

David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Director, City Planning Commission
Janese Chapman
Director, Historic Designation
Advisory Board

John Alexander
Megha Bamola
LaKisha Barclift, Esq.
Nur Barre
M. Rory Bolger, Ph.D., AICP
Elizabeth Cabot, Esq.
Christopher Gulock, AICP


City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Kim Newby
Analine Powers, Ph.D.
Rebecca Savage
Ryan Schumaker
Sabrina Shockley
Thomas Stephens, Esq.
David Teeter
Theresa Thomas
Kathryn Lynch Underwood, MUP
Ashley A. Wilson

TO: COUNCIL MEMBERS

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: November 16, 2021

RE: Application for a **Commercial Rehabilitation Act Certificate** by
Corktown Mobility Hub, LLC (Ford Motor Company) Public Act 210 of 2005

Commercial Rehabilitation Act, PA 210 of 2005

The Commercial Rehabilitation Act, PA 210 of 2005, is a tax incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial business or a multi-family residential facility. The property must be located within an established Commercial Rehabilitation District. Exemptions are approved for a term of 1-10 years, as determined by the local unit of government. The property taxes are based upon the prior year's taxable value.

Corktown Mobility Hub, LLC

The project developer and owner of the property located **1451/1501 Wabash** in the Corktown area of Detroit, is Corktown Mobility Hub, LLC, a subsidiary based on the joint venture of the Ford Motor Company & Vokal Ventures.¹ The property consists of a vacant land on which a six-story, 1250-space parking deck, consisting of 440,556 sq. ft. will be built. The structure will also include first-floor retail, restroom facilities, and seating areas. The construction of the property 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.

DEGC Project Evaluation Checklist
Corktown Mobility Hub
Developer: James Ketai

¹ Ford Land, Vokal Ventures and Detroit Opportunity Fund II to Form Joint Venture for Innovative Mobility Hub in Corktown <https://michigancentral.com/ford-land-vokal-ventures-and-detroit-opportunity-fund-ii-to-form-joint-venture-for-innovative-mobility-hub-in-corktown/>

Principle: Vokal Ventures & Ford Motor Company

Commercial Rehabilitation Act, **PA 210 of 2005 as amended** – Current taxes frozen at pre-rehab construction values, local taxes abated for up to 10 years

DEGC Recommendation	Approval of the Certificate
Request Type	PA 210 Certificate – 10 Year Recommendation
Location	
Address	1501 Wabash St
City Council District	District 6
Neighborhood	Corktown
Building Use	
Total Square Footage	440,556 Sq Ft
Number of Parking Spaces	1,250
Retail Square Footage	4,200 Sq Ft of ground floor space
Project Description	
<p>The Bagley Hub is the first phase of parking requirements to support Ford’s Michigan Central development plan. To support the 5,000 jobs, both the 2,500 Ford jobs and the additional 2,500 partner jobs expected in the development, Ford will undertake several parking solutions. This Bagley Mobility Hub will provide access to recreational opportunities, retail support and needed secure parking in the area. The Bagley Hub will include a parking deck as well as public amenities such as restroom facilities, shaded seating areas, bicycle storage, free Wi-Fi and retail kiosks for users. The 6-story facility will also have ground-floor retail, e-bike and scooter stations, autonomous vehicle testing areas and state-of-the-art parking infrastructure - electric vehicle charging facilities, automated payment technology and smart guidance systems. The parking facilities will be available 24-hrs, 7 days per week, and will be available to the public for hourly and daily fee-based parking. Ford Motor Company will lease parking spaces for use by employees working at the Michigan Central development facilities during business hours. Ford has worked with the Detroit Riverfront Conservancy to identify how the Bagley Mobility Hub can support greenway access and provide public amenities. The Bagley Hub is planned with a 1,200 sq. ft. air-conditioned lobby area with security offices. It is anticipated that public art installations will be activated on the ground floor as well. Two plazas (tentatively a Trailhead Plaza and South Plaza) will be adjacent and have access to free wi-fi and seating. Construction started in 2Q 2021 and is expected to be completed in approximately 12 months. Completion of the Bagley Hub parking is slated to coincide with completion of renovations and occupancy for Ford’s Book Depository (2231 Dalzelle St.) building development in early 2022. Ford will partner with other Detroit-based businesses to construct and operate the Bagley Hub facility via the Corktown Mobility Hub, LLC entity in which Ford is 1/3 owner.</p>	
Project Costs	
Total Investment	\$44.9M
Uses	\$15.95M Acquisition (36%), \$26.0M Hard Construction (57%), \$3.3M Soft Costs (7%)
Sources	\$44.9 Equity (100%)
Project Benefits (10 years)	
Estimated jobs	0 FTE, 20 Construction
Estimated city benefits before tax abatement	\$4,253,098
Total nominal value of PA 210	\$3,339,489
Less cost of services & utility deductions	\$0
Net benefit to city	\$913,609

City of Detroit: Benefits, Costs, and Net Benefits over the Next 10 Years

	Amount
Real Property Taxes, before abatement	\$3,413,805
Personal Property Taxes, before abatement	\$0
New Residential Property Taxes	\$0
Municipal Income Taxes - Direct Workers	\$0
Municipal Income Taxes - Indirect Workers	\$0
Municipal Income Taxes - Corporate Income	\$0
Municipal Income Taxes - Construction Period	\$339,293
Utility Revenue	\$0
Utility Users' Excise Taxes	\$0
State Revenue Sharing - Sales Tax	\$0
Building Permits and Fees	\$500,000
Miscellaneous Taxes & User Fees	\$0
Subtotal Benefits	<u>\$4,253,098</u>
Cost of Providing Municipal Services	\$0
Cost of Providing Utility Services	\$0
Subtotal Costs	<u>\$0</u>
Net Benefits	\$4,253,098

Impacted Taxing Units: Incentive Summary over the First 10 Years

	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Utility Users Tax & Corporation Income Tax Exemption	Net Benefits After Tax Abatements & Incentives
City of Detroit	\$4,253,098	\$0	(\$3,339,489)	\$0	\$0	\$913,609
Wayne County	\$815,141	\$0	(\$797,395)	\$0	\$0	\$17,745
Detroit Public Schools	\$3,035,166	\$0	(\$1,292,730)	\$0	\$0	\$1,742,436
State Education	\$609,922	\$0	\$0	\$0	\$0	\$609,922
Wayne RESA	\$555,080	\$0	(\$542,996)	\$0	\$0	\$12,084
Wayne County Comm. College	\$329,439	\$0	(\$322,268)	\$0	\$0	\$7,172
Wayne County Zoo	\$10,165	\$0	(\$9,944)	\$0	\$0	\$221
Detroit Institute of Arts	\$20,331	\$0	(\$19,888)	\$0	\$0	\$443
Total	\$9,628,341	\$0	(\$6,324,710)	\$0	\$0	\$3,303,632

Impacted Taxing Units: Incentive Summary over the First 10 Years (With the *Library* breakout from the City)

Jursidiction	Additional Benefits Before Tax Abatements	Additional Costs	Real Property Tax Abatement	Business Personal Property Tax Abatement	Utility Users Tax & Corporation Income Tax Exemption	Net Benefits After Tax Abatements & Incentives
City of Detroit	\$3,999,123	(\$106,220)	(\$2,879,009)	\$0	\$0	\$1,013,894
Library	\$470,728	\$0	(\$460,480)	\$0	\$0	\$10,248
Wayne County	\$825,122	(\$9,877)	(\$797,395)	\$0	\$0	\$17,850
Detroit Public Schools	\$3,075,878	(\$40,628)	(\$1,292,730)	\$0	\$0	\$1,742,520
State Education	\$609,922	\$0	\$0	\$0	\$0	\$609,922
Wayne RESA	\$555,080	\$0	(\$542,996)	\$0	\$0	\$12,084
Wayne County Comm. College	\$329,439	\$0	(\$322,268)	\$0	\$0	\$7,172
Wayne County Zoo	\$10,165	\$0	(\$9,944)	\$0	\$0	\$221
Detroit Institute of Arts	\$20,331	\$0	(\$19,888)	\$0	\$0	\$443
Total	\$9,895,788	(\$156,725)	(\$6,324,710)	\$0	\$0	\$3,414,354

² Charts courtesy of the DEGC

DEGC Chart of Taxes Before, During & After the Incentive³

Existing Taxes	New Taxes AFTER Incentive(s)	New Taxes Without Incentive	
City of Detroit	\$5,851	\$5,968	\$274,157
Library	\$936	\$955	\$43,850
Wayne County	\$1,621	\$1,653	\$75,933
Detroit Public Schools	\$6,034	\$162,313	\$282,735
State Education	\$1,213	\$56,816	\$56,816
Wayne RESA	\$1,104	\$1,126	\$51,707
Wayne County Comm. College	\$655	\$668	\$30,688
Wayne County Zoo	\$20	\$21	\$947
Detroit Institute of Arts	\$40	\$41	\$1,894
Total	\$17,474	\$229,561	\$818,727

Conclusion

The estimated total capital investment for this project is **\$44.9 million**. It is also estimated that the completed project will create 20 temporary construction jobs. The total value of the 10-year Commercial Rehabilitation Act tax abatement is estimated at **\$6,324,710**.

Based on the investment and jobs, this project is estimated to provide the City of Detroit a net benefit of **\$913,609**, and all of the impacted taxing units, a net benefit of **\$3,303,632** over the 10 years of the Commercial Rehabilitation Act tax abatement.

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

Attachment: Assessor’s Letter, dated October 29, 2021

- cc:
- Auditor General’s Office
 - Donald Rencher, Chief of Services and Infrastructure
 - Katy Trudeau, Planning and Development Department
 - Julie Schneider, HRD
 - Veronica Farley, HRD
 - Stephanie Grimes Washington, Mayor’s Office
 - Gail Fulton, Mayor’s Office
 - Malinda Jensen, DEGC
 - Kenyetta Bridges, DEGC
 - Jennifer Kanalos, DEGC
 - Brian Vosburg, DEGC

³ Existing Annual Taxes: \$17,474 - New Annual Taxes DURING the Incentive: \$229,561 & Taxes after the Incentive EXPIRES: \$818,727



1451/1501 Wabash⁴

⁴ Photo: Google Maps



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

October 29, 2021

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 – **Corktown Mobility Hub LLC**
 Property Address: 1501/1451 Wabash
 Parcels Number: 10004837/10004838

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 **1501/1451 Wabash** in the **Corktown** 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 land on which a six-story, 1250-space parking deck, consisting of 440,556 sq.ft. will be built. The structure will also include first-floor retail, restroom facilities, and seating areas. The construction of the property 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 2020 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
10004837.	1501 Wabash	\$ -	\$ -	\$ 202,100	\$ 110,728
10004838.	1451 Wabassh	\$ -	\$ -	\$ 3,000	\$ 1,014

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. Per a statement from the construction manager, the property has been used for construction equipment storage before certificate application (see attached statement).

A review of the general plans, along with the criteria set forth under the Commercial Rehabilitation Act, indicated that the proposed project located at **1501/1451 Wabash** is eligible as it pertains to the Commercial Rehabilitation certificate criteria under P.A. 210 of 2005, as amended.

Sincerely,

Charles Ericson, MMAO
 Assessor, Board of Assessors



Commercial Rehabilitation Certificate
Corktown Mobility LLC
Page 2

Property Owner: FORD MOTOR COMPANY
Property Address: 1501 WABASH
Parcel Number: 10004837.
Legal Description: W WABASH THAT PT OF 103 THRU 116 AND N 111.94 FT OF 117 AND VAC ALLEY & W 1/2 OF VAC WABASH AVE ADJ SUB OF GODFROY FARM L1 P132 PLATS, W C R 10/24 136,550 SQ FT

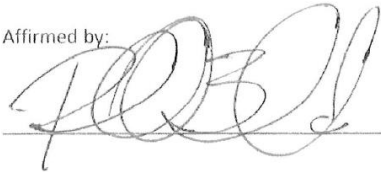
Property Owner: FORD MOTOR COMPANY
Property Address: 1451 WABASH
Parcel Number: 10004838.
Legal Description: W WABASH PART OF 117 AND W 1/2 OF VAC WABASH ADJ USED FOR R R PURPOSES SUB OF GODFROY FARM L1 P132 PLATS, W C R 10/24 1,188 SQ FT



Statement of Richard Bardelli
Bagley Parking Site Construction Equipment

1. I, Richard Bardelli, swear and affirm:
 - a. I am employed by Ford Motor Company and serve as construction manager for Ford Motor Land Development Corporation ("Ford Land").
 - b. My responsibilities include oversight of Ford Land's Michigan Central development construction projects.
 - c. The Michigan Central development includes rehabilitation of the Michigan Central train station, the adjacent Book Depository building and construction of parking to support the office development.
 - d. Parking is planned for the Bagley Mobility Hub, located at the corner of Bagley St. and Wabash in Detroit and a short distance from the offices at the Book Depository and Michigan Central station.
2. In the course of my responsibilities, I am aware of the following with respect to the Bagley Mobility Hub site:
 - a. Clearing and surveying of the Bagley Mobility Hub site began in late 2020.
 - b. Construction equipment was temporarily stored on the site between projects at some point in December 2020.
 - c. A buried brick path was identified on the site and salvage of some of the bricks for possible use in Ford's nearby developments was attempted.

Affirmed by:



Date: 10.21.2021