

Janice M. Winfrey  
City Clerk

**City of Detroit**  
OFFICE OF THE CITY CLERK

Andre P. Gilbert II  
Deputy City Clerk

May 12, 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: Application for an Obsolete Property Rehabilitation District (OPRA) for the structure with an address of 1001 East Jefferson Avenue in Detroit (Wayne County), Michigan (the Property).

Please find attached an application for the petition of an Obsolete Property Rehabilitation District (OPRA) for the structure with an address of 1001 East Jefferson Avenue in Detroit (Wayne County), Michigan (the Property).

Respectfully submitted,



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

# GREATWATER

OPPORTUNITY CAPITAL

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May 12, 2022

Detroit City Council  
C/o City Clerk  
Coleman A. Young Municipal Building  
2 Woodward Ave, Room 200  
Detroit MI 48226

Dear Honorable Council Members:

This letter is submitted to petition the Honorable Body to consider approval of an Obsolete Property Rehabilitation District (OPRA) for the structure with an address of 1001 East Jefferson Avenue in Detroit (Wayne County), Michigan (the Property).

The property is located on the north side of East Jefferson between Chrysler Service Drive and Rivard Street in the Rivertown neighborhood. The mixed-use building present today was completed in 1910 as a luxury residential apartment building with 10 units. The parking garage on the northern section, the now parking lot, was razed in 1966. Overtime, the residential building has been modified into a six-story 61 unit building totaling approximately 47,000 square feet. The property is currently only partially occupied.

## **PROJECT DESCRIPTION**

The Palms Building presently has a faulty wiring knob and tube wiring system that is a fire hazard. In addition, the division of units over time, resulted in apartments units being built that block access to the emergency exits. The Palms Project plans to correct these dangerous conditions and make necessary upgrades to the residential building to provide current and future residents proper plumbing, necessary kitchen and bathroom upgrades, new windows and access to emergency exits representing an investment of approximately \$6 million. Along with this large investment, Property Ownership is partnering with the City of Detroit's Housing and Revitalization Department (HRD) to ensure that all residents are temporarily relocated and that low-income residents are offered the opportunity to return to the Palms Apartments at comparable rents.

Located in Downtown Detroit, this investment represents the redevelopment of an important historic structure. As the Owners, we are committed to seeing the transformation of this property.

## **PURPOSE OF THE OBSOLETE PROPERTY REHABILITATION DISTRICT**

This project will result in the renovation of a historic structure that needs major upgrades and repairs to ensure the safety for residents. The improvements required are extensive with the replacement of the faulty wiring system, providing access to the emergency exit, full window replacement and other significant deferred maintenance. In addition, all residents will be able to return to the building. Low-income tenants will be able to return to the building at rents comparable to currents. Without this OPRA, the property taxes would increase operating costs and make the project infeasible, especially as revenues are decreased with return of low-income residents paying significantly reduced rental rates. The OPRA tax incentive is necessary to reduce operating costs.

## **PROJECT ELIGIBILITY**

The property located at 1001 East Jefferson qualifies as functionally obsolete, according to the definition in Act 381 of 1996; “the property is unable to be used adequately to perform the function for which it was intended due to the substantial loss in value.” The loss in value has resulted in the following:

- Outdated floor plan that cannot support modern demands for residential units
- Current electrical wiring that is a fire hazard
- Potential asbestos and lead in some units (depending on year of modification if any)
- Significant deferred maintenance in both plumbing, electrical, and window improvements; and
- Additional cost of window maintenance in compliance with historic district.

## **Description of Rehabilitation**

The Palms Project intends to invest approximately \$6,000,000 into the rehabilitation of 1001 East Jefferson.

Improvements include:

- Upgraded plumbing and electrical systems
- New kitchens with appliances
- New bathrooms with updated tiles and fixtures
- Exterior façade repair including new windows and restoration of historic elements
- Reconfiguration of units to provide mandatory second emergency egress access for all residents
- Assessment and abatement of all asbestos and lead where required and necessary

## **TIMELINE AND OPRA REQUEST**

Renovation of the property is planned to commence in late Summer and early Fall 2022 and is expected to be completed in August 2023. The OPRA is being requested for 12 years.

## **BENEFITS TO THE COMMUNITY**

### **Maintaining Affordable Housing for Low-Income Residents in an Apartment Building Adjacent to Downtown**

The Palms Project has a relocation plan with the City of Detroit's Housing and Revitalization Department (HRD) to provide appropriate relocation assistance to all residents. Additional resources will be provided to low-income residents including a rent differential payment if housing cannot be found at their current rental rate. These costs are being paid for by the Project. A partnership has been formed with Central City Integrated Health (CCIH) to lead these efforts and to ensure every resident regardless of income level receives the proper attention to their needs throughout this process. At the end of this process, low-income residents will have the opportunity to return to the Palms Apartments in similar units at comparable rental rates as their current rate.

### **Counter Disinvestment & Promote Community Revitalization**

This abatement will allow for the successful renovation of the historic Palms Building, completion of necessary emergency repairs and upgrades, and affordable rents for low-income residents who have made the Palms Apartment home. Without this abatement, the project would not be without raising rents to market rate levels. The property taxes are current. No other assistance is being requested. Thank you for your time and consideration of this request. Should you require any additional information in order to proceed, please feel free to contact the development team: D'Marco Ansari 313.655.7372; [dansari@greatwater.us](mailto:dansari@greatwater.us)

Sincerely,



Sarah Pavelko

Attachment A: Site Map that includes the parcel(s) of property / Legal Description

Distribution: Veronica Farley, HRD  
Deonte Agee  
Jaleesa McIntosh

# GREATWATER

OPPORTUNITY CAPITAL

Attachment A: Site Map that includes the parcel(s) of property / Legal Description

## PROPOSED OPRAD BOUNDARIES 1001 East Jefferson



### Taxpayer Information:

The Palms Owner LLC  
2550 Telegraph Rd., STE 200, Bloomfield Hills, MI 48124

### Property Information:

Parcel ID: 05000077.

**LEGAL DESCRIPTION:** 1001 East Jefferson: N E JEFFERSON 4-5 REAR 11-10 PLAT OF PT OF P C 181 ANTOINE RIVARD L12 P348-51 CITY RECORDS, W C R 5/8 92 X 200.48

Year Built: 1910

Square Footage: 47,000 square feet plus 8,400 square foot parking lot

Taxable Value: \$354,766

Building Status: Occupied

Building Status: Built in 1910

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## Property Images







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

August 23, 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 – 81001 Jefferson LLC**

Address: 10001 E Jefferson

Parcel Number: 05000077.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **1001 E Jefferson** 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 **81001 Jefferson LLC** consists of one six-story historic apartment building known as The Palms, consisting of 44,814 square feet and built in 1910, with 61 units. The building will undergo major renovations including layout reconfiguration to ensure compliance with egress codes, plumbing and electrical systems replacement, new windows, new kitchens and bathrooms with new appliances, structural repairs, contamination abatement, and façade improvements.

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.





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COLEMAN A. YOUNG MUNICIPAL CENTER  
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Obsolete Property Rehabilitation District  
81001 Jefferson LLC  
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A review of the project and related statutes indicated that the proposed Obsolete Property Rehabilitation District located at **1001 E Jefferson** 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

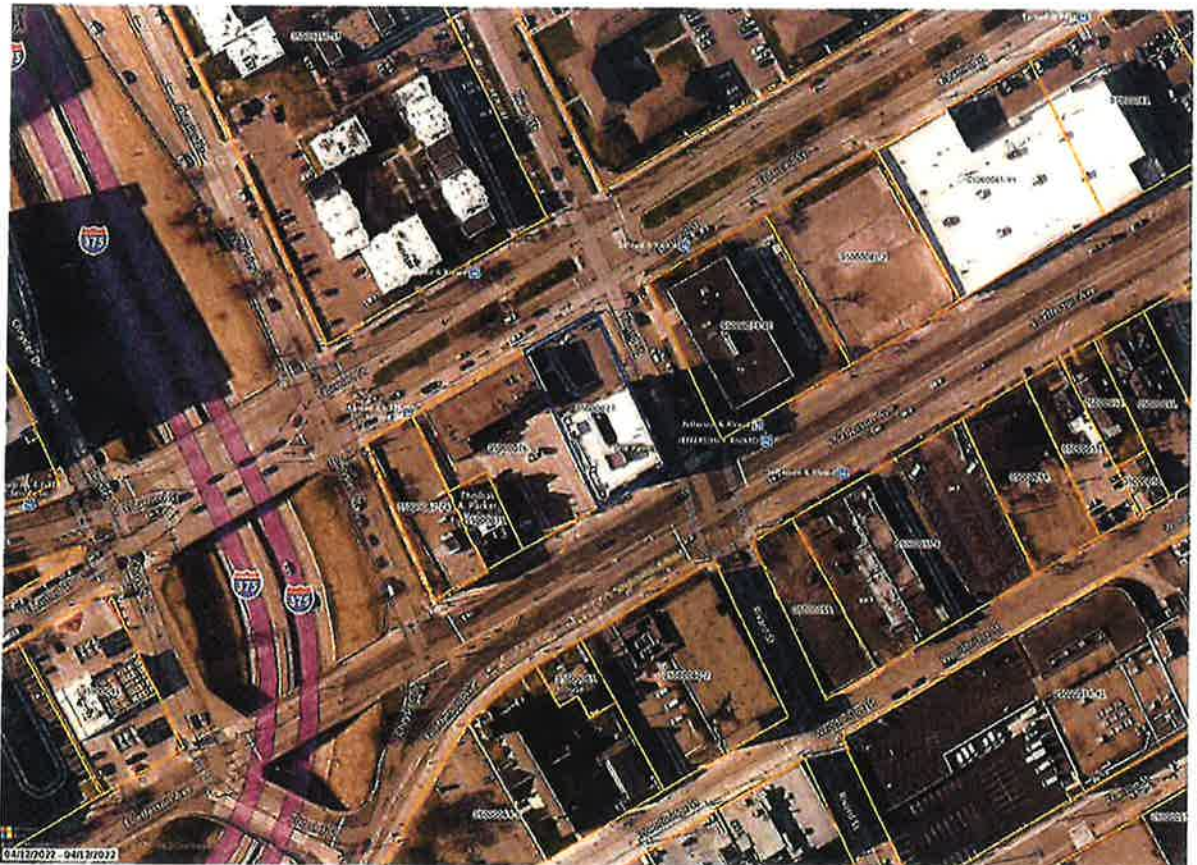


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Obsolete Property Rehabilitation District  
81001 Jefferson LLC  
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Property Address: 1001 E JEFFERSON  
Parcel Number: 05000077.  
Property Owner: 81001 JEFFERSON LLC  
Legal Description: N E JEFFERSON 4-5 REAR 11-10 PLAT OF PT OF P C 181 ANTOINE RIVARD L12 P348-51 CITY RECORDS, W C R 5/8 92 X 200.48





TO: Justus Cook, Housing and Revitalization  
FROM: Shelby Holmes, Planning and Development  
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 1001 East Jefferson Ave, Detroit MI 48207 (Associated to Petition # 2022-165)  
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

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 Greatwater Opportunity Capital LLC.

**Location and Project Proposal:** 1001 East Jefferson Ave Detroit, MI 48207. The proposed project will be a renovation of a historic mixed-use structure. The building is six-stories with 61 residential units totaling approximately 47,000 square feet.

**Current Master Plan (MP) & Zoning:** MP Classification – Mixed Residential-Commercial (MRC)  
Zoning – General Business District (B4)

#### **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 Lower East Central neighborhood describe the following recommendations:

- GOAL 3: Increase residential density
- Policy 3.1: Develop medium density residential northwest of Joseph Campau and Vernor, and along Mt. Elliott.

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