

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

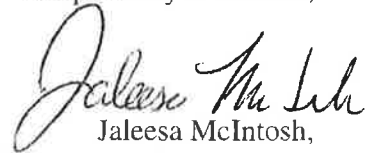
August 4, 2022

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

Re: Request for the Establishment of an Obsolete Property Rehabilitation District (OPRA) for the properties with addresses of 610 Blaine, 600 Pingree and 8631 Second Avenue in Detroit (Wayne County), Michigan (the Property).

Please find attached an application for a Request for the Establishment of an Obsolete Property Rehabilitation District (OPRA) for the properties with addresses of 610 Blaine, 600 Pingree and 8631 Second Avenue in Detroit (Wayne County), Michigan (the Property).

Respectfully submitted,



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

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Respectfully submitted,

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

GREATWATER

OPPORTUNITY CAPITAL

July 14, 2022

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

Honorable Council Members:

This letter is submitted to petition the Honorable Body to consider approval of an Obsolete Property Rehabilitation District (OPRA) for the properties with addresses of 610 Blaine, 600 Pingree and 8631 Second Avenue in Detroit (Wayne County), Michigan (the Property).

The properties are in the North End behind Henry Ford Hospital. The apartment buildings present today were completed in 1923 as luxury residential apartment buildings with a combined total of 175 units. The properties are not currently occupied.

PROJECT DESCRIPTION

610 Blaine, known as Lee Crest Apartments, has 102 units. 600 Pingree St., known as Chatham Apartments, has 73 units. The buildings are only one block away from each other and are the largest buildings in the heart of the North End neighborhood. The buildings were previously occupied and have significantly deferred maintenance. Construction to correct building conditions is intended to begin in the January 2023. With acquisition, elevator upgrades, new windows, new roofs and unit improvements, \$12.1 million will be invested at Lee Crest and \$8.9million at Chatham. 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 new elevators, full window replacement, new roofs and unit improvements with polished concrete flooring, refreshed bathrooms, and new kitchens. In addition, the historic character of the first floor lobbies will be restored and receive new windows which will enhance how the building looks from the street. Lee Crest will have small neighborhood retail spaces on the first floor. The deferred maintenance from the prior owners requires extensive renovations that are costly. Without this OPRA, the property taxes would increase operating costs and not leave sufficient cash flow to cover the debt payments making the project infeasible. The OPRA tax

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incentive is necessary to reduce operating costs to support the debt that will cover the cost of improvements.

PROJECT ELIGIBILITY

Per MCL 146 of 2000 Section 3 (2), a property owner comprising at least 50% of the taxable value of the property located within a proposed OPRA district may apply for the District. Chatham entity owns 54% of the taxable value in this district as illustrated in the chart below.

Property	Address	Parcel ID	Taxable Value	% of Total
Lee Crest	610 Blaine	04002218-9	\$ 163,852	44.42%
Chatham	600 Pingree	04002148	\$ 201,877	54.73%
Vacant Lot	8631 2nd	04002149-50	\$ 3,142	0.85%
Total			\$ 368,871	100.0%

The properties included in the district are located at 610 Blaine, 600 Pingree, and 8631 Second Ave. The buildings at 610 Blaine and 600 Pingree qualify 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 is a result of the following:

- Elevators that cannot safely be operated;
- Extensive exterior façade renovations;
- Leaking and damaged roofs;
- Potential asbestos and lead in some units ; and
- Significant deferred maintenance in both plumbing, electrical, and window improvements.

Description of Rehabilitation

The Lee Crest and Chatham Project intends to invest approximately \$21 million into the rehabilitation of 810 Blaine, 600 Pingree and 8631 Second Ave Improvements include:

- New kitchens with appliances
- Improved bathrooms
- New roof and exterior façade repair including new windows and restoration of historic elements
- New elevators
- 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 January 2023 and is expected to be completed in April 2023. The OPRA is being requested for 12 years.

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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: Kizzmet Littleton, Development Analyst, klittleton@greatwater.us

Sincerely,

Kizzmet Littleton

Kizzmet Littleton

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

Distribution: Veronica Farley, HRD
Justus Cook, HRD
Deonte Agee, City Clerk

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

PROPOSED OPRA BOUNDARIES 610 Blaine, 600 Pingree, 8631 2nd Ave



610 Blaine

Taxpayer Information:

88711 2nd LLC Owner of 610 Blaine

Owner Address: 6001 Cass Avenue, Detroit, MI 48202

Legal Description: 610 Blaine: N BLAINE 17 THRU 15 W 20 FT 14 MC LAUGHLIN BROTHERS SUB L14 P21 PLATS, W C R 4/85 170 X 117.5

Parcel ID: 04002218-9

Year Built: 1926

Square Footage: 85,546

Taxable Value: \$163,852

Building Status: Vacant

8631 Second

8600 Pingree LLC Owner of 8631 Second

Owner Address: 6001 Cass Avenue, Detroit, MI 48202

Legal Description: S BLAINE W 20 FT 118 119-120 MC LAUGHLIN BROTHERS SUB L14 P21 PLATS, W C R 4/85 120 X 127.5

Parcel ID: 04002149-50

Square Footage: 15,317

Taxable Value: \$6,000

Building Status: Commercial- Vacant lot

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600 Pingree

8600 Pingree LLC Owner of 600 Pingree

Parcel ID: 04002148

Legal Description: N PINGREE 31&29 AND PRIVATE ALLEY ADJ ANDERSON & MCKAYS SUB L13
P91 PLATS, W C R 4/84 120 X 127

Year Built: 1923

Square Footage: 70,442 square feet

Taxable Value: \$201,877

Building Status: Vacant



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 4, 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 – 8600 Pingree LLC**

Addresses: 610 Blaine/600 Pingree/8631 Second
Parcel Number: 04002218-9/04002148/04002149-50

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **610 Blaine/600 Pingree/8631 Second** located in **Piety Hill** 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 **8600 Pingree LLC** consists of two apartment buildings: Lee Crest Apartments (610 Blaine) consisting of 102 apartment units, built in 1926 with 82,748 sq.ft. and Chatham Apartments (600 Pingree), consisting of 73 units, built in 1923 with 70,442 sq.ft. . The proposed project consists of rehabilitating the existing structures and will undergo major renovations including window replacement, roof replacement, all major mechanical, plumbing and electrical systems replacement and/or repairs, unit updates, elevator replacement, and environmental remediation.

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.



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
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Obsolete Property Rehabilitation District
8600 Pingree LLC
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A review of project details and relevant statutes indicated that the proposed Obsolete Property Rehabilitation District located at **610 Blaine/600 Pingree/8631 Second** 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



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
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Obsolete Property Rehabilitation District
8600 Pingree LLC
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Property Address: 610 BLAINE
Parcel Number: 04002218-9
Property Owner: 88711 2ND LLC
Legal Description: N BLAINE 17 THRU 15 W 20 FT 14 MC LAUGHLIN BROTHERS SUB L14 P21 PLATS, W C R 4/85 170 X 117.5

Property Address: 600 PINGREE
Parcel Number: 04002148.
Property Owner: 8600 PINGREE LLC
Legal Description: N PINGREE 31&29 AND PRIVATE ALLEY ADJ ANDERSON & MCKAYS SUB L13 P91 PLATS, W C R 4/84 120 X 127

Property Address: 8631 SECOND
Parcel Number: 04002149-50
Property Owner: 8600 PINGREE LLC
Legal Description: S BLAINE W 20 FT 118 119-120 MC LAUGHLIN BROTHERS SUB L14 P21 PLATS, W C R 4/85 120 X 127.5



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
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Obsolete Property Rehabilitation District
8600 Pingree LLC
Page 4





TO: Justus Cook, Housing and Revitalization
FROM: Shelby Holmes, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 610 Blaine, 600 Pingree, 8631 Second Ave Detroit, MI 48202 (Associated to Petition # 2022-255)
DATE: August 8, 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: 610 Blaine, 600 Pingree, 8631 Second Ave Detroit, MI 48202. The proposed project will result in the renovation of the Historic Lee Crest Apartments and Chatham apartments. The Lee Crest Apartments has 102 units, and the Chatham Apartment has 73 units that will be renovated. The Lee Crest Apartments will have small neighborhood retail on the first floor.

Current Master Plan (MP) & Zoning: MP Classification – Low/Medium Density Residential (RLM)
Zoning – General Business District (B4), Medium Density Residential District (R5)

Master Plan Interpretation

The subject site area is designated Low/Medium Density Residential (RLM). Low/Medium Density Residential areas should have an overall density of 8 to 16 dwelling units per net residential acre. The areas are often characterized by two or four family homes with small yards, on-street parking, or garages with alley access. The residential classifications allow for neighborhood-scale commercial development. For instance, in a Low/Medium Density Residential area, small scale commerce (e.g. convenience stores) should exist to serve residents' day-to-day needs.

The following policies of the Middle Woodward neighborhood describe the following recommendations:

- GOAL 3: Increase residential density
- Policy 3.1: Develop East and West Grand Boulevard, and Woodward as a high-density mixed-use area, with housing and ground-floor commercial.

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