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TO: Council Members
FROM: David Whitaker, Director 
Legislative Policy Division Staff
DATE: November 6, 2024
RE: **Stanton Yards (9602-9636 E. Jefferson) Commercial Facilities Tax Exemption Certificate**

The Commercial Redevelopment Act, PA 255 of 1978

The Commercial Redevelopment Act, PA 255 of 1978, is a state statute that allows for the granting of a tax incentive that provides for the establishment of commercial redevelopment districts in local governmental units. A Commercial Facilities Exemption Certificate entitles an eligible facility to an exemption from ad valorem real property taxes for a term of 1-12 years, as determined by the local governmental unit. City Council approved the district for this project on October 29, 2024.

The criteria set forth for issuing commercial facility exemption certificates under PA 255 of 1978, as amended, applies to functionally obsolete properties requiring restoration, meaning changes to obsolete commercial property other than replacement may be required to restore the property, together with all appurtenances,¹ to an economically efficient condition.

The developer, **Little Village Marina, LLC**, seeks to redevelop the former Gregory Marina. The new development is aptly renamed the Stanton Yards in homage to the adjoining waterway's

¹ Accessories or other items associated with a particular activity or style of living.

original name Stanton Canal and in celebration of the site’s industrial history.² The development is located within the Waterworks Park Neighborhood and is situated on two parcels, 9602 E. Jefferson and 9636 E. Jefferson. The 9602 E. Jefferson parcel was a 26,442 square foot single-story marina storage facility located on a 0.937 acre lot. The second parcel, located at 9636 E. Jefferson holds four single-story marina storage buildings that comprise 49,236 square feet on a 10.62 acre lot.

The redevelopment of Stanton Yard will transform the property from a service and storage-based facility into a cultural and artistic community hub, with a mix of commercial, retail, creative and educational spaces and the activation of an outdoor plaza. The transformation and adaptive reuse of five existing commercial buildings will require significant interior and exterior work, including but not limited to strategic building and site demolition, roof and window replacements, updating building facades, and upgrades to the plumbing, electrical and HVAC systems.

Impacted Taxing Units: Incentive Summary Over the First 12 Years

Jurisdiction	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Brownfield Tax Capture	Net Benefits After Tax Abatements & Incentives
City of Detroit	\$1,452,989	(\$237,005)	(\$913,412)	\$0	\$0	\$302,572
Wayne County	\$237,349	(\$3,235)	(\$231,512)	\$0	\$0	\$2,602
Detroit Public Schools	\$872,492	(\$10,406)	(\$860,864)	\$0	\$0	\$1,222
State Education	\$174,481	\$0	(\$174,481)	\$0	\$0	\$0
Wayne RESA	\$157,646	\$0	(\$157,646)	\$0	\$0	\$0
Wayne County Comm. College	\$93,644	\$0	(\$93,644)	\$0	\$0	\$0
Wayne County Zoo	\$2,885	\$0	(\$2,885)	\$0	\$0	\$0
Detroit Institute of Arts	\$5,775	\$0	(\$5,775)	\$0	\$0	\$0
Total	\$2,997,261	(\$250,646)	(\$2,440,218)	\$0	\$0	\$306,396

² <https://lscgallery.com/Stanton-yards>

Stanton Yards (9602-9636 E. Jefferson) - PA 255 CFE Impact Analysis Summary

City of Detroit: Incentive Summary Over the First 12 Years

Year	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Enter Incentive Description*	Net Benefits After Tax Abatements & Incentives	Present Value of NB After Tax Abatement & Incentives
1	\$340,075	(\$17,671)	(\$68,104)	\$0	\$0	\$254,301	\$254,301
2	\$91,455	(\$18,024)	(\$69,466)	\$0	\$0	\$3,965	\$3,776
3	\$93,284	(\$18,385)	(\$70,855)	\$0	\$0	\$4,045	\$3,669
4	\$95,150	(\$18,753)	(\$72,272)	\$0	\$0	\$4,125	\$3,564
5	\$97,053	(\$19,128)	(\$73,718)	\$0	\$0	\$4,208	\$3,462
6	\$98,994	(\$19,510)	(\$75,192)	\$0	\$0	\$4,292	\$3,363
7	\$100,974	(\$19,900)	(\$76,696)	\$0	\$0	\$4,378	\$3,267
8	\$102,994	(\$20,298)	(\$78,230)	\$0	\$0	\$4,466	\$3,174
9	\$105,053	(\$20,704)	(\$79,794)	\$0	\$0	\$4,555	\$3,083
10	\$107,155	(\$21,118)	(\$81,390)	\$0	\$0	\$4,646	\$2,995
11	\$109,298	(\$21,541)	(\$83,018)	\$0	\$0	\$4,739	\$2,909
12	\$111,503	(\$21,972)	(\$84,678)	\$0	\$0	\$4,853	\$2,837
13	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$1,452,989	(\$237,005)	(\$913,412)	\$0	\$0	\$302,572	\$290,399

Total Incentive	\$913,412
Rate of Return	11.1%
Payback period (years)	8.5

<u>Project Summary</u>		
Total Capital Investment		\$12,240,000
<u>Job Creation</u>	Direct	2.0
	Indirect& Induced	0.5
	Total Jobs	2.5
<u>Average Salaries</u>	Direct	\$45,000
	Indirect& Induced	\$65,322
	Total Salaries	\$49,064

Source of Additional Benefits Before Tax Abatements Over the Next 12 Years

Real Property Taxes, before abatement	\$913,412	62.9%
Personal Property Taxes, before abatement	\$0	0.0%
New Residential Property Taxes	\$0	0.0%
Municipal Income Taxes - Direct Workers	\$19,555	1.3%
Municipal Income Taxes - Indirect Workers	\$5,204	0.4%
Municipal Income Taxes - Corporate Income	\$4,024	0.3%
Municipal Income Taxes - Construction Period	\$150,413	10.4%
Municipal Income Taxes - New Res. Inhabitants	\$0	0.0%
Utility Revenue	\$219,395	15.1%
Utility Users' Excise Taxes	\$20,655	1.4%
State Revenue Sharing - Sales Tax	\$117	0.0%
Building Permits and Fees	\$100,000	6.9%
Miscellaneous Taxes & User Fees	\$20,215	1.4%
Subtotal Benefits	\$1,452,989	100.0%

Source of Additional Costs Over the Next 12 Years

Cost of Providing Municipal Services	(\$17,610)	7.4%
Cost of Providing Utility Services	(\$219,395)	92.6%
Subtotal Costs	(\$237,005)	100.0%

Source of Net Benefits after Tax Abatements and Incentives Over the Next 12 Years

Real Property Taxes	\$0
Personal Property Taxes	\$0
New Residential Property Taxes	\$0
Municipal Income Taxes	\$179,196
Net Utility Revenue	\$0
Utility Users' Excise Taxes	\$20,655
State Revenue Sharing - Sales Tax	\$117
Building Permits and Fees	\$100,000
Miscellaneous Taxes & User Fees	\$20,215
Cost of Providing Municipal Services	(\$17,610)
Total Net Benefits	\$302,572

DEGC Property Tax Abatement Evaluation

Stanton Yards

Developer: Little Village Marina LLC

Description of Incentive: PA 255 CFE provides property tax exemption for the rehabilitation of commercial facilities. Existing property taxes are frozen at pre-renovated ad valorem rate.	
Request Type	PA 255 Certificate
DEGC Recommendation	12-Year Approval of PA 255 Certificate
Location	
Address	9602 & 9636 E. Jefferson
City Council District	District 5
Neighborhood	Waterworks Park
Located in HRD/SNF Targeted Area	N/A
Building Use	
Total Square Footage (SF)	65,430 SF
Residential SF	N/A
Commercial SF	33,717 SF
Retail SF	31,713 SF
Industrial SF	N/A
Total Residential Units	N/A
Studios	N/A
1-Bed	N/A
2-Bed	N/A
3-Bed	N/A
Project Description	
<p>The redevelopment of the Stanton Yards, formerly known as the Gregory Marina, will transform the property from a service and storage-based facility into a mixed-use cultural amenity and arts hub for the City of Detroit. The name “Stanton Yards” references and celebrates the industrial history of the site’s existing structures while paying homage to the waterway’s original designation as the Stanton Canal. The site’s transformation into a pedestrian-friendly extension of the Little Village cultural corridor in the East Village will provide the only opportunity for pedestrian waterfront access in the immediate neighborhood.</p> <p>Conversations are ongoing with several potential tenants to bring arts-focused nonprofits and arts-based cultural or educational institutions to the neighborhood, while also adding a mix of retail. A supplemental attachment is included related to prospective building use and potential unaffiliated tenant job generation.</p>	
Sources and Uses of Capital Summary	
Total Investment	\$15,616,670
Sources	Equity: \$15.6M (100%)
Uses	Acquisition: \$2.1M (13%); Hard Costs: \$12.2M (78%); Soft Costs: \$1.3M (8%)
Project Economic Benefits Summary	
Estimated Jobs (FTE/Construction)	2 FTE 150 Construction
Estimated City benefits before tax abatement	\$1,452,989
Total estimated City value of abatement	\$913,412
Less cost of services & utility deductions	\$237,005
Net Benefit to City with abatement	\$302,572

Conclusion

The estimated total capital investment for this project is **\$15,616,670**. It is also estimated that the completed project will create 2 developer jobs, and 150 temporary construction jobs. The 12-year Commercial Redevelopment tax abatement is estimated to provide the developer a *tax savings* on the new investment of **\$2,440,218**.

Based on the investment, this project is also estimated to provide the City of Detroit a net benefit of **\$302,572** and all of the impacted taxing units combined, a net benefit of **\$306,396**, over the 12 years of the Commercial Redevelopment tax abatement.

Please contact us if we can be of any further assistance.

Attachments: **Assessor's Letter dated, September 27, 2024**

Attachments

cc: Auditor General's Office
Antoine Bryant, Planning and Development Department
Julie Schneider, HRD
Veronica Farley, Law Department
Justus Cook, HRD
Stephanie Grimes Washington, Mayor's Office
Hassan Beydoun, Jobs & Economy Team
Brittney Hoszkiw, Jobs & Economy Team
Gail Fulton, Mayor's Office
Malik Washington, Mayor's Office
Kevin Johnson, DEGC
Derrick Headd, DEGC
Jennifer Kanalos, DEGC
Brian Vosburg, DEGC
Cora Capler, DEGC
Glen Long, DEGC
David Howell, DEGC
Christopher Hughes, DEGC
Jay Rising, OCFO
John Naglick, OCFO
Tanya Stoudemire, OCFO



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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September 27, 2024

Mr. Antoine Bryant, Director
 Planning & Development Department
 Coleman A. Young Municipal Center
 2 Woodward Ave, Suite 808
 Detroit, MI 48226

RE: Commercial Facilities Exemption Certificate Request
 Little Village Marina LLC
 9602 and 9636 E. Jefferson Ave
 Parcel Numbers: 19006137-8 and 19000013-5

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the application for a Commercial Facilities Tax Exemption Certificate for the properties located at **9602 and 9636 E. Jefferson Ave** in the **Marina District** area of the City of Detroit.

The rationale for creating Commercial Redevelopment Districts under PA 255 of 1978, as amended, is based on the anticipation of increased market value upon completion of new construction and/or significant restoration of commercial and former industrial property where the primary purpose and use of which is the operation of a commercial business enterprise and shall include office, engineering, research and development, warehousing parts distribution, retail sales, hotel or motel development, and other commercial facilities. Commercial business enterprises also include a business that owns or operates a transit-oriented development or a transit-oriented facility. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The 2024 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
19006137-8	9602 E. Jefferson Ave	\$229,800	\$229,800	\$34,700	\$34,700
19000013-5	9636 E. Jefferson Ave	\$547,400	\$547,400	\$945,700	\$945,700

The project proposed by **Little Village Marina LLC** consists of two tax parcels. Parcel 19006137-8 features a single-story marina storage facility located at 9602 E. Jefferson. This building, constructed in 1988, spans a total area of 26,442 square feet and sits on a 0.937-acre lot. The second parcel, identified as 19000013-5, features four single-story marina storage buildings situated at 9636 E. Jefferson. These facilities cover a total area of 49,236 square feet and were constructed in 1961, all resting on a 10.622-acre plot of land. The owner plans to redevelop the property on Jefferson Avenue in the Waterworks Park neighborhood from a service and storage-based facility into a waterfront cultural amenity and mixed-use campus for the City of Detroit. The project, named Stanton Yards, will consist of a cultural and artistic community hub, with a mix of commercial, retail, creative, and educational spaces and the activation of an outdoor plaza. Across both parcels, the owner proposes redeveloping the buildings including approximately 65,000 square feet of building space for the mixed-use campus. A parcel combination of the two parcels is anticipated in the near future. The transformation and adaptive reuse of five existing commercial buildings will require significant interior and exterior work, including but not limited to strategic building and site demolition, roof replacements, window replacements, updated building facades, significant plumbing and electrical work, new HVAC systems and boilers, interior build out of multiple retail and studio areas, and the conversion of an old gas dock into a restaurant space.

This area meets the criteria set forth under PA 255 of 1978, as amended. It applies to functionally obsolete properties requiring restoration meaning changes to obsolete commercial property other than replacement as may be required to restore the property, together with all appurtenances, to an economically efficient condition.



CITY OF DETROIT
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Commercial Facilities Exemption Certificate Request
Little Village Marina LLC
9602 and 9636 E. Jefferson Ave
19006137-8 and 19000013-5
Page 2

A review of the project details and relevant statutes indicated that the facility located at **9602 and 9636 E. Jefferson Ave** is eligible for the proposed Commercial Facilities Certificate pursuant to PA 255 of 1978, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



CITY OF DETROIT
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Commercial Facilities Exemption Certificate Request
 Little Village Marina LLC
 Page 3

Parcel Numbers: 19006137-8 and 19000013-5

Parcel Number	Property Address	Property Owner	Legal Description
19006137-8	9602 E. Jefferson	Little Village Marina LLC	E PARKVIEW ALL THAT PT OF P C 152 DESC AS BEG AT SE COR JEFFERSON AVE 120 FT WD & PARKVIEW DR 80 FT WD TH SLY ALG SD PARKVIEW DR 250 FT TH ELY AT R A 148.84 FT TH NLY AT R A 299.48 FT TO SLY LINE SD JEFFERSON AVE TH SWLY ALG SD SLY LINE 156.85 FT TO P O B 19/--- 40,892 SQ FT
19000013-5	9636 E. Jefferson	Little Village Marina LLC	S E JEFFERSON PT OF P C 152 BG E 188.84 FT MEASURED AT R A TO E LINE OF SD P C 152 LYG SLY OF & ADJ JEFFERSON AVE 19/--- 199 IRREG

Note: parcels are expected to be combined.

