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. 2022-55

Name of Petition 9301 Kercheval, LLC

Description of Petition Request for the Establishment of a Commercial Redevelopment

District for the property located at 9301Kercheval, Detroit,

Michigan

Type of Petition Tax Abatement

Submission Date 02/17/2022

Concerned Departments Finance Department, Planning and Development Department,

Housing and Revitalization Department, Legislative Policy

Division

Petitioner Contact Richard A. Barr

2290 First National Building 660 Woodward Avenue Detroit, Michigan 48226

313-465-7308 248-701-2025

rbarr@honigman.com



Richard A. Barr Office: 313.465.7308 Mobile: 248.701.2025 rbarr@honigman.com

By Email

February 17, 2022

Office of Detroit City Clerk 2 Woodward Avenue Coleman A. Young Municipal Center Suite 200 Detroit, MI 48226

Re: Petition to Establish Commercial Redevelopment District for 9301 Kercheval, Detroit, Michigan (P.A. 255 of 1978, as amended)

Ladies and Gentlemen:

Enclosed please find a Petition to Establish Commercial Redevelopment District from 9301 Kercheval, LLC pursuant to P.A. 255 of 1978, as amended, with respect to the building located at 9301 Kercheval in the City of Detroit.

Thank you for your assistance.

Very truly yours,

HONIGMAN LLP

By:___

Richard A. Barr

Richard & Barn

Enc.

cc (w/enc.): Kenyetta Hairston-Bridges, DEGC

David Howell, DEGC Veronica Farley, HRD

9301 Kercheval, LLC 18633 Mack Avenue Detroit, MI 48236

February 17, 2022

Detroit City Council c/o City Clerk 200 Coleman A. Young Municipal Building 2 Woodward Avenue Detroit, MI 48226

Re: Petition to Establish Commercial Redevelopment District Pursuant to PA 255 of 1978, as amended

Honorable City Council,

9301 Kercheval, LLC ("Owner") requests the establishment of a Commercial Redevelopment District pursuant to section 5 of the Commercial Redevelopment Act, PA 255 of 1978, MCL 207.655, to support the planned rehabilitation of the building located at 9301 Kercheval, Detroit, Michigan. The Owner plans to transform the property at the corner of Kercheval and McClellan into a dynamic, arts-focused development as an anchor in the community. The project will bring arts-focused nonprofits to the neighborhood (including one of the only Michigan nonprofits focused on programming for artists with disabilities), while providing desperately needed quality studio spaces for Detroit artists and adding a mix of retail to the neighborhood.

The proposed district consists of tax parcel 19000277. Owner owns 100% of the state equalized value of the commercial property located in the proposed district. The building currently includes approximately 24,000 square feet of vacant space.

The building will be rehabilitated for uses eligible for the issuance of a commercial facilities exemption certificate under PA 255 of 1994, as amended.

Please see Attachment A for the parcel legal description and Attachment B for a depiction of the proposed district.

Eligibility of Property

The property is obsolete commercial property which is part of an existing, developed commercial zone which has been zoned commercial for three years before June 21, 1978, and the area is or was characterized by obsolete commercial property and a decline in commercial activity within the meaning of Act 255.

a) The property is considered obsolete commercial property within the meaning of MCL 207.654(3) because it is commercial property the condition of which is impaired due to changes in design, construction and technology in recent years. Substantial

renovations are required for the existing building being only a shell, its age, and obsolescence.

b) To cure the commercial obsolescence, the Owner proposes to make substantial investments in improvements to the property's exterior and interior, including the following improvements:

A complete restoration is required as addressed above, including but not limited to new bathrooms both for staff and customers, large energy efficient windows, floor refinishing, roof replacement, multiple retail and studio areas, a new cafeteria, significant plumbing and electrical work, as well as new energy efficient HVAC equipment and boiler. There is currently no fire suppression system, and a new sprinkler system will likely be required to comply with the fire code.

c) The area surrounding the property, particularly to the east of the property, is comprised of vacant commercial property.

Additional supporting details will be included in the certificate application.

Ownership of Property

The parcel(s) is owned by 9301 Kercheval, LLC.

We would appreciate your consideration and approval of this request. Thank you.

Respectfully submitted,

9301 Kercheval, LLC

By: Anthony Curis

Encs.

cc: DEGC

Richard A. Barr, Esq.

ATTACHMENT A

Legal Description of Proposed Commercial Redevelopment District

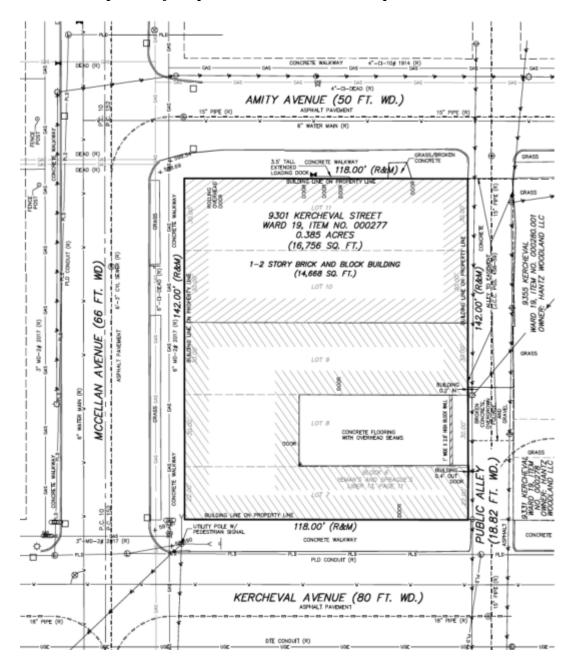
Land situated in the City of Detroit, County of Wayne, State of Michigan, described as follows:

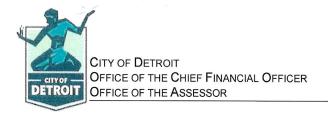
North 22 feet of Lot 7, and Lots 8, 9, 10, and 11, Block 6, including the West ½ of the vacated alley adjoining the rear line of the Northerly 21 feet of Lot 8 and all of Lots 9 to 11 inclusive, YEMANS & SPRAGUES, as recorded in Liber 13, Page 11 of Plats, Wayne County Records.

Tax parcel 19000277.

Commonly known as 9301 Kercheval, Detroit, Michigan 48214

ATTACHMENT B Depiction of Proposed Commercial Redevelopment District





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

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

March 18, 2022

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

RE:

Commercial Redevelopment District

9301 Kercheval LLC 9301 Kercheval

Parcel Number: 19000277.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Commercial Redevelopment District for the property located at **9301 Kercheval** in **the East 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 **9301 Kercheval LLC** consists of vacant retail and office space with approximately 24,360 square feet on 0.446 acres of land. The developer proposes to convert the property into arts-focused development with retail and artist studios. The restoration requires extensive reconfiguration, including mechanical upgrades, windows, HVAC, roof replacement, and floor reconfiguration.

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.

A district request review indicated that the proposed Commercial Redevelopment District located at **9301 Kercheval** is eligible as it pertains to the Commercial Redevelopment Act under P.A. 255 of 1978, as amended.

Sincerely,

Charles Ericson, MMAO

Assessor

COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVE., SUITE 824 DETROIT, MI 48226

PHONE: 313•224•3011 FAX: 313•224•9400

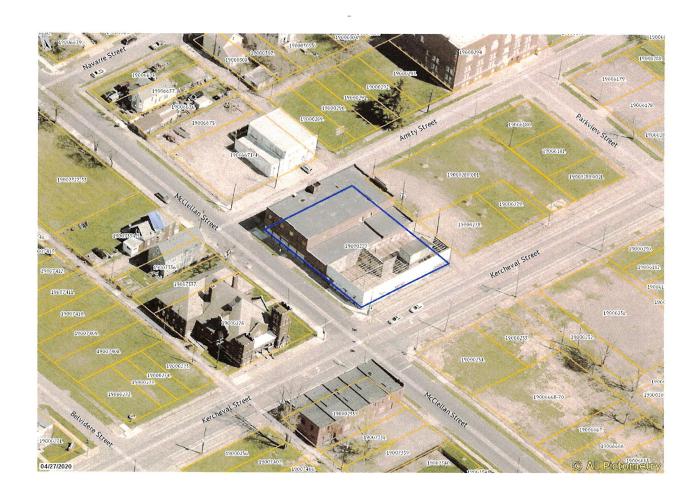
Page 2 9301 Kercheval LLC – CFT District

Parcel: 19000277.

Owner: 9301 KERCHEVAL LLC Address: 9301 KERCHEVAL

Legal Description: N KERCHEVAL N 22 FT 7 8 THRU 11 AND VAC ALLEY ADJ BLK 6 YEMANS & SPRAGUES SUB L13 P11

PLATS, W C R 19/29 136.82 X 142





COLEMAN A. YOUNG MUNICIPAL CENTER 2 WOODWARD AVE SUITE 808 DETROIT, MICHIGAN 48226 (313) 224-1339 . TTY: 711 (313) 224-1310 WWW.DETROITMI.GOV

TO: Veronica Farley, Housing and Revitalization FROM: Shelby Holmes, Planning and Development

RE: Master Plan Interpretation for Commercial Redevelopment District (PA 255) for 9301

Kercheval, Detroit, Michigan 48214 (Associated to Petition 2022-55)

DATE: March 31, 2022

CC: Katharine Trudeau, Deputy Director, Planning and Development

Kevin Schronce, PDD Central, Planning and Development Karen Gage, PDD Zoning, Planning and Development

In order to ensure consistency with the City's Master Plan of Policies, pursuant to State of Michigan, Public Act 255 of 1978 (section 207.655), the Planning and Development Department's Planning Division submits the following interpretation for the proposed establishment of a Commercial Redevelopment District. The Petitioner is Honigman LLP.

Location and Project Proposal: 9301 Kercheval, Detroit, Michigan 48214. The proposed project is rehabilitation of a commercial building. The property will be transformed into office space for a non-profit and studio space for artist.

Current Master Plan (MP) & Zoning: MP Classification – Low/Medium Density Residential (RLM) Zoning – General Business District (B4)

Master Plan Interpretation

The subject site area is designated Low/Medium Density Residential (RLM). Low/Medium Density Residential areas should have an overall density of 8 to 16 dwelling units per net residential acre. The areas are often characterized by two or four family homes with small yards, on-street parking, or garages with alley access. The residential classifications allow for neighborhood-scale commercial development. For instance, in a Low/Medium Density Residential area, small scale commerce (e.g. convenience stores) should exist to serve residents' day-to-day needs.

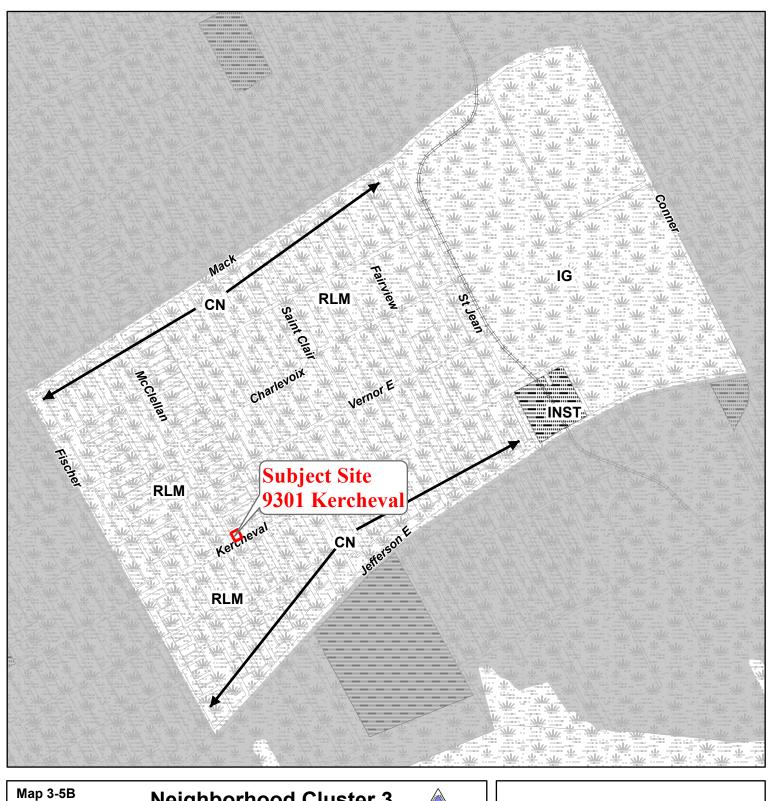
The following policies of the Foch neighborhood describe the following recommendations:

- GOAL 3: Increase the vitality of neighborhood commercial areas
- Policy 3.1: Develop neighborhood commercial nodes along Mack and Jefferson with a compatible mix of locally serving, small-scale businesses and medium density residential along the less viable sections.

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

Attachments

Future General Land Use Map: Neighborhood Cluster 3, Foch, Map 3-5B



City of Detroit Master Plan of Policies

Neighborhood Cluster 3 Foch



Mixed - Town Center (MTC)

Recreation (PRC) Regional Park (PR)

Private Marina (PRM)

Future Land Use

Low Density Residential (RL)

Low / Medium Density Residential (RLM)

Medium Density Residential (RM)

High Density Residential (RH)

Major Commercial (CM)

Retail Center (CRC)

Neighborhood Commercial (CN)

Thoroughfare Commercial (CT)

Special Commercial (CS)

General Industrial (IG) Light Industrial (IL)

Distribution / Port Industrial (IDP)

Mixed - Residential / Commercial (MRC) Mixed - Residential / Industrial (MRI)

Cemetery (CEM) Institutional (INST)

Airport (AP)