



March 19, 2025

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

Honorable City Council:

RE: Request for a Commercial Rehabilitation Exemption Certificate at 20201 Livernois Avenue, Detroit, Michigan 48221

Please accept this letter as a request to establish a Commercial Rehabilitation Exemption Certificate (Certificate) for the property located at 20201 Livernois Avenue and described in Attachment A.

#### **Company Synopsis**

20201 Development LLC, (Developer) is a development partner between Brown Schroeder & Company (Brown-Schroeder) and BmK Design+Planning, LLC (BmK). Redeveloping properties in neighborhoods is a shared vision and goals of Brown-Schroeder and BmK. They believe that the location of their inaugural joint development project will not only benefit the neighborhood from the standpoint of investment, but also fulfills a need for commercial and restaurant space.

Brown-Schroeder is a local custom construction company founded in 1971. Kevin Shroeder is a second-generation builder and has been the company's president since 2012. Schroeder's passion for Detroit architecture and desire to contribute to the City's renaissance prompted him to change the company's focus to renovation and restoration projects.

Owner of BmK, Kevin Brandon has over 37 years of architectural experience in various partnerships and firms. Brandon uses his leadership and management experience to provide design services for a variety of structures (new, existing and historic) and project types, including mixed use, commercial, residential, and retail.

#### **Project Synopsis**

This proposed project includes demolishing the existing single-story warehouse building and constructing a new three-story mixed-use building with a total floor area of approximately 45,074 square feet with 7,054 square feet of first floor commercial space and 38,020 square feet of residential space. The ground level has 3,044 square feet for (up to 3) commercial tenant spaces, and 4,010 square feet for restaurant use.

Levels 2 and 3 feature fifty (50) residential apartments including, (12) studio units, (34) one-bedroom units and (4) two-bedroom units of various sizes and layouts.

The site redevelopment includes 12,563 square feet of partially covered surface parking and 12,764 square feet of repurposed basement parking, accommodating a total of 63 vehicles. All parking areas will be secured.

#### PA 210 Request and Eligibility

A 10-year certificate is requested for the commercial component of the building. The proposed project is eligible as defined by Public Act 210, as amended because it is in a downtown or business area as determined by the legislative body of the qualified local governmental unit.

#### The Necessity for Tax Relief

Substantial investment is necessary for redevelopment of the property for uses that will adequately serve neighborhood residents and the Avenue of Fashion district. The costs associated with the site redevelopment will require multiple funding sources. To secure this financing, the operating costs of the redevelopment need to be kept as low as possible (including property taxes). The Project will not be possible without receipt of the Certificate.

Currently, the building does not have market demand for the original use due to deficiencies in design and changes in equipment required for modern operations. Redevelopment of the site will require, but not limited to, efficient heating, ventilation, and air conditioning (HVAC) systems, plumbing, electrical system, fire suppression system, new elevator system, insulation, means of egress, site improvements, parking, and a building design and layout capable of accommodating the proposed uses.

Total construction hard cost investment is estimated at \$10,500,000 for the entire project, including residential, commercial, parking, demolition, infrastructure and site preparation. Of that amount, \$1,599,452, is attributed to the commercial portion of the Project.

#### **Economic Advantages of the Rehabilitation**

The granting of the Certificate will not result in any fewer taxes to the City of Detroit in the short-term or long-term. Upon successful redevelopment, the project will generate income taxes from the increase in new residents and employees, aid in the retention of skilled, local talent and fill a need for additional commercial spaces.

The Project is an appropriate use, design, and scale for the Avenue of Fashion, more so than the underutilized building that currently occupies the site. The project will serve as a catalyst for entrepreneurs starting or expanding their business(es), the additional residents will provide economic support to existing businesses and existing residents will have additional shopping and dining options that keep local dollars in the community. A survey released in 2018 by American Express and NFIB, found that about 67 cents of every dollar spent at a small business remains in the community.

It is expected that the future commercial/retail tenants will create the jobs for business operations and the Developer will be responsible for the creation of two (2) full-time equivalent job associated with property management and maintenance. The Developer will advertise the position in a way to attract a Detroit resident for the position. On a long-term basis, the proposed commercial tenants are anticipated to create 24 permanent FTE jobs. Fifteen (15) jobs are associated with restaurant operations and the nine (9) remaining jobs are associated with future commercial tenants.

The infill project will build on previous investments made in the area and help to further establish this area as the premier place for shopping and entertainment. Not only will the Project invite business investment along Livernois Avenue, but it will also offer employment opportunities to members of the historical residential neighborhoods of Bagley, Sherwood Forest and University District.

The Project will create additional housing and increase residential density in an area that needs new housing options and provide additional commercial space to help meet the demand of the business sector. The developer is also requesting approval of a Brownfield Plan and will meet the requirement of the "Housing" TIF policy. Six (6) studio units will meet the affordable unit requirements for 80% of the Area Median Income (AMI), three (3) 1-bed units will meet the 60% AMI requirements and two (2) 2-bed units

will meet the 70% AMI requirements. Rent of the eleven (11) affordable units are inclusive of a utility allowance. It is proposed that all but one unit will be rented at or below 100% AMI.

The Developer is not delinquent on any property tax related to the facility. The paid receipt of current taxes is included as Attachment C.

Total development costs are approximately \$14,000,000. The Developer is also pursuing a NEZ tax abatement for the residential portions of the project and Brownfield Tax Increment Financing (TIF). The Developer is providing 10% equity, and the remaining capital is funded through private financing sources, including the Michigan Economic Development Corporation (MEDC)'s Community Revitalization Program. Invest Detroit and Local Initiatives Support Corporation.

#### Closing

20201 Development LLC are invested in the City of Detroit and ready to put decades worth of experience to use assuring the Project succeeds. They look forward to pursuing the redevelopment, creating a community space and contributing to the vitality of the corridor within the Avenue of Fashion district.

Thank you for considering the approval of the Commercial Rehabilitation Exemption Certificate. If you have any questions regarding this request, please contact me at <a href="mailto:kmb@bmkdp.com">kmb@bmkdp.com</a> or (248) 303-1446.

Respectfully submitted,

Kevin Brandon 20201 Development LLC

Attachments:

Attachment A: Detailed Project Description

Attachment B: Parcel Map

Attachment C: Paid Receipt of Current Taxes Attachment D: Incentive Information Chart

Brandon

Kevin Michael Digitally signed by Kevin Michael Brandon Date: 2025.03.20

08:28:37 -04'00'

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

Michigan Department of Treasury 4507 (Rev. 12-20)

## **Application for Commercial Rehabilitation Exemption Certificate**

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

Kevin M. Brandon

LOCAL GOV	ERNMENT UNIT USE ONLY
▶ Application No.	▶ Date Received
S	TATE USE ONLY
▶ Application No.	▶ Date Received

03/19/2025

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.

This application is subject to audit by the STC.	•		•	·	_			
PART 1: OWNER / APPLICANT INFORMATIO	N (applicar	nt must complete	all fields)					
Applicant (Company) Name (applicant must be the owner of the facility	ty)			NAICS or SIC	Code			
20201 Development LLC			722511 & 458110					
Facility's Streat Address		City		State	ZiP Code			
20201 Livernois Avenue		Detroit		MI	48221			
Name of City, Township or Village (taxing authority)		County		School Distric	Where Facility is Located			
Detroit								
	/Illage	Wayne		Detroi	t Public Schools			
Date of Rehabilitation Commencement (mm/dd/yyyy)		Planned Date of Reha	bilitation Completion (mi					
08/01/2025		02/31/2027						
Estimated Cost of Rehabilitation		Number of Years Exer	mption Requested (1-10	))				
\$1,599,452			10	)				
Expected Project Outcomes (check all that apply)								
Increase Commercial Activity Retain E	Employment		Revitalize Urban A	Areas				
Create Employment Prevent	Loss of Emplo	pyrnent	Increase Number	of Residents in	Facility's Community			
	_	o facility's rehabilitation	No, of construction job	s to be created	during rehabilitation			
2	0			46				
PART 2: APPLICATION DOCUMENTS								
Prepare and attach the following items:  General description of the facility (year built, original use, most renumber of stories, square footage)	ecent use,	X Stateme	nt of the economic adva	antages expecte	ed from the exemption			
Description of the qualifed facility's proposed use		Legal description						
Description of the general nature and extent of the rehabilitation	to be undertak		ion of the "underservad nments only)	area" (Qualifled	Retail Food			
Descriptive list of the fixed building equipment that will be a part of the	the qualified fac		cial Rehabilitation Exem nments (Form 4753) (Qu		of for Qualified Retail Food od Establishments only)			
Time schedule for undertaking and completing the facility's rehab	bilitation							
PART 3: APPLICANT CERTIFICATION								
Name of Authorized Company Officer (no authorized agents)		Telephone Number	4					
Kevin Brandon			(248) 303	3-1446				
Fax Number		E-mail Address						
			kmb@bml	kdp.com				
Street Address	Clty		State	ZIP Code				
6827 E Nine Mile Road		Warren		MI	48091			
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 to		vithout my receipt of						
Signature of Authorized Company Officer (no authorized agents)		Title		Date				

member

PART 4: ASSESSOR RECOMMENDA	ATIONS (assessor o	of LGU must comp	lete Part 4)		
Provide the Taxable Value and State Equalized Valuemediately preceding the effective date of the ce				05, as amen	ded, for the tax year
	Taxa	ble Value	S	tate Equaliza	ed Value (SEV)
Land					
Building(s)					
The property to be covered by this exemption may not be property on the Eligible Tax Reverted Property (Land Bar on the Commercial Rehabilitation specific tax roll.					
By checking this box I certify that, if approved and not on any other specific tax roll.	, the property to be covere	d by this exemption will	be on the Commercia	Rehabilitation	Exemption 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 info	rmation contained in Pa	nrt 4 of this application	on is complete and a	ccurate.	
Assessor's Signature				Date	
PART 5: LOCAL GOVERNMENT ACT	FION (clerk of LGU i	must complete Pa	rt 5)		
Action Taken By LGU (attach a certified copy of the resol	ution):				
Exemption approved for years, end	ling December 30,	(not to exceed 10	years)		
Exemption Denied					
Date District Established (attach resolution for district) Lo	cal Unit Classification Iden	tification (LUCI) Code	School Code		
PART 6: LOCAL GOVERNMENT CLE	ERK CERTIFICAT	ION (clerk of LGI	J must complete l	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			x Number	
I certify that, to the best of my knowledge, the info the State Tax Commission issue a Commercial Re					
Clerk's Signature			-	Date	
				I .	

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.

### **Attachment A: Detailed Project Description**

#### **General Description**

The proposed project consists of one (1) parcel located at 20201 Livernois Avenue. The parcel is bounded by the property line and a parking lot to the north, Livernois Avenue to the east, the property line and a parking lot to the south, and the property line and alley to the west. The parcel lies in Council District 2, on the east side of Pembroke (or Garden Homes) neighborhood and along the Avenue of Fashion. The parcel totals approximately 0.58 acres; 20201 Livernois is improved with a single-story building. The current building was constructed in 1961 and since then operations have included wholesale furniture companies (1961-1980) and (1989-2023) and a church from 1983-1986. The last user was Fred's Furniture Liquidation and operations ceased in 2023.



The proposed project is located within the Avenue of Fashion district. The Avenue of Fashion district, similar to other areas of Detroit, suffered from disinvestment and population loss, but has been steadily growing. Some businesses remained during the economic downturn and many other businesses launched on the Avenue, even during the hard-times. This is a testament of the entrepreneurial spirit of Detroiters and the enduring appeal of the Avenue.



Current Site Condition

#### **Description of Proposed Use**

This proposed project includes demolishing the existing single-story warehouse building and constructing a new three-story mixed-use building with a total floor area of approximately 45,074 square feet with 7,054 square feet of first floor commercial space and 38,020 square feet of residential space (the "Project").

The Commercial Rehabilitation Exemption Certificate (Certificate) will be for the ground level that has 3,044square feet for (up to 3) commercial tenant spaces, and 4,010 square feet for restaurant use.

Not subject to the Certificate, but included in the Project are fifty (50) residential apartments including, (12) studio units, (34) one-bedroom units and (4) two-bedroom units of various sizes and layouts on levels 2 and 3 of the building.

The site redevelopment includes 12,563 square feet of partially covered surface parking and 12,764 square feet of repurposed basement parking, accommodating a total of 63 vehicles. All parking areas will be secured.



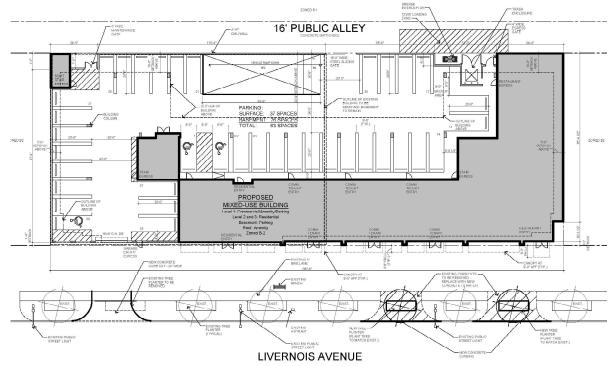
Rendering of Proposed Project

The Project is an appropriate use, design, and scale for the Avenue of Fashion, more so than the underutilized building that currently occupies the site.

#### **Nature and Extent of the Rehabilitation**

Currently, the building does not have market demand for the original use due to deficiencies in design and changes in equipment required for modern operations. Demolition activities will be conducted to prepare the Property for new construction. Prior to construction, site development and infrastructure improvements are required and will include, but not limited to, electrical, water, sewer, storm water and natural gas. Site development and construction of the new building will require, but not limited to, efficient heating, ventilation, and air conditioning (HVAC) systems,

plumbing, electrical system, fire suppression system, new elevator system, insulation, means of egress, site improvements, parking, and a building design and layout capable of accommodating the proposed uses. Additionally, the Project design integrates the recent streetscape improvements maintaining the neighborhood feel and improving walkability.



Proposed Site Plan

#### <u>Descriptive List of the Fixed Building Equipment (applicable to commercial portion)</u>

- Mechanical; plumbing and HVAC
- Electrical; electrical work and communications
- Energy efficient windows, curtain walls, and exterior doors
- Interior build-outs
- Interior doors/frames/hardware
- Finishes; drywall and steel studs/insulation, hard tile, flooring, painting
- Specialties; fire extinguishers, toilet accessories, appliances
- Modern fire protection systems
- Thermal and moisture protection
- Sitework; including new water, gas, electrical service, and landscaping
- Concrete; including repair or replacement of the current sidewalks
- Parking lot

#### **Time Schedule**

Construction activities are anticipated to commence in August 2025. Completion of construction activities is anticipated by February 2027.

#### **Statement of Economic Advantages**

Total construction hard cost investment is estimated at \$10,500,000 for the entire project, including residential, commercial, parking, demolition, infrastructure and site preparation. Of that amount, \$1,599,452, is attributed to the commercial portion of the Project.

The granting of the Certificate will not result in any fewer taxes to the City of Detroit in the short-term or long-term. Upon successful redevelopment, the project will generate income taxes from the increase in new residents and employees, aid in the retention of skilled, local talent and fill a need for additional commercial spaces.

It is expected that the future commercial/retail tenants will create the jobs for business operations and the Developer will be responsible for the creation of two (2) full-time equivalent job associated with property management and maintenance. The Developer will advertise the position in a way to attract a Detroit resident for the position. On a long-term basis, the proposed commercial tenants are anticipated to create 24 permanent FTE jobs. Fifteen (15) jobs are associated with restaurant operations and the nine (9) remaining jobs are associated with future commercial tenants.

Substantial investment is necessary for redevelopment of the property for uses that will adequately serve neighborhood residents and the Avenue of Fashion district. The costs associated with the site redevelopment will require multiple funding sources. In order to secure this financing, the operating costs of the redevelopment need to be kept as low as possible (including property taxes). The Project will not be possible without receipt of the Certificate. The Certificate is expected to provide \$166,738 in tax relief.

PA 210 Certificate Year	1	2	3	4	5	6	7	8	9	10		
Calendar Year	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035		
Base Taxable Value	\$ 110,932	\$ 110,932	Total Va Abaten									
Post Development Taxable Value (estimate)	\$ 345,154	\$ 352,057	\$ 359,098	\$ 366,280	\$ 373,606	\$ 381,078	\$ 388,699	\$ 396,473	\$ 404,403	\$ 412,491	Abaten	nent
Taxes without Abatement	\$ 29,455	\$ 30,044	\$ 30,645	\$ 31,258	\$ 31,883	\$ 32,521	\$ 33,171	\$ 33,835	\$ 34,511	\$ 35,201		
Taxes with Abatement	\$ 15,049	\$ 15,160	\$ 15,274	\$ 15,390	\$ 15,509	\$ 15,629	\$ 15,753	\$ 15,878	\$ 16,007	\$ 16,137		
Value of Abatement	\$ 14,407	\$ 14,884	\$ 15,371	\$ 15,868	\$ 16,374	\$ 16,891	\$ 17,418	\$ 17,956	\$ 18,505	\$ 19,064	\$ 16	66,738

#### **Legal Description**

TAX PARCEL ID: 16017473-81

W LIVERNOIS S 11.5 FT 232 233 THRU 237 EXC LIVERNOIS AVE AS WD KENILWORTH PARK SUB L31 P82 PLATS, W C R 16/277 1 THRU 3 EXC LIVERNOIS AVE AS WD ZEIGENS WARWICK PARK SUB L37 P47 PLATS, W C R 16/280 260.50 X 97.49A

### **Attachment B: Parcel Map**





**Attachment B: Parcel Map** 

Industrial Property 20201 Livernois Avenue, Detroit, Michigan PM Project No. 01-14049-0-0001



### **Attachment C: Paid Receipt of Current Taxes**



#### **2023 CITY OF DETROIT**

#### **WINTER TAX BILL**

PAYABLE TO: CITY OF DETROIT - PROPERTY TAX PO BOX 33193 DETROIT MI 48232-5193

20201 DEVELOPMENT LLC 6827 EAST 9 MILE ROAD WARREN MI 48091

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INF	ORMATION - SEE REVERSE SIDE
WAYNE COUNTY W C JAILS W C PARKS W C HCMA W C RESA W C RESA SP ED W C COMM COLLEGE W C ZOO W C DIA	0.9829 0.9358 0.2442 0.2070 0.0956 3.3443 3.2202 0.0992 0.1986	125.17 119.18 31.10 26.36 12.17 425.92 410.11 12.63 25.29	PARCEL #  Bill No. School District SEV Taxable Value: PRE/MBT% Prop Class TIF Dist	255,100 127,357 .0000% COMMERCIAL IMPROVED
			W LIVERNOIS S 11.5 FT 232 KENILWORTH PARK SUB L31	PTION  ION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE  233 THRU 237 EXC LIVERNOIS AVE AS WD  P82 PLATS, W C R 16/277 1 THRU 3 EXC  ENS WARWICK PARK SUB L37 P47 PLATS, W C R
Total Winter Rate	9.3278		* \^ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\	ADJE WJEJIJU DEGENADED 4 0000
Winter Taxes Winter Special Fees		1,187.93		ABLE IN FULL DECEMBER 1, 2023 - ITHOUT INTEREST AND PENALTY.
Winter Admin Fee Interest Penalty (Winter Payments) Winter Total Balance		11.87 17.82 35.64 1,253.26 <b>0.00</b>	* SUMMER 2ND PAYI WITHOUT INTEREST A	MENT IS DUE JANUARY 15, 2024 AND PENALTY.
TOTAL DUE		0.00 0.00 0.00 <b>0.00</b>	_	

#### 2023 WINTER PROPERTY TAX - RETURN LOWER PORTION WITH YOUR REMITTANCE

CITY OF DETROIT

### 2023 CITY OF DETROIT

**WINTER TAX BILL** 

PAYABLE TO: CITY OF DETROIT - PROPERTY TAX PO BOX 33193 DETROIT MI 48232-5193

	06/13/2024
PARCEL#	16017473-83
TOTAL DUE	0.00
TAX PAID	
	0.00 BALANCE DUE 06/30/202

6/30

06/

000020230100033193000016017473281000240000000008

20201 DEVELOPMENT LLC 6827 EAST 9 MILE ROAD WARREN MI 48091

Property Address: 20201 LIVERNOIS

00

#### **20201 LIVERNOIS** 48221 (Property Address)

Parcel Number: 16017473-81



#### Item 1 of 5

4 Images / 1 Sketch

#### Property Owner: 20201 DEVELOPMENT LLC

#### **Summary Information**

- > Commercial/Industrial Building Summary
  - Yr Built: 1958
- # of Buildings: 2
- Total Sq.Ft.: 17,820
- > Property Tax information found

> Assessed Value: \$255,100 | Taxable Value: \$127,357

#### Owner and Taxpayer Information

Owner

20201 DEVELOPMENT LLC 6827 EAST 9 MILE ROAD WARREN, MI 48091

Taxpayer

SEE OWNER INFORMATION

#### Legal Description

W LIVERNOIS S 11.5 FT 232 233 THRU 237 EXC LIVERNOIS AVE AS WD KENILWORTH PARK SUB L31 P82 PLATS, W C R 16/277 1 THRU 3 EXC LIVERNOIS AVE AS WD ZEIGENS WARWICK PARK SUB L37 P47 PLATS, W C R 16/280 260.50 X 97.49A

#### 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

6/13/2024

Recalculate

#### Tax History

Year	Season	Total Amount	Tota <b>l</b> Paid	Last Paid	Total Due	
2023	Winter	\$1,253.26	\$1,253.26	02/26/2024	\$0.00	
2023	Summer	\$9,904.60	\$9,904.60	08/21/2023	\$0.00	
2022	Winter	\$1,142.65	\$1,142.65	01/13/2023	\$0.00	
2022	Summer	\$10,057.25	\$10,057.25	01/13/2023	\$0.00	

<sup>\*\*</sup>Disclaimer: BS&A Software provides BS&A Online as a way for municipalities to display information online and is not responsible for the content or accuracy of the data herein. This data is provided for reference only and WITHOUT WARRANTY of any kind, expressed or inferred. Please contact your local municipality if you believe there are errors in the data.

### **Attachment D: Incentive Information Chart**



#### **INCENTIVE INFORMATION CHART:**

Project Type	Incentive Type	Investment Amount	District
Multi-use Residential	Commercial Rehabilitation	\$14,000,000	District 2
and Commercial	/ NEZ Tax Abatements	(\$11,500,000 hard cost)	
	Brownfield TIF		

Jobs Available								
	Constru	ıction		Post Construction Developer Created				
Professional	Non- Professiona <b>l</b>	Skilled Labor	Non-Skilled Labor	Professional	Non- Professional	Skilled Labor	Non-Skilled Labor	
3	3 1 34 8		1		1			
				Post	Construction	Tenant Cre	ated	
				Professional	Non- Professional	Skilled Labor	Non-Skilled Labor	
				3	2	12	7	

#### 1. What is the plan for hiring Detroiters?

The development team will present at a Skilled Trades Task Force and Detroit at Work, to assist in connecting with Detroiters for the project.

The development team will request assistance from Detroit at Work, so that they can provide future commercial tenants with a hiring resource guide that will include organizations that can assist in finding local talent for their operations. In addition, the development team will request a commitment from the commercial tenants to prioritize filling open positions with Detroiters.

## 2. Please give a detailed description of the jobs available as listed in the above chart, i.e. job type, job qualifications, etc.

In the short-term, approximately 46 temporary full time equivalent (FTE) construction jobs are anticipated to be created.

#### Construction Jobs

Brown-Schroeder, will be looking to hire subcontractors, having Detroit residents as employees, for the following trades:

**Building Demolition** 

Concrete Coring/Sawcut/Infill

Masonry

Metal Panel/Thermal Insulation/Waterproofing

Glass and Glazing

Doors/Frames/Hardware

Gyp Board Assemblies

Flooring

**Painting and Coatings** 

Specialties - Toilet and Bath Acc. / Partitions

Equipment

Fire Protection

**Plumbing** 

**HVAC** 

Electrical

#### Post-Construction Jobs

After completion of the project, it is anticipated that 26 permanent FTE jobs will be created in total.

- (1) job is associated with the management and (1) job is associated with maintenance of the proposed project,
- (15) jobs are associated with restaurant operations
  - Management
  - Chef
  - o Cooks
  - Servers
  - Support staff
- (9) jobs are associated with future commercial tenants. The types of jobs depend on the kind of business. Possibilities include:
  - Health and wellness
  - Personal services related to spa and salons
  - o Retail
  - Specialty import/export
  - Business support services such as: accounting, design, IT

#### 3. Will this development cause any relocation that will create new Detroit residents?

It is anticipated that some of the apartment units will be rented to persons that don't currently reside in the City.

The building is currently vacant.

## 4. Has the developer reached out to any community groups to discuss the project and/or any potential jobs?

The development team has had informal conversations with the neighborhood organizations and received positive feedback about the project.

Prior to the public hearing for consideration of the Brownfield Plan, the development team will reach out to the Greenlawn Block Club, Eight Mile Community Organization, Avenue of Fashion Business Association, and District 2 staff. The development team respects and values the input

from the community and will be meeting with the groups sooner rather than later, so that any input from the community can be thoughtfully considered and can make adjustments to the project, as feasible.

The development team will request assistance from Detroit at Work, so that they can provide future commercial tenants with a hiring resource guide that will include organizations that can assist in finding local talent for their operations. In addition, the development team will request a commitment from the commercial tenants to prioritize filling open positions with Detroiters.

#### 5. When is construction slated to begin?

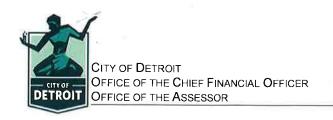
Approximate August 2025

#### 6. What is the expected completion date of

construction? Approximately February 2027

\*Please contact Linda Wesley at (313) 628-2993 or <a href="wesleyl@detroitmi.gov">wesleyl@detroitmi.gov</a> to schedule a date to attend the Skilled Trades Task Force.

Coleman A. Young Municipal Center • 2 Woodward Avenue • Suite 1340 • Detroit, Michigan 48226
(313) 224-1245 Fax (313) 224-4095



COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVE., SUITE 824

DETROIT, MI 48226 PHONE: 313-224-3011 FAX: 313-224-9400

September 4, 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 - 20201 Development LLC

Address: 20201 Livernois Ave-Parcel Number: 16017473-81

Dear Mr. Bryant:

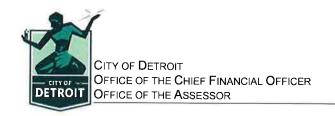
The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the Commercial Rehabilitation certificate application for the property located at **20201 Livernois Ave.** in the **Avenue of Fashion** area of the City of Detroit.

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 related to the commercial area are as follows:

		Buildi	<b>ng</b> Assessed	Buildir	ng	Land As	sessed	Land	
Parcel #	Address	Value	Value (SEV)		Taxable Value		Value (SEV)		e Value
16017473-81	20201 Livernois Ave	\$	38,600	\$	6,300	\$	38,600	\$	6,300
	Table 1								

The district as proposed by **20201 Development LLC** consists of 1 parcel with a total of 0.583 acres of land which includes one single-story retail building built in 1958 with approximately 17,820 sq. ft, and a commercial parking lot. Since the current building is not constructed in a way that can support the proposed project, the owner plans to have it demolished. This proposed project includes demolishing the existing single-story retail building and constructing a new three-story mixed-use building with a total floor area of approximately 46,741 square feet with 7,120 total square feet of first floor commercial space and 36,237 square feet of residential space (the "Project"). The ground level has 3,120 square feet for (up to 2) commercial tenant spaces, and 4,000 square feet for restaurant use. Levels 2 and 3 feature fifty (50) residential apartments including, (14) studio units, (32) one-bedroom units and (4) two-bedroom units of various sizes and layouts. Included in the site redevelopment is 12,563 square feet of (partially) covered, secured parking seamlessly integrated providing essential parking for 45 vehicles. (all approximate). This PA 210 certificate request applies only to the proposed 7,120 square feet of commercial floor area.



COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVE., SUITE 824

DETROIT, MI 48226 PHONE: 313-224-3011 FAX: 313-224-9400

#### **Commercial Rehabilitation Certificate**

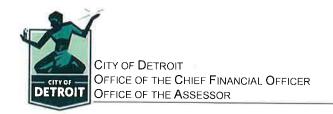
20201 Development LLC Page 2

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 **20201 Livernois Ave.** 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



COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVE., SUITE 824

DETROIT, MI 48226 PHONE: 313-224-3011 FAX: 313-224-9400

#### **Commercial Rehabilitation Certificate**

20201 Development LLC Page 3

Property Address: 20201 Livernois Ave.

Parcel Number: 16017473-81

**Legal Description:** W LIVERNOIS S 11.5 FT 232 233 THRU 237 EXC LIVERNOIS AVE AS WD KENILWORTH PARK SUB L31 P82 PLATS, W C R 16/277 1 THRU 3 EXC LIVERNOIS AVE AS WD ZEIGENS WARWICK PARK SUB L37 P47 PLATS, W C R

16/280 260.50 X 97.49A



## COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE AGREEMENT

THIS COMMERCIAL REHA	BILITATION EXEMP	TION CERTFIICAT	E AGREEMENT
(this "Agreement") is made this	day of	,20	by and between the
City of Detroit, a Michigan municipa	al corporation ("City"),	acting by and through	gh its Planning &
Development Department, with an off	fice at 2 Woodward Ave	nue, Suite 808, Detroi	t, Michigan 48226
and 20201 Development, LLC, a	("Applicant") with an	office at 6827 Eas	t Nine Mile Rd,
Warren, Michigan 48091.			_

#### 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: **20201 Livernois, Detroit, Michigan** ("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 <u>Ten (10) years</u>, 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 **December 31, 2026**.
- c. The Applicant shall create, or cause to be created, at least <u>Two (2)</u> (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.

#### 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 <u>Section 5</u>, "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.

[Remainder of Page Intentionally Left Blank]

## [SIGNATURE PAGE TO COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE AGREEMENT]

IN WITNESS WHEREOF, the City and the Applicant, by and through their authorized officers and representatives, have executed this Agreement as follows:

	APPLICANT:
	By:
	Print:
	Its:
	CITY OF DETROIT PLANNING & DEVELOPMENT DEPT.
	By:
	Print:
	Its:
THIS AGREEMENT WAS APPROVED BY THE CITY COUNCIL ON:	APPROVED BY LAW DEPARTMENT PURSUANT TO § 7.5-206 OF THE CHARTER OF THE CITY OF DETROIT
Date	Corporation Counsel Date

THIS AGREEMENT IS NOT EFFECTIVE OR VALID UNTIL APPRVOED BY RESOLUTION OF THE CITY COUNCIL, SIGNED BY ALL PARTIES HERETO, AND A COMMERICAL REHABILITATION EXEMPTION CERTIFICATE IS APPROVED BY THE MICHIGAN STATE TAX COMMISSION

## ADDENDUM 1 Requirements

## <u>EXHIBIT A</u> Application for Commercial Rehabilitation Exemption Certificate

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