

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

DEPARTMENT PETITION REFERENCE COMMUNICATION

To: The Department or Commission Listed Below

From: Janice M Winfrey, Detroit City Clerk

The following petition is herewith referred to you for report and recommendation to the City Council.

In accordance with that body's directive, kindly return the same with your report in duplicate within four (4) weeks.

Petition No.	2025-147 (NEZ) (District)
Name of Petitioner	Detroit Five and Dime LLC
Description of Petition	Petition request for the establishment of a Neighborhood Enterprise Zone at 3700 3 rd Ave, Detroit.
Type of Petition	Tax Abatement for a Neighborhood Enterprise Zone
Submission Date	06/17/2025
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission, Civil Rights, Inclusion, & Opportunity Department
Petitioner Contact	Detroit Five and Dime LLC Jonathan Hartzell 31196 Churchill Dr Detroit, MI 48025 P: (248) 854-8005 jon@detroitrisingdevelopment.com

DETROIT FIVE AND DIME LLC

6/01/2025

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

RE: **Request for the Establishment of a Neighborhood Enterprise Zone at 3700 3rd Ave, Detroit**

Honorable City Council:

Please accept this letter as a request to establish Neighborhood Enterprise Zone District for the property located at **3700 3rd Ave, Detroit** and described on Attachment A.

Detroit Five and Dime LLC was established to oversee the development and management of 3700 3rd Ave. The ownership group, comprising Detroit Rising Development and Facilities Management Group, has been actively engaged in Detroit's development and construction sector for the past decade. Their acquisition of 3700 3rd Ave under Five and Dime LLC reflects their continued commitment to the revitalization of the Midtown South District.

Building upon their success with the Detroit Shipping Company, the Five and Dime is envisioned as a dynamic mixed-use space. The second-floor features ten single-bedroom rental apartments, while the first floor offers 6,500 square feet of retail space. This retail area will be designed as a collective environment, fostering collaboration and shared efficiencies, similar to the model established at the Detroit Shipping Company. By incorporating common spaces for both front- and back-of-house operations, Five and Dime aims to provide an accessible platform for local startup vendors, making small-scale supportive retail more attainable and sustainable.

This project qualifies for a PA 147 NEZ tax incentive as it meets the definition of a Rehabilitated Facility under MCL 207.772(m). According to MCL 207.112(m), a Rehabilitated Facility refers to an existing structure or a portion of a structure with a current true cash value of \$120,000.00 or less per unit, intended primarily for residential housing. The proposed improvements will exceed the specified thresholds: if completed by a licensed contractor, costs will surpass \$15,000.00 per non-owner-occupied unit or

50% of the true cash value, whichever is lower. Alternatively, if undertaken by the owner, material costs will exceed \$4,500.00 per nonowner-occupied unit, ensuring the structure meets local building code standards for occupancy and enhances livability. The scope of renovations will significantly exceed these defined thresholds, rehabilitating the property into a functional and economically efficient condition, aligning with program requirements.

The restoration project cannot proceed without securing an exemption certificate, as its financial feasibility depends on this exemption. Without it, the projected future property taxes post-restoration would impose an unsustainable burden on operating expenses, making it impossible for a small business operator to finance the project and ultimately occupy the building.

Securing the exemption is essential to the financial viability of this development, ensuring that the investment can move forward while generating significant economic benefits for the City of Detroit. From a neighborhood perspective the project will (a) enhance foot traffic, increasing demand for commercial leases and bolstering the visibility of neighboring businesses, strengthening the overall commercial ecosystem. Additionally, it will (b) create long-term employment opportunities for restaurant staff and (c) stimulate short-term job growth through construction and renovation efforts. As a result, (d) these activities will contribute to increased local and state tax revenues, reinforcing the city's economic base while driving continued investment interest in the area.

The total restoration project cost will be \$2M (not including the price of tenant finishes) and will involve the transformation of a vacant commercial building into a Multi-tenant first floor food and beverage collective and ten for rent one bedroom second floor apartments.

The tax exemption is being requested for a period of 15 years.

The property's city taxes are fully up to date. Securing the exemption will enable the restoration process to begin, allowing the building to reach a functional state. Once operational, the property will generate significantly higher tax revenue post-exemption than it does in its current vacant condition, contributing to the city's long-term economic growth.

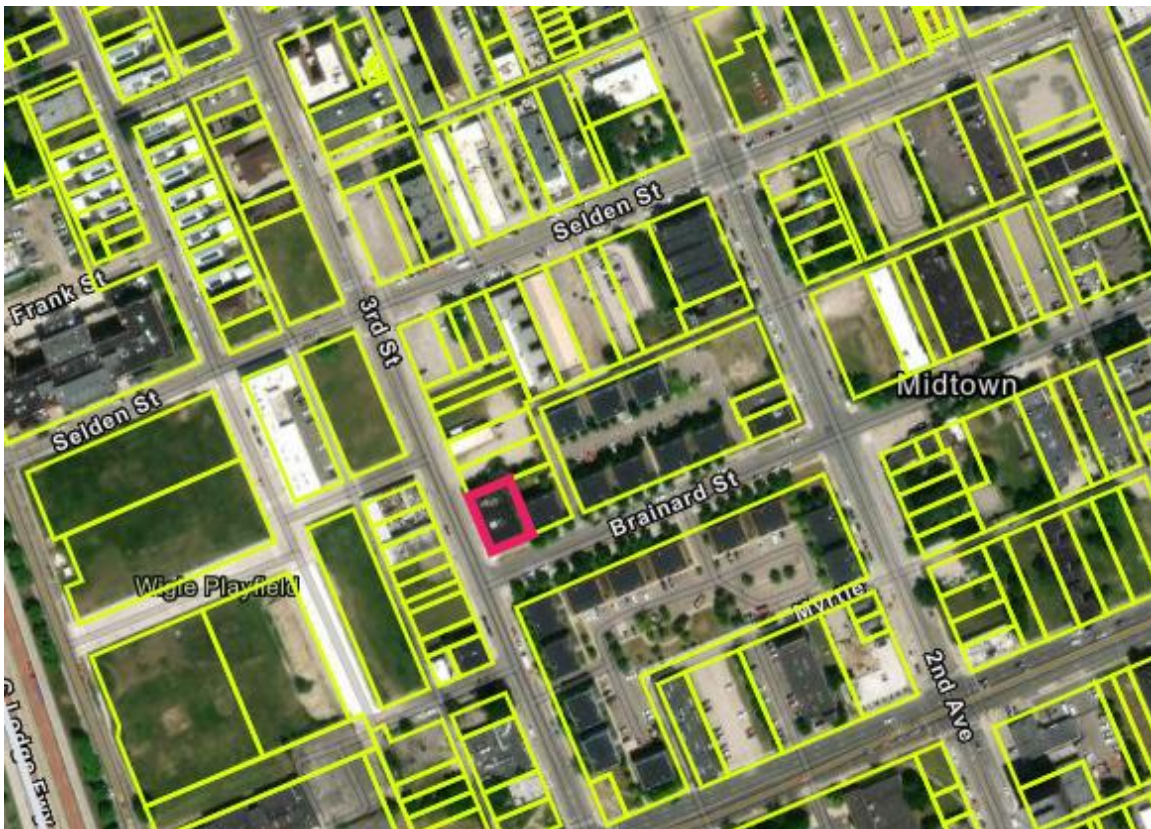
The project is concurrently seeking a NEZ abatement and will support the tenants with securing funds through Motor City Match opportunities.

Detroit Five and Dive LLC owners are committed to the development of the Detroit neighborhood that we have been working in over the last ten years. For further information, please contact Jonathan Hartzell at jon@detroitrisingdevelopment.com.

Respectfully submitted,

Detroit Five and Dime LLC
Jonathan Hartzell
248-854-8005
jon@detroitrisingdevelopment.com

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



General Description of Facility:

- a) ***Year Built:*** 1947
- b) ***Original Use:*** Retail and multi-tenant residential
- c) ***Most Recent Use:*** Vacant for the last 10 yrs, previously mixed retail and apartments
- d) ***Number of Stories:*** 2
- e) ***Square Footage:*** 14,720 square feet

- **General Description of Current and Proposed Use:**

- a) *Current Use:* Vacant
- b) *Proposed Use:* Multi-Tenant retail and residential

- **Description of Restoration:**

- a) The facility will undergo significant interior and exterior renovations, including the installation of a dynamic first floor collective retail food and beverage commercial space. The second floor will be renovated to modern single bedroom rental units. The façade will be updated to ensuring it meets modern building standards.

- **List of Fixed Building Equipment:**

- a) Commercial-grade Food and Beverage Systems installed
- b) New multitenant community demised space
- c) Updated HVAC equipment
- d) Plumbing upgrades
- e) Electrical upgrades
- f) New doors
- g) New windows
- h) New flooring
- i) New signage

- **Project Time Schedule:**


- a) *Financing Secured:* Q2 2025
- b) *Permit Secured:* Q2 2025
- c) *Restoration Start:* Q3 2025
- d) *Restoration Completion:* Q1 2026
- e) *Property Grand Opening:* Q2 2026

- **Parcel ID:** 04000700-22

- **Legal Description:** N BRAINARD W 1/2 OF 1&2 BLK 92 CASS FARM SUB L1 P175-7

Attachment B: Paid Receipt of Current Taxes

Property Address: 3700 THIRD 00




**2024 CITY OF DETROIT
WINTER TAX BILL**

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

DETROIT FIVE AND DIME LLC
15080 30 MILE RD.
WASHINGTON MI 48095

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATION - SEE REVERSE SIDE
WAYNE COUNTY	0.9795	70.97	PARCEL # 04000700-22
W C JAILS	0.9327	67.58	Bill No.
W C PARKS	0.2433	17.63	School District
W C HCMA	0.2062	14.94	SEV 570,400
W C RESA	0.0952	6.89	Taxable Value: 72,462
W C RESA SP ED	3.3328	241.50	PRE/MBT% .0000%
W C COMM COLLEGE	3.2043	232.18	Prop Class
W C ZOO	0.0988	7.15	TIF Dist
W C DIA	0.1979	14.34	
SCHOOL OPER W	1.3968	101.21	
Total Winter Rate 10.6875			<p>PARTIAL PROPERTY DESCRIPTION FOR COMPLETE PROPERTY DESCRIPTION, SEE ASSESSMENT ROLL AT ASSESSOR'S OFFICE N BRAINARD W 1/2 OF 1&2 BLK 92 CASS FARM SUB L1 P175-7 PLATS, W C R 4/54 75 X 100</p>
Winter Taxes		774.39	* WINTER TAXES PAYABLE IN FULL DECEMBER 1, 2024 - JANUARY 15, 2025 WITHOUT INTEREST AND PENALTY.
Winter Special Fees			
Winter Admin Fee		7.74	
Interest		11.62	* SUMMER 2ND PAYMENT IS DUE JANUARY 15, 2025 WITHOUT INTEREST AND PENALTY.
Penalty		23.23	
(Winter Payments)		816.98	
Winter Total Balance		0.00	
		0.00	
		0.00	
		0.00	
		0.00	
TOTAL DUE		0.00	

2024 WINTER PROPERTY TAX - RETURN LOWER PORTION WITH YOUR REMITTANCE



**2024 CITY OF DETROIT
WINTER TAX BILL**

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

06/02/2025 D

PARCEL # 04000700-22

TOTAL DUE 0.00

TAX PAID

0.00 BALANCE DUE 06/30/2025

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DETROIT FIVE AND DIME LLC
15080 30 MILE RD.
WASHINGTON MI 48095

cc: D. Howell, DEGC
K. Jackson, DEGC
C. Hughes, DEGC
K. Bridges, DEGC
N. Marsh, DEGC

V. Farley, HRD



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

July 1, 2025

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

RE: **Neighborhood Enterprise Zone – Detroit Five and Dime**
Property Address: 3700 Third
Parcel ID: 04000700-22
Property Owner: Detroit Five and Dime LLC

Dear Ms. Bush:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed **Neighborhood Enterprise Zone**, located at 3700 Third submitted by Detroit Five and Dime LLC for the neighborhood located within the Midtown district of Detroit.

The rationale for creating NEZ projects under PA 147 of 1992, as amended, must be based on the anticipation of market value added to the neighborhood upon completion of new construction and/or significant rehabilitation of existing housing stock.

The proposed area consists of an approximately 14, 720 Sq ft vacant, mixed used retail building with 8-unit apartments above, which was built in 1947. The proposed project includes rehabilitation of the existing building into ten single-bedroom apartments for rent on the second floor and retail space on the first floor. **The combined current True Cash Value of the proposed area is \$1,134,800. The True Cash Value of the area would be expected to increase due to the renovations of this project. This NEZ request is solely for the residential portion of the property.**

Per MCL 207.772 Sec 2 (m) "Rehabilitated Facility" means the following:

"Rehabilitated facility" means, except as otherwise provided in section 2a, an existing structure or a portion of an existing structure with a current true cash value of \$120,000.00 or less per unit that has or will have as its primary purpose residential housing, consisting of 1 to 8 units, the owner of which proposes improvements that if done by a licensed contractor would cost in excess of \$10,000.00 per owner-occupied unit or 50% of the true cash value, whichever is less, or \$15,000.00 per nonowner-occupied unit or 50% of the true cash value, whichever is less, or the owner proposes improvements that would be done by the owner and not a licensed contractor and the cost of the materials would be in excess of \$3,000.00 per owner-occupied unit or \$4,500.00 per nonowner-occupied unit and will bring the structure into conformance with minimum local building code standards for occupancy or improve the livability of the units while meeting minimum local building code standards. Rehabilitated facilities also include an individual condominium unit, in a structure with 1 or more condominium units that has as its primary purpose residential housing, the owner of which proposes the above-described improvements. Rehabilitated facility also includes existing or proposed condominium units in a qualified historic building with 1 or more existing or proposed condominium units. Rehabilitated facility does not include a facility rehabilitated with the proceeds of an insurance policy for property or casualty loss. A qualified historic building may contain multiple rehabilitated facilities



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 824
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PHONE: 313•224•3011
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Neighborhood Enterprise Zone
Detroit Five and Dime LLC
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Per MCL 207.773 Sec. 3. (1) The governing body of a local governmental unit by resolution may designate 1 or more neighborhood enterprise zones within that local governmental unit. Except as otherwise provided in this subsection, a neighborhood enterprise zone shall contain not less than 10 platted parcels of land. A neighborhood enterprise zone located in a qualified downtown revitalization district may contain less than 10 platted parcels if the platted parcels together contain 10 or more facilities. All the land within a neighborhood enterprise zone shall also be compact and contiguous. Contiguity is not broken by a road, right-of-way, or property purchased or taken under condemnation if the purchased or condemned property was a single parcel prior to the sale or condemnation.

Upon review, it has been determined that this proposed district located at **3700 Third** is eligible for designation as a Neighborhood Enterprise Zone per PA 147 of 1992, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
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Neighborhood Enterprise Zone
Detroit Five and Dime LLC
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Parcel: 04000700-22.

Owner: Detroit Five and Dime LLC

Property Address: 3700 Third

Legal Description: N BRAINARD W 1/2 OF 1&2 BLK 92 CASS FARM SUB L1 P175-7 PLATS, W C R 4/34 75 X 100





**PLANNING AND
DEVELOPMENT DEPARTMENT**

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 808
Detroit, Michigan 48226

Phone 313•224•1339
www.detroitmi.gov

TO: Justus Cook, Housing and Revitalization
FROM: Gregory Moots, Planning and Development
RE: Master Plan Interpretation for **Neighborhood Enterprise Zone (PA 147)** for 3700 3rd Street (Petition #2025-147NEZ)
DATE: June 25, 2025

In order to ensure consistency with the City's Master Plan of Policies, pursuant to State of Michigan, Public Act 147 of 1992 (section 207.773), the Planning and Development Department's Planning Division submits the following interpretation for the proposed establishment of a Neighborhood Enterprise Zone (NEZ).

Petitioner: Detroit Five and Dime LLC.

Location and Project Proposal: The 10 one-bedroom units are on the second floor of a two-story building, with retail on the first floor. The site is at the northeast corner of 3rd and Brainard Streets in the Midtown neighborhood.

Current Master Plan (MP) & Zoning:

MP Classification – Mixed - Residential / Commercial (MRC)

Zoning – Special Development District, Mixed-Use (SD2)

Master Plan Interpretation

The subject site area is designated Mixed - Residential / Commercial (MRC). These areas "...consist primarily of high density housing developed compatibly with commercial and/or institutional uses. This classification is well suited to areas proximal to existing centers of major commercial activity, major thoroughfares, transportation nodes, or gateways into the city."

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