### City of Detroit

Janice M. Winfrey City Clerk

Joursen D. William D.

OFFICE OF THE CITY CLERK

Andre P. Gilbert II Deputy City Clerk

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### 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.	2025-014 (District)
Name of Petitioner	Baobab Fare
Description of Petition	Petition request for a Commercial Facilities Exemption District at 16900 E. Warren Ave., Detroit, MI 48224.
Type of Petition	Tax Abatement for a Commercial Facilities Exemption District
Submission Date	01/30/2025
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	Baobab Fare Mamba Hamissi 275 Lothrop Rd Groose Pointe Farms, MI 48236 P: (313) 266-5199 mamba@baobabfare.com

2 Woodward Ave. Coleman A. Young Municipal Center Rm. 200, Detroit, MI 48226 (313) 224 - 3260 | Fax: (313) 224 - 1466

### January 13, 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 16900 E. Warren Ave.

Honorable City Council:

Please accept this letter as a request to establish a Commercial Facilities Exemption Development District for the property located at **16900 E. Warren Ave., Detroit, MI 48224** and described on Attachment A.

This project is eligible for a PA 255 tax incentive as it meets the definition of a restoration project according to MCL 207.654. There will be a major renovation (exceeding 10% of the property's true cash value) to restore the property to an economically efficient condition.

Baobab Fare is a restaurant business with one existing location at 6568 Woodward Avenue. The business was founded by Mamba Hamissi and Nadia Nijimbere and started operating in early 2021. The restaurant's specialty is East African cuisine and is a beloved community fixture and destination.

The project involves the rehabilitation of a vacant commercial building in order to open a second Baobab Fare location. The restoration work will be extensive. It will involve the demolition of existing interior elements, the repair of the exterior façade, the addition of new interior finishes and doors/windows, the installation of commercial-grade kitchen equipment, the installation of new furnishings for restaurant operation, and the upgrade of HVAC, plumbing, and electrical components of the building.

The restoration will be 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 restoration) without an exemption would not allow the property to maintain reasonable operating expenses and these high expenses would make it infeasible for any small business operator to finance and then occupy the building.

The current number of full-time employees is 25 and the number of part-time employees is 10. The new location would create 15 new full-time jobs and 15 new part-time jobs.



The total restoration project cost will be \$1.6M (not including the price of kitchen equipment) and will involve the transformation of a vacant commercial building into a East-African restaurant an already-proven successful concept.

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

The exemption supports the economic feasibility of the investment which, in turn, provides 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.

The city taxes are current. The exemption will allow the restoration process to commence and therefore allow the property to be in a functional state and produce far more property tax revenue in the future (after the period of the exemption) than in its current vacant state.

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

Baobab Fare is committed to providing excellent service and continuing to be a positive fixture and contributor in the communities in which it operates. For further information, please contact Mamba Hamissi at (313) 266-5199 or mamba@baobabfare.com.

Respectfully submitted,

~ 2

Mamba Hamissi, Founder Baobab Fare (313) 266-5199 mamba@baobabfare.com





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

### • General Description of Facility:

- Year Built: 1956
- o Original Use: Retail Store
- *Most Recent Use:* During abandonment, property was used as an illegal grow operation for the past 10 years. Prior to abandonment, the facility was used for tax preparation services and as a video rental store.
- Number of Stories: 1
- o Square Footage: 3,104 square feet

### • General Description of Current and Proposed Use:

- o Current Use: Vacant
- Proposed Use: Restaurant establishment

### • Description of Restoration:

• The facility will undergo significant interior and exterior renovations, including the installation of a new kitchen, dining area, and market space. The façade will be restored to enhance the building's historical character while ensuring it meets modern building standards.

### • List of Fixed Building Equipment:

- Commercial-grade kitchen equipment
- New interior furnishings including shelving, countertops, bar area, and banquette seatind
- Updated HVAC equipment

- o Plumbing upgrades
- Electrical upgrades
- o New doors
- $\circ$  New windows
- New flooring
- New signage

### • Project Time Schedule:

- Building Purchased: 03/28/2023
- Financing Secured: Q2 2025
- Restoration Start: Q2 2025
- *Restoration Completion:* Q4 2025
- Restaurant Grand Opening: Q1 2026
- Parcel ID: 21002284
- Legal Description:
  - S-E WARREN AVE 508&509 EASTERN HEIGHTS LAND COS SUB NO 1 L50 P4 PLATS, W C R 21/738 38.60 X 100

# B

### Attachment B: Paid Receipt of Current Taxes

The following Winter Tax Bill indicates there are no due or previous outstanding property tax balances.

 Property Address:
 16900 E WARREN
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 VINTER TAX BILL
 2024 CITY OF DETROIT

 WINTER TAX BILL
 PAYABLE TO:

 CITY OF DETROIT - PROPERTY TAX
 BAOBAB FARE RE LLC

 PO BOX 33193
 275 LOTHROP RD

 DETROIT MI 48232-5193
 GROSSE POINTE FARMS MI 48236

TAXING UNITS	RATE	TAX AMOUNT	IMPORTANT INFORMATI	ON - SEE REVERSE SIDE
SCHOOL OPER W	1.3968	EXEMPT	PARCEL # Bill No. School District SEV Taxable Value: PRE/MBT% Prop Class TIF Dist PARTIAL PROPERTY DESCRIPTION FOR COMPLETE PROPERTY DESCRIPTION EOR COMPLETE PROPERTY DESCRIPTION S-E WARREN AVE SOB& 509 EASTERN H PLATS, W C R 21/738 38,60 x 100	
Total Winter Rate	10.6875		* WINTER TAXES PAYABLE IN I	FULL DECEMBER 1, 2024 -
Winter Taxes Winter Special Fees		0.00	JANUARY 15, 2025 WITHOUT I	INTEREST AND PENALTY.
Winter Admin Fee		0.00	* SUMMER 2ND PAYMENT IS I WITHOUT INTEREST AND PEN	
Winter Total Balance		0.00		
		0.00		
		0.00		
		0.00 <b>0.00</b>		
TOTAL DUE		0.00		

2024 WINTER PROPERTY TAX - RETURN LOWER PORTION WITH YOUR REMITTANCE ..... ..... 01/13/2025 D 2024 CITY OF DETROIT PARCEL # 21002284. WINTER TAX BILL 1/3 TOTAL DUE 0.00 01/ PAYABLE TO: CITY OF DETROIT - PROPERTY TAX PO BOX 33193 DETROIT MI 48232-5193 TAX PAID

#### 00002024070003374300005700559470000003000000009

BAOBAB FARE RE LLC 275 LOTHROP RD GROSSE POINTE FARMS MI 48236

Property Address: 16900 E WARREN

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cc: K. Bridges, DEGC N. Marsh, DEGC V. Farley, HRD [letter should be writt... 1 / 5

100%





COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVE., SUITE 824 DETROIT, MI 48226 PHONE: 313•224•3011 FAX: 313•224•9400

February 3, 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: Baobab Fare RE LLC Address: 16900 E Warren Parcel Number: 21002284.

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 **16900 E Warren** in the **East English Village** 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 **Baobab Fare RE LLC** consists of a one-story retail building built in 1956 with a total gross building area of 3,104, situated on 0.088 acres of land. The owner's plans to restore the vacant commercial building involves demolition of the existing interior elements, repair of the exterior facade, adding new interior finishes, doors and windows, installation of commercial grade kitchen equipment, installation of new furnishings for restaurant operation, and the upgrade of the HVAC, plumbing and electrical components of the building. Once the restoration and rehabilitation are complete, the property will open as second restaurant establishment. The cost of the complete restoration project (not including the price of the kitchen equipment) is estimated to be \$1.6 million.

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.



COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVE., SUITE 824 DETROIT, MI 48226 PHONE: 313•224•3011 FAX: 313•224•9400

Commercial Redevelopment District Baobab Fare RE LLC Page 2

A review of the project details and applicable statutes indicate that the proposed Commercial Redevelopment District located at **16900 E Warren** 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



COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVE., SUITE 824 DETROIT, MI 48226 PHONE: 313•224•3011 FAX: 313•224•9400

Commercial Redevelopment District Baobab Fare RE LLC Page 3

Parcel Number	Property Address	Property Owner	Legal Description
21002284	16900 E Warren	Baobab Fare RE LLC	S-E WARREN AVE 508&509 EASTERN HEIGHTS
			LAND COS SUB NO 1 L50 P4 PLATS, W C R
			21/738 38.60 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
	16900 E. Warren Ave. (Associated with Petition # 2025-014)
DATE:	January 30, 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 <u>Master</u> <u>Plan of Policies</u> 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:

**Boab Fare** 

### Project Description:

The developer proposes the rehabilitation through a complete new interior plus kitchen of the existing building into a new restaurant, with a total investment of 1.6 million.

Project Location 16900 E. Warren Ave.

### Interpretation:

The Master Plan Future General Land Use designation is **Neighborhood Commercial**. These 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 development generally conforms to the Future General Land Use designation and Master Plan Policies for the area.

CC: Alexa Bush, Director Karen Gage, Director of Design + Development Innovation Justus Cook, HRD