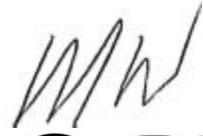


6. Resolution approving the submission of a Neighborhood Enterprise Zone Exemption Certificate application for Abode Fulton, LLC at 617 Fulton Street W and 17 Seward Avenue NW



Item Number: 6



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: February 25, 2025

TO: Mark Washington, City Manager

COMMITTEE: Committee of the Whole

LIAISON: Kate Berens, Deputy City Manager

FROM: Sarah Rainero, Economic Development Director
Economic Development

SUBJECT: **Resolution approving the submission of a Neighborhood Enterprise Zone Exemption Certificate application for Abode Fulton, LLC at 617 Fulton Street W and 17 Seward Avenue 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 617 Fulton Street W and 17 Seward Avenue NW (collectively, the "Properties"). A public hearing was held for the creation of the Neighborhood Enterprise Zone on January 14, 2025. The application was filed by Abode Fulton, LLC (the "Developer") for a project located in the 617 W Fulton NEZ district which was established by the City Commission on February 11, 2025.

The Applicant, which is an entity associated with Construction Simplified, is proposing to demolish the two existing structures and build a new four-story mixed-use structure. The existing structure on 17 Seward Avenue NW is currently vacant and the one on 617 Fulton Street W is occupied by Adobe In and Out restaurant, which will be moving its location to Bridge Street. The new structure will include up to 106 apartments, which will be a mixture of studio and one-bedroom units, and approximately 5,240 square feet of retail space. Total project costs are estimated to be over \$25 million with construction costs of approximately \$20.6 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 Transit Oriented Development (TOD) initiatives including providing less parking than typically required, parking is screened behind the building, and the project is located within the Vital Streets Transit Corridors (Criteria 3.c.iv & v.). The project is also located on the Laker Line, which is a bus rapid transit (BRT) service line. Additionally, the Applicant has set aspirational goals of 17% 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 \$3,009,576 for brownfield eligible activities.

Project Projections – Abode West Fulton		
	Total Amount	City of Grand Rapids Portion
Total Project Costs	\$25 million	
Construction Costs	\$20.6 million	
New Jobs (FTE)	12	
Average Hourly Wage	\$18.00	
Total New Taxes Generated (1 year)	\$408,200	\$71,187
Taxes Paid (1 year) ¹	\$214,253	\$29,353
Taxes Abated (1 year) ²	\$143,066	\$41,835
New City Income Taxes (1 year)	-	\$38,230

¹Taxes paid at NEZ exemption rate

²Taxes abated only on residential property due to NEZ exemption.

Attachment

SLR

Your COMMITTEE OF THE WHOLE recommends the adoption of the following resolution approving the submission of a Neighborhood Enterprise Zone Exemption Certificate application for Abode Fulton, LLC at 617 Fulton Street W and 17 Seward Avenue 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 617 W Fulton Neighborhood Enterprise Zone (NEZ) district by Resolution No. 94336, adopted on February 11, 2025; and
3. An application was filed with the City of Grand Rapids on February 18, 2025 by Abode Fulton, LLC for the construction of up to 106 apartment units which are to be located within the 617 W Fulton NEZ, requesting a NEZ Exemption Certificate; therefore

RESOLVED:

1. That the City Commission hereby acknowledges receipt of the NEZ Exemption Certificate application from Abode Fulton, LLC for the construction of market-rate residential apartment units to be located within the 617 W Fulton 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 617 Fulton Street W and 17 Seward Avenue 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

CITY ATTORNEY