

City of Detroit
OFFICE OF THE CITY CLERK

Janice M. Winfrey
City Clerk

Andre P. Gilbert II
Deputy City Clerk

April 5, 2023

Honorable City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**Re: Application for Neighborhood Enterprise Zone Certificate for
Crosswinds (Woodward Place) Area**

Dear Council Members:

On October 21, 1992, your Honorable Body established Neighborhood Enterprise Zones. I am in receipt of six (6) applications for Crosswinds (Woodward Place) for a Neighborhood Enterprise Zone Certificate. **THESE APPLICATIONS HAVE BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE CITY PLANNING COMMISSION, A COPY OF WHICH IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve these applications.

Respectfully submitted,



Andre P. Gilbert, II
Deputy City Clerk

OFFICE OF THE
DETROIT CITY CLERK
2023 APR -5 P 12:05

APG:aj
Enc.

Lauren Hood, MCD
Chairperson
Donovan Smith
Vice Chair/Secretary

Marcell R. Todd, Jr.
Director

City of Detroit
CITY PLANNING COMMISSION
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April 5, 2023

HONORABLE CITY COUNCIL

RE: Neighborhood Enterprise Zone Certificate Applications for the development at 229 Edmund Place of six condominium units which includes three rehabilitated units (Units 1, 2, and 5) and three newly construction units (Units 3, 4, and 6) in the Crosswinds (Woodward Place) Neighborhood Enterprise Zone area (RECOMMEND APPROVAL)

The office of the City Planning Commission (CPC) has received applications requesting Neighborhood Enterprise Zone (NEZ) certificates for the development at 229 Edmund of six condominium units which includes three rehabilitated units (Units 1, 2, and 5) and three newly constructed units (Units 3, 4, and 6).

The property is generally located on the north side of Edmund Place between John R and Brush Streets in the Brush Park neighborhood. Below is a map and image of the location. The request is for a 15-year abatement. The applicant for the certificates is New Beginnings Land Development LLC.

The subject proposal involves the historic Henry Glover house built in 1874. The development includes rehabbing the original house. However, since the rear of the house was too damaged to save, the developer added an addition to the rear of the house. The development includes the following:

- Unit 1: rehab, located on the east side of the original house including the basement, 1st floor, and 2nd floor
- Unit 2: rehab, located on the west side of the original house, including the basement, 1st floor, and 2nd floor
- Unit 3: new addition, located on the rear 1st floor
- Unit 4: new addition, located on the rear 2nd floor
- Unit 5: rehab, located on the 3rd floor of the original house (the penthouse), including mezzanine and roof top deck
- Unit 6: new construction, located on the 2nd floor of 6-car garage/carriage house

Below is a table from the petitioner summarizing the square footage, number of bedrooms, initial listing price, etc. The developer notes they will be occupying Unit 5, and the price is artificially high to discourage anyone else from purchasing.

| Unit | Lower Level | 1st Floor | 2nd Floor | 3rd Floor | Private Deck Size | Bedrooms | Bathrooms | Size Excl. Lower Level | Size Incl. Lower Level | Initial Listing Price | Price per SF |
|------|-------------|-----------|-----------|-----------|-------------------|----------|-----------|------------------------|------------------------|-----------------------|--------------|
| 1 | 662 | 609 | 752 | | 98 | 2 | 3.5 | 1361 | 2023 | \$749k | \$ 550 |
| 2 | 689 | 720 | 694 | | 120 | 2 | 3.5 | 1414 | 2103 | \$799k | \$ 565 |
| 3 | 346 | 1143 | 0 | | 111 | 2 | 2 | 1143 | 1489 | \$579K | \$ 507 |
| 4 | 374 | 0 | 1143 | | 111 | 2 | 2 | 1143 | 1517 | \$599K | \$ 524 |
| 5 | 306 | | 1600 | 140 | 247 | 2 | 2 | 1740 | 2046 | \$1.4M | \$ 805 |
| 6 | 0 | 75 | 1425 | 255 | 198 | 2 | 2.5 | 1755 | 1755 | \$1.1M | \$ 627 |

Regarding parking, each of the six units will have one private garage parking space; the plans include a side parking lot with six surface spaces which can be purchased for \$20,000 per space.

Regarding accessibility, the developer indicates with the first-floor elevation of the historic house is four feet above grade level and with the tall ceiling heights, providing handicap access for the front and side doors, as well as within the units would have been prohibitively expensive.

The developer indicates the subject house was vacant for 40 years. In 2017, the house was slated for demolition, but was able to be rescued. In 2017, the developer purchased the house from the Detroit Land Bank Authority at market rate pricing. The developer indicates the cost to restore and renovate the historic mansion translates into expensive market rate units. For example, the developer indicates it had to replace 90 deteriorating windows with acceptable double hung windows, 80 missing interior doors, rebuilding the 4th story center tower, etc.

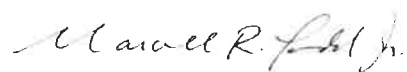
Regarding neighborhood context, the subject block consists of six remaining historic houses and the City Modern new construction to the south; the senior apartments the Village-Brush Park Manor is located to the east. The subject property has been confirmed as being within the boundaries of the Crosswinds (Woodward Place) NEZ which was established by a vote of City Council in July 1996.

The NEZ State Act (Section 207.774) states the application must be “filed” before a building permit is “issued” or as otherwise provided by the local governmental unit by resolution if the application is filed not later than 6 months following the date the building permit is issued; however, this does not apply for a rehabilitated facility if all or a portion of the rehabilitated facility is a qualified historic building.

The developer indicates the building permits for Units 1-5 were issued on September 10, 2019, and the permit for Unit 6 was issued on October 5, 2020. The original NEZ certificate applications were submitted to the Clerk’s office February 20, 2020. The City’s processing of the applications was put on hold until the parcel, legal description, and address description were finalized. Once finalized, the applications dated February 2023 were resubmitted to the City Clerk’s office.

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.

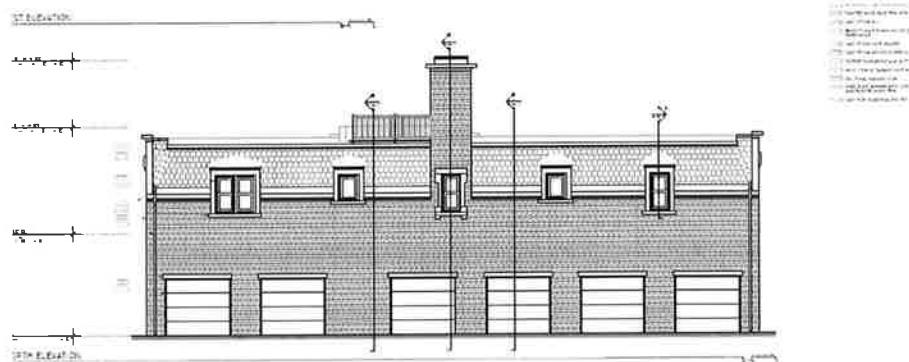
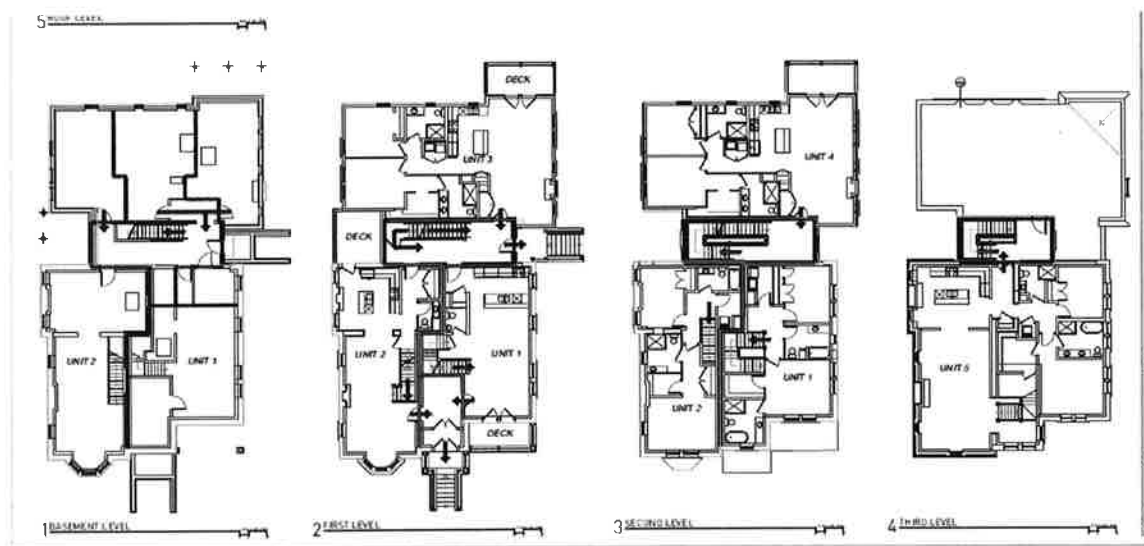
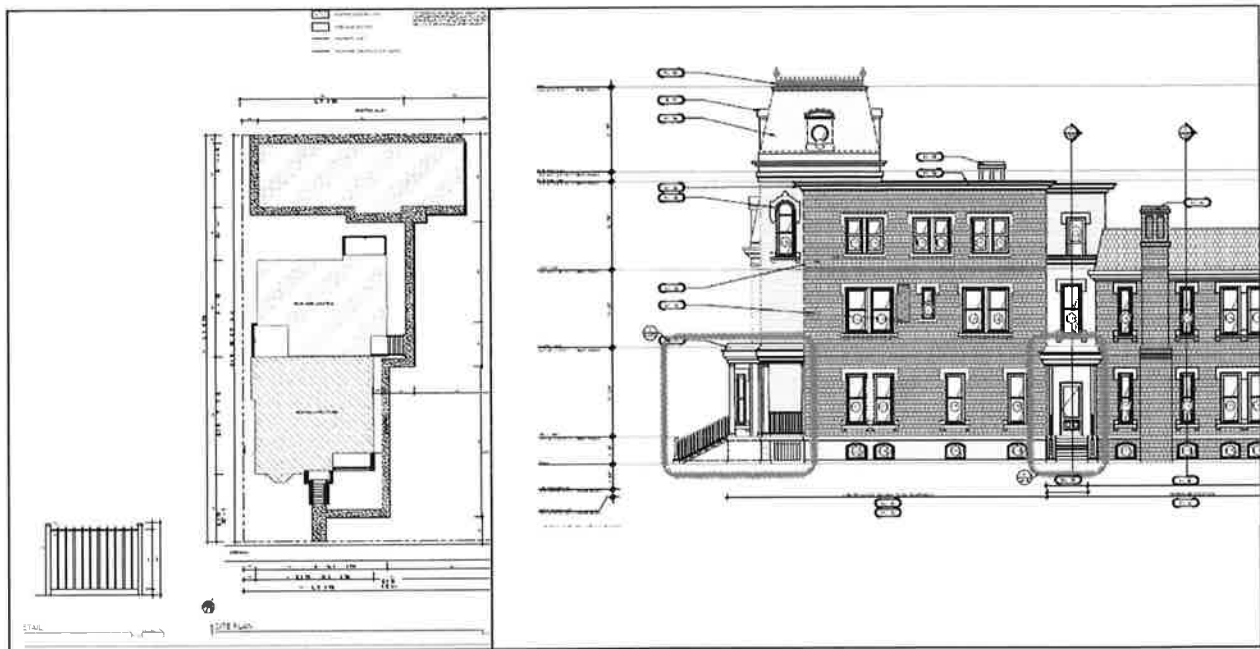
Respectfully submitted,



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

cc: Angela Jones, City Clerk





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 – though this may not apply due to the historic designation of the property.

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> |
|-----------------------------|---------------------------------|------------------------|
| Crosswinds (Woodward Place) | 229 Edmund Place Unit 1 - rehab | 07-0901 |
| Crosswinds (Woodward Place) | 229 Edmund Place Unit 2 - rehab | 07-0902 |
| Crosswinds (Woodward Place) | 229 Edmund Place Unit 3 - new | 07-0903 |
| Crosswinds (Woodward Place) | 229 Edmund Place Unit 4 - new | 07-0904 |
| Crosswinds (Woodward Place) | 229 Edmund Place Unit 5 - rehab | 07-0905 |
| Crosswinds (Woodward Place) | 229 Edmund Place Unit 6 - new | 07-0906 |