



November 3, 2022

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

**Re: Amended Development Agreement - Property Sale by Development Agreement
444 Peterboro**

Honorable City Council:

On November 26, 2019, your Honorable Body adopted a resolution authorizing the sale by development agreement of 444 Peterboro, Detroit, MI (the "Property") to Peterboro Investments, LLC (the "Developer", or alternatively the "Purchaser"), a Michigan limited liability company, for the purchase price of Three Hundred Sixty Thousand and 00/100 Dollars (\$360,000.00) (the "Purchase Price") to construct a 21, 900 sq. ft. mixed-use development consisting of retail and office space (the "Project").

Due to the COVID-19 Pandemic, and the overall reduction in viability of retail office space, Developer lost access to financing as was unable to complete the project as proposed. Accordingly, and with the consent of the City of Detroit Planning and Development Department ("P&DD"), Developer now requests to amend the development agreement.

Under the terms of the proposed Amended Development Agreement ("Amended DA"), Purchaser now proposes to convert the project from a mixed-use retail and office space development to a mixed-use hotel and retail development. The new project would consist of a three-story, 21, 900 sq. ft. building with retail and hotel facilities on the ground floor, hotel rooms on the second and third floor, and a rooftop terrace, with a projected capital investment of \$10.5 Million.

In preparation for this amended project, Developer has completed a market study to determine the viability of a hotel in the space, and has contracted with Ronisch Construction to complete the project. At this time, Developer intends to begin construction on the project by December 1, 2022, with a projected completion date of May 1, 2025. However, as part of the Amended DA, P&DD will retain the authority to extend the allowed project completion date.

Currently, the Properties are within an SD2 zoning district (Special Development District, Mixed-Use), and Purchaser's proposed use of the Property is a conditional. Purchaser has applied, and received approval, for a conditional land use exception. Purchaser's use of the Property shall be consistent with the allowable uses for which the Property is zoned and shall comply with all applicable zoning ordinances.



CITY OF DETROIT
PLANNING AND DEVELOPMENT DEPARTMENT

COLEMAN A. YOUNG MUNICIPAL CENTER
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DETROIT, MICHIGAN 48226
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We request that your Honorable Body adopt the attached resolution to authorize the Director of P&DD to execute the amended development agreement, deed and such other documents as may be necessary or convenient to effect a transfer of the Property by the City to Peterboro Investments, LLC.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Antoine Bryant".

Antoine Bryant
Director

cc: Gail Fulton, Mayor's Office



RESOLUTION

BY COUNCIL MEMBER: _____

WHEREAS, on November 26, 2019, your Honorable Body adopted that certain resolution that approved the sale by development agreement of certain City of Detroit (the "City") property at 444 Peterboro, Detroit, MI (the "Property") to Peterboro Investments, LLC ("Purchaser"), a Michigan limited liability company, for the purchase price of Three Hundred Sixty Thousand and 00/100 Dollars (\$360,000.00) (the "Purchase Price"); and

WHEREAS, the November 26, 2019 resolution shall be referred to herein as the "Prior Resolution"; and

WHEREAS, the City of Detroit, through its Planning and Development Department ("P&DD"), entered into that certain development agreement with Purchaser dated February 7, 2020, (the "Development Agreement") in furtherance of development of the Property; and

WHEREAS, the City closed on the conveyance of the Property to Purchaser on April 10, 2020; and

WHEREAS, Purchaser and P&DD wish to amend the Prior Resolution to allow a change in the project from a mixed-use retail and commercial office space project to a mixed-use hotel with available commercial retail space; and

NOW, THEREFORE, BE IT RESOLVED, that Detroit City Council hereby approves of the amendment of the prior Development Agreement to Purchase and Develop Land by and between the City of Detroit and Peterboro Investments, LLC, a Michigan limited liability company pertaining to certain real property at 444 Peterboro, Detroit, MI 48201 (the "Property"), as more particularly described in the attached Exhibit A incorporated herein; and be it further

RESOLVED, that the Amended Development Agreement shall obligate Peterboro Investment, LLC to cause a mixed-use hotel and retail development to be constructed on the Property, and be it further

RESOLVED, that the P&DD Director, or his authorized designee is authorized to execute any required instruments to make and incorporate technical amendments or changes to the Development Agreement, assignments, amendments and/or quit claim deeds (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels and extension of the Development Agreement) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise, provided that the changes do not materially alter the substance or terms of the transfer and sale; and be it further



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RESOLVED, that any amendments to the Development Agreement and quit claim deed will be considered confirmed when executed by the Director of the Planning and Development Department, or his authorized designee, and approved by the Corporation Counsel as to form.

RESOLVED, that any approvals granted by the Prior Resolution that are not otherwise amended by this resolution are hereby confirmed.

(See Attached Exhibit A)

EXHIBIT A

LEGAL DESCRIPTIONS

Property situated in the City of Detroit, Wayne County, Michigan, described as follows:

Parcel

N PETERBORO E 25 FT 22 23 BLK 87--PLAT PT CASS FARM L1 P172 PLATS, W C R 2/72
75 X 190

a/k/a 444 Peterboro Street
Tax Parcel ID 02000707

Description Correct
Engineer of Surveys

By: _____
Basil Sarim, P.S.
Professional Surveyor
City of Detroit/DPW, CED