

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

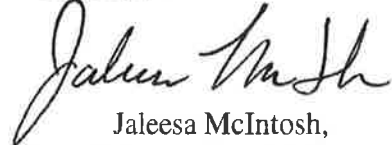
April 11, 2023

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

Re: **Petition 1531 C.** Application for Obsolete Property Rehabilitation Exemption
Certificate for the property located at 1950 W Bethune, Detroit, MI 48206

Please find attached Petition Request for Obsolete Property Rehabilitation
Exemption Certificate for the property located at 1950 W Bethune, Detroit, MI
48206

Respectfully submitted,



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

Reset Form

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by 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 original and two copies of this form 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.) Please 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) St. Agnes Lofts, LLC		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) PO Box 20083, Ferndale, Michigan 48220		
Location of obsolete facility (No. and street, City, State, ZIP Code) 1950 W Bethune, Detroit, MI 48206		
City, Township, Village (indicate which) City of Detroit		County Wayne
Date of Commencement of Rehabilitation (mm/dd/yyyy) 11/01/2023	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 05/31/2025	School District where facility is located (include school code) Detroit City Schools (82010)
Estimated Cost of Rehabilitation \$275,000.00	Number of years exemption requested 12	Attach Legal description of Obsolete Property on separate sheet
Expected project likelihood (check all that apply):		
<input checked="" type="checkbox"/> Increase Commercial activity	<input 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 2		
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 following box if you wish to be considered for this exclusion.		
<input checked="" type="checkbox"/>		

APPLICANT'S 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) Michael Rivait	Telephone Number (248) 670-2011	Fax Number
Mailing Address PO Box 20083, Ferndale, Michigan 48220		Email Address michael@newdetroit.com
Signature of Company Officer (no authorized agents) 		Title Owner

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
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FOR STATE TAX COMMISSION USE		
Application Number	Date Received	LUCI Code



March 23, 2023

Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Ave Suite 1340
Detroit, MI 48226

RE: Request for the Establishment of an Obsolete Property Rehabilitation Exemption Certificate at 1950 W Bethune, Detroit, Michigan 48206 for St. Agnes Lofts, LLC.

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Act (OPRA) Exemption Certificate for the property located at 1950 W Bethune, Detroit, Michigan 48206, which is referred to herein as the "Property" and described on Attachment A. The Property will be rehabilitated by the petitioner and current owner, St. Agnes Lofts, LLC.

Company and Project Synopsis

Saint Agnes Lofts, LLC (the "Developer") and was founded by Michael Rivait in 2021. Michael Rivait, owner of Rivait Design + Build Group (the general contractor (GC)) has invested in southeast Michigan since 1985 and is well-versed in real estate, building and contracting, and development. In over 35 years, Rivait Design + Build has built over 200 energy efficient homes and residential projects, before expanding to include additional construction and development or senior living condos and apartment buildings. With demonstrated experience in building and rehabilitating residential properties in southeast Michigan, Rivait has recently completed the rehabilitation of Elaine Lofts in Milwaukee Junction and is poised to successfully rehabilitate these buildings.

The proposed project contains one parcel totaling approximately 0.23 acres and is located at 1950 W Bethune. The proposed project is bounded by the property line to the north, east, and west, and West Bethune Avenue to the south.

The property is located in LaSalle Gardens Neighborhood. The Henry Ford Hospital, Motown Museum, and LaSalle Park are all within walking distance of the development. The parcel is occupied by a former boiler house that supplied heat to the adjoining former St. Agnes/Martyrs of Uganda church campus. The building is currently uninhabitable, with fallen masonry, boarded up windows, and no operating utilities.

The proposed project will entail the rehabilitation of the current building into a commercial use envisioned as a café/coffee house space or community amenity for apartment residents. This proposed project is part of a larger redevelopment effort of the former St. Agnes/Martyrs of Uganda church campus that will provide 82 residential units in a mix of studios, one-bedroom, two-bedroom, and three-bedroom units and an additional approximately 24,000 square feet of commercial space. The exterior of the building will include new parking, improved landscaping,

**Request for Establishment of an Obsolete Property Rehabilitation Certificate at
1950 W Bethune, Detroit, MI 48206
for St. Agnes Lofts, LLC**

flexible patio space for outdoor seating and community gatherings, and enhanced site connectivity to the Rosa Parks Boulevard corridor and the La Salle Gardens neighborhood.

PA 146 Request

This application documents the request for the establishment of a Commercial Rehabilitation Exemption Certificate. A 12-year abatement is being requested. The proposed project occurs on property within an Obsolete Property Rehabilitation District that has been established by a qualified local governmental unit by resolution.

The property/properties meet the definition of "obsolete property" as defined in Section 2 of Public Act 146 based on one or more of the following:

- Functionally obsolete as defined in Section 2 of the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2652.

The Necessity for Tax Relief

The property currently contains deteriorating buildings that will require repair and selective demolition with the property rehabilitation. Substantial investment is necessary to rehabilitate the area into a viable, long-term development. The costs associated with the rehabilitation require multiple capital sources including equity contributed by St. Agnes Lofts, LLC members, as well as an interim construction loan, and upon completion, a long-term loan product. The overall internal rate of return for the proposed development will be extremely low without the receipt of the Obsolete Property Rehabilitation Certificate, and therefore, the development would not be possible without it.

Closing

St. Agnes Lofts, LLC brings a compassionate group of professionals with a proven track record and experience in multi-family investments within Metro Detroit. Members of the Development team have reached out to members of the community, and neighboring property owners regarding the new ownership and anticipated improvements and garnered significantly positive feedback.

The team is looking forward to pursuing this redevelopment and creating a community space for the La Salle Gardens neighborhood.

Respectfully submitted,



Michael Rivait
St. Agnes Lofts, LLC
michael@newdetroit.com
(248) 670-2011

Submitted with Assistance from:
Ginny Dougherty
PM Environmental, Inc.
dougherty@pmenv.com
(248) 414-1436

***Request for Establishment of an Obsolete Property Rehabilitation Certificate at
1950 W Bethune, Detroit, MI 48206
for St. Agnes Lofts, LLC***

Attachment A: Detailed Project Description

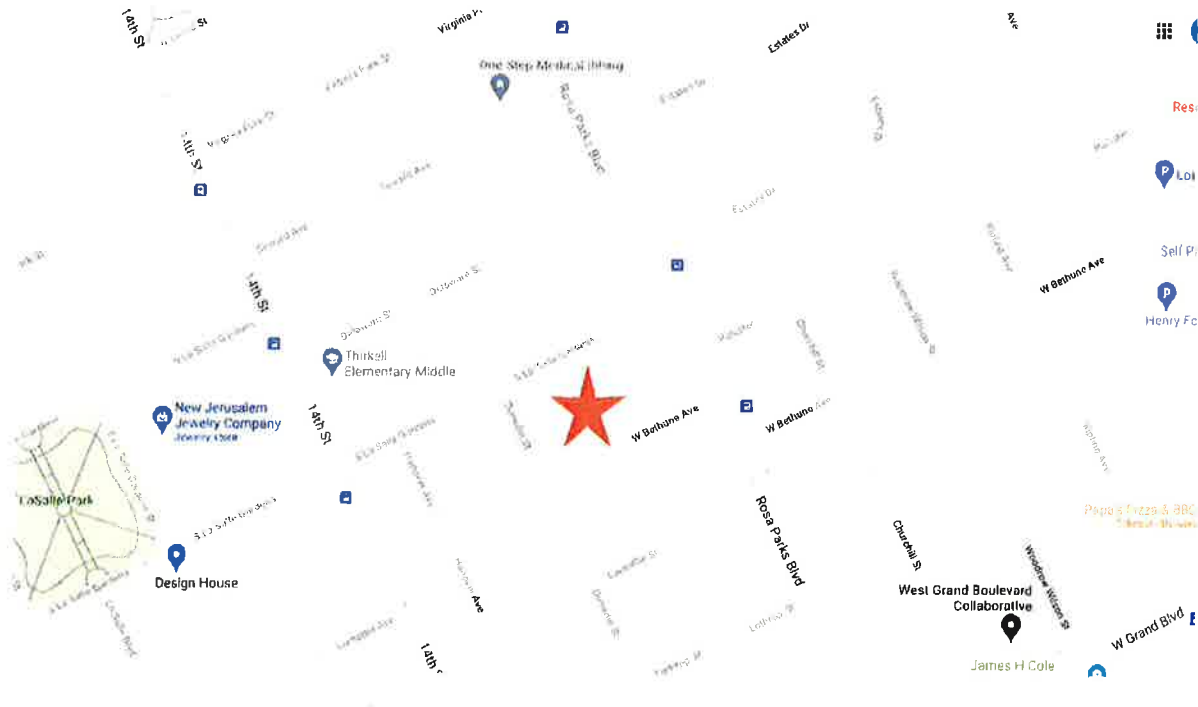
Attachment B: Parcel Map

Attachment C: Letters of support

Attachment A: Detailed Project Description

General Description

The proposed Obsolete Property Rehabilitation Act (OPRA) project is bounded by the property line to the north, east, and west, and West Bethune Avenue to the south. The Property is located within the La Salle Gardens Neighborhood and consists of one parcel, which is outlined in the map below.



The property is part of the former St. Agnes/Martyrs of Uganda church campus and was constructed in approximately 1917. The building formerly housed the boilers that provided heat to the church campus. The proposed project consists of rehabilitating the building into one approximately 1,500 square foot commercial café/coffee house space.

The associated address and parcel identification number can be found below, and a copy of the corresponding legal descriptions can be found at the end of this attachment.



Description of Proposed Use

The proposed redevelopment will create additional commercial space and promote property stewardship along the Rosa Parks Boulevard corridor. The corridor has been identified as a key transit corridor and connection for the city within the Rosa Parks - Clairmont neighborhood revitalization framework, with a focus on maintaining historic architecture and creating a walkable destination.



Existing building located at 1950 W Bethune

Though not specifically within the Rosa Parks – Clairmont Neighborhood Framework Area, the project builds upon its strategy to become an asset to the nearby community. The rehabilitation of the current building is part of a larger effort to revitalize the former St. Agnes/Martyrs of Uganda church campus and becomes stewards of this historic property. The proposed project will entail the rehabilitation of the current building, into an approximately 1,500 square foot commercial space.

The larger project strategically focuses redevelopment of the property along the key Rosa Parks corridor with opportunities for housing rehabilitation and support of retail space to provide goods and services close to home. Outside of the boiler house rehabilitation under consideration for this OPRA exemption certificate, the revitalization of the church campus will create 82 residential units and up to 24,000 additional square feet of commercial space.

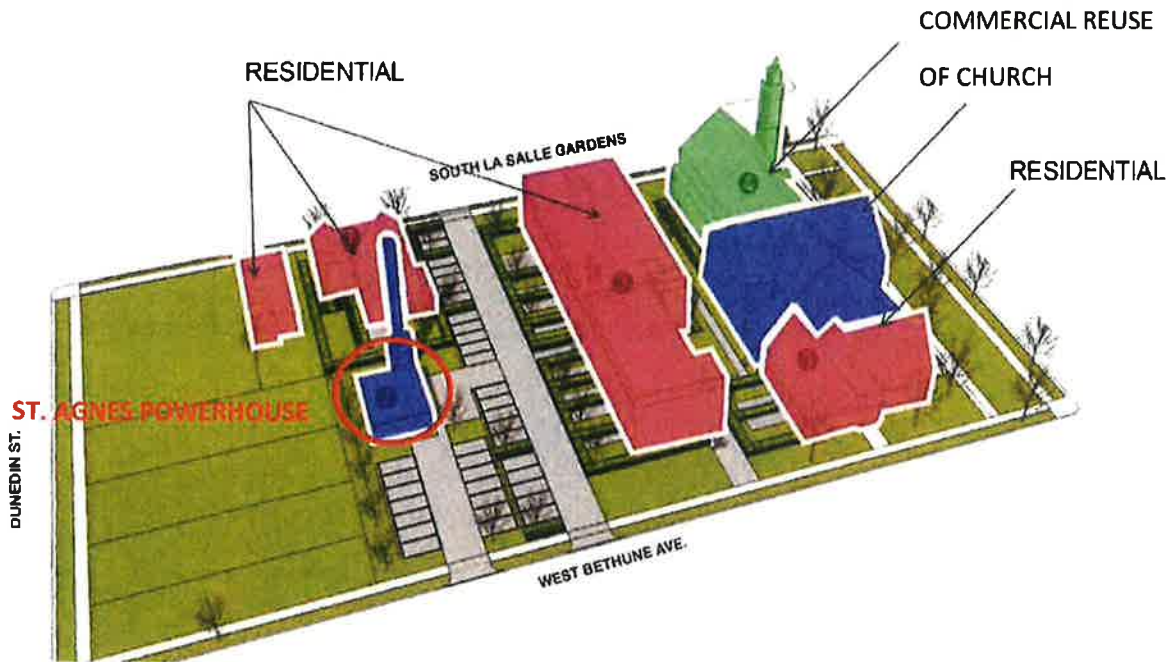
Nature and Extent of the Rehabilitation

Due to the condition of the building, a priority will be to make the necessary structural repairs and replacement of roofing materials, doors, and windows to secure the property against additional scrapping and the weather elements. As part of the rehabilitation, the building will receive new utilities including electrical and plumbing distribution and new energy efficient heating, cooling and ventilation systems. Apartment units will include new energy efficient windows and doors, new kitchen and bathroom cabinetry, stainless steel appliances, in-unit laundry, and fixtures.

Descriptive List of the Fixed Building Equipment/Renovations

Renovations and new fixed building equipment and materials for the project include;

- Masonry; concrete and restoration activities associated with the existing building
- Roofing; including roof deck repair and new roofing system installation
- Carpentry; including framing
- Thermal and Moisture Protection; insulation, caulking and sealing
- Doors and Windows;
- Mechanical; plumbing, HVAC, and fire protection
- Electrical; electrical work
- Finishes; drywall, flooring to a white box condition
- Specialties; fire extinguishers



Time Schedule

Renovation activities are anticipated to commence in November 2023. Construction activities will take 18 months for completion.

Statement of Economic Advantages

Hard cost investment for this building’s rehabilitation is estimated at \$216,455, with total investment estimated at \$275,000. The total investment of the entire St. Agnes campus is estimated at \$14.82 Million. The developer is applying for a 12-year real property tax abatement under the provisions of an Obsolete Property Rehabilitation Act tax abatement. The sources of funds for the project are through owner equity and permanent financing. The Developer is not delinquent on any property tax related to the facility.

The granting of the OPRA tax abatement will not result in any fewer taxes to the City of Detroit in the short-term or long-term. On a short-term basis approximately 5 construction jobs will be created for this property, while the larger redevelopment is anticipated to create a total of 150 construction jobs. Design Build Detroit (the GC) is experienced and has lined-up Detroit-based contractors through their years of experience. In addition, the Developer has reached out to the Skilled Trades Taskforce to ensure Detroit-based contractors benefit from the development.

On a long-term basis the proposed redevelopment associated with the OPRA tax exemption certificate will create approximately two full-time equivalent (FTE) jobs by the tenants. It is anticipated the City of Detroit will collect approximately 2.4% income tax per employee per year. The table below illustrates the tax impact the development will have following completion.

Residential Benefits	Annual Amount
Approximately 2 FTE jobs by tenants	
\$45,000 x 2 x 2.4% (Median Income x Units x 2.4%)	\$2,160
Total	\$2,160

Following expiration of the 12-year abatement the building will deliver a significant increase in tax revenue. Over time, the successful redevelopment and cultural growth will have a city-wide impact.

The project builds upon its strategy to become an asset to the nearby community as outlined in the Rosa-Parks – Clairmont Neighborhood Framework Plan. Upon completion, the Development will return an obsolete property to productive use and will increase residential (and commercial) density in an area that is actively seeking reinvestment and restoration of historic pride. The rehabilitation of the former convent building is part of a larger effort to revitalize the former St. Agnes/Martyrs of Uganda church campus and becomes stewards of this historic property.

The Development will create residential space for and encourage the local community to populate the exterior spaces and amenities. These developments are necessary components crucial to attracting resident and visitor interest along with investment in the Rosa Parks Boulevard Corridor. This type of development has been identified in the Rosa Parks - Clairmont Neighborhood Framework Plan that reuses the existing building stock, provides additional housing, and creates a walkable destination for local goods and services. Activation of this property will spur further growth and act as a catalyst for future redevelopment along the Rosa Park Boulevard corridor, and the surrounding neighborhoods and provide a new foundation of this historic commercial corridor.

Legal Description

Parcel Number: 08007991.002

Address: 1950 W Bethune

Acres: 0.23

Legal Description:

N BETHUNE LOTS 52 53 AND VAC ALLEY WHITNEYS SUB L27 P78 PLATS, W C R 8/82 71.72 X 140 10,041 SQFT SPLIT ON 03/15/2023 FROM 08007991.

Attachment B: Parcel Map

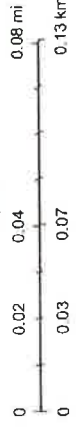
1950 W Bethune



August 3, 2021

- Condominiums
- Parcel Boundaries

1:2,257



SEMCOG, Esri, Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA, AAFC, NRCan

Attachment C: Letters of Support

12TH STREET

November 1, 2021

The Honorable Detroit City Council
2 Woodward Avenue
Detroit, MI 48226

Re: Historic St. Agnes Housing Project - 7601 Rosa Parks Boulevard

Greetings:

I am Terence Willis, founder and president of 12th Street CDC. Our mission is to assist in the reclamation, rebuilding and renewal of communities throughout Detroit, with a particular focus on the Virginia Park and Lasalle Gardens neighborhoods. I am a native Detroiter as well as a resident and active real estate developer in Virginia Park.

I have seen the plans for the St. Agnes Housing Project, and I am happy to support this effort. I have known Martin since he first began acquiring and rehabbing properties in the area. He has performed at a high level and invested the time and resources necessary to produce high quality work. Our neighborhood is better today because of the efforts of committed residents like Martin. Based on every project that I have known him to undertake, I have a lot of confidence that the St. Agnes Housing Project can be successful and a true asset to the community.

Unfortunately, I have watched these structures deteriorate over time as they have waited for development. As someone who has seen those buildings when they were thriving, it has been heartbreaking to see the lack of investment and action by the previous owner. Those broken promises have had very real and harmful consequences on our neighborhood. I am hopeful that the St. Agnes Housing Project will be a testament to what's possible when we put opportunity into the hands of those actually in, of and from the community.

Sincerely,



Terence Willis
President, 12th Street CDC



Cass
Community
Social
Services

November 1, 2021

The Honorable Detroit City Council
Coleman A. Young Municipal Center
2 Woodward Avenue
Detroit, MI 48226

Subject: Historic St. Agnes Housing Project - 7601 Rosa Parks Boulevard

Dear Detroit City Council,

We understand Martin Heinz and Michael Rivait are requesting the designation of the an Obsolete Property Rehabilitation Act (OPRA) District for the Saint Agnes Housing Project, located on 7601 Rosa Parks Boulevard. For the past 20 years our non-profit, community services operations have been located at 11850 Woodrow Wilson, 2 miles north of the St. Agnes project.

We are writing to you today to express our support for the project. First, the church and related buildings have only decayed over the past decade. Martin's project will reverse the blight, by rehabilitating the vacant properties, retaining the architectural character for the community and making the area a great place to live, shop and work. Second, the planned development will provide the community much needed living space for elderly seniors who do not want to leave the community and young professionals looking for economic living space. Lastly, Martin and Michael's other projects are examples of grassroots, local, compassionate approach to community development which we prefer.

Please support Martin's request for the OPRA district and the Historic St. Agnes Housing Project. Please contact me if you have any questions or would like to discuss the project.

Sincerely,

Michael Van Antwerp *MBA, PE, AICP, PMP, Env-SP*
Director, Real Estate and Development
Cass Community Social Services

11745 Rosa Parks Blvd • Detroit, MI 48206 • 313.883.2277 • www.casscommunity.org

Activity Center • Antisdal Apartments • Brady Building • Cass House • Littleton Building • Scott Building • Thomasson Building • Warehouse • World Building

October 26, 2021

The Honorable Detroit City Council
2 Woodward Avenue
Detroit, MI 48226

RE: Historic St. Agnes Housing Project - 7601 Rosa Parks Boulevard

To whom it may concern,

My name is Javier Puga. My wife Melanie and I live in La Salle Gardens with our two year old son Joaquin. Our home is only a few blocks from the St. Agnes Church and its adjacent buildings. We have wondered for several years what, if anything, will be done with this site. It's a beautiful historic structure and we would love to see it developed and rehabilitated.

One of the great pleasures of living in Detroit these last few years has been watching builders renovate these vacant buildings. We regularly get to see people moving into homes that were once uninhabitable. Our son plays in the playground across the street from the church, so we're regularly reminded of its run down condition. It's one of the few remaining large buildings in the area that are still sitting with no work being done.

It's wonderful to know Martin Herz and his company are planning to finally give these buildings the renovation they deserve. I know we're not the only ones eager to see them restored to their former glory.

Sincerely,

Javier Puga
2299 S La Salle Gdns
Detroit, MI 48206
305-984-1702



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

April 28, 2023

Katy Trudeau, Deputy Director
 Planning & Development Department
 Coleman A. Young Municipal Center
 2 Woodward Ave, Suite 808
 Detroit, MI 48226

Re: **Obsolete Property Rehabilitation Certificate – St Agnes Lofts, LLC**
 Addresses: 1950 W Bethune
 Parcel Number: 08007991.002

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation District located at **1950 W Bethune** located in the La Salle Gardens area of the City of Detroit.

The rationale for creating Obsolete Property Rehabilitation Districts under PA 146 of 2000, 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 2023 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
08007991.002	1950 W Bethune	\$ 10,200	\$ 9,864	\$ 5,000	\$ 4,836

The project as proposed by the St Agnes Lofts, LLC contains one parcel totaling approximately 0.23 acres and has a 1,500 square foot improved building, located at 1950 W Bethune. The property is part of the former St. Agnes/Martyrs of Uganda church campus and was constructed in approximately 1917 to function as the powerhouse for the campus. The improved building formerly housed the boilers that provided heat to the church campus. The proposed project consists of rehabilitating the building into one approximately 1,500 square foot commercial café/coffee house space. The building will undergo major renovations including layout reconfiguration, all major mechanical, HVAC, plumbing and electrical systems replacement, new windows and doors, structural repairs, and façade improvements.

This property meets the criteria set forth under PA 146 of 2000, as amended. It applies to blighted, functionally obsolete and contaminated properties. "Rehabilitation," meaning that changes to qualified facilities that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. Rehabilitation also includes major renovation and modification including, but not necessarily limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, adding additional stories to a facility or adding additional space on the same floor level not to exceed 100% of the existing floor space on that floor level, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes required to restore or change the obsolete property to an economically efficient condition.



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

Obsolete Property Rehabilitation Certificate
St Agnes Lofts, LLC
Page 2

A statutory review indicated that the proposed Obsolete Property Rehabilitation Certificate for the property located at **1950 W Bethune** is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor/Board of Assessors

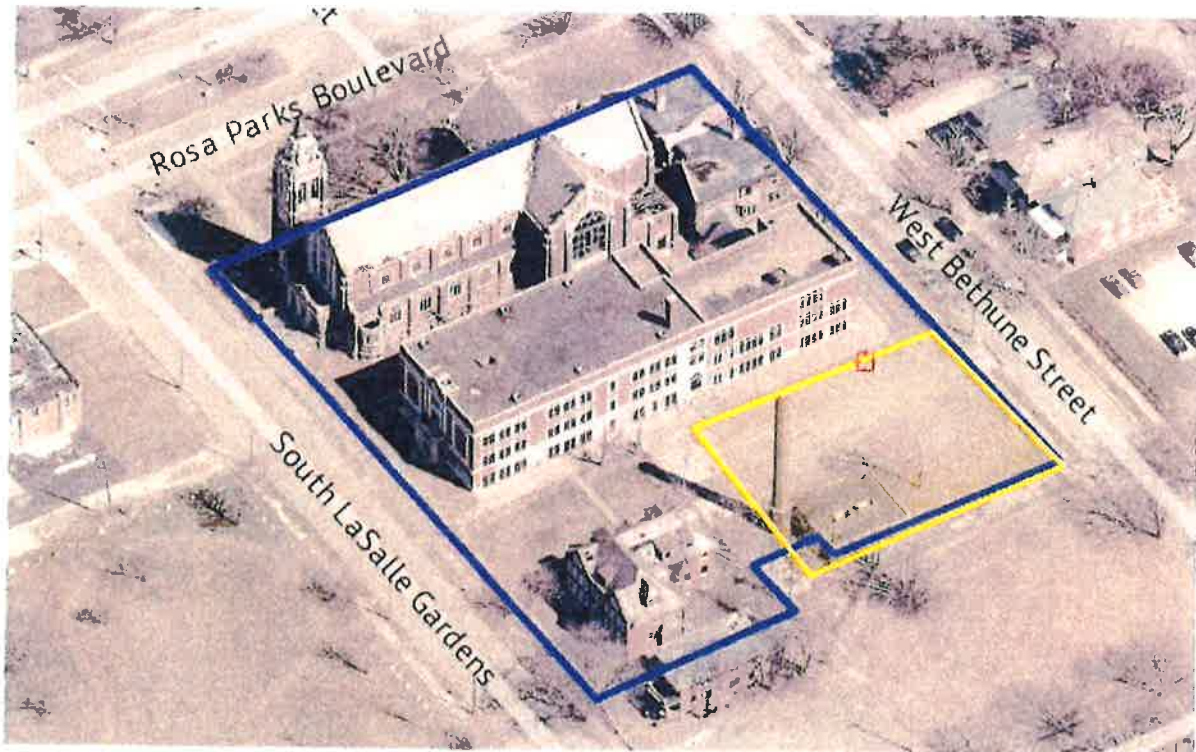


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Obsolete Property Rehabilitation Certificate
St Agnes Lofts, LLC
Page 3

Property Address: 1950 W Bethune
Parcel Number: 08007991.002
Property Owner: St Agnes Lofts, LLC
Legal Description: N BETHUNE LOTS 52 53 AND VAC ALLEY WHITNEYS SUB L27 P78 PLATS, W C R 8/82 71.72 X 140
10,041 SQFT



**OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE
AGREEMENT**

THIS OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this "Agreement") is made this 14 day of April, 2023 by and between the City of Detroit, a Michigan municipal corporation (the "City"), acting by and through its Planning & Development Department, with an office at 2 Woodward Avenue, Suite 808, Detroit, Michigan 48226, and **St. Agnes Lofts, LLC**, an ("Applicant") with an office at **PO Box 20083, Ferndale MI 48220**.

WITNESSETH:

WHEREAS, Public Act 146 of 2000, as amended, also known as the Obsolete Property Rehabilitation Act (the "Act"), (1) provides for the establishment of obsolete property rehabilitation districts by local governmental units, (2) provides for the abatement or exemption from certain taxes for qualified obsolete property owners, and (3) allows local governmental units to levy and collect a specific tax from the owners of an obsolete property, among other provisions; and

WHEREAS, the Applicant has submitted an application (the "Application") for an Obsolete Property Rehabilitation Exemption Certificate ("OPREC") for the property located at: **1950 W Bethune Avenue** (the "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, and the Property is located in such district; and

WHEREAS, the Applicant has committed to complete a Rehabilitation of the Property, as defined in the Act, and to hire or retain a certain amount of full-time employees at the Property during the Term (as defined below); and

WHEREAS, the City has approved the Application by adopting a resolution granting the OPREC to the Applicant, contingent upon the covenants and representations contained herein and pending approval 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, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. General.

a. Unless earlier revoked as provided for in Section 12 of the Act, being MCL 125.2792, or as provided for in this Agreement, the term of the OPREC and the term of this Agreement (collectively, the "Term") will be for a period of **Twelve (12)** years, beginning on the certificate beginning date stated in the OPREC issued by the Michigan State Tax Commission.

b. The Applicant will complete the Property Rehabilitation, as defined in the Act and as set forth in the Application, no later than **May 31, 2025**.

c. The Applicant shall create, or cause to be created, at least **Two (2)** (the “Employee Commitment Number”) full-time employees at the Property within one (1) year of the effective date of this Agreement.

d. The Applicant will recruit and hire City of Detroit residents in accordance with specified targets as set forth in the City of Detroit Resident Employment Plan (“Employment Plan”) submitted by the Applicant to the City as part of the Application and approved by the City of Detroit Civil Rights, Inclusion and Opportunity Department (“CRIO”). Throughout the Term, the Employment Plan may not be modified without CRIO’s prior written approval, which approval may be granted or withheld in CRIO’s sole discretion. CRIO will monitor the Applicant’s compliance with the Employment Plan on an annual basis throughout the Term. Upon notice from CRIO of a discrepancy between the Applicant’s commitment in the Employment Plan and the actual number of City of Detroit residents employed at the Property, Applicant shall submit a correction plan setting forth the Applicant’s plan to bring the number of City of Detroit residents employed at the Property back up to the specified targets as set forth in the Employment Plan. Applicant’s correction plan must be approved by CRIO. Applicant shall be required to fulfill the terms of such correction plan in the timeline set forth in the correction plan.

e. For purposes of this Agreement, a “full-time employee” is defined as a person: (i) 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 (ii) 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.

2. Applicant Representations and Warranties.

In compliance with the Act, and in order to induce the City to grant the OPREC to the Applicant, the Applicant represents and warrants that:

a. The Applicant was the owner of the Property at the time of Applicant’s submission of the Application and is the owner of the Property as of the date of this Agreement.

b. The Property is an “Obsolete Property” as defined under the Act.

c. During the Term, no portion of the Property will be used as a professional sports stadium.

d. During the Term, no portion of the Property will be used, owned or operated by a casino or affiliated company, as defined in the Act.

e. The Applicant would not have considered accomplishing Rehabilitation of the Property without an OPREC.

f. Rehabilitation of the Property did not start prior to establishment of the obsolete property rehabilitation district in which the Property is located.

- 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 Applicant's current and planned future operation of the Property are in compliance with the City of Detroit Zoning Ordinance and Master Plan.
- j. If the Rehabilitation of the Property will include the provision of housing at the Property, the Applicant agrees: (i) to comply with Fair Housing Practices that meet the guidelines set forth by the U.S. Fair Housing Act (42 U.S.C. 3601 through 3619); and (ii) to comply with the Affordability Requirements set forth on Addendum 2, attached hereto.

3. Community Benefits Requirements.

Pursuant to City of Detroit Ordinance 35-16, also known as the Community Benefits Ordinance (the "Ordinance"), if the Property involves a Tier 2 Development Project (as defined by the Ordinance), then the Applicant will:

- a. Partner with the City and, when appropriate, a workforce development agency to promote the hiring, training and employability of Detroit residents, consistent with State and Federal Law.
- b. Partner with the Director of the Planning & Development Department to address and mitigate negative impacts that the Tier 2 Development Project may have on the community and local residents. The Applicant will adhere to the mitigation requirements, if any, stated in the attached Addendum 1 - Requirements, which is incorporated herein by reference.

4. Reporting to the City by the Applicant.

Applicant agrees to provide the City with sufficient information, subject to review and audit by the City, in order for the City to determine the Applicant's compliance with this Agreement. At a minimum, the Applicant shall comply with the following covenants during the Term:

- a. Upon request, the Applicant shall provide the Planning & Development Department copies of all construction plans, building permits and certificates of occupancy related to the Rehabilitation of the Property.
- b. Applicant shall permit the City to perform periodic site visits to the Property by the City to establish whether the Applicant is completing the Rehabilitation to the Property as required by the Act and this Agreement.
- c. Annually, within two (2) weeks after each anniversary of the commencement of the Term, Applicant shall submit to the Planning & 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: (i) the Rehabilitation work completed at the Property; (ii) Applicant's

financial investment in the Property for that year; and (iii) the number of full-time employees at the Property for that year.

d. Annually, within two (2) weeks after each anniversary of the commencement of the Term, the Applicant shall submit to CRIO the Annual Employment Report for Tax Abatements (the "Status Report"), including copies of proofs of residency that have been accepted by CRIO.

e. Applicant shall use and participate in the City of Detroit's central affordable housing portal (the "Housing Portal") to advertise available rental units at the Property, so long as the Housing Portal exists. Applicants shall work with City staff to create a property listing for the Property within the Housing Portal and shall coordinate marketing efforts for available units at the Property with the City. Applicant shall review its listing on the Housing Portal and shall make updates to any listings, if necessary, on at least an annual basis. When the Property has immediate vacancies and the Applicant has exhausted its waitlist (if any) for the Property, Applicant shall use the Housing Portal to market those vacancies. Applicant shall update its listing within the Housing Portal when Applicants waitlists (if any) for the Property opens or closes. Applicant shall provide the City with such information as the City may reasonably request to maintain accurate information about the Property on the Housing Portal. Communications to the City regarding the property listing for the Property, vacancies, waitlist openings, or other information required to be provided pursuant to this Section 4.e may be sent to detroithomeconnect@detroitmi.gov.

5. Revocation of OPREC and Termination of this Agreement.

The City may, in its sole discretion and by resolution of Detroit City Council, revoke the OPREC if the City finds that: (a) the completion of Rehabilitation of the Property has not occurred in the time or manner authorized by this Agreement; or (b) that the Applicant has not proceeded in good faith with the Rehabilitation of the Property in a manner consistent with the purposes of the Act, taking into account any circumstances that are beyond the control of the Applicant.

As used in this Section 5, "good faith" includes, but is not limited to, the following: (i) Applicant is actively working with an agency or City Department to hire and ascertain methods of recruiting and employing Detroit residents at the Property, and (ii) Applicant is actively working with the Detroit Economic Growth Corporation, the City's Planning & Development Department, and CRIO to ascertain methods of obtaining resources to improve Applicant's business in a manner that will allow for compliance with this Agreement.

6. Payment of Exempted Taxes for Shortfall of Employment.

If the average number of full-time employees at the Property for any given year of the Term is less than the Employee Commitment Number, the Applicant agrees to pay to the City, in addition to the Obsolete Properties Tax due under the OPREC, an amount equal to the difference between the amount of ad valorem tax that would be 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 Employee Commitment Number. Prior to taking any action to require the Applicant to pay an amount to the City pursuant to this Section, the City must afford the Applicant an opportunity to present reasons for the employment shortfall at a public hearing.

In the event that the Applicant fails to report in the Status Report the number of full-time employees at the Property for a given year of the Term, the number of full-time employees at the Property for purposes of this Section shall be deemed to be zero (0).

7. Notice to City of Discontinuance of Operations.

If during the Term the Applicant intends to discontinue operations at the Property, the Applicant will provide thirty (30) days' prior written notice of such shutdown of operations to the Director of the Planning & Development Department.

8. 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 this Agreement by operation of law, judgment, court order or otherwise shall not invalidate any of the other provisions of this Agreement.

9. Transfer.

Neither the OPREC nor this Agreement may be transferred or assigned by the Applicant to a new owner of the Property unless the City, in its sole discretion, approves such transfer or assignment upon application by the new owner.

10. 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.

11. Capitalized Terms.

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Act.

12. Governing Law; Venue.

This Agreement and all actions arising under it shall be governed by, subject to, and construed according to the law of the State of Michigan. Applicant agrees, consents and submits to the exclusive personal jurisdiction of any state or federal court of competent jurisdiction in Wayne County, Michigan, for any action arising out of this Agreement. Applicant also agrees that it shall not commence any action against the City because of any matter whatsoever arising out of or relating to the validity, construction, interpretation and enforcement of this Agreement in any state or federal court of competent jurisdiction other than one in Wayne County, Michigan.

13. Amendment.


This Agreement may not be amended or modified except by a written instrument executed by each of the parties hereto.

[Remainder of Page Intentionally Left Blank]

**[SIGNATURE PAGE TO OBSOLETE PROPERTY REHABILITATION EXEMPTION
CERTIFICATE AGREEMENT]**

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

APPLICANT:

By: 
Print: Michael Rumbert
Its: MEMBER

**CITY OF DETROIT
PLANNING & DEVELOPMENT DEPT.**

By: _____
Print: _____
Its: _____

THIS AGREEMENT WAS
APPROVED BY THE CITY
COUNCIL ON:

APPROVED BY LAW DEPARTMENT
PURSUANT TO § 7.5-206 OF THE CHARTER
OF THE CITY OF DETROIT

4/14/2023
Date

Corporation Counsel Date

**THIS AGREEMENT IS NOT EFFECTIVE OR VALID UNTIL APPROVED BY
RESOLUTION OF THE CITY COUNCIL, SIGNED BY ALL PARTIES HERETO, AND
AN OBSOLETE PROPERTY REHABILITATION CERTIFICATE IS APPROVED BY
THE MICHIGAN STATE TAX COMMISSION**

ADDENDUM 1
Requirements

ADDENDUM 2
Affordability Requirements

1. Affordable Housing Undertaking. The Applicant, as developer of the 1950 W Bethune Avenue mixed-use project (the "Project") on the Property, will implement during the Term the following affordable housing plan for the planned 0 residential apartments to be included within the Project:

a. The Applicant will offer for lease 0 apartment 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")¹. Rental rates will be based upon occupancy of 1 person in a studio and 1.5 people per bedroom for all other rental unit sizes.

b. Applicant will verify the income of any individual(s) who apply to lease an Affordable Unit.

c. In the event that the income of a tenant of an Affordable Unit becomes more than 80% of AMI, such tenant's unit shall be considered to comply with paragraph 1 above until the termination of the lease such unit, including during any extensions thereof.

d. Applicant currently intends to offer 0 studios, 0 one-bedroom units, 0 two-bedroom units and 0 three-bedroom units as Affordable Units. Applicant may alter this unit mix in its discretion.

e. A vacant unit offered for rent pursuant to this paragraph counts toward satisfaction of Section 1a above.

f. The commitments set forth herein may be terminated in the event an arms-length lender forecloses on a mortgage secured by the Project.

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 to 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 0. 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 the shortfall by the Applicant in its compliance with this Addendum.

¹ In the event that the AMI decreases in a subsequent year, the prior year AMI shall continue in effect for the Project until and to the extent the AMI level later increases.

EXHIBIT A

Application for Obsolete Property Rehabilitation Exemption Certificate

EXHIBIT B
Detroit City Council Resolution
Granting the Obsolete Property Rehabilitation Exemption Certificate



Civil Rights, Inclusion and Opportunity

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 1240
DETROIT, MICHIGAN 48226
PHONE: 313.224.4950
FAX: 313.224.3434

Decision Regarding Employment Clearance for Tax Abatement Employment Commitment <5 Full-time Employees

Date: May 7, 2023

Tax Abatement Type: PA 146

New Renewal

Duration of Abatement: 12 years

Development: The proposed project will entail the rehabilitation of the current building, into an approximately 1,500 sq ft commercial space.

Parcel/Facility Address: 1950 W Bethune

Applicant/Recipient: Michael Rivait

Applicant Contact: michael@newdetroit.com 248-670-2011

Post-Construction Employment Commitments

If Developer Occupied is selected, the Developer will be responsible for both Developer and Tenant requirements listed below.

Developer Occupied Tenant Occupied

Total Employment: 2

Developer commits to

- 1) Report to CRIO annually;
 - a. Developer's efforts regarding tenants
 - b. Tenant's compliance with commitments stated below (3)
 - c. Total number of employees at the facility
 - d. Number of employees at the facility who are Detroit residents
- 2) Provide Detroit at Work (DAW) information to any/all tenant(s) for life of abatement
- 3) Work with Commercial Tenant(s) to do the following;
 - a. **Post all Detroit job openings through the DAW website;**
 - b. **Report to Developer annually;**
 - i. Tenant's compliance with requirements
 - ii. The number of individuals employed by Tenant
 - iii. The number of employees who are Detroit residents

The Applicant/Recipient has provided the Civil Rights, Inclusion and Opportunity Department (CRIO) required information in accordance with specific current and future employment data and commitments as part of a tax abatement agreement with the City of Detroit.

Therefore my signature below grants **Approval** of the above tax abatement application/renewal based upon annual reports to and appraisals by this agency of the recipient's employment measures projected and achieved for the duration of the abatement.

Tenika R. Griggs, Esq.

DocuSigned by:
Tenika R. Griggs, Esq.
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5/9/2023



Civil Rights, Inclusion
and Opportunity

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 1240
DETROIT, MICHIGAN 48226
PHONE: 313.224.4950
FAX: 313.224.3434

**Decision Regarding Employment Clearance for Tax Abatement
Employment Commitment <5 Full-time Employees**

CRIO Deputy Director Name

CRIO Deputy Director Signature

Date