

Detroit Land Bank Authority

500 Griswold, suite 1200,
Detroit, MI 48226 – (313) 974-6869

DLBA Proposal guidelines for New Build Opportunities

1. Provide a brief statement of who you are and why you want to purchase the property. Please also include a proposed purchase price, contact information for the buyer (phone and email), and the name of the buyer or purchasing entity.
2. What is your development plan for the property? Please include how many units you are proposing, the approximate square footage of each unit, number of bedrooms and baths, in addition to any other distinguishing features.
3. What are your estimated project costs and development timeline for your project?
4. How do you intend to finance the project? Please include proof of funds for at least the equity portion of the development costs in addition to pre-approval letters from lenders for construction loans if applicable.
5. What are your plans upon completion of construction? Do you plan on living in the property, selling the property, or renting the property?
6. Do you have any real estate development experience?
7. We would prefer to see architectural renderings of what type of building you are proposing to build but understand that these can be expensive to produce just to submit an offer. At the very least you need to include images that provide architectural precedent for your proposed building. Please also include what architect, or architecture firm, you plan on using for this project. A portfolio of the architect's work would also be helpful.
8. Do you have a construction company you plan to use?
9. Do you plan on pursuing tax abatements for your project, such as the NEZ (Neighborhood Enterprise Zone), OPRA (Obsolete Property Renovation Act), or PA 210 (Commercial Rehabilitation Act)?
10. You are welcome to submit additional information that you think would be helpful when evaluating your proposal; such as: letters of support, a portfolio of past work, references, commitment to Detroit, etc.

Scoring Criteria

The DLBA evaluates offers using the following criteria: Price, Feasibility of Project, Experience, Financing, and Neighborhood Benefit. Respondents who meet with neighborhood representatives and introduce their proposed project will receive points for Neighborhood Benefit. Respondents who meet with neighborhood representatives and offer a tangible neighborhood benefit will receive additional points for Neighborhood Benefit. The DLBA, and/or City of Detroit, can provide more information about active community organizations in the neighborhood.

Tax Capture Disclaimer – 5/50

The tax capture disclaimer on the listing alerts buyers to the possibility that they may have to make an additional payment to the DLBA if they seek certain tax abatements or lot combinations that conflict with the DLBA's 5/50 tax capture. After a Michigan land bank conveys property to a non-tax-exempt entity, the land bank receives 50% of taxes collected on that property for five years, known as a 5/50 (P.A. 260 & 261). The Assessor's office places properties sold by a land bank on a specific tax roll to process the tax capture. However, the Assessor's office also uses specific tax rolls for many abatements such as the NEZ, OPRA, PA 210, etc. Since the State of Michigan does not allow a property to be on two specific tax rolls at the same time, DLBA buyers need a 5/50 waiver from the DLBA before seeking those tax abatements and lot combinations. In these cases, we request that buyers pay the estimated amount of the five-year tax capture to the DLBA upfront, in exchange for the waiver. Because many variables impact property tax calculations, we base our estimate on our teams' experience in this area and at times, seek the additional expertise of the Detroit Economic Growth Corporation. This way, our buyers can utilize tax abatements and lot combinations for their projects without the DLBA losing potential revenue.

