

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 (District)
Name of Petitioner	Detroit Five and Dime LLC
Description of Petition	Petition request for the establishment of a Commercial Facilities Exemption District at 3700 3 rd Ave, Detroit.
Type of Petition	Tax Abatement for a Commercial Facilities Exemption District
Submission Date	06/30/2025
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 Commercial Facilities Exemption District
at 3700 3rd Ave, Detroit**

Honorable City Council:

Please accept this letter as a request to establish a Commercial Facilities Exemption Development 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 is eligible for a PA 255 tax incentive as it meets the definition of a restoration project according to MCL 207.654. Per the act, "Restoration" means changes to obsolete commercial property other than replacement as may be required to restore the property, together with all appurtenances thereto, to an economically efficient condition. Restoration includes major renovation including but not limited to the improvement of...

new or improved fixed building equipment, including heating, ventilation, and lighting... 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 the commercial property to an economically efficient condition.” There will be a major renovation (exceeding 10% of the property’s true cash value) to restore the property to an economically efficient condition.

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 12 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.

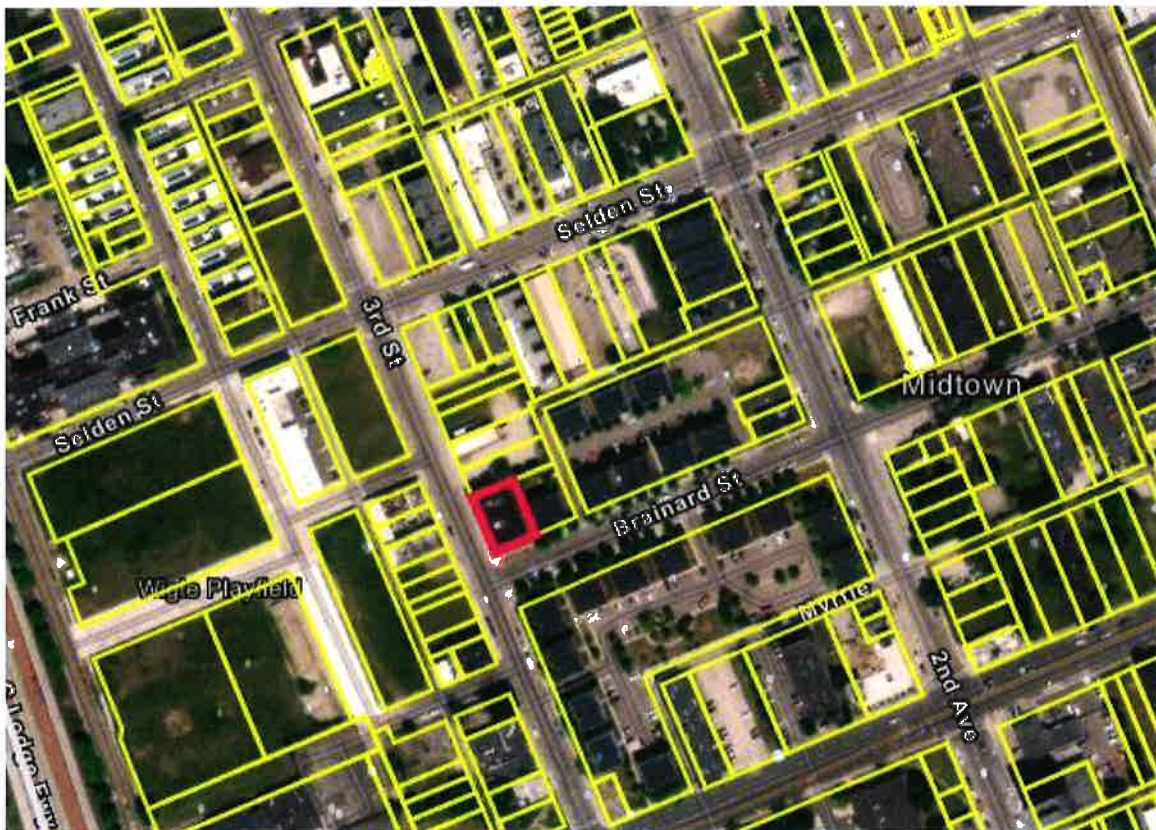
The project is concurrently seeking a NEZ abatement and will support the tenants with securing funds through Motor City Match opportunities.

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	0.9793	70.97	PARCEL# 04000700-22
W C JAILS	0.9327	67.38	Bill No.
W C PARKS	0.2433	17.63	School District
W C HCMA	0.2062	14.94	SEV 570,400
W C RESA	0.0932	6.89	Taxable Value: 72,462
W C RESA SP ED	3.3328	241.30	PRE/MST% .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 50.6875			PARTIAL PROPERTY DESCRIPTION FOR COMPLETE PROPERTY DESCRIPTION, SEE ADVERTISING BOLL AT INSPECTOR'S OFFICE IN BRANFORD W 1/2 OF 1&2 BLE 92 CROSS 1 AIN SUB L3 P175-7 PLATS, W C R 4/54 75 X 100
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	
Penalty		23.23	* SUMMER 2ND PAYMENT IS DUE JANUARY 15, 2025 WITHOUT INTEREST AND PENALTY.
(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

PARCEL # 04000700-22
TOTAL DUE 0.00
TAX PAID
0.00 BALANCE DUE 06/30/2025

00002024010077320000000400070022000270000000005

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

cc: D. Howell, DEGC
K. Jackson, DEGC
C. Hughes, DEGC



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

RE: Commercial Redevelopment District
Owner: Detroit Five and Dime LLC
Address: 3700 Third
Parcel Number: 04000700-22.

Dear Ms. Bush:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Commercial Redevelopment District for the properties located at **3700 Third** in the **Midtown** area of the City of Detroit.

The rationale for creating Commercial Redevelopment Districts under PA 255 of 1978, as amended, is based on the anticipation of increased market value upon completion of new construction and/or significant restoration of commercial and former industrial property where the primary purpose and use of which is the operation of a commercial business enterprise and shall include office, engineering, research and development, warehousing parts distribution, retail sales, hotel or motel development, and other commercial facilities. Commercial business enterprise also includes a business that owns or operates a transit-oriented development or a transit-oriented facility. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The district as proposed by **Detroit Five and Dime LLC** consists of mixed-use building with retail space under 8-unit apartments built in 1947 with a total gross building area of 14,720, situated on 0.172 acres of land. The owner's plans to restore the vacant commercial building involves demolition, major interior and exterior renovations including doors and windows, flooring, installation of commercial grade food and beverage systems, new multitenant space, along with the upgrade of the HVAC, plumbing and electrical components of the building. Once the restoration and rehabilitation are complete, the property will be transformed into first floor retail and food and beverage space, and the second floor will be renovated to (10) modern single-bedroom rental units. The cost of the complete restoration project (not including the price of the tenant finishes) is estimated to be \$2 million.

This request relates only to the commercial portion of the structure.

This area meets the criteria set forth under PA 255 of 1978, as amended. It applies to functionally obsolete properties requiring restoration meaning changes to obsolete commercial property other than replacement as may be required to restore the property, together with all appurtenances, to an economically efficient condition.



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

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Commercial Redevelopment District
Baobab Fare RE LLC
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A review of the project details and applicable statutes indicate that the proposed Commercial Redevelopment District located at **3700 Third** is eligible as it pertains to the Commercial Redevelopment Act under P.A. 255 of 1978, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



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OFFICE OF THE CHIEF FINANCIAL OFFICER
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Commercial Redevelopment District
Detroit Five and Dime LLC
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Parcel Number	Property Address	Property Owner	Legal Description
04000700-22	3700 Third	Detroit Five and Dime LLC	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: AliReda Jaefar, City Clerk's Office
FROM: Greg Moots, Planning and Development
RE: Master Plan Interpretation for **Commercial Facilities Exemption district** (PA 255) at
3700 Third St.
DATE: June 27, 2025

In order to ensure that the issuance of a **Commercial Facilities Exemption district** pursuant to State of Michigan, Public Act 255 of 1978 (Section 207.656) is consistent with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity through replacement, restoration, or new construction; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, the Planning and Development Department's Planning Division submits the following interpretation.

Petitioner:

Detroit Five and Dime LLC

Project Description:

The developer proposes the rehabilitation of the existing vacant building into a mix of residential and commercial units. The commercial portion on the first floor offers 6,500 square feet of retail space. Restoration includes major renovation including but not limited to the improvement of new or improved fixed building equipment, including heating, ventilation, and lighting... improved structural support including foundations, improved roof structure and cover, floor replacement.

Project Location

3700 Third St.

Interpretation:

The Master Plan Future General Land Use designation is **Mixed - Residential / Commercial (MRC)**. Such "... 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 development conforms to the Future General Land Use for the area.

CC: Antoine Bryant, Director
Karen Gage, Director of Design + Development Innovation
Justus Cook, HRD