

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk


July 20, 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 a Commercial Rehabilitation Certificate
Located at 1489 Winder Street, Detroit, Wayne County, Michigan for Butchers
Real Estate, LLC

Please find attached an application for a Request for the Establishment of a
Commercial Rehabilitation Certificate Located at 1489 Winder Street, Detroit,
Wayne County, Michigan for Butchers Real Estate, LLC

Respectfully submitted,


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

Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

LOCAL GOVERNMENT UNIT USE ONLY	
Application No.	Date Received
STATE USE ONLY	
Application No.	Date Received

Read the instructions page before completing the form. **This application should be filed after the commercial rehabilitation district is established.** The applicant must complete Parts 1, 2 and 3 and file the application form (with required attachments) with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) Butchers Real Estate, LLC		NAICS or SIC Code 53120	
Facility's Street Address 1489 Winder Street	City Detroit	State MI	ZIP Code 48207
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility Is Located Detroit	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 01/31/2023		
Date of Rehabilitation Commencement (mm/dd/yyyy) 07/01/2022	Number of Years Exemption Requested (1-10) 10		
Estimated Cost of Rehabilitation \$1,763,920			
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity	<input type="checkbox"/> Retain Employment	<input checked="" type="checkbox"/> Revitalize Urban Areas	
<input checked="" type="checkbox"/> Create Employment	<input type="checkbox"/> Prevent Loss of Employment	<input type="checkbox"/> Increase Number of Residents in Facility's Community	
No. of jobs to be created due to facility's rehabilitation 8	No. of jobs to be retained due to facility's rehabilitation 0	No. of construction jobs to be created during rehabilitation 16	

PART 2: APPLICATION DOCUMENTS	
Prepare and attach the following items:	
<input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage)	<input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption
<input checked="" type="checkbox"/> Description of the qualified facility's proposed use	<input checked="" type="checkbox"/> Legal description
<input checked="" type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken	<input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only)
<input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility	<input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only)
<input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation	

PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) Charles K. Nolan		Telephone Number (313) 333-3033	
Fax Number N/A		E-mail Address cknolan@aol.com	
Street Address 2638 Orleans	City Detroit	State MI	ZIP Code 48174

I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.

I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.

Signature of Authorized Company Officer (no authorized agents) 	Title Member / President	Date 6/8/2022
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June 8, 2022

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340,
Detroit, MI 48226

RE: Request for the Establishment of a Commercial Rehabilitation Certificate Located at 1489 Winder Street, Detroit, Wayne County, Michigan for Butchers Real Estate, LLC

Honorable City Council:

Please accept this letter as a request to establish a Commercial Rehabilitation Certificate (CRC) under Public Act 210, as amended for the property located at 1489 Winder Street, Detroit, Wayne County, Michigan (the "Property"), further described in Attachment A.

Company and Project Synopsis

Butchers Real Estate, LLC (the "Developer") is led by Charles Nolen; an entrepreneur and owner of Detroit staples: Hygrade Deli and Cutters Bar and Grill. Mr. Nolen is also the President of the Michigan Black Bar Owners association and chair of the Metro-Detroit Black Business Alliance. With a background in the auto industry, when he felt the economic decline in the sector, Mr. Nolen transitioned to pursue his dream of becoming an entrepreneur. Mr. Nolen purchased Cutters over a decade ago and today, the successful restaurant draws celebrity foodies from across the Nation. Mr. Nolan has undertaken previous and current existing building rehabilitation in both Detroit and Inkster.

The proposed project is for a single parcel totaling approximately 0.03 acres at 1489 Winder Street and is bounded by the property line to the north and west, Riopelle Street to the east, and Winder Street to the south. The property is located in the Eastern Market Neighborhood of Detroit with a bus stop and the Dequindre Cut Greenway located a short three and four minute walk away, respectively. The property is occupied by a dilapidated two-story commercial building totaling approximately 2,600 square feet including the basement level. The building is currently vacant and has been for approximately 4 years.

The project entails the rehabilitation of the current building into a cigar bar and lounge featuring luxurious and timeless finishes. As part of the rehabilitation, the building will receive new utilities including electrical and plumbing, new energy efficient heating, cooling and ventilation systems, new energy efficient windows and doors, repairs to the building structure as needed. The structure will also be brought up to code per ADA and Fire requirements.

Acquisition Timeline

The Property was acquired by Butchers Real Estate, LLC in approximately 2012.

Necessity for Tax Relief

Substantial investment is necessary to rehabilitate the existing building into a viable, long-term development. The rehabilitation project would not be possible without the receipt of a Commercial Rehabilitation Tax Abatement.

In order to secure financing and future tenants for the development, the operating costs of the proposed project must be kept as low as possible (including property taxes).

Job Creation and Investment

On a short-term basis, approximately 16 temporary construction jobs will be created during the rehabilitation activities. On a long-term basis, the proposed redevelopment associated with the project will create an approximately 8 Full Time Equivalent (FTE) jobs. Butchers Real Estate, LLC is experienced in employing Detroit residents and contractors on their projects and will utilize the Skilled Trades Task Force, as able, and Detroit at Work to ensure Detroit-based contractors and workers benefit from the redevelopment. Total hard cost investment is estimated to be \$800,000 and total project investment is estimated to be \$1.76 million.

PA 210 Request

This application documents the request for the establishment of a Commercial Rehabilitation Certificate. A 10-year abatement is being requested.

The proposed project is considered a "Qualified Facility" as defined by Public Act 210, as amended because it is a building or group of contiguous buildings of commercial property that is 15 years old or older and vacant property which, within the immediately preceding 15 years, was commercial property as defined in Section 2, subdivision (a).

Economic Advantages of the Rehabilitation

The granting of the Certificate will not result in any fewer taxes to the City in the short-term or long-term. In the short-term during construction and upon successful redevelopment, the project will generate increased income taxes and foot traffic, aid in the retention of skilled, local talent, and fill a need for high-end leisure spaces. The proposed redevelopment will encourage continued redevelopment and improvements in the surrounding area.

On a long-term basis, following expiration of the 10-year abatement the building will deliver a significant increase in tax revenue.

All taxes associated with the property are current as of the submission of this request.

***Request for Establishment of a Commercial Rehabilitation Certificate at
1489 Winder Street, Detroit, Wayne County, Michigan
for Butchers Real Estate, LLC***

Closing

Butchers Real Estate, LLC values the history and spirit that makes up Detroit. Mr. Nolen is dedicated to reviving the City through his ongoing restaurant operations and by redeveloping 1489 Winder Street. Mr. Nolan is looking forward to pursuing this redevelopment and continuing investing in Detroit.

Respectfully submitted,

Chuck Nolen
Butchers Real Estate, LLC
cknolen@aol.com
(313) 333-3033

Submitted with Assistance from:
Elizabeth Masserang
PM Environmental, Inc.
masserang@pmenv.com
(248) 414-1441

Attachments:

Attachment A: Detailed Project Description
Attachment B: Parcel Map
Attachment C: Paid Receipt of Current Taxes
Attachment D: Support Letters

cc: C. Frazier, DEGC

Attachment A: Detailed Project Description

General Description

The proposed Commercial Rehabilitation Certificate (CRC) project is bounded by the property line to the north and west, Riopelle Street Name to the east, and Winder Street to the south. The Property consists of one (1) parcel, totaling approximately 0.03 acres. Currently the parcel is developed with a two-story commercial building totaling approximately 2,600 square feet including the basement level. Historically, the property was utilized as a pub and small hotel for farmers traveling to the Detroit market when constructed in the 1870s. The building was then utilized as a brothel in the early 1900s. The building was later known as “Butchers Inn” and “Butchers”, operating as a restaurant from at least 2001 until 2006. The building has been vacant for approximately four years and is in disrepair. The building is in poor condition, due to the lack of maintenance, and lacks modern electrical, mechanical, plumbing, HVAC, and plumbing systems.



The Property is located in the Eastern Market Neighborhood which became an important hub for the wholesale food industry after World War II. The six-block public market is the largest historic public market district in the United States. The Neighborhood's development is supported by the Eastern Market Neighborhood Framework & Stormwater Management Network Plan. Goals from this planning document include 1) keeping the authenticity and function of Eastern Market, 2) increase jobs for Detroiters, and 3) improving the quality of life for residents. These goals will be met following the redevelopment of 1489 Winder as a successful cigar bar dedicated to hiring from the local labor pool.



Description of Proposed Use

The proposed redevelopment will gut, renovate, and modernize the existing structure while maintaining a timeless aesthetic.

Spurring off additional redevelopment successes in Eastern Market, this renovation will create a placemaking opportunity in an important Detroit Neighborhood just north of Downtown. The property will include new energy efficient windows and the interior floor plans will be re-arranged to create an elegant bar and lounge. Redevelopment will also increase foot traffic.

Nature and Extent of the Rehabilitation

The building has sustained significant deferred maintenance and has a lack in functional use currently. Redevelopment will require extensive repairs, major renovations, and improvements.

Selective demolition of the interior layout will occur along with electrical, plumbing, and mechanical/HVAC upgrades and replacement to improve the current conditions and meet modern demands while providing increased efficiency. A complete overhaul and re-installation is anticipated for the restrooms to become ADA compliant. Replacement of the windows to a modern energy efficient system will also take place.

Butchers Real Estate, LLC intends to apply for a 10-year real property tax abatement under the provisions of a PA 210 Commercial Rehabilitation tax abatement. The remaining sources of funds for the project are through Owner Equity and Permanent Financing. Hard cost investment is estimated to be \$800,000 and total investment is estimated to be \$1.76 million, including land.

Descriptive List of the Fixed Building Equipment

Renovations, new fixed building equipment and materials for the project include;

- Masonry; restoration activities associated with the existing building
- Carpentry; including framing, kitchen cabinetry, vanities, trim work
- Thermal and Moisture Protection; roofing system, caulking and sealing, waterproofing
- Doors and Windows; curtain wall and exterior doors, interior doors/frames/hardware
- Mechanical; plumbing and HVAC
- Electrical; electrical work, security system, and communications
- Fire alarm/suppression system
- Finishes; drywall and steel studs/insulation, hard tile, hardwood/LVT flooring, painting
- Tenant Build Out

Time Schedule

Renovation activities are anticipated to commence in the spring/summer of 2022. Construction is anticipated to last 4 to 6 months.

Statement of Economic Advantages

The proposed development will bring much needed occupied commercial space to Eastern Market.

The granting of the tax abatement will not result in any fewer taxes to the City in the short-term or long-term. All Detroit taxes are current as of the date of this submittal. Upon successful redevelopment, the project will generate increased property and income taxes.

On a short-term basis approximately 16 construction jobs will be created. On a long-term basis, the proposed development will create approximately 8 FTE jobs directly by the developer. While remaining compliant with policies and laws, Detroit-based hiring will be encouraged, both permanent and temporary. During the construction phase, the contractors have been advised by the development team that priority must be to hire residents of the City of Detroit. The developer will also utilize the Skilled Trades Taskforce as available to and Detroit at Work.

The increase in permanent jobs will increase Detroit collected income tax at a 1.2% rate for non-residents and 2.4% rate for residents. The table below estimates the income tax benefits from the project, based on the median household income within the project's census tract and estimated average wage of the FTE jobs created.

Additionally, other indirect benefits such as spin off spending in the City that will contribute to the economic benefits produced by this investment. The development will further help meet the demand for niche leisure spaces. The proposed development will bring needed investment into an area characterized by vacant buildings and disinvestment. The development will increase density. Activation of this property will spur further growth and act as a catalyst for future redevelopment of numerous vacant and blighted properties along the Gratiot corridor and the surrounding neighborhoods.

Following expiration of the 10-year abatement the building will deliver a significant increase in tax revenue. Over time, the successful redevelopment and cultural growth will have a catalyst effect within this neighborhood.

Legal Descriptions

Parcel Number: 07000823.002

Address: 1489 Winder Street, Detroit, Michigan

Acres: 0.03

Legal Description: N WINDER THAT PT OF 18 PLAT OF PT RIOPELLE FARM L45 P101 DEEDS, W.C.R. DESC AS BEG AT A PT ON S E COR OF SD LOT 18, TH W'LY ALG N'LY LINE OF WINDER AVE, 50 FT WD, 25.13 FT; THE N'LY 52.48 FT; TH E'LY 25.08 FT; TH S'LY 52.55 FT TO P O B 7/74 25.13 IRREG

Attachment B: Parcel Map

1489 Winder Street



May 2, 2022

-  Condominiums
-  Parcel Boundaries

1:1,128



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, Geobase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

Attachment C: Paid Receipt of Current Taxes

1489 WINDER 48207 (Property Address)

Parcel Number: 07000823.002



Item 1 of 5 4 Images / 1 Sketch

Property Owner: BUTCHERS REAL ESTATE, LLC

Summary Information

- > Commercial/Industrial Building Summary
 - Yr Built: 1929
 - Total Sq Ft: 2,600
 - # of Buildings: 2
- > Assessed Value: \$66,100 | Taxable Value: \$55,988
- > Property Tax information found

Owner and Taxpayer Information

Amount Due
Current Taxes: **\$0.00**

Owner BUTCHERS REAL ESTATE, Taxpayer SEE OWNER INFORMATION
 LLC
 1489 WINDER
 DETROIT, MI 48207

Legal Description

N WINDER THAT PT OF 18 PLAT OF PT RIOPELLE FARM L45 P101 DEEDS, W.C.R. DESC AS BEG AT A PT ON S E COR OF SD LOT 18, TH W'LY ALG N'LY LINE OF WINDER AVE, 50 FT WD, 25.13 FT; TH N'LY 52.48 FT; TH E'LY 25.08 FT; TH S'LY 52.55 FT TO P O B 7/74 25.13 IRREG

Other Information

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property.

Enter a Payment Date

Tax History

****Note:** On March 1 at 12:00 AM, Summer and Winter local taxes become ineligible for payment at the local unit.

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2021	Winter	\$535.75	\$0.00		\$535.75 ** Read Note(s) Above
General Information for 2021 Winter Taxes					
School District	82010	PRE/MBT	0.0000%		
Taxable Value	\$54,200	S.E.V.	\$54,200		
Property Class	201 - 201-COMME	Assessed Value	\$54,200		
Tax Bill Number	016828	Last Receipt Number	No Data to Display		
Last Payment Date	No Data to Display	Number of Payments	0		
Base Tax	\$507.83	Base Paid	\$0.00		
Admin Fees	\$5.07	Admin Fees Paid	\$0.00		
Interest Fees	\$22.85	Interest Fees Paid	\$0.00		
Total Tax & Fees	\$535.75	Total Paid	\$0.00		
Renaissance Zone	Not Available	Mortgage Code	Not Available		
Tax Bill Breakdown for 2021 Winter					
Taxing Authority		Millage Rate	Amount	Amount Paid	

Taxing Authority	Millage Rate	Amount	Amount Paid
WAYNE COUNTY	0.987300	\$53.51	\$0.00
W C JAILS	0.935800	\$50.72	\$0.00
W C PARKS	0.245300	\$13.29	\$0.00
W C HCMA	0.208900	\$11.32	\$0.00
W C RESA	0.096200	\$5.21	\$0.00
W C RESA SP ED	3.359600	\$182.09	\$0.00
W C COMM COLLEGE	3.237800	\$175.48	\$0.00
W C ZOO	0.099700	\$5.40	\$0.00
W C DIA	0.199500	\$10.81	\$0.00
Admin Fees		\$5.07	\$0.00
Interest Fees		\$22.85	\$0.00
	9.370100	\$535.75	\$0.00

[Click here for a printer friendly version of Winter 2021 Tax information](#)

2021 Summer \$4,832.29 \$0.00 **\$4,832.29** **** Read Note(s) Above**

Installment Information for 2021 Summer

	Amount
First Payment	\$2,159.51
Second Payment	\$2,159.51

General Information for 2021 Summer Taxes

School District	82010	PRE/MBT	0.0000%
Taxable Value	\$54,200	S.E.V.	\$54,200
Property Class	201 - 201-COMME	Assessed Value	\$54,200
Tax Bill Number	019380	Last Receipt Number	No Data to Display
Last Payment Date	No Data to Display	Number of Payments	0
Base Tax	\$4,277.25	Base Paid	\$0.00
Admin Fees	\$41.77	Admin Fees Paid	\$0.00
Interest Fees	\$513.27	Interest Fees Paid	\$0.00
Total Tax & Fees	\$4,832.29	Total Paid	\$0.00
Renaissance Zone	Not Available	Mortgage Code	Not Available

Tax Bill Breakdown for 2021 Summer

Taxing Authority	Millage Rate	Amount	Amount Paid
STATE EDUCATION	6.000000	\$325.20	\$0.00
GENERAL CITY	19.952000	\$1,081.39	\$0.00
DEBT SERVICE	9.000000	\$487.80	\$0.00
LIBRARY	4.630700	\$250.98	\$0.00
SCHOOL DEBT	13.000000	\$704.60	\$0.00
SCHOOL OPERATING	16.857900	\$913.69	\$0.00
W COUNTY TAX	5.634700	\$305.40	\$0.00
WC RESA ENH	1.996200	\$108.19	\$0.00
INSPECTION FEE	0.000000	\$100.00	\$0.00
Admin Fees		\$41.77	\$0.00
Interest Fees		\$513.27	\$0.00
	77.071500	\$4,832.29	\$0.00

[Click here for a printer friendly version of Summer 2021 Tax information](#)

2020	Winter	\$532.87	\$0.00	\$532.87	** Read Note(s) Above
2020	Summer	\$4,867.94	\$0.00	\$4,867.94	** Read Note(s) Above

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Attachment D: Support Letters

SAAD Wholesale Meats LLC

April 22, 2022

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, Michigan 48226

Dear City Council Members:

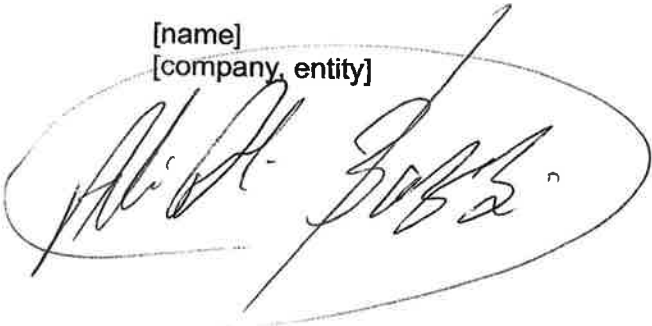
We would like to express support of Butchers Real Estate, LLC, proposed rehabilitation of 1489 Winder Street located here in Eastern Market. The redevelopment will support small local business and entrepreneurship in the neighborhood and contribute to increasing foot traffic and spending in the immediately surrounding area.

As a result of the project, the entire City will benefit as the local economy and quality of life improves with new businesses and a healthier environment.

SAAD Wholesale appreciates the Council's efforts to assist in the redevelopment and reuse of brownfield and obsolete properties and looks forward to the continuation Detroit's economic growth.

Sincerely,

[name]
[company, entity]

A handwritten signature in cursive script, appearing to read "Ali H. Jones", is enclosed within a hand-drawn oval. The signature is written in dark ink on a white background.

April 22, 2022

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, Michigan 48226

Dear City Council Members:

We would like to express support of Butchers Real Estate, LLC, proposed rehabilitation of 1489 Winder Street located here in Eastern Market. The redevelopment will support small local business and entrepreneurship in the neighborhood and contribute to increasing foot traffic and spending in the immediately surrounding area.

As a result of the project, the entire City will benefit as the local economy and quality of life improves with new businesses and a healthier environment.

Detroit Wholesale appreciates the Council's efforts to assist in the redevelopment and reuse of brownfield and obsolete properties and looks forward to the continuation Detroit's economic growth.

Sincerely,



[name]

[company, entity]

Detroit Wholesale Produce

Kap's Retail, LLC.

April 22, 2022

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 1340
Detroit, Michigan 48226

Dear City Council Members:

We would like to express support of Butchers Real Estate, LLC, proposed rehabilitation of 1489 Winder Street located here in Eastern Market. The redevelopment will support small local business and entrepreneurship in the neighborhood and contribute to increasing foot traffic and spending in the immediately surrounding area.

As a result of the project, the entire City will benefit as the local economy and quality of life improves with new businesses and a healthier environment.

Kap's Retail, LLC appreciates the Council's efforts to assist in the redevelopment and reuse of brownfield and obsolete properties and looks forward to the continuation Detroit's economic growth.

Sincerely,



[name]

[company, entity]



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

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

RE: Commercial Rehabilitation Certificate – **Butchers Real Estate LLC**
 Property Address: **1489 Winder**
 Parcel Number: 07000823.002

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the Commercial Rehabilitation certificate application for the properties located at **1489 Winder** in the **Eastern Market** area in the City of Detroit.

The rationale for issuing Commercial Rehabilitation certificates under PA 210 of 2005, 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 property consists of a vacant 2-story former retail structure, built in 1929 with 2,600 sq.ft . The developer plans to convert the property into a cigar bar and lounge, requiring the rehabilitation and replacement of HVAC, plumbing, and electrical systems, window and door replacement, and structural repairs. The development is expected to increase commercial activity in the area, prevent loss of employment, revitalize the urban area and increase the number of residents in the city.

The 2022 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
07000823.002	1489 Winder	\$ 58,200	\$ 49,297	\$ 7,900	\$ 6,691

This property meets the criteria set forth under PA 210 of 2005, as amended. It applies to a building or a group of contiguous buildings, a portion of a building or group of contiguous buildings previously used for commercial or industrial purposes, obsolete industrial property, and vacant property which, within the immediately preceding 15 years, was operating as a commercial business enterprise.

A review of the general plans, along with the criteria set forth under the Commercial Rehabilitation Act, indicated that the proposed project located at **1489 Winder** is eligible as it pertains to the Commercial Rehabilitation certificate criteria under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO
 Assessor



Commercial Rehabilitation Certificate
Butchers Real Estate
Page 2

Property Owner: BUTCHERS REAL ESTATE LLC
Property Address: 1489 WINDER
Parcel Number: 07000823.002

Legal Description: N WINDER THAT PT OF 18 PLAT OF PT RIOPELLE FARM L45 P101 DEEDS, W.C.R. DESC AS BEG AT A PT ON S E COR OF SD LOT 18, TH W'LY ALG N'LY LINE OF WINDER AVE, 50 FT WD, 25.13 FT; THE N'LY 52.48 FT; TH E'LY 25.08 FT; TH S'LY 52.55 FT TO P O B 7/74 25.13 IRREG





TO: Justus Cook, Housing and Revitalization
FROM: Shelby Holmes, Planning and Development
RE: Master Plan Interpretation for **Commercial Rehabilitation District** (PA 210) for a 1489 Winder St Detroit, MI 48207 (Associated to Petition # 2022-244)
DATE: August 9, 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 issuance and transfer of a certificate for a Commercial Rehabilitation District is consistent 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 210 of 2005 (section 207.853), the Planning and Development Department's Planning Division submits the following interpretation. The Petitioner is Butchers Real Estate, LLC.

Location and Project Proposal: 1489 Winder St. Detroit, MI 48207. The proposed project is a rehabilitation of vacant commercial two-story, approximately 2,600 square foot building into a cigar bar and lounge.

Current Master Plan (MP) & Zoning: MP Classification – Distribution / Port Industrial (IDP).
Zoning – General Services District (B6)
This project is located in a local historic district

Master Plan Interpretation

The subject site area is designated Distribution / Port Industrial (IDP). Distribution / Port Industrial areas should generally consist of areas for uses concerned with the handling, storage, and movement of goods and materials. Goods distribution areas require access to freeways, rails, water (i.e. wharves, docks and piers) on major thoroughfares. Typical uses are transportation terminals, wholesale and warehouse facilities, maintenance and service use, goods packing, and processing use, and supporting office and service use.

The following policies of the Middle East Central neighborhood describe the following recommendations:

- GOAL 4: Increase the vitality of neighborhood commercial areas
- Policy 4.1: In conjunction with residential redevelopment, develop neighborhood commercial nodes along Chene, with a compatible mix of locally serving, small-scale businesses and medium density residential uses.

The proposed development does not conform to the Future General Land Use characteristics of the area, but the proposed use does not significantly change the character of the area. A zoning update/Master Plan Amendment is anticipated in September 2022 for this area.

**COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE
AGREEMENT**

THIS COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this "Agreement") is made this 9th day of September, 2022 by and between the City of Detroit, a Michigan municipal corporation ("City"), acting by and through its Planning & Development Department, with an office at 2 Woodward Avenue, Suite 808, Detroit, Michigan 48226 and Butchers Real Estate, LLC ("Applicant") with an office at 1489 Winder Street Detroit, MI 48707.

WITNESSETH:

WHEREAS, Public Act 210 of 2005 as amended, also known as the Commercial Rehabilitation Act ("Act"), (1) provides for the establishment of commercial rehabilitation districts by local governmental units, (2) provides for the abatement or exemption from certain taxes for qualified facility owners, and (3) allows local governmental units to levy and collect a specific tax from the owners of certain qualified facilities, among other provisions; and

WHEREAS, the Applicant has submitted an Application for Commercial Rehabilitation Exemption Certificate ("Application") for the property located at: 1489 Winder Street Detroit, MI 48707 ("Property"). A copy of the Application is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City has previously approved a commercial rehabilitation district pursuant to the Act and the Property is located in such district; and

WHEREAS, the Applicant has committed to complete a Rehabilitation of the Property, as defined in the Act, and to hire or retain a certain amount of full-time employees at the Property during the Term (as defined below); and

WHEREAS, the City has approved the Application by adopting a resolution granting the Commercial Rehabilitation Exemption Certificate ("CREC"), contingent upon the covenants and representations contained herein and pending approval by the Michigan State Tax Commission. A copy of the City resolution granting the CREC is attached hereto as Exhibit B and made a part hereof; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. General.

a. Unless earlier revoked as provided for in Section 12 of the Act, being MCL 207.852, or as provided for in this Agreement, the CREC term and the term of this Agreement (collectively, the "Term") will be for a period of Ten (10) years, beginning on the certificate beginning date stated in the CREC issued by the Michigan State Tax Commission.

b. The Applicant will complete the Rehabilitation of the Property (the "Project"), as defined in the Act and as set forth in the Application, no later than January 31, 2023.

c. The Applicant shall create, or cause to be created, at least Eight (8) (the "Employee Commitment Number") full-time employees at the Property within one (1) year of the effective date of this Agreement.

d. The Applicant will recruit and hire City of Detroit residents in accordance with specified targets as set forth in the City of Detroit Resident Employment Plan ("Employment Plan") submitted by the Applicant to the City as part of the Application and approved by the City of Detroit Civil Rights, Inclusion and Opportunity Department ("CRIO"). Throughout the Term, the Employment Plan may not be modified without CRIO's prior written approval, which approval may be granted or withheld in CRIO's sole discretion. CRIO will monitor the Applicant's compliance with the Employment Plan on an annual basis throughout the Term. Upon notice from CRIO of a discrepancy between the Applicant's commitment in the Employment Plan and the actual number of City of Detroit residents employed at the Property, Applicant shall submit a correction plan setting forth the Applicant's plan to bring the number of City of Detroit residents employed at the Property back up to the specified targets as set forth in the Employment Plan. Applicant's correction plan must be approved by CRIO. Applicant shall be required to fulfill the terms of such correction plan in the timeline set forth in the correction plan.

e. For purposes of this Agreement, a "full-time employee" is defined as a person: (i) who is employed by the Applicant or its affiliates on a salary, wage, commission, or other basis, for a minimum period of forty (40) hours a week and (ii) from whose compensation the Applicant or its affiliates, including a staffing agency, are required by law to withhold City of Detroit income taxes. Affiliates may include Applicant's tenant(s) that lease space at the Property.

2. Applicant Representations and Warranties.

In compliance with the Act and in order to induce the City to grant a CREC to the Applicant, the Applicant represents and warrants that:

a. The Applicant was the owner of the Property at the time of Applicant's submission of the Application and is the owner of the Property as of the date of this Agreement.

b. The Property is a "Qualified Facility" as defined under the Act.

c. During the Term, no portion of the Property will be used as a professional sports stadium.

d. During the Term, no portion of the Property will be used, owned or operated by a casino or affiliated company as defined in the Act.

e. Applicant would not have considered undertaking the Project without a CREC.

- f. The Project did not start earlier than six (6) months before the Applicant filed the Application.
- g. There are no delinquent taxes owed on the Property.
- h. The Applicant will pay any applicable taxes on the Property as they become due.
- i. The Project and the Applicant's current and planned future operation of the Property are in compliance with the City of Detroit Zoning Ordinance and Master Plan.
- j. If the Project will include the provision of housing at the Property, the Applicant agrees: (i) to comply with Fair Housing Practices that meet the guidelines set forth by the U.S. Fair Housing Act (42 U.S.C. 3601 through 3619); and (ii) to comply with the Affordability Requirements set forth on Addendum 2, attached hereto.

3. Community Benefits Requirements.

Pursuant to City of Detroit Ordinance 35-16 (the "Ordinance"), also known as the Community Benefits Ordinance, if the Property involves a Tier 2 Development Project (as defined by the Ordinance), then the Applicant will:

- a. Partner with the City, and, when appropriate, a workforce development agency to promote the hiring, training and employability of Detroit residents consistent with State and Federal Law.
- b. Partner with the Director of the Planning & Development Department to address and mitigate negative impacts that the Tier 2 Development Project may have on the community and local residents. The Applicant will adhere to the mitigation requirements, if any, stated in the attached Addendum 1 – Requirements, which is incorporated herein by reference.

4. Reporting to the City by the Applicant.

Applicant agrees to provide the City with sufficient information, subject to review and audit by the City, in order to determine compliance with this Agreement. At a minimum, the Applicant shall comply with the following covenants during the Term:

- a. Upon request, the Applicant shall provide the Planning & Development Department copies of all construction plans, building permits and certificates of occupancy related to the Rehabilitation of the Property.
- b. Applicant shall permit the City to perform periodic site visits to the Property by the City to establish whether the Applicant is completing the Rehabilitation to the Property as required by the Act and this Agreement.
- c. Annually, within two (2) weeks after each anniversary of the commencement of the Term, Applicant shall submit to the Planning & Development Department a certified status report ("Status Report") signed by an authorized officer of the Applicant. The Status Report shall set forth

for the previous year: (i) the Rehabilitation work completed at the Property and the Applicant's financial investment in the Property for that year and (ii) the number of full-time employees at the Property for that year.

d. Annually, within two (2) weeks after each anniversary of the commencement of the Term, the Applicant shall submit to CRIO the Annual Employment Report for Tax Abatements (the "Status Report"), including copies of proofs of residency that have been accepted by CRIO.

e. Applicant shall use and participate in the City of Detroit's central affordable housing portal (the "Housing Portal") to advertise available rental units at the Property, so long as the Housing Portal exists. Applicants shall work with City staff to create a property listing for the Property within the Housing Portal and shall coordinate marketing efforts for available units at the Property with the City. Applicant shall review its listing on the Housing Portal and shall make updates to any listings, if necessary, on at least an annual basis. When the Property has immediate vacancies and the Applicant has exhausted its waitlist (if any) for the Property, Applicant shall use the Housing Portal to market those vacancies. Applicant shall update its listing within the Housing Portal when Applicants waitlists (if any) for the Property opens or closes. Applicant shall provide the City with such information as the City may reasonably request to maintain accurate information about the Property on the Housing Portal. Communications to the City regarding the property listing for the Property, vacancies, waitlist openings, or other information required to be provided pursuant to this Section 4.e may be sent to detroithomeconnect@detroitmi.gov.

5. Revocation of CREC and Termination of this Agreement.

The City may, in its sole discretion and by resolution of Detroit City Council, revoke the CREC if the City finds that: (a) the completion of Rehabilitation of the Property has not occurred in the time or manner authorized by this Agreement; or (b) that the Applicant has not proceeded in good faith with the Rehabilitation of the Property in a manner consistent with the purposes of the Act, taking into account any circumstances that are beyond the control of the Applicant.

As used in this Section 5, "good faith" includes, but is not limited to, the following: (i) Applicant is actively working with an agency or City Department to hire and ascertain methods of recruiting and employing Detroit residents at the Property, and (ii) Applicant is actively working with the Detroit Economic Growth Corporation, the City's Planning & Development Department, and CRIO to ascertain methods of obtaining resources to improve Applicant's business in a manner that will allow for compliance with this Agreement.

6. Payment of Exempted Taxes for Shortfall of Employment.

If the average number of full-time employees at the Property for any given year of the Term is less than the Employee Commitment Number, the Applicant agrees to pay to the City, in addition to the Commercial Rehabilitation Tax due under the CREC, an amount equal to the difference between the amount of ad valorem tax that would be due on the Property without the CREC, and the amount of Commercial Rehabilitation Tax due on the Property under the CREC, for that given year, multiplied by a fraction, the numerator of which is the shortfall in the number of full-time employees indicated in the Status Report, and the denominator of which is the Employee Commitment Number. Prior to taking any action to require the Applicant to pay an amount to the City pursuant to this

Section, the City must afford the Applicant an opportunity to present reasons for the employment shortfall at a public hearing.

In the event that the Applicant fails to report in the Status Report the number of full-time employees at the Property for a given year of the Term, the number of full-time employees at the Property for purposes of this Section shall be deemed to be zero (0).

7. Notice to City of Discontinuance of Operations.

If during the Term the Applicant intends to discontinue operations at the Property, the Applicant will provide thirty (30) days' prior written notice of such shutdown of operations to the Director of the Planning & Development Department.

8. Reservation of Remedies.

The City and the Applicant agree that each of the rights and remedies provided by this Agreement may be exercised separately or cumulatively, and shall not be exclusive of any other rights and remedies provided by law. Invalidation of any of the provisions contained in this Agreement by operation of law, judgment, court order or otherwise shall not invalidate any of the other provisions of this Agreement.

9. Transfer.

Neither the CREC nor this Agreement may be transferred or assigned by the Applicant to a new owner of the Property unless the City, in its sole discretion, approves such transfer or assignment upon application by the new owner.

10. Headings.

The headings contained in this Agreement are for descriptive purposes only, and do not alter or govern the substantive content of the provisions of the Agreement.

11. Capitalized Terms.

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Act.

12. Governing Law; Venue.

This Agreement and all actions arising under it shall be governed by, subject to, and construed according to the law of the State of Michigan. Applicant agrees, consents and submits to the exclusive personal jurisdiction of any state or federal court of competent jurisdiction in Wayne County, Michigan, for any action arising out of this Agreement. Applicant also agrees that it shall not commence any action against the City because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this Agreement in any state or federal court of competent jurisdiction other than one in Wayne County, Michigan.

13. Amendment.

This Agreement may not be amended or modified except by a written instrument executed by each of the parties hereto.

[Remainder of Page Intentionally Left Blank]

**[SIGNATURE PAGE TO COMMERCIAL REHABILITATION EXEMPTION
CERTIFICATE AGREEMENT]**

IN WITNESS WHEREOF, the City and the Applicant, by and through their authorized officers and representatives, have executed this Agreement as follows:

APPLICANT:
Butchers Real Estate LLC

By: 

Print: Charles Nolen

Its: Member

**CITY OF DETROIT
PLANNING & DEVELOPMENT DEPT.**

By: _____

Print: _____

Its: _____

THIS AGREEMENT WAS APPROVED BY
THE CITY COUNCIL ON:

APPROVED BY LAW DEPARTMENT
PURSUANT TO § 7.5-206 OF THE CHARTER
OF THE CITY OF DETROIT

Date

Corporation Counsel Date

**THIS AGREEMENT IS NOT EFFECTIVE OR VALID UNTIL APPROVED BY
RESOLUTION OF THE CITY COUNCIL, SIGNED BY ALL PARTIES HERETO, AND A
COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE IS APPROVED BY
THE MICHIGAN STATE TAX COMMISSION**

ADDENDUM 1
Requirements

EXHIBIT A

Application for Commercial Rehabilitation Exemption Certificate

EXHIBIT B
Detroit City Council Resolution
Granting the Commercial Rehabilitation Exemption Certificate