



Item Number: 5

# CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

**DATE:** December 3, 2024

**TO:** Mark Washington, City Manager

**COMMITTEE:** Committee of the Whole

**LIAISON:** Mark Washington, City Manager

**FROM:** Sarah Rainero, Economic Development Director  
Economic Development

**SUBJECT:** **Resolution approving the submission of a Neighborhood Enterprise Zone Exemption Certificate application for Talbot Bridge, LLC at 648 Bridge Street NW**

Attached is a resolution approving the submission of a 15-year Neighborhood Enterprise Zone (NEZ) exemption certificate application under Public Act 147 of 1992 ("Act 147") for a project located at 648 Bridge Street NW (the "Property"). A public hearing was held for the creation of the Neighborhood Enterprise Zone on September 24, 2024. The application was filed by Talbot Bridge, LLC (the "Developer") for a project located in the 648 Bridge Street NEZ district which was established by the City Commission on November 12, 2024.

The Developer, an entity associated with Talbot Development, owns the Properties and proposes to demolish the existing vacant building, which was formerly a grocery store, to construct a new five-story mixed-use building with approximately 1,500 square feet of first floor retail space, 148 residential apartments, and an integrated parking deck with approximately 69 spaces. When completed, the building is expected to be all electric. The Developer is also planning to provide funding for a covered Rapid bus stop and will provide heated bike storage on site to promote the utilization of alternative modes of transportation. Total investment in the project is estimated to be approximately \$30 million with construction costs of \$23.6 million.

The project qualifies for a 15-year NEZ, pursuant to City Commission Policy 900-45, adopted on January 30, 2018, because it proposes to meet two City Investment Criteria. The Applicant is proposing several Transit Oriented Development (TOD) initiatives including heated and secured bike parking for tenants, providing less parking than typically required, parking is screened behind the building, on-street parking will be utilized, and the Applicant is exploring a ride share program (Criteria 3.c.i.iii.iv.). Additionally, the Applicant has set aspirational goals of at least 10% for Micro-Local Business Enterprise (MLBE), Minority-Owned Business Enterprise (MBE), and Women-Owned Business Enterprise (WBE) subcontractor participation in the project (Criteria

4.a.i).

The City Commission and Brownfield Redevelopment Authority also approved a Brownfield Plan Amendment for the project, which will allow the Developer to be reimbursed up to \$3.6 million for brownfield eligible activities.

<b>Project Projections – 648 Bridge Street NW</b>		
	<b>Total Amount</b>	<b>City of Grand Rapids Portion</b>
Total Project Costs	\$30 million	
Construction Costs	\$23.6 million	
New Jobs (FTE)	4	
Average Hourly Wage	\$18.00	
Total New Taxes Generated (1 year)	\$579,043	\$99,618
Taxes Paid (1 year) <sup>1</sup>	\$316,746	\$52,186
Taxes Abated (1 year) <sup>2</sup>	\$262,297	\$47,432
New City Income Taxes (1 year)	-	\$49,431

Attachment

SLR/js

Your COMMITTEE OF THE WHOLE recommends the adoption of the following resolution approving the submission of a Neighborhood Enterprise Zone Exemption Certificate application for Talbot Bridge, LLC at 648 Bridge Street NW.

WHEREAS:

1. The City Commission on January 30, 2018, approved Resolution No. 87390 and adopted an amended City Commission Policy No. 900-45 for Neighborhood Enterprise Zones, which contains a statement of the City's goals, objectives and requirements to designate an eligible area; and
2. The City Commission established the 648 Bridge Street Neighborhood Enterprise Zone (NEZ) district by Resolution No. 94080, adopted on November 12, 2024; and
3. An application was filed with the City of Grand Rapids on November 20, 2024 by Talbot Bridge, LLC for the construction of up to 148 apartment units which are to be located within the 648 Bridge Street NEZ, requesting an NEZ Exemption Certificate; therefore

RESOLVED:

1. That the City Commission hereby acknowledges receipt of the NEZ Exemption Certificate application from Talbot Bridge, LLC for the construction of market-rate residential apartment units to be located within the 648 Bridge Street NEZ; and
2. That the City Commission hereby finds that the NEZ Exemption Certificate application complies with the Neighborhood Enterprise Zone Act, Act 147 of the Public Acts of Michigan of 1992, as amended; and
3. That the City Commission hereby approves the submission of the NEZ Exemption Certificate application for the above-described project, located at 648 Bridge Street NW, to the State Tax Commission by the City Clerk; and
4. That the City Commission recommends that the above-described property, if approved by the State Tax Commission, shall receive fifteen (15) years of NEZ benefits, beginning from the effective date of the NEZ Exemption Certificate; and
5. That the NEZ Exemption Certificate and any accompanying economic benefit approved for submission to the State Tax Commission pursuant to this resolution is subject to any and all changes in State or Federal legislation and such changes are beyond the control of this City Commission.

CORRECT IN FORM  
  
DEPARTMENT OF LAW