

ASSIGNMENT AGREEMENT AND CONSENT OF THE CITY OF DETROIT

THIS ASSIGNMENT AGREEMENT AND CONSENT OF THE CITY OF DETROIT (this "Assignment") is entered into by and between 6568 Woodward, LLC, an ("Assignor"), with an office at 3939 Woodward, LLC, and BRC 6568 Woodward, LLC, an ("Assignee") with an office at 611 Westwood Drive, Birmingham Michigan 48009, and is consented to by the City of Detroit ("City"), a Michigan municipal corporation acting by and through its Planning & Development Department, with an office at 2 Woodward Avenue, Suite 808, Detroit, MI 48226, and is made this _____ day of _____, 20__.

WITNESSETH:

WHEREAS, the City and Assignor entered into that certain Obsolete Property Rehabilitation Exemption Certificate Agreement (the "Abatement Agreement") dated **December 31, 2017** pursuant to which Abatement Agreement the City approved an Obsolete Property Rehabilitation Exemption Certificate ("OPREC") for Assignor with respect to the Property (as defined in the Abatement Agreement). A copy of the Abatement Agreement is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, Assignor has transferred its interest in the Property to Assignee; and

WHEREAS, Assignee desires to have the City approve the transfer of the OPREC from Assignor to Assignee; and

WHEREAS, pursuant to the Abatement Agreement, the OPREC may only be transferred upon approval by the City, in its sole discretion, after application by Assignee; and

WHEREAS, Assignee has submitted an Application for Obsolete Property Rehabilitation Exemption Certificate ("New Application") for the Property. A copy of the New Application is attached hereto as Exhibit B and made a part hereof; and

NOW, THEREFORE, in consideration of the foregoing, and of the benefits to accrue to the parties from this Assignment, the parties agree as follows:

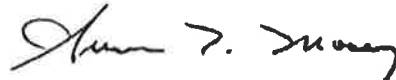
1. The Assignor hereby assigns all of its rights and obligations under the Abatement Agreement to the Assignee.
2. This Assignment and all actions arising under it shall be governed by the laws of the State of Michigan.
3. All terms, conditions and covenants of the Abatement Agreement shall remain in full force and effect, and the Assignee shall fulfill all such terms, conditions and covenants.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Assignor and the Assignee, by and through their duly

authorized officers and representatives, have executed this Assignment.

ASSIGNOR:



BY: _____

NAME: Susan T Mosey

ITS: Executive Director

ASSIGNEE:

BY:  _____

NAME: Matthew Walters

ITS: Owner and Principal

**CONSENT TO ASSIGNMENT BY CITY
OF DETROIT, ACTING BY AND
THROUGH ITS PLANNING AND
DEVELOPMENT DEPARTMENT:**

BY: _____

NAME: _____

ITS: _____

Exhibit A
Abatement Agreement

**AMENDMENT TO OBSOLETE PROPERTY REHABILITATION EXEMPTION
CERTIFICATE AGREEMENT**

THIS AMENDMENT TO OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this "Amendment") is entered into by and between the City of Detroit ("City"), a Michigan municipal corporation acting by and through its Planning & Development Department, with an office at 2 Woodward Avenue, Suite 808, Detroit, MI 48226, and 6568 Woodward, LLC, a Michigan limited liability company ("Applicant"), with an office at 3939 Woodward Ave., Detroit MI, and is consented to by, and is made this 13th day of ~~September~~, 2021.

0 2021

WITNESSETH:

WHEREAS, the City and Applicant entered into that certain Obsolete Property Rehabilitation Exemption Certificate Agreement (the "Abatement Agreement") dated December 22, 2016, pursuant to which Abatement Agreement the City approved an Obsolete Property Rehabilitation Exemption Certificate ("OPREC") for Applicant with respect to the Property (as defined in the Abatement Agreement). A copy of the Abatement Agreement is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the parties wish to amend the terms of Addendum I to the Abatement Agreement; and

NOW, THEREFORE, in consideration of the foregoing, and of the benefits to accrue to the parties from this Amendment, the parties agree as follows:

1. Addendum 1 to the Abatement Agreement is hereby deleted and replaced with Addendum 1 attached hereto.
2. Within ten (10) days of approval of this Amendment by the Detroit City Council, Applicant shall provide written notice to all current residents of the Property, which notice shall set forth the new terms of Addendum 1 attached hereto and clearly explain the changes between the old Addendum 1 and the new Addendum 1.
3. This Amendment and all actions arising under it shall be governed by the laws of the State of Michigan.
4. Except as modified herein, all terms, conditions and covenants of the Abatement Agreement shall remain in full force and effect, and the Assignee shall fulfill all such terms, conditions and covenants.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and Applicant, by and through their duly authorized officers and representatives, have executed this Amendment.

CITY OF DETROIT

Planning and Development Department:

BY: 

NAME: Antoine Bryant

ITS: Director

APPLICANT:

BY: 

NAME: Steven T. Kosky

ITS: Exec. Director

ADDENDUM 1
Affordability Requirements

1. **Affordable Housing Undertaking.** The Applicant, as developer of the 6544 Woodward Avenue (also known as 6544 Woodward Avenue) mixed-use project (the "Project") on the Property, will implement the following affordable housing plan for the planned 10 residential apartments to be included within the Project:
 - a. The Applicant will offer for lease 10 apartments units ("Affordable Units") to those earning not more than 80% of the Detroit SMSA area median income ("AMI") based on the income limits most recently published by the United States Department of Housing and Urban Development ("HUD"). Rental rates will be based upon occupancy of 1 person in a studio, 2 people in a one-bedroom, and 4 people in a two-bedroom apartment.
 - b. Beginning January 1, 2021, in the event that any of the 10 Affordable Units are unoccupied, provided that Applicant had complied with the notice requirements set forth in subsection (h) below, Applicant may convert the use of such unoccupied unit from residential to commercial use by the Ralph C. Wilson Jr. Foundation.
 - c. Beginning January 1, 2022, in the event that any of the 6 remaining Affordable Units are unoccupied, provided that Applicant had complied with the notice requirements set forth in subsection (h) below, Applicant may convert the use of such unoccupied unit from residential to commercial use by the Ralph C. Wilson Jr. Foundation.
 - d. Notwithstanding the foregoing, if, prior to January 1, 2022, the tenant of any of the Affordable Units elects (of their own volition and due to no pressure or requirement of Applicant) to vacate the Affordable Unit, such Affordable Unit may be converted to commercial use by the Ralph C. Wilson Jr. Foundation.
 - e. Applicant will verify the income of an applicant proposing to lease an Affordable Unit.
 - f. In the event that a tenant's income is no longer not more than 80% of AMI, his or her unit shall be considered to comply with paragraph 1 above notwithstanding renewals of the lease and until the termination of the lease for his or her unit.
 - g. The commitments set forth herein may be terminated in the event an arms-length lender forecloses on a mortgage secured by the Project.
 - h. Applicant will provide a minimum of 90 days' notice to any tenant of an Affordable Unit whose lease will not be renewed at the expiration of the current lease term, and will provide each such tenant with a list of affordable housing options for their income range within a 1 mile radius of the Property.

2. **Payment for Exempted Taxes for Violation of Undertaking.** If Applicant is not in compliance with its obligations under paragraph 1 of this Addendum and fails to cure its non-compliance within 60 days of written notice from the City, the Applicant shall pay the City, in addition to the Obsolete Properties Tax due under the OPREC on the Property, an amount equal to the difference for the year of non-compliance between the amount of ad valorem tax otherwise due on the Property without the OPREC and the amount of the Obsolete Properties Tax due on the Property with the OPREC, multiplied by a fraction, the numerator of which is shortfall of the number of units that are not in compliance and the denominator of which is 10. Prior to taking any action to require the Applicant to pay any amount to the City pursuant to this paragraph 2, the City shall afford the Applicant an opportunity to present at a public hearing reasons for any shortfall by the Applicant in its compliance with this Addendum and shall consider whether to waive the payment obligation described in this paragraph 2.
3. Applicant's obligations under this Addendum are subject to the issuance of an Obsolete Property Rehabilitation Exemption Certificate for the Project pursuant to Public Act 146 of 2000, as amended ("PA 146"), for a term of twelve (12) years after completion of construction, and shall terminate in the event the certificate is revoked prior to its initial stated expiration date.
4. Applicant's express obligations under Sections 1, 2 and 3 of this Addendum shall not be materially affected by changes in City policies or practices after the date hereof. For purposes hereof, "materially affected" shall mean actions first required of the Applicant subsequent to the date hereof but which if so taken would impose an undue burden on the cost of the Applicant.

**OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE
AGREEMENT**

THIS AGREEMENT ("Agreement"), by and between the City of Detroit, a Michigan municipal corporation, acting by and through its Planning and Development Department ("City") with an office at 2 Woodward Avenue, Suite 808, Detroit, MI 48226 and 6568 Woodward, I.L.C. ("Applicant") with an office at 3939 Woodward Ave. Detroit, MI made this 22ND day of December, 2016.

WITNESSETH:

WHEREAS, 2000 PA 146, also known as the Obsolete Property Rehabilitation Act ("Act"), (1) provides for the establishment of obsolete property rehabilitation districts by local governmental units under certain criteria, (2) provides for the exemption from certain taxes for obsolete property owners that qualify, and (3) allows local governmental units to levy and collect specific taxes upon qualified owners of certain property, among other provisions; and

WHEREAS, it is the policy of the City to grant tax exemptions allowable under the Act to encourage rehabilitation of obsolete property that will facilitate redevelopment, remove blighted conditions and expand the tax base for the City of Detroit; and

WHEREAS, the Applicant has submitted an Application for Obsolete Property Rehabilitation Exemption Certificate ("Application") for the City's consideration for property located at 6544 Woodward Avenue (also known as 6568 Woodward Avenue) ("Property"). A copy of the Application is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the City has previously approved an obsolete property rehabilitation district pursuant to the Act of which district the Property is located; and

WHEREAS, the Applicant shall complete a Rehabilitation of the Property and the Applicant shall hire or retain a certain amount of full time employees during the term of the OPREC; and

WHEREAS, the City has approved the Application by resolution granting the Obsolete Property Rehabilitation Exemption Certificate ("OPREC"), pending approval also by the Michigan State Tax Commission. A copy of the City resolution granting the OPREC is attached hereto as Exhibit B and made a part hereof; and

NOW, THEREFORE, to encourage approval of an OPREC and in recognition of the investments the City will make toward the economic growth of the Applicant, which in turn will benefit the City, the parties hereby agree as follows:

I. General.

- a. The Applicant will complete the Property "Rehabilitation" as defined in the Act and as set forth in the Application by August 31, 2017.

- b. The Applicant will take action to recruit and hire City of Detroit residents in accordance with specified targets as set forth in a City of Detroit Resident Employment Plan ("Employment Plan") submitted by the Applicant to the City and approved by the Human Rights Department. The Employment Plan may be updated or modified throughout the term of this Agreement with approval from the Human Rights Department.
- c. This Agreement shall become effective upon approval by the Michigan State Tax Commission of an OPREC covering the Property. Unless earlier revoked as provided for in Section 12 of the Act, being MCL 125.2792, or this Agreement, the OPREC term and the term of this Agreement shall be for a period of twelve (12) years from the Michigan State Tax Commission's approval of the OPREC.
- d. The Applicant shall establish, or cause to be established, at least Thirty-seven (37) full time employees at the Property within two years of the effective date of the Agreement.
- e. For purposes of this Agreement, a "full-time employee" shall include a person: 1) who is employed by the Applicant or its affiliates on a salary, wage, commission, or other basis, for a minimum period of forty (40) hours a week and 2) from whose compensation the Applicant or its affiliates, including a staffing agency, are required by law to withhold City of Detroit income taxes. Affiliates may include Applicant's tenant(s) that lease space at the Property.
- f. The Applicant will comply with the attached Addendum 1 – Affordability Requirements, which is incorporated herein.

2. Applicant Representations

In compliance with the Act and intending to induce the City to grant an OPREC to the Applicant, the Applicant represents that:

- a. The Applicant is the owner of the Property at the time of the Application.
- b. The Property is an "Obsolete Property" as defined under the Act.
- c. The Property will not include property to be used as a professional sports stadium.
- d. The Property will not include property to be used, owned or operated by a casino or affiliated company as defined in the Act.
- e. The project would not have been considered without an OPREC.
- f. Rehabilitation of the Property was not started prior to establishment of the obsolete property rehabilitation district for which the Property sits.
- g. There are no delinquent taxes owed on the Property.

- h. The Applicant will pay any applicable taxes on the Property as they become due.
- i. The Rehabilitation and operation of the Property is in compliance with the City of Detroit Zoning Ordinance and Master Plan.
- j. The Applicant will make a concerted effort to partner or form a joint venture with small business enterprises, minority business enterprises or woman-owned business enterprises that are located in Detroit, or with community-based groups. If the Applicant is unsuccessful in these efforts, upon request, the Applicant will explain in writing to the City the efforts undertaken and the reasons why partnering or forming a joint venture has not been feasible for the project.
- k. If the Rehabilitation of the Property will result in the provision of commercial housing, the Applicant must agree to Fair Housing Practices that meet guidelines set forth by the U.S. Fair Housing Act (42 U.S.C. 3601 through 3619).

3. Reporting by the Applicant to the City.

Within one week after the first year of the Agreement and for each year thereafter, Applicant shall submit to the Planning & Development Department and Human Rights Department of the City of Detroit the following annual reports: 1) a Detroit Resident Hiring Report, 2) a Contract Compliance Report (Form EEO-1) and 3) a current Employer Information Report (Form EEO-2) on forms acceptable to the City.

The Applicant shall provide the Planning & Development Department copies of all construction plans, building permits and certificates of occupancy. These documents, along with periodic site visits to the Property by the City, will serve to establish whether the Applicant is making the Rehabilitation to the Property as required by the Act and this Agreement.

4. Annual Status Report by the Application.

Within one week after the first year of the Agreement and for each year thereafter, Applicant shall submit to the Planning and Development Department a certified status report ("Status Report") signed by an authorized officer of the Applicant. The Status Report shall set forth for the previous year 1) the Rehabilitation work completed at the Property and the Applicant's financial investment in the Property for that year and 2) the average number of full-time employees at the Property for that year. The average number of full-time employees shall be computed as the average of the number of full-time employees at the Property on March 31st, June 30th, September 30th, and December 31st of that year.

5. Review and Audit of Applicant Employment Information.

Applicant agrees to provide the City with sufficient information, and the City may review and audit the information provided by Applicant, in order to determine compliance with this Agreement. If Applicant fails to provide employment information satisfying the needs of the City, Applicant will provide the City and the Michigan Unemployment

Insurance Agency ("UIA") written authorization, in a form acceptable to the City and the UIA, to use and develop appropriate UIA documents, such as, but not limited to, the UIA Multiple Worksite Report, to verify the number of full-time employees stated in the annual Status Report. In the event Applicant fails to provide the City with any information required under this Agreement, Applicant agrees to reimburse the City for all costs, including attorney fees, incurred by the City in obtaining and verifying such information.

6. Revocation of OPREC and Termination of Agreement.

The City may, in its sole discretion and by resolution of Detroit City Council, revoke the OPREC if the City finds that the completion of Rehabilitation of the Property has not occurred within the time authorized by the City in this Agreement or within a duly authorized extension of that time, or that the Applicant has not proceeded in good faith with the operation of the rehabilitated Property in a manner consistent with the purposes of the Act and in the absence of circumstances that are beyond the control of the Applicant.

Good faith efforts include, but are not limited to, the following: 1) Applicant is actively working with an agency or City Department to hire and ascertain methods of recruiting and employing Detroit residents, and 2) Applicant is actively working with the Detroit Economic Growth Corporation and the City's Planning & Development Department to ascertain methods of obtaining available resources to improve Applicant's business in a manner that will allow for compliance with this Agreement.

7. Payment of Exempted Taxes for Shortfall of Employment.

If the average number of full-time employees at the Property for any given year is less than the number of full-time employees set for in Section 1. d. above, the Applicant agrees to pay the City, in addition to the Obsolete Properties Tax due under the OPREC on the Property, an amount equal to the difference between the amount of ad valorem tax otherwise due on the Property without the OPREC, and the amount of Obsolete Properties Tax due on the Property under the OPREC, for that given year, multiplied by a fraction, the numerator of which is the shortfall in the number of full-time employees indicated in the Status Report, and the denominator of which is the total number of full-time employees set forth in Section 1. d. above. Prior to taking any action to require the Applicant to pay any amount to the City in addition to the Obsolete Properties Tax pursuant to this Section, the City must afford the Applicant an opportunity to present at a public hearing reasons for any shortfall by the Applicant in its compliance with this Agreement.

8. Reimbursement of City Costs upon Discontinuance of Operations.

- a. To enable the Applicant to make the improvements and Rehabilitation of the Property as set forth in this Agreement, the City may incur costs for site acquisition, infrastructure improvements, or for other related purposes, as may be agreed to in writing between the City and the Applicant. If during the term of the OPREC the

Applicant shall discontinue operations at the Property, the Applicant agrees to reimburse the City for any such agreed upon costs incurred by the City.

- b. The Applicant agrees that if during the term of the OPREC it shall decide to discontinue operations at the Property, the Applicant shall send written notification to the Director of the Planning & Development Department within thirty (30) days of the decision. The Applicant further agrees that, within thirty (30) days of the actual discontinuance of operations, the Applicant shall send written notification of the actual date of discontinuance to the Director of the Planning & Development Department.

9. Prevailing Wage Requirements

Pursuant to Section 18-5-65. Conditions for tax abatement. of the Detroit City Code, the Applicant agrees that it is receiving tax abatements under the OPREC for the Property and, therefore, the Application shall pay, or cause to be paid, prevailing wages on all construction work performed on the Property.

10. Reservation of Remedies.

The City and the Applicant agree that each of the rights and remedies provided by this Agreement may be exercised separately or cumulatively, and shall not be exclusive of any other rights and remedies provided by law. Invalidation of any of the provisions contained in the Agreement by operation of law, judgment, court order or otherwise shall not invalidate any of the other provisions of the Agreement.

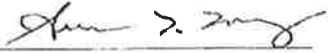
11. Transfer

The OPREC may be transferred and assigned by the Applicant to a new owner of the Property if the City, in its sole discretion, approves the transfer of the OPREC after application by the new owner. For purposes of this section a transfer of the Property shall include any sale of the Property or any lease of more than fifty percent (50%) of the total usable space of the Property for a period longer than five years.

12. Headings

The headings contained in this Agreement are for descriptive purposes only, and do not alter or govern the substantive content of the provisions of the Agreement.

IN WITNESS WHEREOF, the City and the Applicant, by and through their authorized officers and representatives, have executed this Agreement as follows:

APPLICANT:
6568 Woodward, LLC
BY: 
Print: SUSAN T. MOLLOY
ITS: Manager

CITY OF DETROIT
PLANNING & DEVELOPMENT DEPT.

BY: _____
Print: _____
ITS: _____

THIS AGREEMENT IS NOT EFFECTIVE OR VALID UNTIL AN OBSOLETE PROPERTY REHABILITATION CERTIFICATE IS APPROVED BY THE MICHIGAN STATE TAX COMMISSION

**AMENDMENT TO OBSOLETE PROPERTY REHABILITATION EXEMPTION
CERTIFICATE AGREEMENT**

THIS AMENDMENT TO OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this "Amendment") is entered into by and between the City of Detroit ("City"), a Michigan municipal corporation acting by and through its Planning & Development Department, with an office at 2 Woodward Avenue, Suite 808, Detroit, MI 48226, and 6568 Woodward, LLC, a Michigan limited liability company ("Applicant"), with an office at 3939 Woodward Ave., Detroit MI, and is consented to by, and is made this 3rd day of ~~September~~, 2021.

~~October~~

WITNESSETH:

WHEREAS, the City and Applicant entered into that certain Obsolete Property Rehabilitation Exemption Certificate Agreement (the "Abatement Agreement") dated December 22, 2016, pursuant to which Abatement Agreement the City approved an Obsolete Property Rehabilitation Exemption Certificate ("OPREC") for Applicant with respect to the Property (as defined in the Abatement Agreement). A copy of the Abatement Agreement is attached hereto as Exhibit A and made a part hereof; and

WHEREAS, the parties wish to amend the terms of Addendum I to the Abatement Agreement; and


NOW, THEREFORE, in consideration of the foregoing, and of the benefits to accrue to the parties from this Amendment, the parties agree as follows:

1. Addendum 1 to the Abatement Agreement is hereby deleted and replaced with Addendum 1 attached hereto.
2. Within ten (10) days of approval of this Amendment by the Detroit City Council, Applicant shall provide written notice to all current residents of the Property, which notice shall set forth the new terms of Addendum 1 attached hereto and clearly explain the changes between the old Addendum 1 and the new Addendum 1.
3. This Amendment and all actions arising under it shall be governed by the laws of the State of Michigan.
4. Except as modified herein, all terms, conditions and covenants of the Abatement Agreement shall remain in full force and effect, and the Assignee shall fulfill all such terms, conditions and covenants.


[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the City and Applicant, by and through their duly authorized officers and representatives, have executed this Amendment.

CITY OF DETROIT
Planning and Development Department:

BY: 
NAME: Antoine Bryant
ITS: Director

APPLICANT:

BY: 
NAME: Susan T. Koszy
ITS: Exec. Director

ADDENDUM 1
Affordability Requirements

- I. Affordable Housing Undertaking. The Applicant, as developer of the 6544 Woodward Avenue (also known as 6544 Woodward Avenue) mixed-use project (the "Project") on the Property, will implement the following affordable housing plan for the planned 10 residential apartments to be included within the Project:
 - a. The Applicant will offer for lease 10 apartments units ("Affordable Units") to those earning not more than 80% of the Detroit SMSA area median income ("AMI") based on the income limits most recently published by the United States Department of Housing and Urban Development ("HUD"). Rental rates will be based upon occupancy of 1 person in a studio, 2 people in a one-bedroom, and 4 people in a two-bedroom apartment.
 - b. Beginning January 1, 2021, in the event that any of the 10 Affordable Units are unoccupied, provided that Applicant had complied with the notice requirements set forth in subsection (h) below, Applicant may convert the use of such unoccupied unit from residential to commercial use by the Ralph C. Wilson Jr. Foundation.
 - c. Beginning January 1, 2022, in the event that any of the 6 remaining Affordable Units are unoccupied, provided that Applicant had complied with the notice requirements set forth in subsection (h) below, Applicant may convert the use of such unoccupied unit from residential to commercial use by the Ralph C. Wilson Jr. Foundation.
 - d. Notwithstanding the foregoing, if, prior to January 1, 2022, the tenant of any of the Affordable Units elects (of their own volition and due to no pressure or requirement of Applicant) to vacate the Affordable Unit, such Affordable Unit may be converted to commercial use by the Ralph C. Wilson Jr. Foundation.
 - e. Applicant will verify the income of an applicant proposing to lease an Affordable Unit.
 - f. In the event that a tenant's income is no longer not more than 80% of AMI, his or her unit shall be considered to comply with paragraph 1 above notwithstanding renewals of the lease and until the termination of the lease for his or her unit.
 - g. The commitments set forth herein may be terminated in the event an arms-length lender forecloses on a mortgage secured by the Project.
 - h. Applicant will provide a minimum of 90 days' notice to any tenant of an Affordable Unit whose lease will not be renewed at the expiration of the current lease term, and will provide each such tenant with a list of affordable housing options for their income range within a 1 mile radius of the Property.

2. **Payment for Exempted Taxes for Violation of Undertaking.** If Applicant is not in compliance with its obligations under paragraph 1 of this Addendum and fails to cure its non-compliance within 60 days of written notice from the City, the Applicant shall pay the City, in addition to the Obsolete Properties Tax due under the OPRFC on the Property, an amount equal to the difference for the year of non-compliance between the amount of ad valorem tax otherwise due on the Property without the OPREC and the amount of the Obsolete Properties Tax due on the Property with the OPREC, multiplied by a fraction, the numerator of which is shortfall of the number of units that are not in compliance and the denominator of which is 10. Prior to taking any action to require the Applicant to pay any amount to the City pursuant to this paragraph 2, the City shall afford the Applicant an opportunity to present at a public hearing reasons for any shortfall by the Applicant in its compliance with this Addendum and shall consider whether to waive the payment obligation described in this paragraph 2.
3. Applicant's obligations under this Addendum are subject to the issuance of an Obsolete Property Rehabilitation Exemption Certificate for the Project pursuant to Public Act 146 of 2000, as amended ("PA 146"), for a term of twelve (12) years after completion of construction, and shall terminate in the event the certificate is revoked prior to its initial stated expiration date.
4. Applicant's express obligations under Sections 1, 2 and 3 of this Addendum shall not be materially affected by changes in City policies or practices after the date hereof. For purposes hereof, "materially affected" shall mean actions first required of the Applicant subsequent to the date hereof but which if so taken would impose an undue burden on the cost of the Applicant.

Exhibit B
New Application

Janice M. Winfrey
City Clerk

City of Detroit
OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

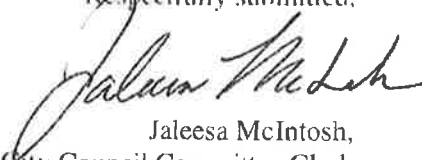
February 7, 2023

To: Katharine G. Trudeau, Deputy Director
Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 808
Detroit, MI. 48226

Re: Request for an Obsolete Property Rehabilitation Exemption Certificate at the 6568 Woodward Detroit, MI 48202. (In reference to petition 1189).

Please find attached Petition requesting Request for an Obsolete Property Rehabilitation Exemption Certificate at the 6568 Woodward Detroit, MI 48202. **(In reference to petition 1189).**

Respectfully submitted,



Jaleesa McIntosh,
Jr. Assistant City Council Committee Clerk
Office of the City Clerk

Application for Obsolete Property Rehabilitation Exemption Certificate

Issued under authority of Public Act 146 of 2000, as amended.

This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the completed application and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) See State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

Applicant (Company) Name (applicant must be the OWNER of the facility)		
BRC 6568 Woodward, LLC		
Company Mailing Address (Number and Street, P.O. Box, City, State, ZIP Code)		
611 Westwood, Birmingham, Michigan 48009		
Location of obsolete facility (Number and Street, City, State, ZIP Code)		
6568 Woodward Avenue, Detroit, Michigan		
City, Township, Village (Indicate which)	County	
City of Detroit	Wayne	
Date of Commencement of Rehabilitation (mm/dd/yyyy)	Planned date of Completion of Rehabilitation (mm/dd/yyyy)	School District where facility is located (Include school code)
11/08/2016	12/01/2017	82010 Detroit
Estimated Cost of Rehabilitation	Number of years exemption requested	
\$6,721,292.00	12	
Attach legal description of obsolete property on separate sheet.		
Expected Project Outcomes (Check all that apply)		
<input checked="" type="checkbox"/> Increase commercial activity	<input checked="" type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas
<input checked="" type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input type="checkbox"/> Increase number of residents in the community in which the facility is situated
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment. <u>20</u>		
<input checked="" type="checkbox"/> Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the box at left if you wish to be considered for this exclusion.		
APPLICANT CERTIFICATION		
The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.		
The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.		
It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.		
Name of Company Officer (No authorized agents)	Telephone Number	Fax Number
Matthew Walters	(248) 330-8068	
Mailing Address	E-mail Address	
611 Westwood Drive, Birmingham, Michigan, 48009	waltersdetroit@gmail.com	
Signature of Company Officer (no authorized agents)	Title	
	Member	
LOCAL GOVERNMENT UNIT CLERK CERTIFICATION		
The Clerk must also complete Parts 1, 2 and 4 on page 2. Part 3 is to be completed by the Assessor		
Signature	Date Application Received	
FOR STATE TAX COMMISSION USE		
Application Number	Date Received	LUCI Code

LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

Action Date _____

- Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)
- Denied

Date District Established _____

LUCI Code _____

School Code _____

PART 2: RESOLUTIONS (the following statements must be included in resolutions approving)

A statement that the local unit is a Qualified Local Governmental Unit.

A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000.

A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit.

A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.

A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing.

A statement that the applicant is not delinquent in any taxes related to the facility.

If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit.

A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.

A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.

A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.

A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district.

A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in.

A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.

A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.

PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC)

Building Taxable Value

Building State Equalized Value

\$

\$

Name of Government Unit _____

Date of Action Application _____

Date of Statement of Obsolescence _____

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act of 2000 may be in jeopardy.

Name of Clerk _____

Telephone Number _____

Clerk Mailing Address _____

Mailing Address _____

Telephone Number _____

Fax Number _____

E-mail Address _____

Clerk Signature _____

Date _____

For faster service, email completed application and attachments to PTE@michigan.gov. An additional submission option is to mail the completed application and attachments to Michigan Department of Treasury, State Tax Commission, PO Box 30471, Lansing, MI 48909. If you have any questions, call 517-335-7491.

February 2, 2023

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 4826

RE: Request to transfer the Obsolete Property Rehabilitation Act (OPRA) Exemption Certificate No. 3-17-0033 for the Property at 6568 and 6544 Woodward Avenue Detroit, MI 48202

Honorable City Council:

Please accept this letter as a request to transfer the Obsolete Property Rehabilitation Exemption Certificate (OPREC) for the property located at 6568 and 6544 Woodward Avenue, Detroit, Michigan 48202, referred to herein as the "Property". The City of Detroit's OPRA Agreement associated with the Property and previous owner, 6568 Woodward, LLC, was executed on November 4, 2016 and amended on October 13, 2021, both of which are included as Attachment A. The State Tax Commission issued Certificate No. 3-7-0033 on December 20, 2017, which is included as Attachment B.

The Property is located in the Midtown neighborhood of Detroit and is roughly bounded by East Grand Boulevard to the north, the property and adjoining building to the east, the property line and adjoining building to the south, and Woodward Avenue to the west. The Property is occupied by a three-story building totaling 25,722 square feet. The building was constructed in 1915, with renovations in 1925. It was occupied by Detroit Drug Co. at that time. The current building rehabilitation created a modern, mixed-use space including restaurant, retail, and philanthropic units on the ground level, with offices and residential space on the second and third levels. While 10 apartment units were planned, the amended OPRA agreement allowed unoccupied units to become commercial use by the philanthropic tenant. No apartment units remain in the building.

The building required upgrades and replacements of core building systems, including heating, ventilation, and air conditioning equipment, electrical and plumbing systems, windows, and the roof. The project also restored the historic façade of the building, modernized the building floor plans, and abated asbestos containing building materials. Hard cost construction was estimated to cost in excess of \$5 million.

Current occupants include Baobab Fare, an East African restaurant, co.act Detroit, a collaborative accelerator for non-profits and community organizations, and the Ralph C. Wilson Jr. Foundation. Former upper-level apartment units have been converted to commercial use for the Foundation.

BRC 6568 Woodward, LLC is the prospective purchaser of the property. We are requesting a transfer of OPREC number 3-17-0033, as well as the OPRA Agreement held with the City of Detroit's Planning and Development Department from 6568 Woodward, LLC to BRC 6568 Woodward, LLC. In addition, we are requesting the Employee Commitment Number in Section 1.c. to be revised to twenty (20) full-time employees five of which being Detroit residents, due to the impact of covid-19 and work from home policies on the proposed project and use of the building primarily as commercial office space.

**Request for Transfer of an OPRA Certificate at
6568 Woodward Avenue, Detroit, Michigan 48202 for
BRC 6568 Woodward, LLC**

Per Sec. 13 of Public Act 146 "An obsolete property rehabilitation exemption certificate may be transferred and assigned by the holder of the certificate to a new owner of the rehabilitated facility if the qualified local governmental unit approves the transfer after application by the new owner."

We sincerely appreciate your consideration and diligence associated with this request. Please feel free to contact me should you have any questions.

Respectfully Submitted,



Matthew Walters
BRC 6568 Woodward, LLC

Attachments

Attachment A: Executed Agreement and Amendment
Attachment B: Approved OPRA Certificate