

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.	2024-287 Certificate
Name of Petitioner	EMDC Shed 7 Supporting Corporation
Description of Petition	Petition request for the Establishment of a Commercial Rehabilitation Certificate at 3445 Russell, Detroit, MI 48207
Type of Petition	Tax Abatement for a Commercial Rehabilitation Exemption Certificate
Submission Date	08/29/2024
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	EMDC Shed 7 Supporting Corporation 2934 Russell Street, Detroit, MI 48207 P: (313) 833-9300 spavelko@easternmarket.org

Application for Commercial Rehabilitation Exemption Certificate

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

LOCAL GOVERNMENT UNIT USE ONLY	
▶ Application No.	▶ Date Received
STATE USE ONLY	
▶ Application No.	▶ Date Received

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 the application form (with required attachments) 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) Eastern Market Development Corporation		NAICS or SIC Code 531120	
Facility's Street Address 3445 Russell St	City Detroit	State MI	ZIP Code 48207
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility is Located Detroit Public Schools	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 10/01/2025	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 10/01/2026		
Estimated Cost of Rehabilitation \$16,100,000	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 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 1	No. of jobs to be retained due to facility's rehabilitation 0	No. of construction jobs to be created during rehabilitation 50	
PART 2: APPLICATION DOCUMENTS			
Prepare and attach the following items:			
<input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage)	<input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption		
<input checked="" type="checkbox"/> Description of the qualified facility's proposed use	<input checked="" type="checkbox"/> Legal description		
<input checked="" 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 checked="" 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 checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation			
PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) Sarah Pavelko	Telephone Number (313) 670-5871		
Fax Number	E-mail Address spavelko@easternmarket.org		
Street Address 2934 Russell St	City Detroit	State MI	ZIP Code 48207
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 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.			
Signature of Authorized Company Officer (no authorized agents) 	Title Executive Director	Date 08/15/2024	

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.

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 certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.

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):

Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)

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 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.

Clerk's Signature

Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, 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. **For faster service, email the completed application and additional required documentation to PTE@michigan.gov.** An additional submission option is to mail the completed application and required documents to: Michigan Department of Treasury, 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.

If you have questions or need additional information or sample documents, visit www.michigan.gov/propertytaxexemptions or call 517-335-7491.



EMDC Shed 7 Supporting Corporation

Thursday, August 29, 2024

AMENDED

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

RE: Request for the Establishment of a Commercial Rehabilitation Certificate at 3445 Russell, Detroit, 48207

Honorable City Council:

On behalf of EMDC Shed 7 Supporting Corporation, please accept this letter as a request to establish a Commercial Rehabilitation Certificate for the property located at **3445 Russell** and described in Attachment A. EMDC Shed 7 Supporting Corporation is a subsidiary of Eastern Market Development Corporation and will be leading the redevelopment of the existing distribution center as our newest Shed 7. The job creation numbers have been adjusted in this amended application.

Background

Detroit's Eastern Market began as a wholesale market for Michigan farmers to sell produce during the growing season. Once brought by horse and wagon, our lots now host semis and trailers each night between midnight and 6 am to supply our region's grocers and other food establishments.

In 2023, the wholesale market saw an increase of more than 18 million pounds from 2021, bringing our total up to over 54 million pounds of produce sold. Farmers from across the lower peninsula, including the rural counties of Monroe, St. Claire, Berrien, Macomb, and Lapeer still come in nightly to sell in our state's most densely populated region. They are now joined by a growing number of Detroit located urban farmers.

Eastern Market's Wholesale Market continues to operate with technologies developed in the 1900s. Produce still comes in packed in ice, to hold it fresh for buyers. One-time improvements are needed to update this market with the technology and food safety infrastructure to carry growers toward the next 100 years and satisfy food safety requirements for larger sellers. In addition, Eastern Market is looking to grow the wholesale opportunities for Detroit based growers specifically working with partners such as the Detroit Black Farmer Land Fund and Oakland Avenue Urban Farm. To achieve these, we've purchased Shed 7 at 3445 Russell and intend to complete renovations by the Fall of 2026.

Project Objectives

The renovation of Shed 7 will consist of several major upgrades to the existing distribution facility that will allow us to achieve the following objectives:

EMDC Shed 7 Supporting Corporation
2934 Russell Street, Detroit, MI 48207
T 313.833.9300 | F 313.833.9309
www.easternmarket.com

1. Create rate refrigerated storage space that Detroit farmers can lease on a pallet basis to store their produce and sell to larger grocery buyers thereby increasing business opportunities to grow their client base. Storage by pallet for produce is not currently a service offered in the market or elsewhere to allow growers to scale their operations.
2. Create a cold-chain compliant facility to retain our largest producer and whole distributor, RJR Distribution. In the market, RJR, is the equivalent of a large retail chain anchor tenant at a mall. RJR's presence at Eastern Market's Wholesale Market ensures a stable network of buyers continue to come and buy not just from RJR but all of the growers that sell in the wholesale market. Once RJR reaches a certain size, regulations require that it meets stricter requirements for security and ensuring produce never leaves a refrigerated space.
3. Shed 7 renovations will retain RJR and their 15 employees in the Market and ensure major buyers continue to frequent our Wholesale Market. In addition, RJR's suite will be adjacent to our Detroit farmer refrigerated space, increasing sales opportunities for those farmers using this facility. It is anticipated that RJR will create 7 new jobs and an additional 6 part-time seasonal jobs will be created with the other growers.
4. One permanent full-time equivalent job will be created related to the management and oversight of the facility and programming. Another 10 jobs will be retained by the other existing tenants as Eastern Market will continue their leases.

Project Renovations

The renovation of Shed 7 is estimated to cost \$16.1 million. Renovations will include a new roof, upgraded electrical system, new refrigeration, reconfiguration of existing suites, extension of loading docks and the addition of 4,500 square feet of new refrigeration space. The building has 4 suites and totals 38,300 square feet. Most of the improvements will be focused on 29,500 square feet. Two suites will be divided into 3 suites. The remaining 2 suites will also benefit from the electrical system upgrade and roof repairs. In addition, the existing tenants will be retained which include an existing restaurateur/small neighborhood grocery and a wholesale distributor.

Project construction is expected to start in the Fall of 2025 and be completed by Summer of 2026 to minimize disruption of operations during the busy growing season.

Project Eligibility

As defined within Public Act 210, as amended Section 2. "Qualified facility" includes a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was commercial property as defined in subdivision (a).

(a) "Commercial property" means land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, the primary purpose and use of which is the operation of a commercial business enterprise or multifamily residential use. Commercial property shall also include 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 Property is currently occupied with commercial businesses. As noted earlier, these businesses will be retained.

For the purposes of request for the Certificate, Russell Street is characterized by commercial property and is located in the Eastern Market district which is a commercial district. This request therefore seeks the characterization as a business area.

Necessity for Tax Relief

Substantial investment is necessary to rehabilitate the area into a viable, long-term development. The rehabilitation project would not be possible without the receipt of a Commercial Rehabilitation Certificate. In order to provide affordable, below-market rent rates for commercial space to Detroit farmers and other producers to continue the wholesale activities in Eastern Market, the operating costs of Shed 7 need to be kept as low as possible (including property taxes).

PA 210 Request

This application documents the request for the approval of a Commercial Rehabilitation Certificate. A 10-year abatement is being requested.

Economic Advantages of the Rehabilitation

The granting of the Certificate will not result in any fewer taxes to the City in the short-term or long-term. This project will bring 3 primary benefits. First, it will provide subsidized space to Detroit farmers and access to new business opportunities to sell their produce thereby increasing their revenue. Second, it will retain Eastern Market's anchor distributor and ensure the long-term success and continuance of the wholesale activity at our Wholesale Market. Over time, the successful redevelopment of this new shed will have a city-wide impact as we build a stronger Eastern Market and food system.

Finally, this project will create employment opportunities. On a short-term basis approximately 50 temporary construction jobs will be created during site preparation and new construction activities. One permanent full-time equivalent job will be created related to the management and oversight of the facility and programming. On a long-term basis, it is estimated that this investment will retain 25 jobs and cause to be created an additional 10 full-time equivalent (FTE) jobs related to warehousing and food service by our tenants. A majority of these jobs do not require college degrees and one tenant specifically focuses on hiring returning citizens for the warehouse positions. We will ask that the tenants utilize Detroit At Work to post all available positions and maximize their ability to reach Detroiters to fill available positions. In addition, these jobs are easily accessible to prospective employees without a degree and several of the existing tenants employ returning citizens.

Closing

Eastern Market is a cultural icon in the City of Detroit that is known for our Tuesday, Saturday and Sunday markets open to the public. But our wholesale market is the lesser-known production that is a critical component of to ensure our local grocers have fresh Michigan produce for residents and provides employment. This new endeavor will allow us to support Detroit farmers scale their operations and

support the growth of other distributors in the Wholesale Market. This property tax exemption will allow Eastern Market to expand its existing services and support our mission to create a stronger healthier food network for the City of Detroit.

Respectfully submitted,



Sarah Pavelko

Attachments

Attachment A: Parcel Map and Legal Description

Attachment B: Paid Receipt of Current Taxes

cc: David Howell, DEGC
Christopher Hughes, DEGC
Justus Cook, HRD

Exhibit A
Parcel Map and Legal Description

Legal Description

Parcel A:

Lots 157 through 162, both inclusive, also part of Lots 140 through 156, both inclusive, and part of Lot 163, of WESSON'S SECTION OF THE MULLETT FARM BEING ALL THAT PORTION OF SAID FARM LYING BETWEEN PROSPECT (NOW RIVARD) AND RUSSELL STREETS, AND BOUNDED ON THE NORTHWEST BY THE NORTHERLY LINE OF LOT 2 IN THE REAR CONCESSION OF SAID MULLETT FARM AND ON THE SOUTHEAST BY THE CENTRE OF MORSE STREET, according to the plat thereof recorded n Liber 1 of Plats, page 96, Wayne County Records; also the reversionary interest of the City of Detroit in all that part of Benton Street, 50 feet wide within this parcel being more particularly described as follows:

Commencing at the intersection of the Northerly line of Erskine Street, 50 feet wide, and a line 28.00 feet Westerly of and parallel to the Westerly line of Russell Avenue, 60 feet wide; thence North 26 degrees 09 minutes 33 seconds West along said line parallel to Russell Avenue, being the proposed Westerly line of Russell Avenue, 88 feet wide, 135.33 feet; to the point of beginning thence South 63 degrees 48 minutes 42 seconds West along a line 20 feet North of and parallel to the Northerly line of a public alley, 20 feet wide, 100.00 feet; thence South 26 degrees 09 minutes 33 seconds East, 20.00 feet; thence South 63 degrees 48 minutes 42 seconds West along the Northerly line of a public alley, 20 feet wide 235.22 feet; thence North 23 degrees 16 minutes 04 seconds West, along the proposed Easterly line of Rivard, 200.26 feet; thence North 63 degrees 48 minutes 42 seconds East 325.12 feet; thence South 26 degrees 09 minutes 33 seconds East along the said proposed Westerly line of Russell Avenue, 88 feet wide, 180.00 feet to the point of beginning.

Parcel B:

Lots 169 through 174, both inclusive, the Westerly 2 feet of Lot 175, the public alley 20 feet wide adjoining said lots, the Southerly 20 feet of Lots 153 through 155, both inclusive, the Westerly 2 feet of the Southerly 20 feet of Lot 152, and the Southerly 20 feet of the Easterly 8 feet of Lot 156, of WESSON'S SECTION OF THE MULLETT FARM BEING ALL THAT PORTION OF SAID FARM LYING BETWEEN PROSPECT (NOW RIVARD) AND RUSSELL STREETS, AND BOUNDED ON THE NORTHWEST BY THE NORTHERLY LINE OF LOT 2 IN THE REAR CONCESSION OF SAID MULLETT FARM AND ON THE SOUTHEAST BY THE CENTRE OF MORSE STREET, according to the plat thereof recorded n Liber 1 of Plats, page 96, Wayne County Records.

3445 Russell St

Tax ID: 001265-83/Ward 05

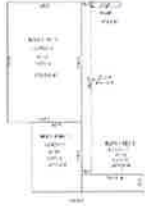
**Site Map
3445 Russell**



Exhibit B
Paid Property Taxes

3445 RUSSELL DETROIT, MI 48207 (Property Address)

Parcel Number: 05001265-83



Property Owner: ROSCOE & HORKEY INVESTMENT LLC

Summary Information

- > Commercial/Industrial Building Summary
 - Yr Built: 1992
 - # of Buildings: 4
 - Total Sq.Ft.: 36,205
 - > Property Tax information found
- > Assessed Value: \$452,000 | Taxable Value: \$407,748

Item 1 of 1 0 Images / 1 Sketch

Owner and Taxpayer Information

Owner	ROSCOE & HORKEY INVESTMENT LLC 15175 DIXON ROAD DUNDEE, MI 48131	Taxpayer	SEE OWNER INFORMATION
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Amount Due

Current Taxes: **\$15,408.23**

[Pay Now](#)

Legal Description

W RUSSELL LOTS 153 THRU 162 & 169 THRU 174, W 2 FT 175, W 2 FT 152, PT OF LOTS 140 THRU 151 & PT OF 163 & VACATED ALLEY (20 FT WD) ADJ SAID LOTS AND VAC BENTON ST ADJ WESSONS SEC OF MULLETT FARM SUB L1 P96 PLATS, W C R 5/35 ALL DESC AS: COMM AT THE SW COR OF SAID LOT 169 TH N 26D 9M 34S W 115 FT; TH S 63D 48M 42S W 149.99 FT; TH N 23D 16M 16S W 200.26 FT; TH N 63D 48M 42S E 325.13 FT; TH S 26D 9M 33S E 315 FT; TH S 63D 48M 42S W 185.23 FT TO POB 315 X IRREG 2 ACRES SPLIT/COMBINED ON 11/03/2017 FROM 05001265-70, 05003503-9;

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
2024	Summer	\$30,816.46	\$15,408.23	08/09/2024	\$15,408.23 Pay Now
2023	Winter	\$3,658.47	\$3,658.47	12/13/2023	\$0.00
2023	Summer	\$29,995.86	\$29,995.86	12/13/2023	\$0.00
2022	Winter	\$3,484.23	\$3,484.23	12/21/2022	\$0.00

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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

September 12, 2024

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

Re: Commercial Rehabilitation Certificate – EMDC Shed 7 Supporting Corporation

Address: 3445 Russell
Parcel Number: 05001265-83

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the Commercial Rehabilitation certificate application for the property located at **3445 Russell** in the **Eastern Market** area of the City of Detroit.

The rationale for issuing Commercial Rehabilitation certificates 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 existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The 2024 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
05001265-83	3445 Russell	\$ 426,100	\$ 384,384	\$ 25,900	\$ 23,364

The district as proposed by **EMDC Shed 7 Supporting Corporation** consists of 1 parcel with a total of 0.198 acres of land which includes one single-story Industrial Warehouse-Cold Storage Facilities building built in 1986 with approximately 36,205 sq. ft, and a parking lot. This proposed project includes renovations to the current facility, which will feature a new roof, upgraded electrical system, new refrigeration, reconfiguration of existing suites, extension of loading docks and the addition of 4,500 square feet of new refrigeration space. The building has 4 suites and totals 38,300 square feet. Most of the improvements will be focused on 29,500 square feet. Two suites will be divided into 3 suites. The remaining 2 suites will also benefit from the electrical system upgrade and roof repairs. In addition, the existing tenants will be retained which include an existing restaurateur/small neighborhood grocery and a wholesale distributor.



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Commercial Rehabilitation Certificate

EMDC Shed 7 Supporting Corporation

Page 2

This property meets the criteria set forth under PA 210 of 2005, as amended. It applies to a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was operating as a commercial business enterprise.

A review of the general plans, along with the criteria set forth under the Commercial Rehabilitation Act, indicated that the proposed project located at **3445 Russell** is eligible as it pertains to the Commercial Rehabilitation certificate criteria under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor/Board of Assessors



Commercial Rehabilitation Certificate
EMDC Shed 7 Supporting Corporation
Page 3

Property Address: 3445 Russell
Parcel Number: 05001265-83

Legal Description: W RUSSELL LOTS 153 THRU 162 & 169 THRU 174, W 2 FT 175, W 2 FT 152, PT OF LOTS 140 THRU 151 & PT OF 163 & VACATED ALLEY (20 FT WD) ADJ SAID LOTS AND VAC BENTON ST ADJ WESSONS SEC OF MULLETT FARM SUB L1 P96 PLATS, W C R 5/35 ALL DESC AS: COMM AT THE SW COR OF SAID LOT 169 TH N 26D 9M 34S W 115 FT; TH S 63D 48M 42S W 149.99 FT; TH N 23D 16M 16S W 200.26 FT; TH N 63D 48M 42S E 325.13 FT; TH S 26D 9M 33S E 315 FT; TH S 63D 48M 42S W 185.23 FT TO POB 315 X IRREG 2 ACRES



**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 **Eastern Market Development Corporation**, an ("Applicant") with an office at **2934 Russell Street, Detroit Michigan**.

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: **3445 Russell St, Detroit Michigan, 48207** ("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 **October 1, 2026**.

c. The Applicant shall create, or cause to be created, at least **One (1)** (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.

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ADDENDUM 1
Requirements

EXHIBIT A
Application for Commercial Rehabilitation Exemption Certificate

EXHIBIT B
Detroit City Council Resolution
Granting the Commercial Rehabilitation Exemption Certificate