

City of Detroit
OFFICE OF THE CITY CLERK

Janice M. Winfrey
City Clerk

Andre P. Gilbert II
Deputy City Clerk

March 19, 2024

To: Antonie Bryant , Director
Planning and Development Department
Coleman A. Young Municipal Center
2 Woodward Ave. Suite 808
Detroit, MI. 48226

RE: Request for a Commercial Facilities Exemption Certificate for a portion of the building located at 1420 Holden and 6217 Lincoln pursuant to P.A. 255 of 1978, as amended, MCL 207.655.

Please find the attached request for Commercial Facilities Exemption Certificate for a portion of the building located at 1420 Holden and 6217 Lincoln pursuant to P.A. 255 of 1978, as amended, MCL 207.655. **(In reference to petition 2024-039 Amended)**

Respectfully submitted,



Uraina Clark
Junior Assistant City Council Committee Clerk
Office of City Clerk

CC: Andre Gilbert, Deputy City Clerk
Bryan Coe, Law Department
Charles Ericson, Assessor
Derrick Head, Legislative Policy Division
Justus Cook, Housing and Revitalization Department
Kenyetta Bridges, DEGC

By Email

March 28, 2024

Office of Detroit City Clerk
2 Woodward Avenue
Coleman A. Young Municipal Center
Suite 200
Detroit, MI 48226

Re: Second Amended Application for Commercial Facilities Exemption Certificate (P.A. 255) – 1400 Holden LLC

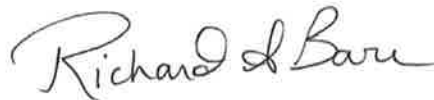
Ladies and Gentlemen:

On behalf of 1400 Holden LLC, a Michigan limited liability company (the “Applicant”), please accept the attached Second Amended Application for Commercial Facilities Exemption Certificate for a portion of the building located at 1420 Holden and 6217 Lincoln pursuant to P.A. 255 of 1978, as amended, MCL 207.655. The amendment revises the job commitment in the application.

Thank you for your attention to this matter.

Very truly yours,

HONIGMAN LLP

A handwritten signature in dark ink, appearing to read "Richard A. Barr". The signature is fluid and cursive, with the first name "Richard" being more prominent and the last name "Barr" following in a similar style.

Richard A. Barr

Enclosure

STATE USE ONLY

Application Number	Date Received	LUCI Code
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SECOND
AMENDED

Application for Commercial Facilities Exemption Certificate

Issued under authority of Public Act 255 of 1978, as amended.

Read the instructions page before completing the application. **This application must be filed after a Commercial Redevelopment District is established.** The original application and required documents are filed with the clerk of the Local Governmental Unit (LGU).

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)


Applicant (Company) Name 1400 Holden LLC		NAICS or SIC Code 531110	
Facility's Street Address 1420 Holden and 6217 Lincoln	City Detroit	State MI	ZIP Code 48202
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility is Located Detroit Pub. Sch. Comm. Dis	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 04/03/2024	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 05/31/2025		
Estimated Cost of Rehabilitation \$1,610,000	Number of Years Exemption Requested (1-12) 12		
Expected Project Outcomes (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 Loss of Employment <input checked="" type="checkbox"/> Increase Number of Residents in Facility's Community			
No. of perm. jobs to be created due to facility's rehab. 1	No. of perm. jobs to be retained due to facility's rehab. 0	Number of construction jobs to be created during rehabilitation 30	
Each year, the State Treasurer may approve 25 additional reductions of half the state education tax for a period not to exceed six years.			
<input type="checkbox"/> Check this box if you wish to be considered for this exclusion.			

PART 2: APPLICATION DOCUMENTS

Prepare and attach the following items:

- | | |
|--|--|
| <input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage) | <input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the facility |
| <input checked="" type="checkbox"/> General description of the facility's proposed use | <input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's restoration, replacement or construction |
| <input checked="" type="checkbox"/> General description of the nature and extent of the restoration, replacement, or construction to be undertaken | <input checked="" type="checkbox"/> Statement of the economic advantages expected from receiving the exemption |
| <input checked="" type="checkbox"/> Legal description of the facility | |

PART 3: APPLICANT CERTIFICATION

Name of Authorized Company Officer (no authorized agents) John Walton	Telephone Number (313) 465-7308		
Fax Number (313) 465-7309	E-mail Address c/o rbarr@honigman.com		
Mailing Address c/o Richard Barr, Honigman, 660 Woodward, Ste. 2290	City Detroit	State MI	ZIP Code 48226
<i>I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 255 of 1978, as amended, and to the best of my knowledge the company 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 governmental unit and the issuance of a Commercial Facilities Exemption Certificate by the State Tax Commission.</i>			
<i>I further certify that this application relates to a program, when completed, will constitute a facility, as defined by Public Act 255 of 1978, as amended.</i>			
Signature of Authorized Company Officer (no authorized agents) 	Title Manager	Date 3/28/24	

PART 4: LGU ASSESSOR CERTIFICATION				
Provide the Taxable Value and State Equalized Value of the Commercial Property.				
		Taxable Value (excluding land)	State Equalized Value (SEV) (excluding land)	
Building				
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Facilities Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Facilities Exemption that would also put the same property on the Commercial Facilities specific tax roll.				
<input checked="" type="checkbox"/> By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Facilities Exemption specific tax roll and not on any other specific tax roll.				
Name of Assessor (first and last name) Charles Ericson		Telephone Number (313) 224-4832		
Fax Number		E-mail Address ericsonc@detroitmi.gov		
Mailing Address 2 Woodward Avenue		City Detroit	State MI	ZIP Code 48226
<i>I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.</i>				
Assessor's Signature			Date	
PART 5: LGU ACTION / CERTIFICATION (LGU Clerk must complete Part 5)				
Action Taken By LGU:				
<input checked="" type="checkbox"/> Exemption approved for _____ years, ending December 30, _____ (not to exceed 12 years)				
<input type="checkbox"/> Exemption Denied				
Date District Established (attach resolution for district) 11/21/2023	Local Unit Classification Identification (LUCI) Code 82205		School Code 82010	
Name of Clerk (first and last name) Janice M. Winfrey		Telephone Number (313) 224-3262		
Fax Number (313) 224-2075		E-mail Address		
Mailing Address 2 Woodward Avenue, Ste. 200		City Detroit	State MI	ZIP Code 48226
LGU Contact Person for Additional Information Andre Gilbert		LGU Contact Person Telephone Number (313) 224-3260		Fax Number
<i>I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate.</i>				
Clerk's Signature			Date	

If you have questions, need additional information or sample documents, call 517-335-7491 or visit www.michigan.gov/propertytaxexemptions.

Attachment to Amended Act 255 Commercial Facilities Exemption
Certificate Application- 1420 Holden and 6217 Lincoln
1400 Holden LLC, Owner
March 28, 2024

1. General Description of Facility and Description of the Qualified Facility's Proposed Use.

1400 Holden LLC, a Michigan limited liability company ("Owner"), proposes to rehabilitate a building it owns at 1420 Holden and 6217 Lincoln, Detroit, Michigan to a mixed-use residential/commercial building.

Located south of the Henry Ford Hospital main campus, the building originally constructed in 1945 contains approximately 25,140 rental square feet ("RSF") with approximately 12,090 RSF for approximately 20 apartments and 13,050 RSF of commercial space. This application applies only to the commercial portion of the building; a separate application has been filed for a Neighborhood Enterprise Certificate for the residential space.

2. Description of the General Nature and Extent of the Rehabilitation to be Undertaken.

The proposed rehabilitation consists of the complete reconstruction of the building from its current severely impaired condition, including major physical preservation work. Virtually all interior improvements, including all interior utilities, will be replaced with modern improvements that will create an attractive facility for both residential and commercial uses.

3. Descriptive List of the Fixed Building Equipment That Will Be Part of the Qualified Facility.

All typical building systems including elevators, plumbing, electrical, HVAC, dishwashers, oven/stoves and refrigerators.

4. Time Schedule for Undertaking and Completing the Facility's Rehabilitation.

The project is expected to commence on or about April 3, 2024 and to be substantially completed by May 31, 2025.

5. Statement of the Economic Advantages Expected from the Exemption.

The exemption will temporarily mitigate the property tax burden and facilitate the construction of the building to be constructed or funded by the Owner in connection with the project. Approximately 30 temporary construction jobs will be created. While no permanent jobs will be created by the Owner, an additional estimated 16 tenants' jobs are expected to be created by commercial tenants of the building; Owner assures that at least 1 tenant job will be created.

6. Legal Description.

See Exhibit A.

Exhibit A

Legal Description of the Facility

Land in the City of Detroit, Wayne County, MI. described as follows:

1420 Holden

N HOLDEN 13-14 & S 70 FT 15-16-17 AVERY & VAN HUSANS SUB L11 P13 PLATS, W C R 6/98 150 X IRRG (13800 SF) (tax parcel 06001557-9)

6217 Lincoln

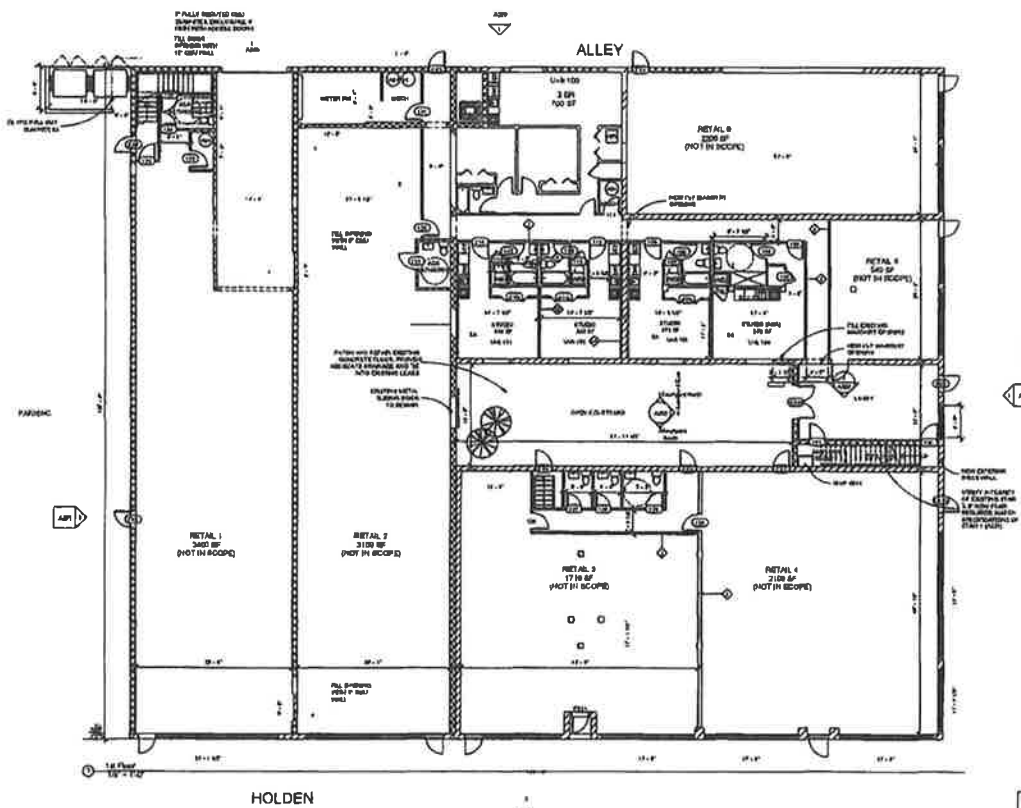
W LINCOLN N 55 FT OF LOTS 17 THRU 15 AVERY & VAN HUSANS SUB L11 P13 PLATS, W C R 6/98 55 X 90 (tax parcel 06005642.002L)

The following property is in the NEZ zone but buildings are not located on the parcel:

1432 Holden

N HOLDEN 12 AVERY & VAN HUSANS SUB L11 P13 PLATS, W C R 6/98 30 X 125 (tax parcel 06001556)

New tax parcel numbers may be assigned for 2024.



WALL LEGEND

	CARU WALL
	S.W. BRYCE WALL

OWNER:
Baldwin Inc. LLC
600 N. Oak Ave
Orem, UT 84057

ARCHITECT:
Baldwin P.L.L.C.
600 N. Oak Ave
Orem, UT 84057

WCP ENGINEERING
ONE Engineering
3422 W. 11th, Unit 207
Farmington, UT 84124

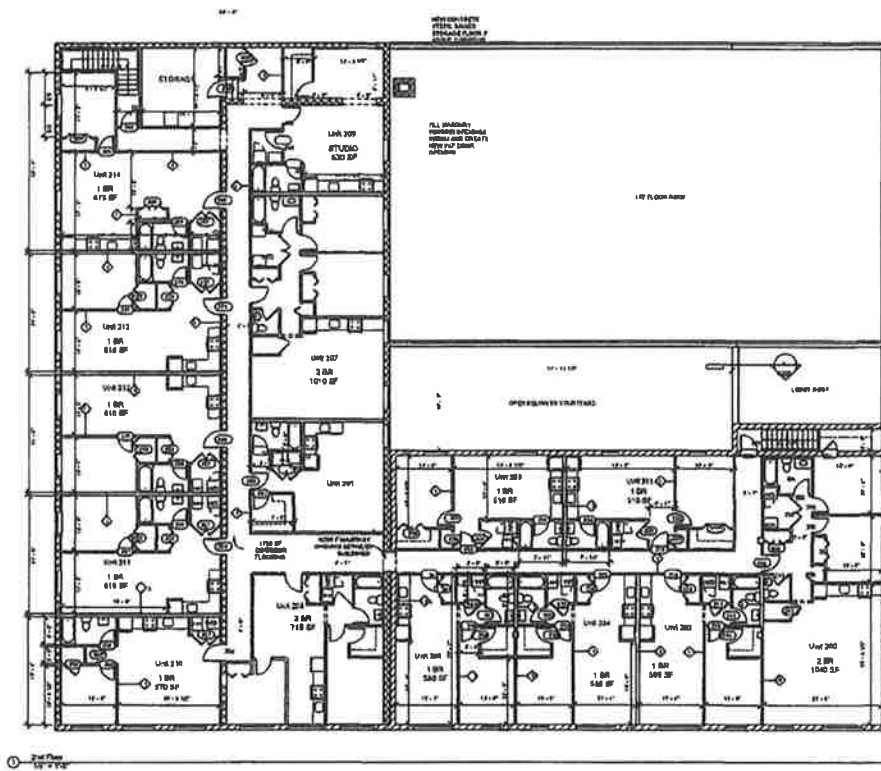
DATE	DESCRIPTION
06-11-2021	PROJECT SET

1420 HOLDEN
1420 Holden St
Detroit, MI 48202

DRAWN:
PROJECT DATE: 06/25/2021
PROJECT #:
Project Number

1st Floor Plan

A101



WALL LEGEND	
	CMU WALL
	3-WYTHE BRICK WALL

OWNER:
Bullock LLC
800 S. Oak Ave
Orem, UT 84058

ARCHITECT:
Bullock LLC
5475 Glasgow Dr
Troy, MI 48065

MECHANICAL ENGINEER:
DIA Engineering
11225 W 13 Mile, Unit 227
Farmington Hills, MI 48334

REVISIONS	
NO.	DESCRIPTION
1	ISSUED FOR PERMIT

1420 HOLDEN ST
1420 Holden St
Detroit, MI 48202

DRAWN: [Blank] PROJECT DATE: 08.25.2022
PROJECT # [Blank] Project Number

2ND Floor Plan

A102



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

February 19, 2024

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

RE: **Requesting Commercial Facilities Tax Exemption Certificate as amended;**
Owner: 1400 Holden LLC
Addresses: 1420 Holden, 1432 Holden, 1440 Holden, 1444 Holden, and 6217 Lincoln
Parcel Numbers: 06001557-9, 06001556, 06001555, 06001554, and 06005642.002L

Dear Mr. Antoine Bryant:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the application for a Commercial Facilities Tax Exemption Certificate for the properties located at 1420 Holden, 1432 Holden, 1440 Holden, 1444 Holden, and 6217 Lincoln **in the NW Goldberg** area of the City of Detroit.

The rationale for creating Commercial Redevelopment Districts under PA 255 of 1978, as amended, is based on the anticipation of increased market value upon completion of new construction and/or significant restoration of commercial and former industrial property where the primary purpose and use of which is the operation of a commercial business enterprise and shall include office, engineering, research and development, warehousing parts distribution, retail sales, hotel or motel development, and other commercial facilities. Commercial business enterprise also includes a business that owns or operates a transit-oriented development or a transit-oriented facility. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The combined 2023 values are as follows:

Addresses	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
1420 Holden, 6217 Lincoln, 1432 Holden, 1440 Holden, & 1444 Holden	\$ 180,203	\$ 108,985	\$ 5,394	\$ 3,262

The project proposed by **1400 Holden LLC** consists of one 2-story office building, a single, one-story store-retail building, and three commercial parking lots. The owner plans to rehabilitate the commercial portion of the first floor of the building located across 1420 Holden, 1432 Holden, 1440 Holden, 1444 Holden, and 6217 Lincoln, Detroit, Michigan. The owner proposes to create approximately 13,440 rentable square feet (14,250 gross sq ft) of commercial space for use by approximately six small Detroit businesses in the Elijah McCoy neighborhood. In addition, the owner will rehabilitate the second floor and the remaining portion of the first floor of the building into approximately twenty (20) apartments which will not be the subject to a P.A. 255 abatement but instead for which the owner will submit a separate application for an NEZ certificate. A parcel combination for the five parcels is anticipated in the near future. The restoration to the properties exterior and interior requires extensive reconfiguration and upgrades, including replacement of substantial portions of carpentry, roofing, windows, glass, drywall, flooring, plumbing, and HVAC. **This CFT certificate request is solely for the commercial portion of the properties. The amendment corrects the applicant's name.**

This area meets the criteria set forth under PA 255 of 1978, as amended. It applies to functionally obsolete properties requiring restoration meaning changes to obsolete commercial property other than replacement as may be required to restore the property, together with all appurtenances, 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

Commercial Facilities Exemption Certificate Request (Amended)

Owner: 1400 Holden LLC

Addresses: 1420 Holden, 1432 Holden, 1440 Holden, 1444 Holden, and 6217 Lincoln

Parcel Numbers: 06001557-9, 06001556, 06001555, 06001554, and 06005642.002L

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A review of the project details and relevant statutes indicated that the facility located at **1420 Holden, 1432 Holden, 1440 Holden, 1444 Holden, and 6217 Lincoln** is eligible for the proposed Commercial Facilities Certificate pursuant to PA 255 of 1978, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



Commercial Facilities Exemption Certificate Request (Amended)

Owner: 1400 Holden LLC

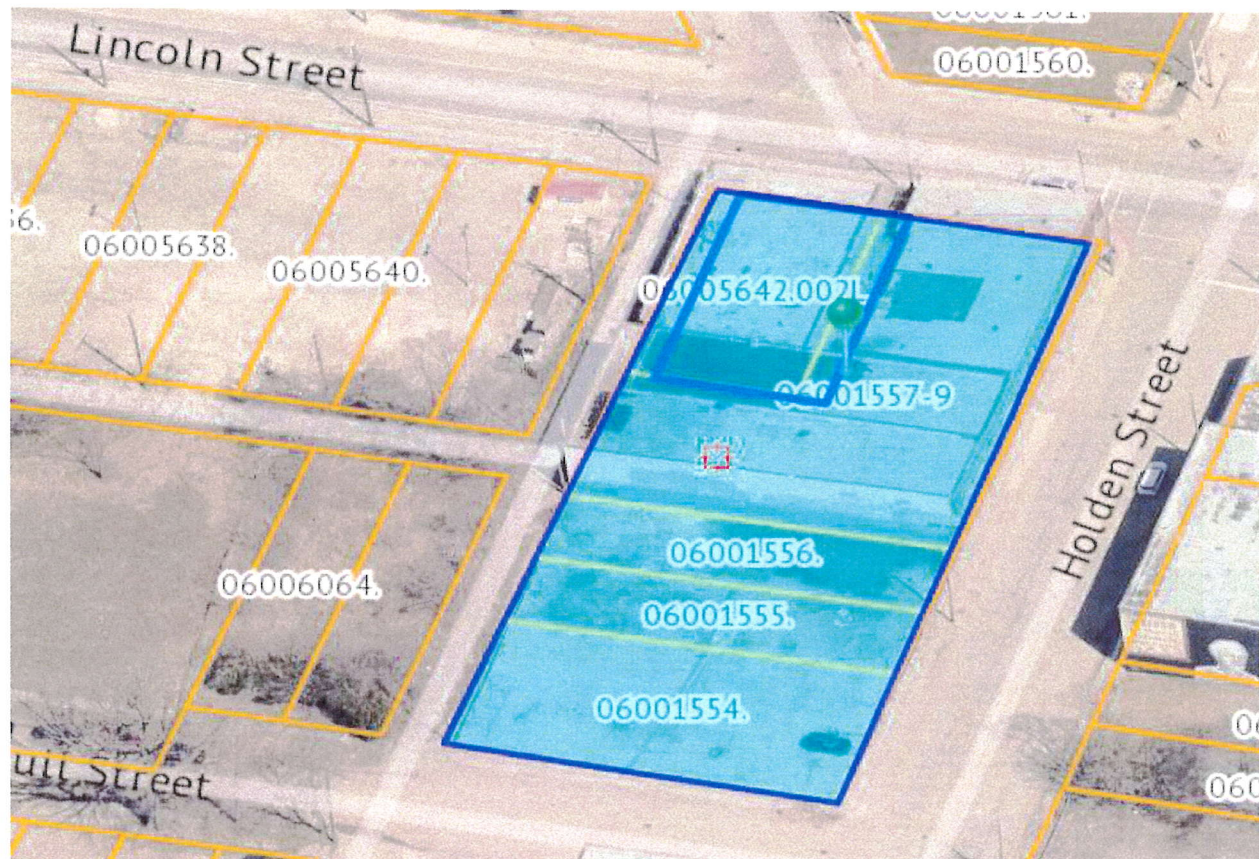
Addresses: 1420 Holden, 1432 Holden, 1440 Holden, 1444 Holden, and 6217 Lincoln

Parcel Numbers: 06001557-9, 06001556, 06001555, 06001554, and 06005642.002L

Page 3

Parcel Number	Property Address	Property Owner	Legal Description
06001557-9	1420 Holden	1400 Holden LLC	N HOLDEN 13-14 & S 70 FT 15-16-17 AVERY & VAN HUSANS SUB L11 P13 PLATS, W C R 6/98 150 X IRRG (13800 SF)
06005642.002L	6217 Lincoln	1400 Holden LLC	W LINCOLN N 55 FT OF LOTS 17 THRU 15 AVERY & VAN HUSANS SUB L11 P13 PLATS, W C R 6/98 55 X 90
06001556	1432 Holden	1400 Holden LLC	N HOLDEN 12 AVERY & VAN HUSANS SUB L11 P13 PLATS, W C R 6/98 30 X 125
06001555	1440 Holden	1400 Holden LLC	N HOLDEN 11 AVERY & VAN HUSANS SUB L11 P13 PLATS, W C R 6/98 30 X 125
06001554	1444 Holden	1400 Holden LLC	N HOLDEN 9-10 AVERY & VAN HUSANS SUB L11 P13 PLATS, W C R 6/98 60 X 125

Note: a parcel modification is pending, and parcels are expected to be combined.



COMMERCIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT

THIS COMMERCIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT ("Agreement") is made this 25 day of February, 2024, by and between the City of Detroit, a Michigan municipal corporation ("City"), acting by and through its Planning and Development Department with an office at 2 Woodward Avenue, Suite 808, Detroit, MI 48226 and **1400 Holden LLC**, a Michigan limited liability company ("Applicant"), with an office at 656 St. Clair, Grosse Pointe, Michigan 48230.

WITNESSETH:

WHEREAS, 1978 PA 255, also known as the Commercial Redevelopment Act ("Act"), (1) provides for the establishment of commercial redevelopment districts by local governmental units, (2) provides for the abatement or exemption from certain taxes for qualified facility owners, and (3) allows local governmental units to levy and collect a specific tax from the owners of a qualified facility, among other provisions; and

WHEREAS, the Applicant has submitted an Application for Commercial Facilities Exemption Certificate ("Application") for the City's consideration for property located at 1420 Holden and 6217 Lincoln ("Property"). A copy of the Application is attached hereto as **Exhibit A** and made a part hereof; and

WHEREAS, the City has previously approved a commercial redevelopment district pursuant to the Act and the Property is located in such district; and

WHEREAS, the Applicant has committed to complete a Restoration 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 Commercial Facilities Exemption Certificate ("CFEC") to the Applicant, contingent upon the representations contained herein and pending approval by the Michigan State Tax Commission. A copy of the City resolution granting the CFEC 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 14 of the Act, being MCL 207.664, or as provided for in this Agreement, the CFEC term and the term of this Agreement (collectively, the "Term") shall end **Twelve (12) years after completion**, beginning on the December 31st following issuance of the CFEC by the City.

b. The Applicant will complete a “Restoration” of the Property, 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 one (1) (the “Employee Commitment Number”) full-time employee at the Property within one (1) year of the completion of the Restoration.

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

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

a. The Applicant was the owner of the Property, or was leasing the Property and had a signed lease with the Property owner, at the time of the Application. The Applicant is the owner of the Property, or is leasing the Property and has a signed lease with the Property owner as of the date of this Agreement.

b. At the time of the Application the Property was, and as of the date of this Agreement the Property is, a “Commercial Property” as defined by the Act.

c. 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.

d. The Applicant will comply with the Act.

e. The Applicant would not have considered undertaking the Restoration of the Property

without the CFEC.

- f. There are no delinquent taxes owed on the Property.
- g. The Applicant will pay any applicable taxes on the Property as they become due.
- h. The Restoration and current and planned future operation of the Property is in compliance with the City of Detroit Zoning Ordinance and Master Plan.

3. Community Benefits Requirements.

Pursuant to City of Detroit Ordinance 35-16, also known as the Community Benefits Ordinance (“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 to determine the Applicant’s compliance with this Agreement. At a minimum, the Applicant shall provide the City with the following 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 Restoration 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 Restoration 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 CFEC 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: 1) the Restoration work completed at the Property and the Applicant’s financial investment in the Property for that year and 2) 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 and each year of the Term thereafter, 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.

5. Revocation of CFEC and Termination of this Agreement.

The City may, in its sole discretion and by resolution of Detroit City Council, revoke the CFEC if the City finds that: (a) the completion of Restoration 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 Restoration 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 Commercial Facilities Tax due under the CFEC, an amount equal to the difference between the amount of ad valorem tax that would be due on the Property without the CFEC, and the amount of Commercial Facilities Tax due on the Property under the CFEC, 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 CFEC 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. For purposes of this section, a transfer of the Property shall include any sale of the Property or any lease that transfers tax liability at the Property.

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 COMMERCIAL FACILITIES 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:

1400 Holden LLC

By: _____

Print: John Walton

Its: Manager

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
A COMMERCIAL FACILITIES EXEMPTION CERTIFICATE IS APPROVED BY THE
DETROIT CITY COUNCIL.**

ADDENDUM 1
Requirements

None

EXHIBIT A
Application for Commercial Facilities Exemption Certificate

EXHIBIT B
Detroit City Council Resolution
Granting the Commercial Facilities Exemption Certificate

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

Date: March 28, 2024

Tax Abatement Type: PA 255

New ☒ Renewal ☐

Duration of Abatement: ~~13 Years~~ 12 years

4/10/24
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Development: 1400 Holden LLC

Parcel/Facility Address: 1420 Holden, Detroit, MI 48202

Applicant/Recipient: 1400 Holden LLC

Applicant Contact: Richard Barr

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: 1 Job

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.