONDOMINIUM
16025188.001	3641 Oakman Blvd 101	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 101 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.560% GRAND OAK CONDOMINIUM
16025188.003	3651 Oakman Blvd 103	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 103 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.270% GRAND OAK CONDOMINIUM
16025188.004L	3651 Oakman Blvd 104	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 104 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.560% GRAND OAK CONDOMINIUM
16025189.003	3651 Oakman Blvd 203	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 203WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.190%GRAND OAK CONDOMINIUM
16025189.004L	3651 Oakman Blvd 204	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 204 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.460% GRAND OAK CONDOMINIUM

Note: these are condominiums units



Obsolete Property Rehabilitation District
Eskay Holdings LLC
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TO: Justus Cook, Housing and Revitalization
FROM: Gregory Moots, Planning and Development
RE: Master Plan Interpretation for requested **Obsolete Property District** (PA 146) at 3641 and 3651 Oakman Blvd (Associated to Petition # 2024-324)
DATE: October 4, 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 Eskay Holdings, LLC.

Location and Project Proposal: 3641 and 3651 Oakman Blvd. The proposed project is the rehabilitation of a blighted two-story, eight unit apartment building with proposed rents of 60% AMI.

Current Master Plan (MP) & Zoning: MP Classification – Low / Medium Density Residential (RLM)
Zoning - Medium Density Residential District (R5)

Master Plan Interpretation

RLM areas "... should have an overall density of 8 to 16 dwelling units per net residential acre. The areas are often characterized by two or four family homes with small yards, on- street parking, or garages with alley access. The residential classifications allow for neighborhood-scale commercial development".

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

CC: Uraina Clark