

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.	2025-039 (District)
Name of Petitioner	AGI Construction LLC
Description of Petition	Petition request for the Establishment of an Obsolete Property Rehabilitation District at 3600 W Vernor Hwy
Type of Petition	Tax Abatement for an Obsolete Property Rehabilitation District
Submission Date	03/04/2025
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	Tanya Saldivar-Ali AGI Construction LLC P: (313) 492-6820 tanya@agidetroit.com



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 3600 W Vernor Hwy**

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Development District for the property located at **3600 W Vernor Hwy, Detroit, MI 48216** and described on Attachment A.

AGI Construction, operating since 2008, is a Detroit-based general contractor that delivers design-build projects, primarily in Southwest Detroit, while prioritizing local talent pipelines and Detroit-based, minority-based subcontractors.

The project under consideration will involve the significant rehabilitation of a currently vacant, two-story mixed-use development with residential and retail components. The residential component consists of four units on the second floor (one two-bedroom and three one-bedroom units) and is a total of 2,487 net rentable square feet (NRSF) with 3,007 gross square feet (GSF). The first-floor retail component consists of a single-tenant space with 2,595 NRSF and 3,007 GSF. This space will be rehabilitated to suit a bar/restaurant concept. Both the residential and retail components are included in the request for the incentive.

This project is eligible for a PA 146 tax incentive as, according to MCL 125.2782, the residential and retail components meet the definitions of “commercial housing property” and “commercial property,” respectively. As a long-vacant and outdated building, the property meets the requirements of “functional obsolescence” as defined in MCL 125.2652 and, therefore, meets the definition of “obsolete property” as stated in PA 146. This project also meets the definition of “rehabilitation” of PA 146 as the project will involve a major renovation.

The rehabilitation will not be undertaken without the receipt of an exemption certificate. As the feasibility of the project currently stands, the project cannot be financed without an exemption. The estimated future property taxes (after rehabilitation) without an exemption would not allow the property to maintain reasonable operating expenses and these high expenses would make it infeasible to re-tenant and operate the building.

The new location would create 5 new FTE jobs employed by the new retail tenant.



The project involves parking lot repair, exterior façade repair, structural and interior carpentry work, roofing and insulation work, installation of doors and windows, drywall installation, flooring installation, countertops and appliances installation, interior/exterior painting, plumbing and electrical system installation, and HVAC equipment installation.

The tax exemption is being requested for a period of 12 years.

The city taxes are current. The tax exemption will support the feasibility of the investment and allow the project to be undertaken which, in turn, will provide economic advantages to the City of Detroit. Generally, the project will (a) increase the number of visitors to the area and boost the visibility of neighboring businesses. It will also (b) create jobs by employing restaurant staff and (c) create new construction jobs through the work undertaken. The creation of these jobs will (d) generate more local and state income tax revenue.

This project is also seeking the assistance of grant funds from the Michigan Economic Development Corporation (MEDC) and its Build MI Community program, and also Strategic Neighborhood Fund dollars from Invest Detroit.

AGI Construction is a Detroit-based business committed to continuing its great work in Detroit and rehabilitating this building to be once again a positive community fixture.

Respectfully submitted,

Tanya Saldivar-Ali

Tanya Saldivar-Ali
AGI Construction LLC
(313) 492-6820
tanya@agidetrait.com

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

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



- **General Description of Facility:**
 - *Year Built:* 1910
 - *Original Use:* Residential/Retail Use (Bar/Restaurant)
 - *Most Recent Use:* Property has recently been vacant.
 - *Number of Stories:* 2
 - *Square Footage:* 6,560 square feet
- **General Description of Current and Proposed Use:**
 - *Current Use:* Vacant
 - *Proposed Use:* Residential/Retail Use (Bar/Restaurant)
- **Description of Restoration:**
 - The facility will undergo significant interior and exterior renovations, including the rehabilitation of the second-floor residential units to reflect updated, modern living spaces and the rehabilitation of the first-floor retail space to suit a bar/restaurant concept.
- **List of Fixed Building Equipment:**
 - New interior furnishings including cabinets, countertops, and appliances

- Updated HVAC equipment
 - Plumbing upgrades
 - Electrical upgrades
 - New doors
 - New windows
 - New flooring
- **Project Time Schedule:**
 - *Acquisition Financing Secured:* Q1 2025
 - *Building Purchased:* Q1 2025
 - *Construction Financing Secured:* Q2 2025
 - *Rehabilitation Start:* Q2 2025
 - *Rehabilitation Completion:* Q1 2026
 - *Grand Opening:* Q1 2026
- **Parcel ID:** 12000289
- **Legal Description:**
 - N VERNOR HWY 40SCOTTEN, LOVETT & DAVIS SUB L2 P19
PLATS, WCR 12/289 45 X130

Attachment B: Paid Receipt of Current Taxes

The following is a BS&A report indicating that there are no due or previous outstanding property tax balances.

2/13/25, 4:03 PM

Parcel Number - 12000289 | City of Detroit | BS&A Online

3600 W VERNOR 48216 (Property Address)

Parcel Number: 12000289.



Item 1 of 4 2 Images / 2 Sketches

Property Owner: GONZALEZ, GONZALO JR

Summary Information

- > Commercial/Industrial Building Summary
 - Yr Built: 1910
 - # of Buildings: 3
 - Total Sq Ft: 6,560
- > Assessed Value: \$151,900 | Taxable Value: \$19,057
- > Property Tax information found

Owner and Taxpayer Information

Owner	GONZALEZ, GONZALO JR 1966 PALMS ST DETROIT, MI 48209-1644	Taxpayer	SEE OWNER INFORMATION
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Legal Description

N VERNOR HWY 40SCOTTEN, LOVETT & DAVIS SUB L2 P19 PLATS; WCR 12/289 4S X130

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

By continuing to use this website you agree to the [BS&A Online Terms of Use](#) X

<https://bsaonline.com/SiteSearch/SiteSearchDetails?SearchFocus=All+Records&SearchCategory=Address&SearchText=3600+W+Vernor+St+48216&PageIndex=1&ReferenceKey=12000289&ReferenceType=0> 1/2

2/13/25, 4:03 PM

Parcel Number - 12000289 | City of Detroit | BS&A Online

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2024	Winter	\$205.65	\$205.65	01/08/2025	\$0.00
2024	Summer	\$1,885.56	\$1,885.56	01/14/2025	\$0.00
2023	Winter	\$170.94	\$170.94	01/09/2024	\$0.00
2023	Summer	\$1,847.25	\$1,847.25	08/10/2023	\$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

April 3, 2025

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

Re: **Obsolete Property Rehabilitation District – AGI Construction LLC**
Address: 3600 W Vernor
Parcel Number: 12000289.

Dear Ms. Bush:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **3600 W Vernor** located in the **Southwest** area of 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 **AGI Construction LLC** consists of a currently vacant, 2-story mixed-use building with residential and retail components with approximately 6,560 square feet of building area, built in 1967 on 0.135 acres of land. The proposed project consists of significant interior and exterior renovations including the rehabilitation of the second-floor residential units to exhibit updated, modern living spaces and the rehabilitation of the first-floor retail space suite to a bar/restaurant concept. The building will undergo major renovations including parking lot repair, exterior façade repair, structural and interior-carpentry work, roofing and insulation work, installation of doors and windows, drywall installation, flooring installation, countertops and appliances installation, interior/exterior painting, plumbing and electrical system installation, and HVAC equipment installation.

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.



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Obsolete Property Rehabilitation District
AGI Construction LLC
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The property is currently owned by Gonzalo Gonzalez Jr. The State Tax Commission (STC) has determined that the proposed developer may proceed with obtaining local approval of the district and issuance of the certificate prior to acquiring title to the property, but that the certificate would be held in abeyance by the STC pending submission of proof of ownership.

A review of the project details and relevant statutes indicated that the proposed Obsolete Property Rehabilitation District located at **3600 W Vernor** 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



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OFFICE OF THE ASSESSOR

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Obsolete Property Rehabilitation District
AGI Construction LLC
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Property Address: 3600 W Vernor
Parcel Number: 12000289.
Property Owner: **Gonzalo Gonzalez Jr**
Legal Description: N VERNOR HWY 40SCOTTEN, LOVETT & DAVIS SUB L2 P19 PLATS, WCR 12/289 45 X130





TO: Justus Cook, Housing and Revitalization
FROM: Gregory Moots, Planning and Development Department
RE: Master Plan Interpretation for requested **Obsolete Property District** (PA 146) at
3600 W Vernor Hwy. (Associated to Petition # 2025-039)
DATE: March 6, 2025

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 AGI Construction LLC.

Location and Project Proposal: 3600 W Vernor Highway, between W. Grand Blvd and 25th Street. The proposed project is the rehabilitation of a currently vacant, two-story mixed-use development with four residential units and a single retail unit.

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

Master Plan Interpretation

CN areas "... 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."

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

CC: AliReda Jaefar