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October 24, 2024

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Application for a new 10-unit apartment building at 1530 Bagley in the Corktown Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received an application requesting a Neighborhood Enterprise Zone (NEZ) certificate for the construction of a new 10-unit rental apartment building at 1530 Bagley Avenue. The developer will also be applying for a brownfield TIF.

The property is generally located on the north side of Bagley Avenue between Trumbull and 10th Street in the Corktown area. The petitioner is 1530 Bagley Development LLC which is a husband-and-wife team comprised of Marijo Upshaw and Khaldoon Alaswad. The couple indicate they are new to development: Mrs. Upshaw researches and teaches at the collegiate level at the intersection of social work and entrepreneurship, and Mr. Alaswad, MD, is a local doctor at Henry Ford Health System. Below are images of the site and the proposed building.

The request is for a 15-year NEZ certificate for a new facility to include 10 rental units. The building will be a 3-story mixed-use building with a small 601 square foot retail space on the first floor, 5 rental units on the first floor and 5 rental units on the 2nd and 3rd floors. The petitioner provided the following summary table of the units. In summary there will be 5 one-bedroom units, 3 two-bedroom units, and 2 three-bedroom units.

Unit Type	# Units	Baths	Mo. Rent	Sq. Ft.	Construction Hard Cost / unit
1-bdr	1	1.0	\$1,440	586	\$ 156,509
1-bdr	3	1.0	\$1,612	586	\$ 469,527
1-bdr	1	1.0	\$1,653	601	\$ 160,515
2-bdr	1	2.5	\$3,250	1,300	\$ 347,204
2-bdr	1	2.5	\$1,728	1,262	\$ 337,055
3-bdr	1	3.0	\$4,190	1,676	\$ 447,626
3-bdr	1	3.0	\$4,625	1,850	\$ 494,098
2-bdr	1	2.5	\$3,155	1,262	\$ 337,055

Regarding affordability, the petitioner indicates the following:

- For the one-bedroom units: 4 units will be offered at 100% AMI and 1 unit will be offered at 80% AMI with parking included.
- For the two-bedroom units, 1 unit will be offered at 80% AMI with parking included.

Regarding parking, there would be an 11-space parking area at the north rear of the lot; the petitioner indicates there will be 9 dedicated spaces for tenants at \$100 per month and 2 dedicated spaces at \$0 per month.

Regarding accessibility, the developer indicates all five ground floor residential units are designed as "Type B Units" per the 2009 Michigan Accessibility Code. The ground floor units are accessible via the back patios which are sloped slightly from the door sill to the sidewalk - accessible by way of a short ramp if required by a tenant. Accessible features of these units include required clear areas and turning spaces, required blocking in walls for grab bars and other required accessories.

The subject property has been confirmed as being within the boundaries of the Corktown NEZ which was established by City Council in October 1994 and should be eligible for NEZ certificate under the State NEZ Act (Act 147 of 1992). The petitioner submitted the NEZ certificate application dated September 13, 2024, to the City Clerk's office, and the building permit has not yet been issued. Therefore, it appears the NEZ certificate application has been submitted prior to the issuance of applicable building permits – the NEZ Act (Act 147 of 1992) states the applications must be filed before a building permit is issued.

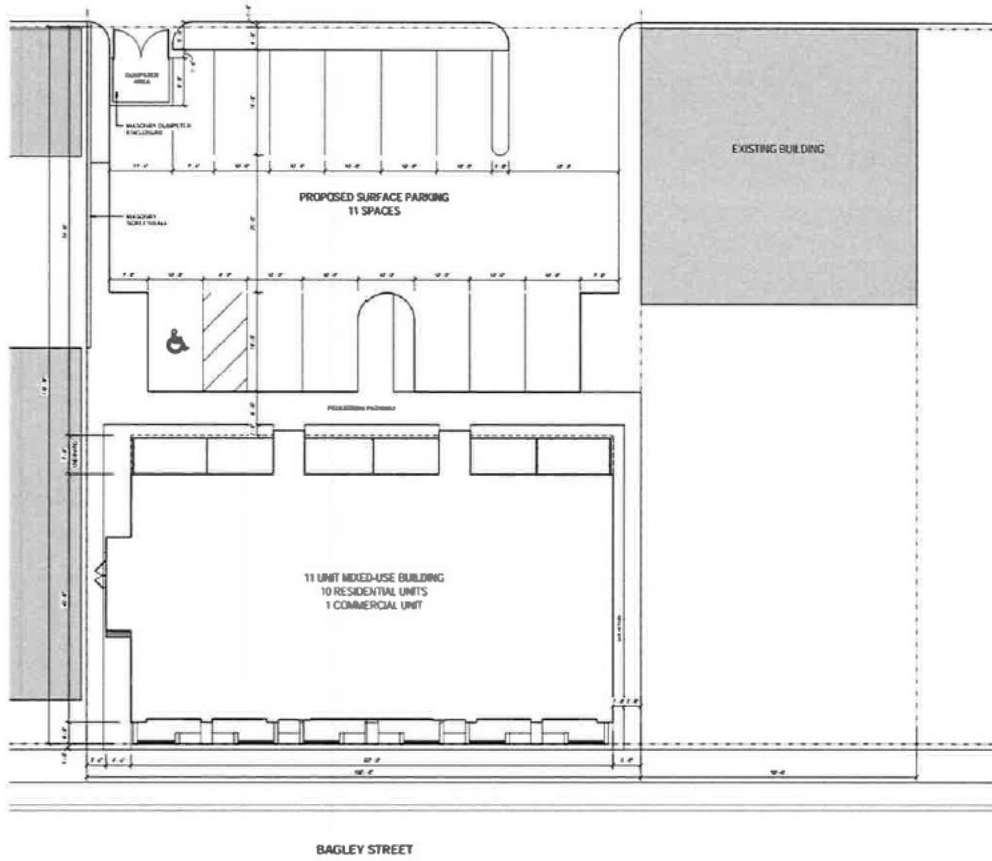
CPC staff have reviewed the application and recommends approval. A resolution is attached for Your consideration. Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
Christopher J. Gulock, Deputy Director CPC

cc: Janice Winfrey, City Clerk
Angela Jones, City Clerk



SITE PLAN



Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from ad valorem property taxes, and the imposition of specific tax in lieu of ad valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the Detroit City Council approves the submission of the application to the State Tax Commission, and, if applicable, the City Council concurs with the issuance of the certificate if the application was filed not more than 6 months after the date of the issuance of a building permit for the facility.

BE IT FINALLY RESOLVED, That the Detroit City Council approves the following for receipt of a Neighborhood Enterprise Zone Certificate for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
Corktown	1530 Bagley	07-1087