September 20, 2019

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

Re: Request for a Public Hearing to Establish an Obsolete Property Rehabilitation District on behalf of Wayne County Lank Bank in the area of 511 Woodward, Detroit, Michigan, in accordance with Public Act 146 of 2000 (Petition # 1008).

Honorable City Council:

The Housing and Revitalization Department has reviewed the application of Wayne County Lank Bank and find that it satisfies the criteria set forth by P.A. 146 of 2000 and would be consistent with development and economic goals of the Master Plan.

Prior to acting upon a resolution to recommend approval, 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 eligible district, said notice is to be made not less than 10 days or more than 30 days prior to your Honorable Body’s adoption of said resolution.

We request that a Public Hearing be scheduled on the issue of establishing an Obsolete Property Rehabilitation District. Attached for your consideration, please find a resolution establishing a date and time for the public hearing.

Respectfully submitted,

Donald Rencher
Director

cc: S. Washington, Mayor’s Office
    M. Cox, P&DD
    D. Rencher, HRD
    V. Farley, HRD
WHEREAS, pursuant to Public Act No. 146 of 2000 ("the Act") this City Council may adopt a resolution which approves the application of an Obsolete Property Rehabilitation District within the boundaries of the City of Detroit; and

WHEREAS, Wayne County Land Bank has filed an application for an Obsolete Property Rehabilitation District whose boundaries are particularly described in the map and legal description attached hereto; and

WHEREAS, prior to such approval, the City Council shall provide an opportunity for a Public Hearing, at which Public Hearing on such adoption of a resolution providing such tax exemption, at which Public Hearing representatives of any taxing authority levying ad valorem taxes within the City, or any other resident or taxpayer of the City of Detroit may appear and be heard on the matter.

NOW THEREFORE BE IT

RESOLVED, that on the __________, 2019 in the City Council Committee Room, 13th floor, Coleman A. Young Municipal Center, a Public Hearing be held on the above described application and be it finally

RESOLVED, that the City Clerk shall give notice of the Public Hearing to the general public and shall give written notice of the Public Hearing by certified mail to all taxing authorities levying an ad valorem tax within the City of Detroit.
DEPARTMENTAL REFERENCE COMMUNICATION

Thursday, August 1, 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/ASSESSOR

1008 Wayne County Land Bank, request to establish an Obsolete Property "Rehabilitation at 311 Woodward."

200 Coleman A. Young Municipal Center • Detroit, Michigan 48226-3400
(313) 224-3260 • Fax (313) 224-1466
July 31, 2019

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 511 Woodward

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Development District for the property located at 511 Woodward and described on Attachment A.

District Description

The “Dream 511” project involves the rehabilitation of the vacant and obsolete building located at 511 Woodward for commercial and retail uses.

Parcel Information

<table>
<thead>
<tr>
<th>Address</th>
<th>Parcel</th>
<th>Owner of Record</th>
<th>Acreage</th>
</tr>
</thead>
<tbody>
<tr>
<td>511 Woodward</td>
<td>02001900-9</td>
<td>Wayne County Land Bank</td>
<td>.186</td>
</tr>
</tbody>
</table>

The current 30,240 square foot building was constructed in 1972. The building is a four (4) story glass curtain wall building on three (3) sides with a brick and block center section over the building entry with a block and brick rear side. The building was originally occupied by various professional offices and a financial institution from 1973 until at least 2006, when the building was vacated. The building has been vacant and unutilized since 2006.

Project Start and Completion Date

Pursuant to a Purchase and Development Agreement executed on April 1, 2019 between Wayne County, the Wayne County Land Bank, and ICONIC-511, LLC, the property at 511 Woodward is being purchased from the Land Bank by ICONIC-511, LLC, an entity which has been established for the project. The purchase is slated to close in September, 2019. Construction will begin immediately and follow a fifteen-month schedule to completion.
Purpose for Renovation of 511 Woodward

The building is currently cleared out down to the building structural elements. Renovation of the building is essential for removal of functionally obsolescent existing building elements. Most of these elements revolve around building core and façade elements.

Current building code requires the building to have fire suppression, alarm and exit devices installed prior to occupancy. Electrical systems need to be updated to support 600amps/floor of service as well as ensuring the electrical service room provides adequate operational room. The existing electrical room will be reconfigured to meet the current code requirements.

The elevator needs to be certified and approved by the City prior to use. Updates to the elevator will be specified to enhance its appearance to match the Class A Lobby renovations that are proposed.

Existing exterior curtain wall systems need to be upgraded to meet current energy codes and provide a U value of .25 - .27 with shading coefficient of .70 on the upper floors. The new curtain wall and proposed screen wall will provide an energy efficient exterior wall system.

Benefits to the Community

Dream 511 represents the expansion of a partnership between The Elia Group and the Downtown Detroit Partnership (DDP), which includes a strong track record transforming under-utilized downtown parcels into vibrant community parks, restaurants and landmarks. The organizations collaborated to create Parc Restaurant, which has received local and national critical acclaim since opening in 2016, serving as a reputable anchor in arguably the most iconic location in Downtown Detroit: Campus Martius. Additionally, they created The Fountain Detroit, a 340-square-foot restaurant that brought one of the first adaptive reuses of old shipping containers in Detroit to Campus Martius.

The partnership is also a driving force in activating Campus Martius as an all-season community gathering space, operating the Rink Side Bar and Arctic Zone concession areas, which flank the ice rink during the winter months, and providing free live entertainment to visitors and families all year long.

The Elia Group-DDP team remains committed to providing opportunities for workforce training, growth and employment in Detroit. This is exemplified through their relationship with programs such as the city’s Grow Detroit’s Young Talent program, from which several graduates have been hired at The Fountain Detroit restaurant.
The Dream 511 project will produce a minimum of 75 construction jobs, one-third of which are anticipated to be specific to low-income Wayne County residents. The new space will allow for the hiring of approximately 100 new retail and office employees in Downtown Detroit. One Property Manager will be hired directly by the new Owner. The Purchase and Development Agreement contains community benefit requirements that will be monitored by Wayne County.

DDP’s headquarters will anchor the space. DDP’s support of workforce development and creative talent are central to its mission. For example, many of DDP’s Downtown Detroit Business Improvement Zone (BIZ) Clean and Hospitality Ambassadors are referred through “second chance” programs such as Goodwill Industries of Detroit, and DDP provides wraparound services to facilitate the success of this initiative. DDP’s landscape vendor utilizes the Greening of Detroit and its training programs. DDP served as the fiduciary for the launch of the Grow Detroit’s Young Talent program at the request of Mayor Duggan and engages the region’s creative talent to perform in Downtown public spaces.

The rehabilitation of the facility would not be undertaken without the applicant’s receipt of the exemption certificate. This exemption will allow a reduced rental rate for DDP, a nonprofit organization. Without this exemption, DDP would not be able to create the Welcome Center and continue to provide their ongoing programming and services in the Downtown area. Therefore, the Obsolete Property Rehabilitation Certificate is requested for the full twelve years allowed by statute.

**Eligibility**

The current building, constructed in 1972, is “functionally obsolete” for the commercial uses it was originally intended for. Changes in technology and building code require a complete replacement of major heating, cooling and electrical systems in the building.

**Property Ownership**

The Wayne County Land Bank currently owns the property located at 511 Woodward. The sale to ICONIC-511, LLC is slated to close in September 2019.

**Total Capital Investment**

The Purchase and Development Agreement contains minimum investment requirements that will be monitored by Wayne County. Under these terms, ICONIC-511, LLC will invest at minimum $4.5 million into the property, an amount that increases under certain circumstances to $7 million.

**Legal Description**

W WOODWARD W 30 FT OF LOTS 58 THRU 62 PLAT OF SEC 2 GOVERNOR & JUDGES PLAN L34 P549 DEEDS, W C R 2/38 270 X 30
Attachment A: Site Map that includes the parcel(s) of property

cc: K. Bridges, DEGC
    N. Marsh, DEGC
    D. Bolton, Planning
Attachment A
District Map
511 Woodward, Detroit MI
1008  Petition of Wayne County Land Bank, request to establish an Obsolete Property Rehabilitate at 511 Woodward.

REFERRED TO THE FOLLOWING DEPARTMENT(S)

HOUSING AND REVITALIZATION
LEGISLATIVE POLICY DIVISION
PLANNING AND DEVELOPMENT DEPARTMENT
LAW DEPARTMENT
FINANCE DEPARTMENT/ASSESSOR
August 26, 2019

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

Re: Obsolete Property Rehabilitation District – Wayne County Land Bank
Property Address: 511 Woodward
Parcel Number: 02001900-9

Dear Mr. Cox:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at 511 Woodward in the Downtown area in 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.

Pursuant to a purchase and development agreement with ICONIC-511 LLC, the developer plans to rehabilitate the four-story, 30,240 square foot office building, built in 1972 on .186 acres of land. The building has been vacant an unutilized since 2006 and clear out down to the building structural elements. Rehabilitation will include a new fire suppression system, updating the electrical system, updating the elevators to code, and a new curtain wall and proposed screen wall to provide an energy efficient exterior wall system.

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 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.

A field investigation indicated that the proposed Obsolete Property Rehabilitation District located at 511 Woodward 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

mmp
Property Address: 511 WOODWARD
Parcel Number: 02001900-9
Property Owner: WAYNE COUNTY LAND BANK
Legal Description: W WOODWARD W 30 FT OF LOTS 58 THRU 62 PLAT OF SEC 2 GOVERNOR & JUDGES PLAN L34 P549 DEEDS, W C R 2/38 270 X 30

The legal description matches the OPRA district request.