August 26, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, Michigan 48226

RE: Public Hearing on the Establishment of a Neighborhood Enterprise Zone as requested by Bagley Development Group, LLC in the area of 150 Bagley, Detroit, MI in accordance with Public Act 147 of 1992 (Petition 41-769)

Honorable City Council:

The Housing and Revitalization Department, Planning and Development Department and the Finance Department have reviewed the Master Plan and the neighborhood preservation and development goals of the City, and find that establishment of the Bagley Development Group, LLC Neighborhood Enterprise Zone would be consistent with all of the aforementioned.

Public Act 147 of 1992, commonly referred to as the Neighborhood Enterprise Zone (NEZ) Act, in Section 3(1) states “the governing body of a local governmental unit by resolution may designate one (1) or more neighborhood enterprise zones”. Prior to acting upon the resolution establishing an NEZ, a public hearing must be held, and the City Clerk must provide written notice of the public hearing to the assessor and to the governing body of each taxing unit that levies an ad valorem tax within the proposed NEZ, said notice to be made not later than 45 days prior to your Honorable Body’s passage of a resolution designating an NEZ.

The boundaries of the proposed NEZ are described in Exhibit A (legal description) and illustrated in the map also attached.

We request that a Public Hearing be scheduled on the issue of establishing this NEZ, as required by the NEZ Act.

Respectfully submitted,

Donald Rencher
Director

cc: S. Washington, Mayor’s Office
M. Cox, PDD
D. Rencher, HRD
M. Langston, HRD
BY COUNCIL MEMBER

WHEREAS, pursuant to Public Act No. 147 of the Public Acts of 1992 ("the Act"), this City Council has the authority to establish “Neighborhood Enterprise Zones (NEZs)” within the boundaries of the City of Detroit,

WHEREAS, Bagley Development Group, LLC has requested establishment of The Bagley Development NEZ whose boundaries are particularly described in Exhibit A (legal description) and illustrated in the map attached hereto; and

WHEREAS, The Act 147 requires that, prior to establishing an NEZ, the City Council shall provide an opportunity for a Public Hearing on such establishment, at which Public Hearing, any representative of a taxing authority levying ad valorem taxes within the City, or any resident or taxpayer of the City of Detroit may appear and be heard on the matter;

NOW THEREFORE BE IT

RESOLVED, that on the _____ day of ______, 2019, at _____ a.m., in the City Council Committee Room, 13th floor, Coleman A. Young Municipal Center, a Public Hearing be held on the above described application for establishment of an NEZ within the boundaries described in Exhibit A (legal description) as illustrated in the map attached hereto; and be it finally,

RESOLVED, that the City Clerk will provide notice of the Public Hearing to the general public by publication, and shall give written notice by certified mail to the taxing authorities and to the owners of all real property within the NEZ.
TO: Veronica Farley, Housing and Revitalization
FROM: Esther Yang, Planning and Development
RE: Master Plan Interpretation for Neighborhood Enterprise Zone (PA 147) at 150 Bagley Street (Floors 2-18)
DATE: April 25, 2019
CC: Maurice Cox, Director, Planning and Development

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 Neighborhood Enterprise Zone (NEZ).

Location and Project Proposal: Subject site is located at 150 Bagley Street. The project proposes to renovate and repurpose the existing eighteen story, 217,300 square feet building, commonly known as the United Artist Building, into 148 one and two-bedroom market rate apartment units (20% affordable) totaling approximately 206,800 square feet on floors 2-18 (applies to this application) and 10,500 square feet of commercial/retail/restaurant space on the ground floor (does not apply to this application).

Existing Site Information: The existing structure is vacant and requires significant rehabilitation. The proposed rehabilitation includes renovation of the building to standards required for historic structures on the National Register of Historic Places.

Master Plan Interpretation
The subject site area is designated Mixed Residential-Commercial (MRC). Mixed Residential-Commercial 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 following policies of the Central Business District neighborhood describe the following recommendations:

- Policy 11.1 – Give high priority to the preservation of historic buildings, especially the restoration, rehabilitation, and reuse of building facades
- Policy 11.2 – Ensure aesthetic compatibility between new and existing structures and sites
- Policy 15.1 – Develop design guidelines to promote linkages among and to the various Central Business District business and entertainment districts

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

Attachments
Future General Land Use Map: Neighborhood Cluster 4, Central Business District, Map 4-1B
June 24, 2019

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

RE: Neighborhood Enterprise Zone – Bagley Development Group LLC
Property Address: 150 Bagley
Parcel Number: 02000327.

Mr. Cox:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the request from Bagley Development Group LLC proposed United Artist Neighborhood Enterprise Zone, generally located at 150 Bagley in the Downtown area in the City of Detroit. The developer, Bagley Development Group, is a ground lessee for the property located at 150 Bagley. Bagley Development Group LLC’s proposed plan is to renovate and repurposed the United Artist building to include 148 apartments and 10,500 square feet of commercial/retail/restaurant on the first ground floor.

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 the vacant United Artist 18-story office/theater building contains 226,008 square feet of building area and was built in 1927 on 690 acres of land. The developer plans to create approximately 148 one and two bedroom units at market rate (20% of which will be affordable) on floors 2 to 18 and 10,500 square feet of commercial/retail/restaurant on the first ground floor. The developer is requesting an Obsolete Property Rehabilitation district for the ground floor and basement, in a separate request, and a Neighborhood Enterprise Zone district for the apartment units. The current True Cash Value of the proposed area (81.19%) is $10,397,191 and contains 690 acres of land. The True Cash Value of this area would be expected to increase due to the rehabilitation and construction.

MCL 207.772 Sec 2(k) "Qualified downtown revitalization district" means an area located within 1 or more of the following: (i) The boundaries of a downtown district as defined in section 1 of 1975 PA 197, MCL 125.1651. (ii) The boundaries of a principal shopping district or a business improvement district as defined in section 1 of 1961 PA 120, MCL 125.981. (iii) The boundaries of the local governmental unit in an area that is zoned and primarily used for business as determined by the local governmental unit.

MCL 207.772 Sec 2 (m) "Rehabilitated facility" means an existing structure or a portion of an existing structure with a current true cash value of $80,000.00 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 $5,000.00 per owner-occupied unit or 50% of the true cash value, whichever is less, or $7,500.00 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 facility also includes 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.

Upon review, it has been determined that this proposed district located at 150 Bagley in the Downtown area as a qualified historic building is eligible for designation as a Neighborhood Enterprise Zone per PA 147 of 1992, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors

mmp
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DEPARTMENTAL REFERENCE COMMUNICATION

Thursday, May 16, 2019

To: The Department or Commission Listed Below

From: Janice M. Winfrey, Detroit City Clerk

AMENDMENT

Herewith, the following referral is a copy of Petition 769

HOUSING AND REVITALIZATION LEGISLATIVE POLICY DIVISION
PLANNING AND DEVELOPMENT DEPARTMENT LAW DEPARTMENT
FINANCE DEPARTMENT

769 Bagley Development Group, LLC, request to establish a Neighborhood Enterprise Zone for the property located 150 Bagley.

NOTE: Attached please find additional documentation for the above mentioned petition.

PETITIONER IS AMENDING PETITION DUE TO:
Corrected ownership. See attached.

Please provide the City Council with a report relative to this petition within four (4) weeks. Thanking you in advance.

200 Coleman A. Young Municipal Center • Detroit, Michigan 48226-3400
(313) 224 3260 • Fax (313) 224-1466
DEPARTMENTAL REFERENCE COMMUNICATION

Thursday, May 16, 2019

To: The Department or Commission Listed Below
From: Janice M. Winfrey, Detroit City Clerk

AMENDMENT

Herewith, the following referral is a copy of Petition 769
DEPARTMENTAL REFERENCE COMMUNICATION

Thursday, March 21, 2019

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.

HOUSING AND REVITALIZATION  LEGISLATIVE POLICY DIVISION
PLANNING AND DEVELOPMENT DEPARTMENT  LAW DEPARTMENT
FINANCE DEPARTMENT

769 Bagley Development Group, LLC, request to establish a Neighborhood Enterprise Zone for the property located 150 Bagley.
February 27, 2019

Janice M. Winfrey
City Clerk
City of Detroit
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 200
Detroit, Michigan 48226

Re: Neighborhood Enterprise Zone ("NEZ") Designation Request for the Proposed Bagley Development Group Residential NEZ District and Act 146 Request for Establishment of Obsolete Property Rehabilitation ("OPRA") District- Bagley Development Group Project

Dear Ms. Winfrey:

On behalf of my client, Bagley Development Group, LLC, a Michigan limited liability company, enclosed are copies of the NEZ and OPRA district requests. Included with the requests are site maps of the requested district boundaries of the subject property, the Accounts Receivable Clearance Application and the Request for Income Tax Clearance form.

Thank you for your time and consideration of these requests. If I can provide any additional information or be of assistance, please do not hesitate to contact me directly at (616)752-2447.

Very truly yours,

Jared T. Belka

JTB/ckm

Enclosure

c: Emmett Moten via e-mail
   Nevan Shokar (DEGC) via e-mail

18196484

Jared T. Belka | Partner
D 616.752.2447
E jbelka@wnj.com
900 Fifth Third Center, 111 Lyon Street, N.W.
Grand Rapids, MI 49503-2487
February 20, 2019

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 District at 150 Bagley Street

Honorable City Council:

On behalf of Bagley Development Group, LLC ("Bagley"), please accept this letter as a request to establish a Neighborhood Enterprise Zone ("NEZ") District for the property located at 150 Bagley Street, generally located between W. Adams, Clifford Street, Park Avenue and Bagley Street and described on the map on Attachment A.

Bagley intends to renovate and repurpose the existing eighteen story, 217,300 sf building, commonly known as the United Artists Building, into one hundred forty-eight (148) one and two bedroom market rate apartment units (20% will be affordable) totaling approximately 206,800 sf on floors 2-18 and 10,500 sf of commercial/retail/restaurant space on the ground floor (the "Project"). The Project will include significant interior renovations including all new mechanicals, windows, flooring, countertops, cabinetry, appliances, and wall coverings. The Project includes anticipated total capital investment of approximately $55.88 million and the rehabilitation will commence in mid-2019 and is expected to be completed by mid-2020.

The Project would not be financially viable without the support of incentives, including the requested NEZ abatement. The NEZ will attract new residents to the Project and to the City of Detroit while reactivating a vacant building in the downtown.

At this time, the building sits vacant and in need of significant rehabilitation. The proposed rehabilitation includes renovation of the building to standards required for historic structures on the National Register of Historic Places.

Bagley is requesting the NEZ be applicable for the residential component of the Project (floors 2-18) for a period of fifteen (15) years. The property is eligible for NEZ designation pursuant to section 3(1) of the Neighborhood Enterprise Zone Act, 1992 PA 147, MCL 207.773(1). Following completion of the Project, ten (10) or more facilities will be included in the district, which is located within a "qualified downtown
revitalization district as defined in MCL 207.772(k). The requested district is compact and contiguous.

The City will benefit from the proposed rehabilitation project by bringing new residents into the City that will generate new income taxes and long-term property tax growth. The presence of permanent residents will also support the various retailers in the surrounding area. Therefore, Bagley respectfully requests your consideration of the NEZ for this Project.

Respectfully submitted,

[Signature]

Emmett S. Moten Jr.
Bagley Development Group, LLC

Attachment A: Site Map

cc: K. Bridges, DEGC
N. Marsh, DEGC
D. Bolton, Planning
J. Belka, Warner Norcross + Judd LLP
Address: 150 Bagley Street
       Detroit, MI 48226

Parcel #: 02000327

Legal:

PART OF LOTS LOTS 25, 26, AND 27 OF GOVERNOR AND JUDGES PLAN OF SECTION 12 ACCORDING TO THE PLAT THEREOF RECORDED IN LIBER 34 OF DEEDS, PAGE 555 OF WAYNE COUNTY RECORDS, MORE PARTICULARLY DESCRIBED AS: BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT 25; THENCE ALONG THE WESTERLY LINE OF BAGLEY AVENUE, 120 FEET WIDE, SOUTH 28 DEGREES 47 MINUTES 17 SECONDS WEST, 181.41 FEET; THENCE ALONG THE NORTHERLY LINE OF CLIFFORD AVENUE (60 FEET WIDE), NORTH 61 DEGREES 14 MINUTES 43 SECONDS WEST, 79.84 FEET; THENCE NORTH 28 DEGREES 47 MINUTES 17 SECONDS EAST, 50.27 FEET; THENCE SOUTH 61 DEGREES 11 MINUTES 33 SECONDS EAST, 21.94 FEET; THENCE NORTH 28 DEGREES 47 MINUTES 17 SECONDS EAST, 82.10 FEET; THENCE SOUTH 61 DEGREES 11 MINUTES 33 SECONDS EAST, 3.35 FEET; THENCE NORTH 28 DEGREES 47 MINUTES 17 SECONDS EAST, 49.10 FEET TO A POINT ON THE NORTH LINE OF LOT 25; THENCE ALONG SAID NORTH LINE SOUTH 61 DEGREES 11 MINUTES 33 SECONDS EAST, 54.55 FEET TO THE POINT OF BEGINNING AND CONTAINING 11,443 SQUARE FEET.
April 16, 2019

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

RE: Amended Request for the Establishment of an Obsolete Property Rehabilitation Act District and Neighborhood Enterprise Zone Act District for the 150 Bagley Street Redevelopment Project

Honorable City Council:

Bagley Development Group, L.L.C ("Bagley"), the proposed developer and ground lessee for the property located at 150 Bagley Street, generally located between W. Adams, Clifford Street, Park Avenue and Bagley Street and described on the map on Attachment A (the "Property"), hereby submits a request to establish an Obsolete Property Rehabilitation Act ("OPRA") District for the basement and ground-floor retail portion of the Building (defined below) and a Neighborhood Enterprise Zone Act ("NEZ") District for floors 2-18 that will house the proposed 148-unit residential portion of the Property identified in Attachment A.

Bagley intends to renovate and repurpose the existing eighteen-story, 217,300 square-foot building commonly known as the United Artists Building (the "Building"); into one hundred forty-eight (148) one and two bedroom market rate apartment units (20% of which will be affordable) totaling approximately 206,800 square feet on floors 2-18 and 10,500 square feet of commercial/retail/restaurant space on the ground floor (the "Project"). The Project will include significant interior renovations of the Building, including all new mechanical systems, windows, flooring, countertops, cabinetry, appliances, and wall coverings. Bagley anticipates that the Project will require a total capital investment of approximately $56 million, and that construction of the Project will commence in mid-2019. Bagley anticipates the Project will be completed by mid-2020.

Bagley has indicated that the Project would not be financially viable without the support of incentives, including the requested OPRA and NEZ abatements. The OPRA and NEZ will allow Bagley to redevelop the Building to attract new commercial ground floor retail tenants and residents to the Project and the City of Detroit, while re-purposing a historical, vacant building in Grand Circus Park.
At this time, the Building sits vacant and is in need of significant rehabilitation. The proposed rehabilitation will address and meet all local, state, and federal standards required for historic structures that are identified on the National Register of Historic Places.

Bagley is requesting the OPRA be applicable for the commercial component of the Project (ground floor and basement) for a period of twelve (12) years. The Property is considered obsolete as defined in the Michigan General Property Tax Act. In addition, Bagley is requesting the NEZ be applicable for the residential component of the Project for a period of fifteen (15) years. The Property is eligible for NEZ designation pursuant to section 3(1) of the Neighborhood Enterprise Zone Act, 1992 PA 147. MCL 207.773(1). Following completion of the Project, ten (10) or more facilities will be included in the proposed district, which is located within a "qualified downtown revitalization district" as defined in MCL 207.772(k). The requested district is compact and contiguous.

The City will benefit from the proposed rehabilitation project by bringing new commercial tenants and residential residences into the City that will generate new income taxes and long-term property tax growth. In order to facilitate the proposed redevelopment of the Building, Bagley respectfully requests your consideration of the OPRA and NEZ for this Project.

Respectfully submitted,

Bagley Development Group, LLC
a Michigan limited liability company

By: [Signature]
Name: Emmett S. McEwen
Its: Member

Acknowledged and agreed to this ______ day of April, 2019, by Olympia Development of Michigan, LLC, the current owner of record and ground lessor to Bagley.

Olympia Development of Michigan, LLC
a Michigan limited liability company

By: [Signature]
Name: [Signature]
Its: [Signature]

cc: K. Bridges, DEGC
N. Marsh, DEGC
D. Bolton, Planning
J. Belka, Warner Norcross + Judd LLP
Address: 150 Bagley Street
Detroit, MI 48226

Parcel #: 02000327

Legal:

PART OF LOTS LOTS 25, 26, AND 27 OF GOVERNOR AND JUDGES PLAN OF SECTION 12 ACCORDING TO THE PLAT THEREOFRecorded IN LIBER 34 OF DEEDS, PAGE 555 OF WAYNE COUNTY RECORDS, MORE PARTICULARLY DESCRIBED AS: BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT 25, THENCE ALONG THE WESTERLY LINE OF BAGLEY AVENUE, 120 FEET WIDE, SOUTH 28 DEGREES 47 MINUTES 17 SECONDS WEST, 131.41 FEET; THENCE ALONG THE NORTHERLY LINE OF CUFFORD AVENUE (60 FEET WIDE), NORTH 51 DEGREES 14 MINUTES 43 SECONDS WEST, 79.84 FEET; THENCE NORTH 28 DEGREES 47 MINUTES 17 SECONDS EAST, 50.27 FEET; THENCE SOUTH 61 DEGREES 11 MINUTES 33 SECONDS EAST, 21.94 FEET; THENCE NORTH 28 DEGREES 47 MINUTES 17 SECONDS EAST, 82.10 FEET; THENCE SOUTH 61 DEGREES 11 MINUTES 33 SECONDS EAST, 3.35 FEET; THENCE NORTH 28 DEGREES 47 MINUTES 17 SECONDS EAST, 49.10 FEET TO A POINT ON THE NORTH LINE OF LOT 25; THENCE ALONG SAID NORTH LINE SOUTH 61 DEGREES 11 MINUTES 33 SECONDS EAST, 54.55 FEET TO THE POINT OF BEGINNING AND CONTAINING 11,443 SQUARE FEET.
Petition of Bagley Development Group, LLC, request to establish a Neighborhood Enterprise Zone for the property located 150 Bagley.

REFFERRED TO THE FOLLOWING DEPARTMENT(S)

HOUSING AND REVITALIZATION DIVISION
LEGISLATIVE POLICY
PLANNING AND DEVELOPMENT DEPARTMENT
LAW DEPARTMENT
FINANCE DEPARTMENT