

Lauren Hood, MCD
Chairperson
Donovan Smith
Vice Chair/Secretary

Marcell R. Todd, Jr.
Director

City of Detroit
CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cpc@detroitmi.gov

Brenda Goss Andrews
Kenneth R. Daniels
David Esparza, AIA, LEED
Ritchie Harrison
Gwen Lewis
Melanie Markowicz
Frederick E. Russell, Jr.

September 7, 2022

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Applications for the rehabilitation of a former industrial building into a 92-unit residential apartment building located at 450 Amsterdam in the New Amsterdam Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received three applications requesting Neighborhood Enterprise Zone (NEZ) certificates for the rehabilitation of a former industrial building into a 92-unit residential apartment building located at 450 Amsterdam. The three certificates for 450 Amsterdam are divided as follows: units 101-132, units 201-230, and units 301-330.

The property is located on the north side of Amsterdam between Cass and 2nd Avenue, which is generally located by the Pistons Performance Center to the west, Tech Town to the south, rail line to the north, and Woodward to the east. The building is located within Council District 5. Below is a map of the location and an image of the building. The building is designated locally and nationally historic - it was originally built as the Cadillac Car Company Assembly Plant in 1905. The building was most recently used as a paper supply company.

The developer for the project is Greatwater Opportunity Capital which is a Detroit-based company formed in 2014 to acquire, rehab and lease over multifamily, commercial and vacant land in several Detroit neighborhoods.

The request is for a 15-year abatement to create 92 rental units. The developer estimates spending \$127,118 to create each unit. Proposed work includes a complete gut renovation to include an interior build out and new windows. The project would have 85 surface parking spaces on the east side of the building.

The proposed unit type and estimated monthly rents are listed below. The developer will offer 20% of the rental units to those not earning more than 80% of the Detroit SMSA area median income (AMI). Therefore, 18 units will be guaranteed to be affordable.

- 23 micros
 - 19 micros market rate \$1,288/month
 - 4 micros affordable \$1,163/month
- 16 studios
 - 12 studios market rate \$1,575/month
 - 4 studio affordable \$1,163/month
- 44 one-bedrooms
 - 36 one-bedroom market rate \$1,888/month
 - 8 one-bedroom affordable \$1,239/month

- 9 two-bedrooms
 - 7 two-bedroom market rate \$2,383/month
 - 2 two-bedroom affordable \$1,473

It appears the NEZ certificate applications have been submitted prior to the issuance of applicable building permits – the NEZ Act (Act 147 of 1992) states the applications must be filed before a building permit is issued. The petitioner submitted NEZ certificate application dated August 4 and August 11, 2022, to the City Clerk’s office.

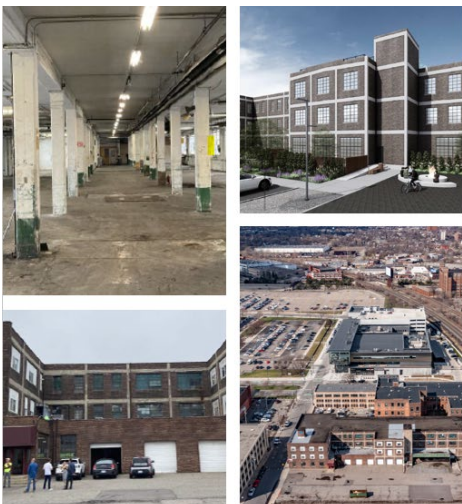
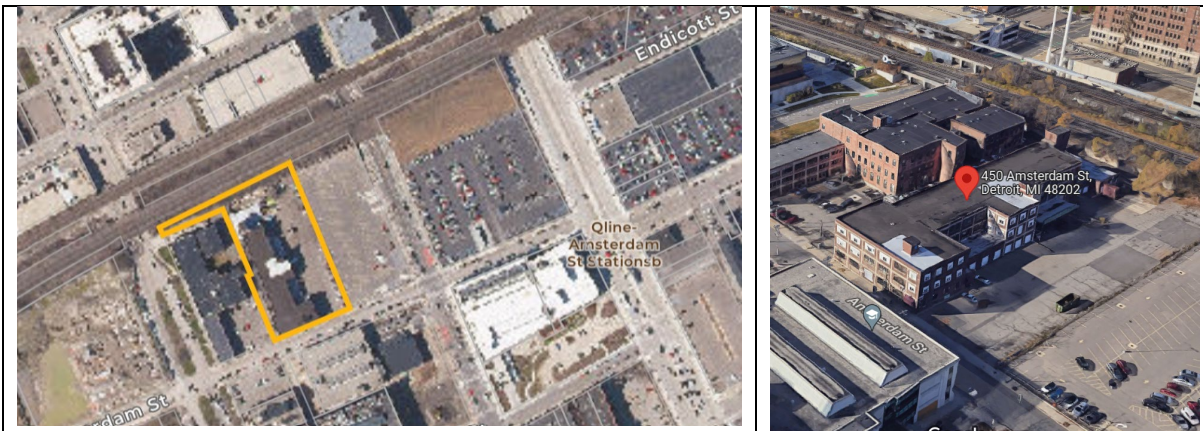
The subject property has been confirmed as being within the boundaries of the New Amsterdam NEZ which was established by a vote of City Council in April 2003. CPC staff has reviewed the applications and recommends approval. Attached is a resolution for Your consideration. Please contact our office should you have any questions.

Respectfully submitted,



Marcell R. Todd, Jr., Director CPC
Christopher J. Gulock, AICP, Planner

cc: Angela Jones, City Clerk



Economic Impact

- Affordability Structure - 20% at 80% AMI
- Renovation of a vacant industrial building into 92 residential units that will bring more residents to TechTown
- Given the high cost of construction and the high costs of converting an industrial building to a multi-family residential building, this project cannot succeed without the NEZ abatement.

Resolution

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 allows the local legislative body to establish Neighborhood Enterprise Zones for the purpose of providing exemption from ad valorem property taxes, and the imposition of specific tax in lieu of ad valorem taxes; and

WHEREAS, The Detroit City Council has established a Neighborhood Enterprise Zone for the following area, in the manner required by and pursuant to Public Act 147 of 1992.

NOW, THEREFORE, BE IT RESOLVED, That the Detroit City Council approves the submission of the applications to the State Tax Commission, and, if applicable, the City Council concurs with the issuance of the certificates if the application was filed not more than 6 months after the date of the issuance of a building permit for the facility.

BE IT FINALLY RESOLVED, That the Detroit City Council approve the following for receipt of Neighborhood Enterprise Zone Certificates for a fifteen-year period:

<u>Zone</u>	<u>Address</u>	<u>Application No.</u>
New Amsterdam	450 Amsterdam (Units 101-132)	07-0839
New Amsterdam	450 Amsterdam (Units 201-230)	07-0856
New Amsterdam	450 Amsterdam (Units 301-330)	07-0857