

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

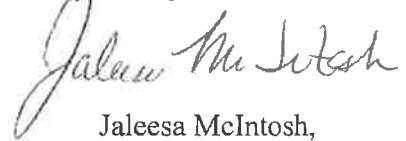
June 2, 2022

To: Katharine G. Trudeau, Deputy Director
Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 808
Detroit, MI. 48226

Re: 1977 Woodbridge Street

Please see attached application for the Establishment of an Obsolete Property
Rehabilitation District at 1977 Woodbridge Street

Respectfully submitted,



Jaleesa McIntosh,
Jr. Assistant City Council Committee Clerk
Office of the City Clerk



May 17, 2022

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
1977 Woodbridge Street**

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Development District for the property located at 1977 Woodbridge Street, Detroit, Wayne County, Michigan and described on Attachment A (the "Property").

REHABILITATION OF THE PROPERTY

The Property is unoccupied and consists of a former carriage house and two adjoining brick buildings set on approximately 0.245 acres. The Property was originally developed prior to 1884 as a stable and later used as a carriage house associated with a large residential dwelling along East Jefferson Avenue directly north of the property. Prior uses included an auto repair business in the 1940s, a propane gas warehouse and plastic research laboratory in the 1950s, a machine shop and gas company in the 1960s, and Brauhaus German restaurant in the 1970s and 1980s then Rivertown Saloon through at least 2000.

Biltmore plans to address the contamination pursuant to state environmental regulations and then undertake major renovations to the Property, transforming it into a minimum 4,000 square foot commercial building with a cigar bar, conference room and two chair barber shop. Improvements to the building include, but are not limited to, upgrades to the major building systems, restrooms, and outdoor patio.

The Property is contaminated both due to historic use on site and contamination migrating on site. Specifically, metals, the polynuclear aromatic hydrocarbon (PNA) 2-methylnaphthalene, and volatile organic compounds (VOCs) were detected in soil samples at concentrations that exceeded the Michigan Department of Environment, Great Lakes, and Energy (EGLE) Statewide Default Background levels and Groundwater Surface Water Interface Protection (GSIP) Criteria. Thus, the Property is considered a "Facility" pursuant to Part 201 of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended (Part 201).

ELIGIBILITY

The project is eligible for a property tax exemption district under the Obsolete Property Rehabilitation Act (OPRA) pursuant to Public Act 146 of 2000, MCL 125.2781 et seq., as amended. The project will not be financially viable without the OPRA tax exemption. The project

meets the OPRA requirements because it is a former commercial property is located in a “qualified local governmental unit” as defined by MCL 125.2782(k) (Detroit) and currently owned by the local governmental unit (DEGC). Biltmore has an option on the property, pending approval of the OPRA District. The Property is obsolete, as determined by the Detroit Assessor. Biltmore will be the owner of greater than 50% of all taxable value of the property located within the proposed district.

BENEFITS TO THE COMMUNITY

As noted above, the Property is currently vacant and there are no full-time employees (FTE). Once renovations are complete, Biltmore will create 20 new FTEs. Biltmore will create 60 construction employees for the duration of the construction period. An estimated \$3.3 Million will be invested into the construction which includes, but is not limited to, upgrades to the major building systems, restrooms, and the construction of the Project. The Project will include a cigar bar, a reserved conference room and a small two chair barbershop.

Biltmore is applying for a 12-year property tax exemption district.

Assuming a rate of majority Detroit resident employees, the project expects to generate at least estimated \$175,000 in income taxes to the City of Detroit during the abatement period from the 20 FTEs and the 60 temporary construction jobs. Completion of the rehabilitated facility at the time of the issuance of an OPRA exemption certificate has the reasonable likelihood to increase commercial activity, create employment, and increase the Property’s taxable value, contributing to the local tax rolls. The project will repurpose and restore an underutilized, vacant building and encourage continued development of the Rivertown neighborhood. The Property is currently owned by the Economic Development Corporation and taxes are current. The project cannot be completed without the approval of certain tax incentives, including the OPRA exemption certificate.

Biltmore Development Group, LLC, is wholly owned and operated by William Smith, a native Detroiter and an experienced bar and restaurant operator.

Respectfully submitted,



William Smith, Member
Biltmore Development Group, LLC
William@bitmoredevelopmentgroup.com

Attachment A: Site Map that includes the parcel of property / Legal Description
Attachment B: Paid Receipt of Current Taxes

cc: K. Bridges, DEGC
V. Farley, HRD

Attachment A: Site Map / Legal Description

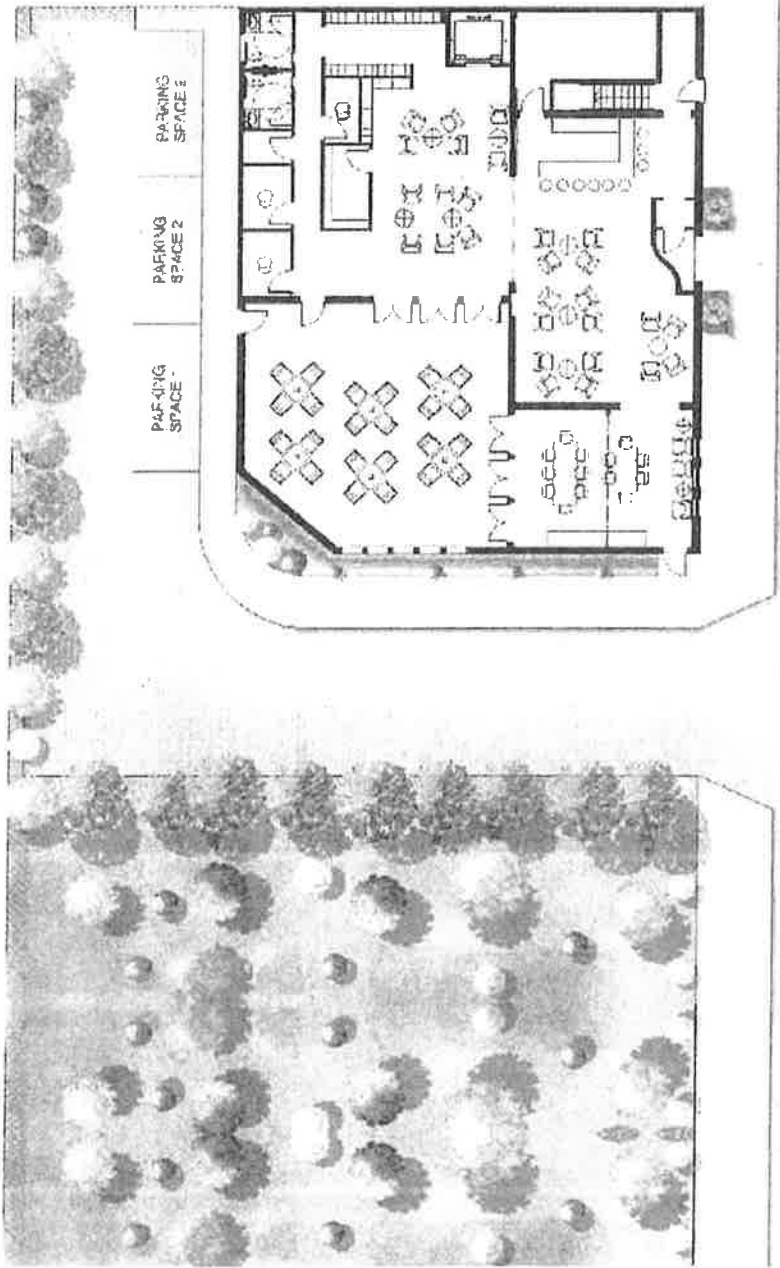
Property located in the State of Michigan, County of Wayne, City of Detroit:

S JEFFERSON W 7.02 FT ON N LINE BG W 14 FT ON S LINE OF S 100 FT 2 S 100 FT 3 BLK 8
SUB OF ST AUBIN FARM L1 P35 PLATS, W C R 9/2 10,665 SQ FT

The site is located at 1977 Woodbridge Street in Detroit, Wayne County, Michigan. The site is located along the north side of Woodbridge Street, between St. Aubin Street and Orleans Street, approximately 1,000 feet northwest of the Detroit River.

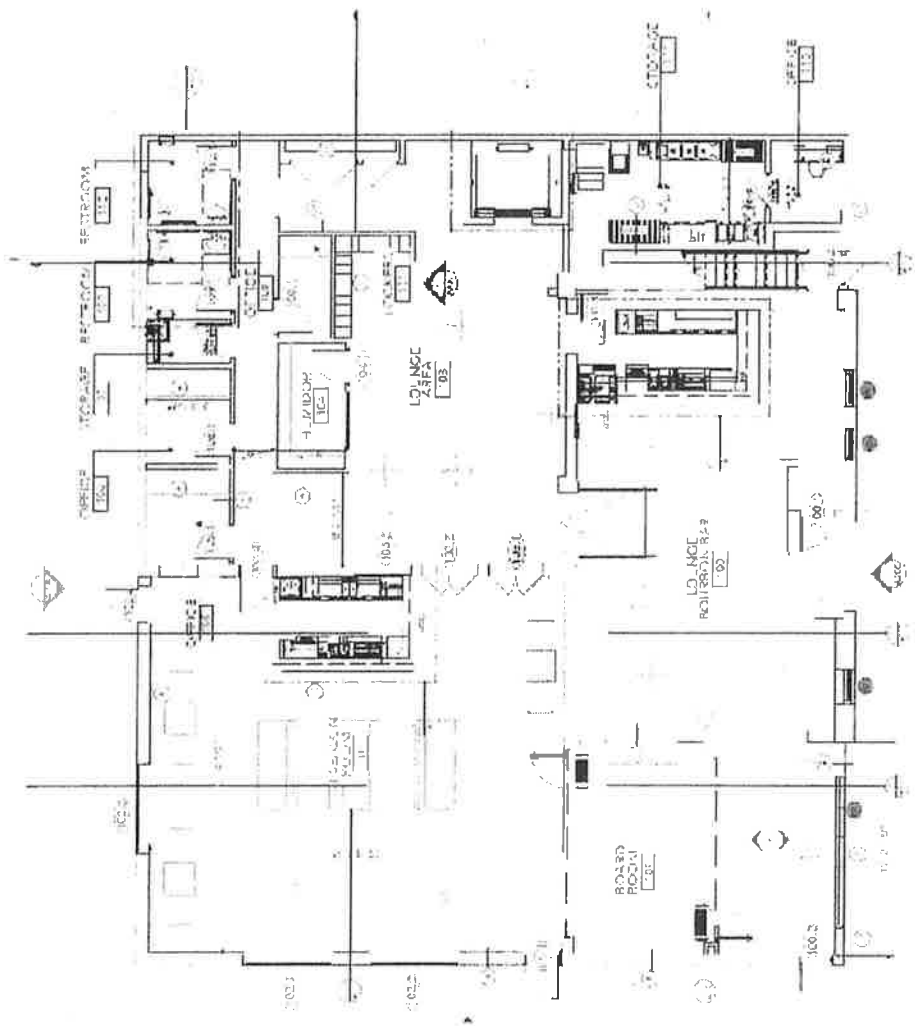
The site consists of a former carriage house (circa 1883) and adjoining brick and cinderblock additions set on approximately 0.245 acres of land located in a mixed-use area. The surrounding area was formerly heavily industrialized, but recent development in the area is of mixed-use. The site was originally developed as a stable and later used as a carriage house associated with a large residential dwelling along East Jefferson Avenue directly north of the site. According to historical city directories and newspaper archives, historical occupants of the site, in addition to the initial private residential use, have included an auto repair business in the 1940s, a propane gas warehouse and plastic research laboratory in the 1950s, a machine shop and Insto Gas Corp in the 1960s, and Brauhaus German restaurant in the 1970s and 1980s. Rivertown Saloon later occupied the property through at least 2000. The buildings on the site are currently vacant.

Biltmore plans to develop the site into a minimum 4,000 square foot commercial use project. Biltmore will make best faith efforts to maintain the center building facade, along with an effort to restore the interior murals. Biltmore may determine it is necessary to demolish two ancillary buildings and construct new structures in accordance with the minimum requirements of the Detroit Economic Growth Corporation of the City of Detroit. An estimated \$3.3 Million will be invested into the site to construct the improvements, which include, but are not limited to, upgrades to the major building systems, restrooms, and the construction of the project. The project will include a cigar bar, a reserved conference room and a small two chair barbershop. Given approval of the district, the estimated commencement date for construction is August 2022. Construction is set to complete within 18 months.



BEAUBIEN STREET

PROJECT SITE PLAN



FIRST FLOOR PLAN



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 3, 2022

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 – Biltmore Development Group**
Addresses: 1977 Woodbridge
Parcel Number: 09000091.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **1977 Woodbridge** located in **the East Riverfront** 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 **Biltmore Development Group** consists of a vacant former bar/restaurant with 4,460 square feet of building area, built in 1884, on 0.245 acres of land. The proposed project consists of rehabilitating the vacant structure into a cigar bar, conference room, and barber shop. The property requires extensive remediation and upgrades, including major building systems, restrooms, and outdoor patio.

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.

The property is currently owned by the Economic Development Corporation. The property is currently under a purchase and development agreement. The State Tax Commission (STC) has determined that the proposed developer may proceed with obtaining local approval prior to acquiring title to the property, but in the event that a certificate is requested and approved, the certificate would be held in abeyance by the STC pending submission of proof of ownership.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
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Biltmore Development Group
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A review of the project plans and relevant statutes indicates that the proposed Obsolete Property Rehabilitation District located at **1977 Woodbridge** 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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OFFICE OF THE ASSESSOR

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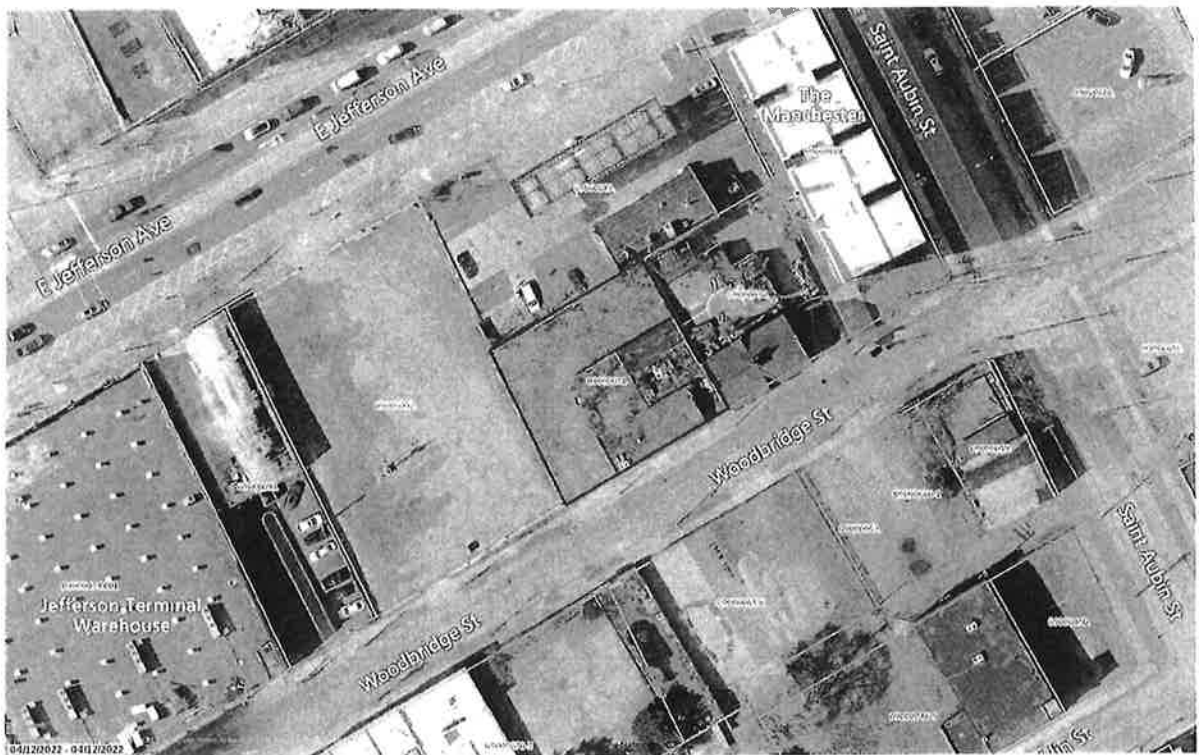
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Biltmore Development Group
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Property Address: 1977 WOODBRIDGE

Parcel Number: 09000091.

Property Owner: ECONOMIC DEVELOPMENT CORPORATION

Legal Description: S JEFFERSON W 7.02 FT ON N LINE BG W 14 FT ON S LINE OF S 100 FT 2 S 100 FT 3 BLK 8 SUB OF ST AUBIN FARM L1 P35 PLATS, W C R 9/2 10,665 SQ FT





TO: Justus Cook, Housing and Revitalization
FROM: Shelby Holmes, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 1977 Woodbridge
Detroit, MI 48207 (Associated to Petition # 2022-183)
DATE: July 5, 2022
CC: Katharine Trudeau, Deputy Director, Planning and Development
Kevin Schronce, PDD Central, Planning and Development
Karen Gage, PDD Zoning, Planning and Development
Garrick Landsberg, PDD Historic, 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 Bitlmore Development Group LLC.

Location and Project Proposal: 1977 Woodbridge Detroit, MI 48207. The proposed project is a renovation of a vacant carriage house and two adjoining brick structures into a commercial building.

Current Master Plan (MP) & Zoning: MP Classification – Mixed Residential-Commercial (MRC)
Zoning – Special Development District, Riverfront Mixed-Use (SD4)

This project is located in a local historic district

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 Near East Riverfront neighborhood describe the following recommendations:

- GOAL 4: Develop mixed-use activity nodes
- Policy 4.1: Develop neighborhood commercial nodes south of Jefferson with a mix of locally serving, small-scale businesses, entertainment related development, service establishments and civic space.

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