

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

DEPARTMENT PETITION REFERENCE COMMUNICATION

To: The Department or Commission Listed Below

From: Janice M Winfrey, Detroit City Clerk

The following petition is herewith referred to you for report and recommendation to the City Council.

In accordance with that body's directive, kindly return the same with your report in duplicate within four (4) weeks.

Petition No.	In Reference 1556 Amended
Name of Petitioner	16703 Warren BD LLC
Description of Petition	Request to Establish an Obsolete Property Rehabilitation Certificate 16703 E. Warren Ave, Detroit, MI 48224
Type of Petition	Tax Abatement
Submission Date	2/7/24
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	16703 Warren BD LLC Brandon Hodges 779 Piper Avenue Detroit, MI 48215 202-368-9955 bhodes@tribedvelopment.city

January 3, 2024

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 Certificate at 16703 E. Warren Ave, Detroit, MI 48224

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Certificate for the property located at **(16703 E. Warren Avenue, Detroit, MI 48224)** and described on Attachment A.

16703 Warren BD LLC is a newly formed entity that will be the owner of the property. The owner will engage BD Development Advisors LLC as the project developer. BD Development Advisors is a joint venture between Brandon Hodges and Damon Dickerson, both experienced development and design professionals in the city of Detroit. Brandon currently serves as the Director of Real Estate Development of East Jefferson Development Corporation. Damon Dickerson is a principal with Dokes Design Architecture. They both live on the East Side of Detroit and are committed to revitalization projects that honor Detroit neighborhoods and residents.

The property was acquired from the City of Detroit in April of 2022.

The proposed development at 16703 E. Warren features a substantial rehabilitation of a vacant two-story building on the E. Warren/Cadieux commercial corridor, which will commence 1st quarter of 2024 and take approximately 10 months to complete. The development team will activate the space into six renovated apartment units as well as approximately 4,000 sf of ground floor commercial space. The building will benefit from a new roof structure, updated mechanical, electrical, and plumbing systems, high quality unit finishes, as well as structural enhancements to ensure the longevity of the building. The development team will also activate an adjacent abandoned parking lot into a public plaza featuring modular pop-up opportunities for local small businesses as well as landscaping and seating to enhance the pedestrian experience.

Given the lower achievable rental rates in the neighborhoods of Detroit, especially compared to higher rent areas in Midtown and Downtown, the project will need assistance on its operating expenses to become sustainable in the short and long terms. The project would not be feasible if taxed at its full post renovation value and requires the exemption certificate to undertake the proposed renovation. We are requesting an abatement of taxes for a period of 12 years from construction completion.

The project is anticipated to create 8-12 new retail jobs as well as additional workforce opportunities across building maintenance and property management. Total development costs are estimated at \$4.5M.

Proposed funding sources for the project include sponsor equity, a senior construction loan by Invest Detroit, a RAP Grant from the MEDC, and City of Detroit support from local grant programs.

The proposed redevelopment will serve as a catalyst for the E. Warren/Cadieux corridor and provide affordable housing units and accessible retail space for area residents and small businesses. The development team will undertake a robust community engagement process which will include dedicated meetings with neighborhood residents to understand desires for retail uses as well as affordability levels at the property.

We thank you for the opportunity and consideration of the project for the OPRA tax abatement assistance and look forward to bringing an exciting amenity to the E. Warren/Cadieux commercial corridor.

Respectfully submitted,



Brandon Hodges
Member, 16703 Warren BD LLC
(202) 368-9955
bhodges@triberetail.city

Attachment A: Site Map that includes the parcel(s) of property / Legal Description

The building was constructed in 1935 and was most recently occupied by a beauty school. The building is a two story commercial space containing ~8,000 sf.

Legal: N WARREN E 1&2 GROSSE POINTE VIEW SUB L48 P35 PLATS, W C R 21/717 43.95 IRREG

Parcel ID: 21002907

The building will be renovated into six rental apartments and 4,000 sf of ground floor retail. Financial closing and construction commencement for the property is anticipated for Q1 of 2024 with construction completion to occur in Q4 of 2024.



cc: K. Bridges, DEGC
Alton Williams, DEGC
V. Farley, HRD

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.

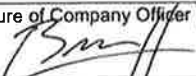
Applicant (Company) Name (applicant must be the OWNER of the facility) 16703 Warren BD LLC		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 779 Piper Avenue Detroit, MI 48215		
Location of obsolete facility (No. and street, City, State, ZIP Code) 16703 E. Warren Detroit, MI 48224		
City, Township, Village (Indicate which) Detroit		County Wayne County
Date of Commencement of Rehabilitation (mm/dd/yyyy) 4/1/2024	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 12/31/2024	School District where facility is located (include school code) Detroit Public School Community District
Estimated Cost of Rehabilitation \$4,487,000	Number of years exemption requested 12 years	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 checked="" 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 _____		
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 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) Brandon Hodges	Telephone Number (202) 368-9955	Fax Number
Mailing Address 779 Piper Avenue Detroit, MI 48215		Email Address bhodges@tribedevelopment.city
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
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FOR STATE TAX COMMISSION USE

Application Number	Date Received	LUCI Code
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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: _____		
<input type="checkbox"/> Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)		
<input type="checkbox"/> Denied		
Date District Established	LUCI Code	School Code

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

<p>A statement that the local unit is a Qualified Local Governmental Unit.</p> <p>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.</p> <p>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.</p> <p>A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.</p> <p>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.</p> <p>A statement that the applicant is not delinquent in any taxes related to the facility.</p> <p>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.</p> <p>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.</p>	<p>A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.</p> <p>A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.</p>
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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 31st of the year approved by the STC).

	Taxable Value	State Equalized Value (SEV)
Building(s)		
Name of Governmental Unit	Date of Action on 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 146 of 2000 may be in jeopardy.

Name of Clerk	Clerk Signature	Date	
Clerk's Mailing Address	City	State	ZIP Code
	Telephone Number	Fax Number	Email Address

Mail completed application and attachments to: Michigan Department of Treasury
 State Tax Commission
 P.O. Box 30471
 Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-2408.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

Legal Description

Legal: N WARREN E 1&2 GROSSE POINTE VIEW SUB L48 P35 PLATS, W C R 21/717 43.95 IRREG

Parcel ID: 21002907



February 29, 2024

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

Re: **Obsolete Property Rehabilitation Certificate – 16703 Warren BD LLC**
 Addresses: 16703 E. Warren
 Parcel Number: 21002907

Dear Mr. Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation certificate application for the property located at **16703 E. Warren** located in the **East English Village** area of the City of Detroit.

The rationale for Obsolete Property Rehabilitation Certificates 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
21002907	16703 E. Warren	\$ 40,800	\$ 19,577	\$ 3,800	\$ 1,823

The project as proposed by the **16703 Warren BD LLC** consists of a vacant two-story mixed-use building built in 1935 with 8,421 square feet on 0.101 acres of land. The proposed project consists of rehabilitating and configuring the property into six renovated apartment units on the second floor as well as approximately 4,000 sf of ground floor commercial/retail space. The building will benefit from a new roof structure, updated mechanical, electrical, and plumbing systems, high quality unit finishes, as well as structural enhancements to ensure the longevity of the building. The building will undergo major renovations including roof replacement, all major mechanical, plumbing and electrical systems replacement. **This certificate request is for the commercial/retail portion only.**

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

16703 Warren BD LLC

Page 2

A review of the project plan and related statutes indicated that the proposed Obsolete Property Rehabilitation Certificate located at **16703 E. Warren** 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



Obsolete Property Rehabilitation Certificate

16703 Warren BD LLC

Page 3

Property Address: 16703 E. WARREN

Parcel Number: 21002907

Property Owner: 16703 Warren BD LLC

Legal Description: N WARREN E 1&2 GROSSE POINTE VIEW SUB L48 P35 PLATS, W C R 21/717 43.95 IRREG



**OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE
AGREEMENT**

THIS OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this “Agreement”) is made this 29 day of February, 2024 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 **16703 Warren BD, LLC**, an (“Applicant”) with an office at **779 Piper Avenue Detroit, MI 48215**.

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: **16703 E. Warren Avenue, Detroit, MI 48224** (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 **December 31, 2024**.

c. The Applicant shall create, or cause to be created, at least **Eight (8)** (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: Brandon Hodges

Its: Managing 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

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 _____ mixed-use project (the “Project”) on the Property, will implement during the Term the following affordable housing plan for the planned _____ residential apartments to be included within the Project:

a. The Applicant will offer for lease _____ 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 _____ studios, _____ one-bedroom units, _____ two-bedroom units and _____ 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 _____. 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

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

Date: March 19, 2024

Tax Abatement Type: PA 146

New Renewal

Duration of Abatement: 12 Years

Development: 16703 Warren BD

Parcel/Facility Address: 16703 East Warren, Detroit, MI 48224

Applicant/Recipient: 16703 Warred BD LLC

Applicant Contact: Brandon Hodges

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: 8 Jobs

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) with 8-12 full-time employees to do the following;
 - a. **Use DAW as the company's priority staffing partner** for all openings in Detroit for the life of the local incentive;
 - b. **Develop and implement a DAW Staffing Plan** in partnership with the company's DAW Staffing Consultant to include a regular meeting schedule of at least every 30 days and agreed-upon data-sharing related to program criteria and candidate submissions;
 - c. **Post all Detroit job openings through the DAW website;**
 - d. **Ban the Box:** To the extent possible according to law and job requirements, commits to removing the felony and/or misdemeanor question from the employment application, and agrees to using a background-friendly approach to hiring new employees in Detroit; and,
 - e. **Modify pre-employment screening and testing** so that an applicant who tests positive for a legalized substance in the State of Michigan are not disqualified from the hiring process, to the extent permissible under applicable laws, regulations, and other legal requirements.
 - f. **Commit to one consultation with DAW staffing consultant** on strategies for upskilling of new employees, including offerings in adult basic education, State-provided training funds and incentives, apprenticeship programs development, and post-secondary educational attainment.

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

- g. **Commit to attending a New Employer Introduction meeting for Grow Detroit's Young Talent (GDYT)**, Detroit's summer youth employment program, in the first 90 days following approval;
 - h. **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
- 4) Work with Commercial Tenant(s) who have **more than 5 full-time employees** to do **3-c and 3-h**

The Applicant/Recipient has provided 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.

DocuSigned by:

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3/19/2024

CRIO Deputy Director Signature

Date