

Janice M. Winfrey
City Clerk

City of Detroit
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.	2024-321 (Certificate) (Amended)
Name of Petitioner	Stafford House Inc.
Description of Petition	Petition request for a Commercial Facilities Exemption Certificate at 9301 Oakland Ave, Detroit, MI 48211. This petition is being amended to reflect the correct petition number for this Tax Abatement. The petition number is changing from "2024-410" to "2024-321".
Type of Petition	Tax Abatement for a Commercial Facilities Exemption Certificate
Submission Date	01/09/2025
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission
Petitioner Contact	Stafford House Inc. Lendon Crosby 2937 E. Grand Blvd Detroit, MI 48202 P: (313) 443-5485 lcrosby@staffordhouseinc.org

STATE USE ONLY		
Application Number	Date Received	LUCI Code

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).

CITY OF DETROIT
JAN 27 2025

OFFICE OF THE ASSESSOR
DM

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

Applicant (Company) Name Stafford House Inc.		NAICS or SIC Code	
Facility's Street Address 9301 Oakland Ave.	City Detroit	State MI	ZIP Code 48211
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility is Located Detroit	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 01/06/2025	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 11/06/2025		
Estimated Cost of Rehabilitation \$3,202,007	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 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
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Each year, the State Treasurer may approve 25 additional reductions of half the state education tax for a period not to exceed six years.

☒ Check this box if you wish to be considered for this exclusion.

PART 2: APPLICATION DOCUMENTS

Prepare and attach the following items:

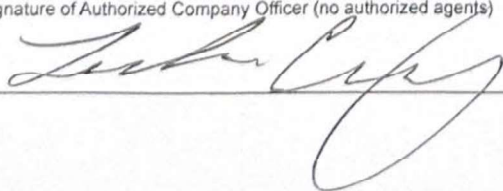
- | | |
|--|--|
| <input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage) | <input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the facility |
| <input 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) Lendon Crosby	Telephone Number (313) 443-5485		
Fax Number	E-mail Address lcrosby@staffordhouseinc.org		
Mailing Address 2937 E. Grand Blvd.	City Detroit	State MI	ZIP Code 48202

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 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.

Signature of Authorized Company Officer (no authorized agents) 	Title President	Date 12/12/2024
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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.

☐ 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)	Telephone Number		
Fax Number	E-mail Address		
Mailing Address	City	State	ZIP Code

I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.

Assessor's Signature	Date
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PART 5: LGU ACTION / CERTIFICATION (LGU Clerk must complete Part 5)

Action Taken By LGU:

☐ Exemption approved for _____ years, ending December 30, _____ (not to exceed 12 years)

☐ Exemption Denied

Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code
Name of Clerk (first and last name)	Telephone Number	
Fax Number	E-mail Address	
Mailing Address	City	State ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number

I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate.

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

Instructions for Completing Form 4757

Application for Commercial Facilities Exemption Certificate

The Commercial Facilities Exemption Certificate was created by Public Act 255 of 1978, as amended. Applications for a certificate of exemption are filed, reviewed, and approved by the Local Governmental Unit (LGU). A copy of the certificate is filed with the State Tax Commission.

Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of the application. Restoration, replacement, or construction may commence **after** establishment of a district.
2. The following must be provided to the LGU as attachments to the application:
 - a. General description of the facility (year built, original use, most recent use, number of stories, square footage).
 - b. General description of the proposed use of the facility.
 - c. General description of the nature and extent of the restoration, replacement, or construction to be undertaken.
 - d. Legal description of the facility.
 - e. Descriptive list of the fixed building equipment that will be a part of the facility.
 - f. Time schedule for undertaking and completing the restoration, replacement, or construction of the facility.
 - g. Statement of the economic advantages expected from the exemption.
3. After reviewing Parts 1, 2, and 3 for complete and accurate information, sign the application where indicated.

LGU Assessor Instructions

1. Complete Part 4 of the application.
2. After completing Part 4, sign where indicated to certify that if approved, the property will appear on the Commercial Facilities Exemption specific tax roll only.

LGU Clerk Instructions

1. After the LGU passes a resolution approving the application, complete Part 5 of the application. A resolution template with required statements can be found at www.michigan.gov/propertytaxexemptions.
2. After reviewing the application for complete and accurate information, sign the application to certify the application meets the requirements as outlined by Public Act 255 of 1978, as amended.
3. Issue a certificate to the applicant using the certificate templates found at www.michigan.gov/propertytaxexemptions.
4. If in Part 1 the applicant did **not** wish to be considered for the State Education Tax exclusion, submit only a copy of the Certificate to the State Tax Commission at PTE@michigan.gov for faster service. An additional submission option is to mail a copy of the Certificate to Michigan Department of Treasury, State Tax Commission, PO Box 30471, Lansing, MI 48909.
5. If in Part 1 the applicant did wish to be considered for the State Education Tax exclusion, submit a copy of the Certificate, application and attachments to the State Tax Commission at PTE@michigan.gov for faster service. An additional submission option is to mail a copy of the Certificate to Michigan Department of Treasury, State Tax Commission, PO Box 30471, Lansing, MI 48909.

1. General description of the facility:

The facility was built in 1925 as a two-story building. It was formerly used as a commercial building that housed four commercial businesses one of which was a restaurant. The second level of the building was used as housing units. The square footage is 10,300 square feet.

2. General description of facility's proposed use:

This facility will be the rehabilitation of a mixed-use building into 10 second floor rental units and four ground floor commercial spaces for lease.

3. General description of the nature and extent of the restoration, replacement, or construction to be undertaken:

This project is a full rehab including new HVAC systems, new electrical and plumbing systems, additional structural support on levels of the building, façade restoration, and rear demolition to support the additional 750 sq. ft. of residential space.

4. Legal description of the facility:

W OAKLAND 40-41 BLK 3-- THOMAS & WAGNERS L11 P80 PLATS, W C R 3/113
117X 75.84A

5. Descriptive list of the fixed building equipment that will be a part of the facility:

All units will have heating, ventilation, and air conditioning units. There will be all new plumbing throughout the building. Each apartment will feature full kitchens equipped with appliances and full bathrooms, as well as in-unit washer/dryer.

6. Time schedule for undertaking the facility's restoration, replacement, or construction:

<u>Item:</u>	<u>Date:</u>
Preliminary underwriting completed (appraisal, Phase I ESA, market study)	Q2-3 2024
Zoning Approval and Site Plan Approval	6/6/2024
Permit drawings submitted	8/12/2024
Submit Tax Abatement*	9/3/2024
Stamped permit drawings received	9/12/2024
Final construction costs	9/27/2024
Execute GMP Construction Contract	10/1/2024
Financial Underwriting Complete	10/15/2024
Close on financing sources	December 2024
Commence Construction	January 2025
Construction Period	11 months

7. Statement of the economic advantages expected from receiving the exemption:

The project cannot be completed without the PA 255 tax abatement because the project is unable to service the debt without an abatement. Stafford House prioritizes affordable housing and would like to maintain rents at an affordable rate. The abatement is essential for this mixed-use project to proceed.



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

January 8, 2025

Ms. Alexa Bush, Director
Planning & Development Department
Coleman A. Young Municipal Center
2 Woodward Ave, Suite 808
Detroit, MI 48226

Re: Commercial Facilities Tax Exemption Certificate – Stafford House

Property Address: 9301 Oakland
Parcel Number: 03002993.

Dear Ms. Bush:

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 **9301 Oakland** in the **North End** area of the City of Detroit.

The rationale for Commercial Redevelopment Certificates 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 2024 values are as follows (commercial portion only):

Address	Building Assessed Value (\$EV)	Building Taxable Value	Land Assessed Value (\$EV)	Land Taxable Value
9301Oakland	\$ 8,466	\$ 892	\$ 2,895	\$ 305

The building as proposed by Stafford House consists of a mixed use two story commercial property built in 1925 with approximately 10,994 square feet on 0.204 acres of land. The owner proposes to convert the property into a mix use development, with 10 units of affordable rental housing on the second level of the building. Each unit would be approximately 500 square feet. The first level will include four commercial spaces that would be available for leasing. The restoration requires extensive reconfiguration and upgrades, including replacement of substantial portions of carpentry, roofing, windows, glass, drywall, flooring, plumbing, and HVAC. This CFT request is solely for the commercial portion of the property.



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
Stafford House
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This property 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.

A review of the project details and applicable statutes indicates that the property located at **9301 Oakland** is eligible for the proposed Commercial Facilities Certificate pursuant to PA 255 of 1978, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor, Board of Assessors



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
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Commercial Facilities Exemption Certificate Request

Stafford House

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Parcel Number: 03002993.

Property Address: 9301 Oakland

Property Owner: Stafford House

Legal Description: W OAKLAND 40-41 BLK 3-- THOMAS & WAGNERS L11 P80 PLATS, W C R 3/113 117X 75.84A





**PLANNING AND
DEVELOPMENT DEPARTMENT**

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 808
Detroit, Michigan 48226

Phone 313•224•1339
www.detroitmi.gov

TO: AliReda Jaefar, City Clerk's Office
FROM: Greg Moots, Planning and Development
RE: Master Plan Interpretation for **Commercial Facilities Exemption certificate** (PA 255)
at 9301 Oakland Ave. (Associated with Petition # 2024-321)
DATE: January 13, 2025
CC: Kevin Schronce, PDD Central, Planning and Development
Karen Gage, PDD Zoning, Planning and Development
Alexa Bush, Director, Planning and Development

In order to ensure consistency with the City's Master Plan of Policies, pursuant to State of Michigan, Public Act 255 of 1978 (section 207.655), the Planning and Development Department submits the following interpretation for a certificate within a Commercial Redevelopment District. The Petitioner is Stafford House.

Location and Project Proposal: The building is located at 9301 Oakland Ave.. The developer proposes the rehabilitation of the existing building into a mix of residential and commercial units. The commercial portion on the first floor consists of four commercial spaces at about 1,000 sq. ft. per space. The commercial spaces will be leased as a coffee shop, a training center, a retail space, and an office space for an engineering firm.

Current Master Plan (MP) & Zoning: MP Classification – Low/Medium density Residential. (RLM) Zoning –B4 (General Commercial zoning district).

Master Plan Interpretation

The Master Plan Future General Land Use designation is **Low/Medium density Residential**. Such "... areas should have an overall density of 8 to 16 dwelling units per net residential acre. The areas are often characterized by two or four family homes with small yards, on- street parking, or garages with alley access. The residential classifications allow for neighborhood-scale commercial development. For instance, in a Low/Medium Density Residential area, small scale commerce (e.g. convenience stores) should exist to serve residents' day-to-day needs."

The development generally conforms to the Future General Land Use designation and Master Plan Policies for the area.



CERTIFICATE OF AUTHORITY

CORPORATION CERTIFICATE OF AUTHORITY

I, Justin Payne, Corporate Secretary of
(name of corporate secretary)

Stafford House, Inc., a Michigan
(complete name of corporation) (state of incorporation)

Non-profit corporation (the "Corporation"), **DO HEREBY CERTIFY** that the
(non-profit or for profit)
following is a true and correct excerpt from the minutes of the meeting of the Board of Directors

duly called and held on 8/12/24, and that the same is now in full force and effect:
(date of meeting)

"**RESOLVED**, that the Chairman, the President, each Vice President, the Treasurer, and the Secretary and each of them, is authorized to execute and deliver, in the name of and on behalf of the Corporation and under its corporate seal of otherwise, any agreement or other instrument or document ("Contract") in connection with any matter or transaction that shall have been duly approved; and the execution and delivery of any Contract by any of the aforementioned officers shall be conclusive evidence of such approval."

FURTHER, I CERTIFY that Lendon Crosby is Chairman
Lendon Crosby is President,
Venus Works is/are Vice President(s),
Justin Payne is Treasurer,
Justin Payne is Secretary,
Patricia Dockery is Executive Director, and
is _____.

FURTHER, I CERTIFY that any of the aforementioned officers or employees of the Corporation are authorized to execute and commit the Corporation to the conditions, obligations, stipulations and undertakings contained in the foregoing Contract between the City and the above-referenced Corporation and that all necessary corporate approvals have been obtained in relationship thereto.

IN WITNESS THEREOF, I have set my hand this 14th day of AUGUST, 2024.

CORPORATE SEAL
Dechra Damouni
NOTARY PUBLIC - STATE OF MICHIGAN
County Of Wayne
My Commission Expires 12th October 2027
Acting in the County of Oakland

Justin Payne
Corporation Secretary **JUSTIN PAYNE**

PLEASE NOTE THAT THE PERSON WHO SIGNS THE CONTRACT ON BEHALF OF YOUR CORPORATION MUST BE ONE OF THE INDIVIDUALS LISTED ABOVE AS PERSON AUTHORIZED TO EXECUTE CONTRACTS IN THE NAME OF AND ON BEHALF OF THE CORPORATION.

COMMERCIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT

THIS COMMERCIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT ("Agreement") is made this **27th day of January, 2025**, 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 **Stafford House Inc.**, an ("Applicant") with an office at **2937 E. Grand Blvd Detroit MI 48202**.

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 **9301 Oakland Ave.** ("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, or cause to be hired or retained, a certain amount of full-time or full time equivalent 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 be **Twelve (12)** years, 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 **November 6, 2025**.

c. The Applicant shall create at least **one (1)** number (the “Applicant Jobs Number”) of full-time, or full-time equivalent, employees at the Property within one (1) year of the date of the issuance of the permanent certificate of occupancy for the Property.

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. The Applicant shall encourage its commercial tenants to create at least **three (3)** number (the “Tenant Jobs Number”) of full-time, or full-time equivalent, employees at the Property within one (1) year of the date of the issuance of the permanent certificate of occupancy.

f. The Applicant will provide its commercial tenants with information about Detroit at Work and its recruitment and hiring programs, as well as use reasonable effort to ensure said tenants coordinate with Detroit at Work to recruit and hire City of Detroit residents, including, but not limited to, posting positions through Detroit at Work.

g. 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.

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:

By: 
Print: Lendon Crosby
Its: President

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

EXHIBIT A

Application for Commercial Facilities Exemption Certificate

EXHIBIT B

**Detroit City Council Resolution
Granting the Commercial Facilities Exemption Certificate**