

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

DEPARTMENT PETITION REFERENCE COMMUNICATION

To: The Department or Commission Listed Below

From: Janice M Winfrey, Detroit City Clerk

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

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

Petition No.	1556
Name of Petitioner	16703 Warren BD LLC
Description of Petition	Request to Establish an Obsolete Property Rehabilitation District at 16703 E. Warren Ave, Detroit, MI 48224
Type of Petition	Tax Abatement
Submission Date	09/15/2021
Concerned Departments	Housing and Revitalization; Finance Department; Legislative Policy Division; City Planning Commission; Planning and Development Department;
Petitioner Contact	Brandon Hodges (202) 368-9955 bhodges@triberetail.city

September 2021

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

**RE: Request for the Establishment of an Obsolete Property Rehabilitation
District at 16703 E. Warren Ave, Detroit, MI 48224**

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Development District for the property located at **(16703 E. Warren Avenue, Detroit, MI 48224)** and described on Attachment A.

16703 Warren BD LLC is a newly formed entity that will be the owner of the property. The owner will engage BD Development Advisors LLC as the project developer. BD Development Advisors is a joint venture between Brandon Hodges and Damon Dickerson, both experienced development and design professionals in the city of Detroit. Brandon currently serves as the Director of Real Estate Development of East Jefferson Development Corporation. Damon Dickerson is a principal with Dokes Design Architecture. They both live on the East Side of Detroit and are committed to revitalization projects that honor Detroit neighborhoods and residents.

The proposed development at 16703 E. Warren features a substantial rehabilitation of a vacant two story building on the E. Warren/Cadieux commercial corridor. The development team will activate the space into six renovated apartment units as well as approximately 4,000 sf of ground floor commercial space. The building will benefit from a new roof structure, updated mechanical, electrical, and plumbing systems, high quality unit finishes, as well as structural enhancements to ensure the longevity of the building. The development team will also activate an adjacent abandoned parking lot into a public plaza featuring modular pop-up opportunities for local small businesses as well as landscaping and seating to enhance the pedestrian experience.

Given the lower achievable rental rates in the neighborhoods of Detroit, especially compared to higher rent areas in Midtown and Downtown, the project will need assistance on its operating expenses to become sustainable in the short and long terms. The project would not be feasible if taxed at its full post renovation value and requires the

exemption certificate to undertake the proposed renovation. We are requesting an abatement of taxes for a period of 12 years from construction completion.

The project is anticipated to create 8-12 new retail jobs as well as additional workforce opportunities across building maintenance and property management. Total development costs are estimated at \$2.8M.

Proposed funding sources for the project include sponsor equity, a senior construction loan by a local CDFI, a CRP Grant from the Michigan Strategic Fund of the MEDC. The development team is currently in negotiations for pre-development financing which would enable third party reporting, structural assessments, and design planning for the development.

The proposed redevelopment will serve as a catalyst for the E. Warren/Cadieux corridor and provide affordable housing units and accessible retail space for area residents and small businesses. The development team will undertake a robust community engagement process which will include dedicated meetings with neighborhood residents to understand desires for retail uses as well as affordability levels at the property.

We thank you for the opportunity and consideration of the project for the OPRA tax abatement assistance and look forward to bringing an exciting amenity to the E. Warren/Cadieux commercial corridor.

Respectfully submitted,



Brandon Hodges
Member, 16703 Warren BD LLC
(202) 368-9955
bhodges@triberetail.city

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

The building was constructed in 1935 and was most recently occupied by a beauty school. The building is a two story commercial space containing ~8,000 sf.

Legal: N WARREN E 1&2 GROSSE POINTE VIEW SUB L48 P35 PLATS, W C R 21/717 43.95 IRREG

Parcel ID: 21002907

The building will be renovated into six rental apartments and 4,000 sf of ground floor retail. Financial closing and construction commencement for the property is anticipated for Q1 of 2022 with construction completion to occur in Q4 of 2022.



cc: 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

October 1, 2021

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

Re: **Obsolete Property Rehabilitation District – 16703 Warren BD LLC**
Addresses: 16703 E Warren
Parcel Number: 21002907

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **16703 E Warren** located in the **East English Village** area of the City of Detroit.

The rationale for creating Obsolete Property Rehabilitation Districts under PA 146 of 2000, as amended, is based on the anticipation of increased market value upon completion of new construction and /or significant rehabilitation of existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The district as proposed by the **CM Brooklyn LLC** consists of a 2-story vacant mixed use building built in 1935 with 8,421 square feet on 0.101 acres of land. The proposed project consists of rehabilitating and configuring the property into ground floor commercial/retail space and six apartment unit on the second floor. The building will undergo major renovations including roof replacement, all major mechanical, plumbing and electrical systems replacement.

This property meets the criteria set forth under PA 146 of 2000, as amended. It applies to blighted, functionally obsolete and contaminated properties. "Rehabilitation," meaning that changes to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation also includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, adding additional stories to a facility or adding additional space on the same floor level not to exceed 100% of the existing floor space on that floor level, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the obsolete property to an economically efficient condition.



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Obsolete Property Rehabilitation District
16703 Warren BD LLC
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The property is currently owned by the City of Detroit; however, a purchase agreement has been consummated between the City of Detroit and the applicant. The State Tax Commission will hold any approved certificates in abeyance until evidence of transfer of ownership is presented.

A statutory review indicated that the proposed Obsolete Property Rehabilitation District located at **16703 E Warren** is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor/Board of Assessors



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Obsolete Property Rehabilitation District
16703 Warren BD LLC
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Property Address: 16703 E WARREN
Parcel Number: 21002907.
Property Owner: CITY OF DETROIT
Legal Description: N WARREN E 1&2 GROSSE POINTE VIEW SUB L48 P35 PLATS, W C R 21/717 43.95 IRREG





TO: Veronica Farley, Housing and Revitalization
FROM: Shelby Holmes, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 16703 E. Warren Ave, Detroit, MI 48224 (Associated to Petition # 1556)
DATE: January 20, 2022
CC: Katharine Trudeau, Deputy Director, Planning and Development
Allen Penniman, PDD East, Planning and Development
Karen Gage, PDD Zoning, Planning and Development

In order to ensure that the creation of an Obsolete Property District is in conformance with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 146 of 2000 (section 125.2788), the Planning and Development Department submits the following interpretation. The Petitioner is 16703 Warren BD LLC.

Location and Project Proposal: 16703 E. Warren Ave, Detroit, MI 48224. The proposed project is a rehabilitation of a vacant two story building on the E. Warren/Cadieus commercial corridor. The space is projected to be six renovated apartment units as well as approximately 4,000 sf of ground floor commercial space.

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

Master Plan Interpretation

The subject site area is designated Neighborhood Commercial (CN). Neighborhood Commercial Districts 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. In addition to commercial uses, Neighborhood Commercial areas may also include institutional uses such as libraries and post offices.

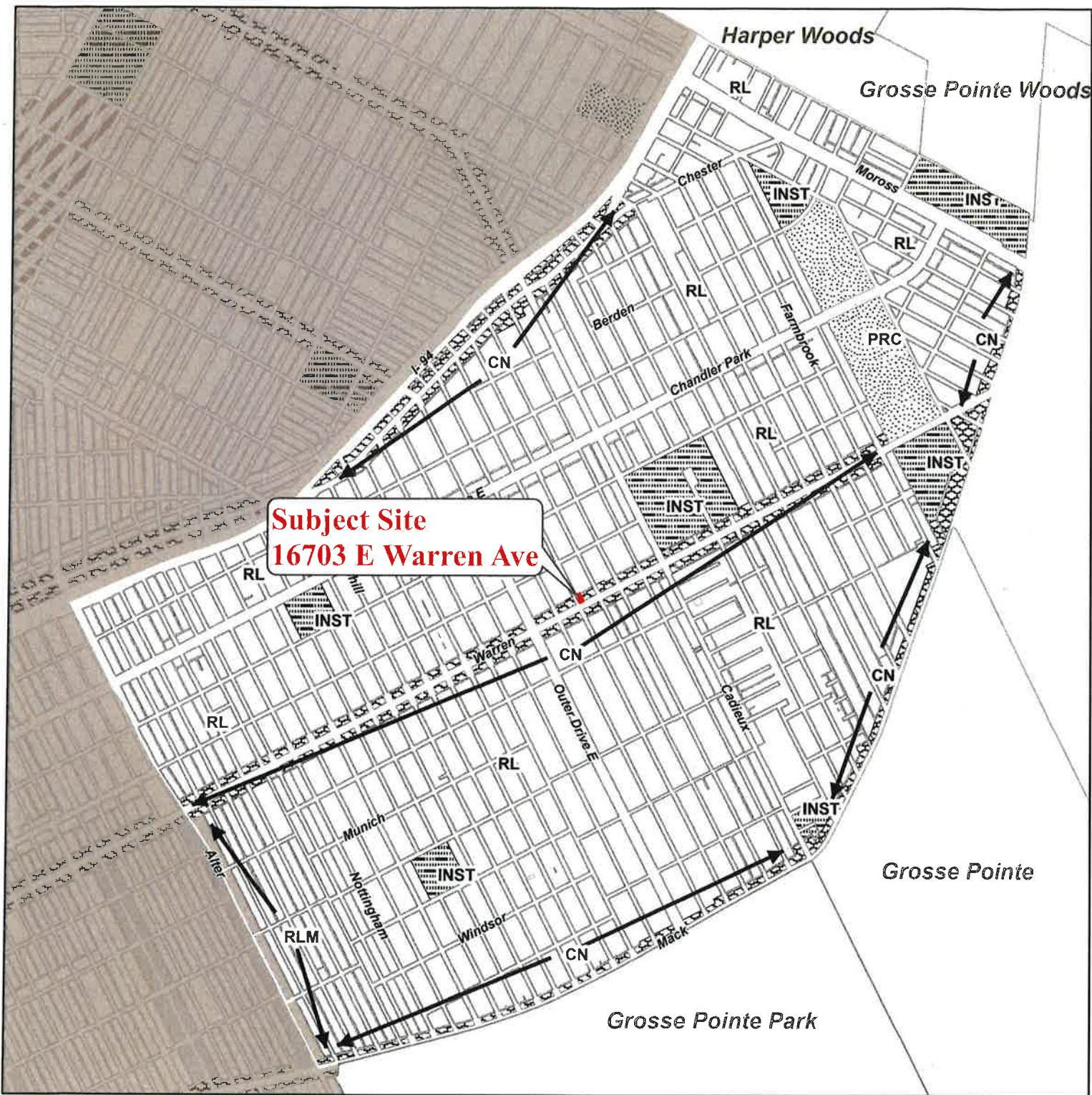
The following policies of the Finney neighborhood describe the following recommendations:

- GOAL 2: Revitalize neighborhoods with poor housing conditions
- Policy 2.1: Promote targeted infill and rehabilitation in the area southeast of Warren and Alter

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

Attachments

Future General Land Use Map: Neighborhood Cluster 3, Finney; Map 3-4B



Subject Site
16703 E Warren Ave

Map 3-4B

**City of Detroit
 Master Plan of
 Policies**

**Neighborhood Cluster 3
 Finney**



Future Land Use

- | | | |
|--|--|---------------------------|
| Low Density Residential (RL) | Thoroughfare Commercial (CT) | Mixed - Town Center (MTC) |
| Low / Medium Density Residential (RLM) | Special Commercial (CS) | Recreation (PRC) |
| Medium Density Residential (RM) | General Industrial (IG) | Regional Park (PR) |
| High Density Residential (RH) | Light Industrial (IL) | Private Marina (PRM) |
| Major Commercial (CM) | Distribution / Port Industrial (IDP) | Airport (AP) |
| Retail Center (CRC) | Mixed - Residential / Commercial (MRC) | Cemetery (CEM) |
| Neighborhood Commercial (CN) | Mixed - Residential / Industrial (MRI) | Institutional (INST) |



