

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

July 11, 2023

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

Re. Petition **2023-001 A2**. - Amended Application for Commercial Facilities
Exemption Certificate; 2150 Bagley, Detroit, Michigan (P.A. 255 of 1978, as
amended)

Please find attached Petition 2023-001 A.- Amended Application for Commercial
Facilities Exemption Certificate; 2150 Bagley, Detroit, Michigan (P.A. 255 of
1978, as amended) (In reference to petition 2023-001).

Respectfully submitted,



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

By Email

July 10, 2023

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

**Re: Amended Application for Commercial Facilities Exemption Certificate;
2150 Bagley, Detroit, Michigan (P.A. 255 of 1978, as amended)**

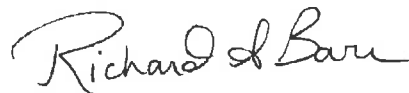
Dear Mr. Gilbert:

Enclosed please find an Amended Application for Commercial Facilities Exemption Certificate from 2150 Bagley LLC pursuant to P.A. 255 of 1978, as amended, with respect to a portion of the building located at 2150 Bagley in the City of Detroit. This request is for the commercial component of the project. The amendment requests a revised term for the Exemption Certificate to include a construction period. A separate petition has been submitted for an NEZ certificate for the residential component of the project.

Thank you for your assistance.

Very truly yours,

HONIGMAN LLP



By: _____
Richard A. Barr

Enc.

STATE USE ONLY		
Application Number	Date Received	LUCI Code

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 2150 Bagley LLC		NAICS or SIC Code 531110	
Facility's Street Address 2150 Bagley Street	City Detroit	State MI	ZIP Code 48216
Name of City, Township or Village (taxing authority) Detroit	County Wayne	School District Where Facility is Located Detroit Public Schools	
☒ City ☐ Township ☐ Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 06/01/2023	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 09/30/2025		
Estimated Cost of Rehabilitation \$2,668,000	Number of Years Exemption Requested (1-12) 12 after completion		
Expected Project Outcomes (check all that apply)			
☒ Increase Commercial Activity ☐ Retain Employment ☒ Revitalize Urban Areas			
☒ Create Employment ☐ Prevent Loss of Employment ☒ Increase Number of Residents in Facility's Community			
No. of perm. jobs to be created due to facility's rehab. 4	No. of perm. jobs to be retained due to facility's rehab. 0	Number of construction jobs to be created during rehabilitation 40	
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:

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

PART 3: APPLICANT CERTIFICATION

Name of Authorized Company Officer (no authorized agents) Tarun Kajeepeta	Telephone Number (347) 604-0815		
Fax Number	E-mail Address tkajeepeta@gmail.com		
Mailing Address 2003 Brooklyn Street, Unit 404	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 July 7, 2023	

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) 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:				
☒ Exemption approved for _____ years, ending December 30, _____ (not to exceed 12 years)				
☐ Exemption Denied				
Date District Established (attach resolution for district) 04/05/2023	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	LGU Contact Person Telephone Number		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.

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.

Attachment to Application for Commercial Facilities Exemption Certificate for
2150 Bagley, Detroit, Michigan

Part 2: Application Documents

This application applies to the commercial portion of the building as depicted on the attached plans.

General description of the facility (year built, original use, most recent use, number of stories, square footage)

2150 Bagley Street, Detroit Michigan 48216 is a 2-story, ~25,000 warehouse building in Corktown. It was originally built in 1933, with an original use as light manufacturing. Most recently, the building was owned by Bagley Properties, LLC, without any known businesses operating out of the building. The building is currently vacant and functionally obsolete, requiring rehabilitation to enable the building to be brought up to code and operational.

2150 Bagley Street is located on a 0.35 acre lot at the northeast corner of Bagley Street and 14th Street in Detroit Michigan. The lot is currently zoned as M3, general industrial.

General description of the facility's proposed use

The proposed use of the site and building is to develop a mixed-use property.

The first-floor building interior will be used for commercial purposes which are expected to be food and beverage and/or retail (9,801 square feet), ADA accessible residential space (689 square feet), and a lobby (including mail/package areas and trash collection areas) for residential units (311 square feet).

The second-floor building interior will be residential units, containing a mix of 2-bedroom, 1-bedroom, and studio apartments. The roofscape will include private roof decks for larger units (estimate 4-5 units of ~550 sq. ft.) accessed from within the unit itself by a staircase and overhead roof access hatch.

The opportunity to create a ~3,350 sq. foot landscaped semi-public at grade "alley" connecting 14th street to the West and the public alley to the East will create a vibrant outdoor space that supports the new ground floor commercial space and also aids in beautifying the neighborhood through potential landscape, art, and program opportunities. This space will provide extra frontage for vendors, outdoor patio space to retail, and community space for residents. A mixture of soft and hard landscaping paired with native plantings will make up this area.

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

To achieve our vision for the building, rehabilitation of the building is required.

Exterior:

The building will aim to keep as much of the exterior shell of the building as possible. However, as necessary, there will be repairs to the roof and exterior masonry work conducted. At both level 1 and level 2, access to natural daylight is considered of utmost importance. Given the depth of the floorplate, it will be necessary to provide large uninhibited openings. At level 1, where appropriate, operable facades will be incorporated to allow for a blurring of boundary between interior and exterior.

Interior:

The building will require an interior demolition to clear existing dilapidated walls, wirings, piping, and additional structures.

Ground floor commercial spaces will be built out as “white box” on day one, so tenants can outfit as they see fit.

Second floor residential spaces will embrace the rawness of the existing structure, providing a loft-like feeling, with ample ceiling heights of approximately 13’ floor to ceiling. Select units will also incorporate private roof access. All residential units will require significant investment in materials, cosmetics, fixtures, and appliances to create warm and welcoming units.

Additionally, a fireproof floor will be installed across the entirety of the floorplate to bring the building up to code.

Legal description of the facility

Land Situated in the City of Detroit, County of Wayne, State of Michigan, described as follows:

Lots 97 and 100, of PLAT OF SUBDIVISION OF PART OF PETER GODFROY FARM BEING PART OF PRIVATE CLAIM 726, SOUTH OF CHICAGO ROAD, according to the plat thereof as recorded in Liber 1 of Plats, page 132, Wayne County Records.

Commonly known as: 2150 Bagley Street, Detroit, MI 48216

Tax Identification No.: 004862/Ward 10

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

Typical HVAC, plumbing and electrical fixtures and residential appliances.

Time schedule for undertaking and completing the facility’s restoration, replacement, or construction

We target to commence rehabilitation of 2150 Bagley Street on June 1, 2023, and we target to complete construction by September 30, 2025.

Statement of the economic advantages expected from receiving the exemption

The exemption will allow us to maintain the current taxable value of the commercial portion of the property pre-renovation, which enables the economic viability of the overall project. Without the exemption, we would not be able to pursue this extensive rehabilitation project.

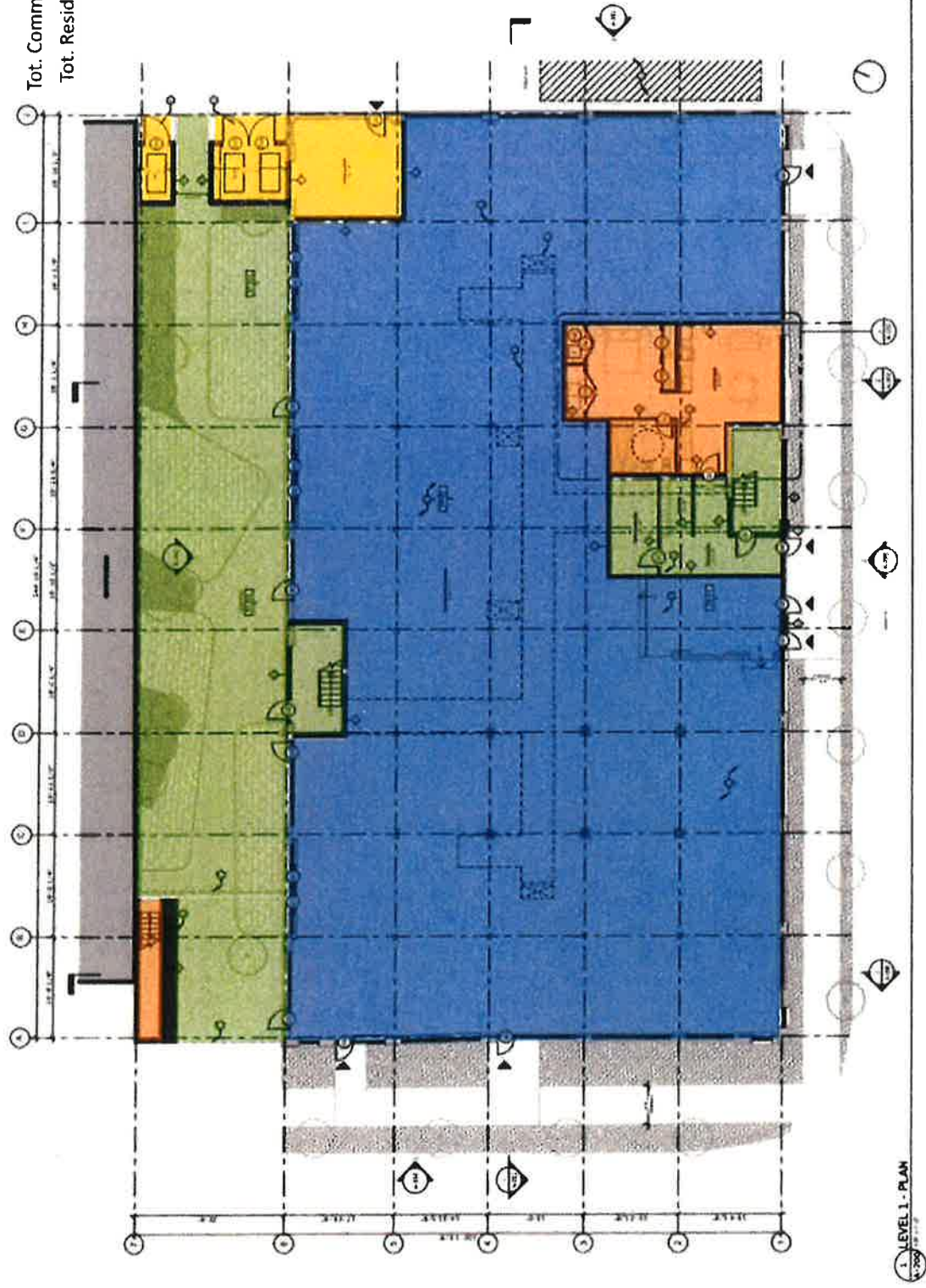
Through completing the project, we will be able to create a public space for the Detroit community to gather, build 14 apartments for residents of Detroit to live in (not subject to this abatement request), and an estimated 5 commercial spaces for businesses to operate in.

Through providing this building, we will provide a space in which different businesses can come and create employment opportunities for the community. Additionally, through providing commercial spaces, the local community will have additional options to consider for dining and shopping, promoting local spending in Detroit.

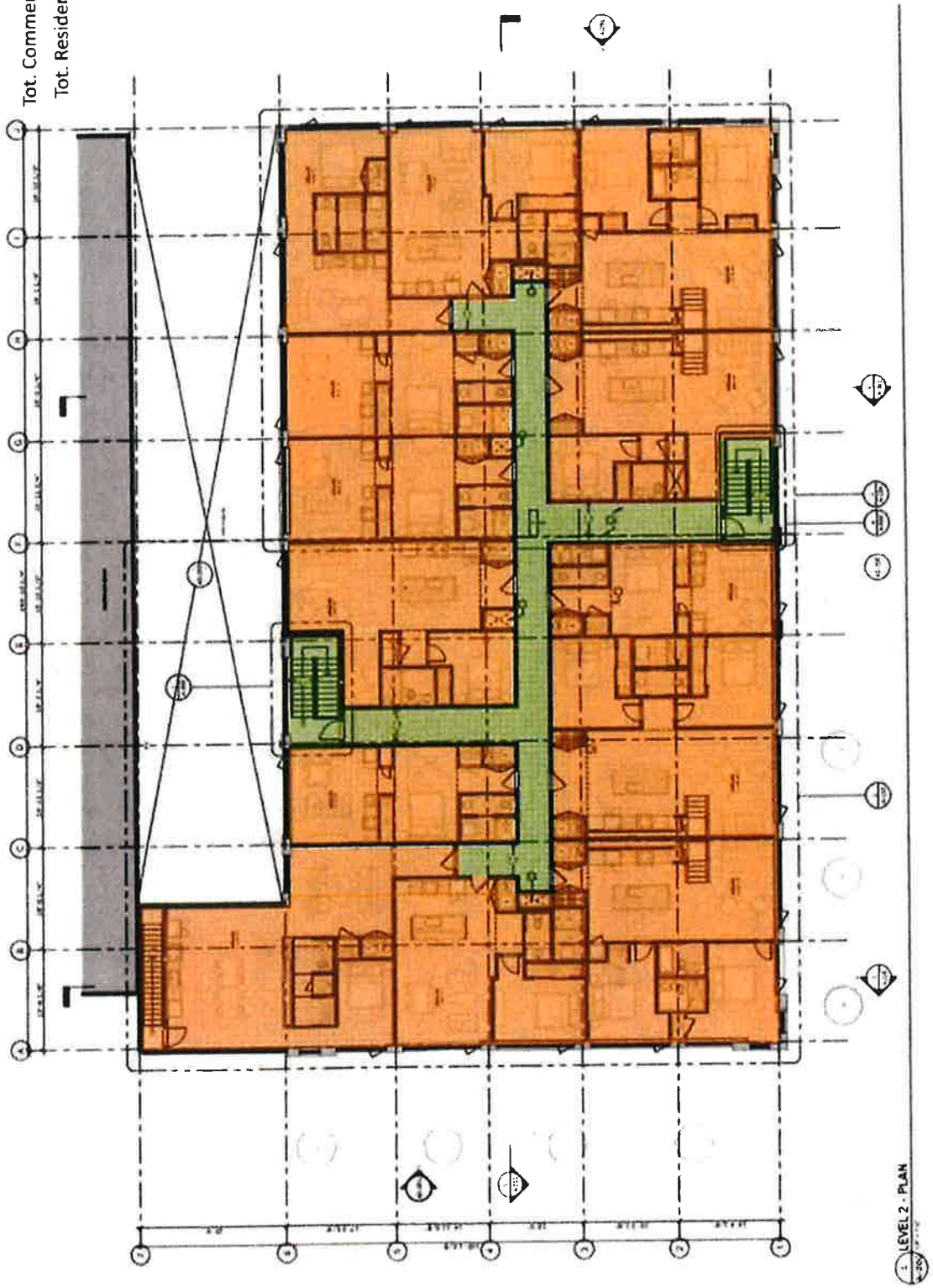
As it pertains to economic value for the city of Detroit, these businesses operating in 2150 Bagley Street will generate increased taxes for the city of Detroit. Additionally, by providing residential units for individuals to live in the city of Detroit, we also will support increased income taxes for the city of Detroit.

- Commercial
- Residential
- Common area
- Other

Tot. Commercial 9,827 sqft
 Tot. Residential 11,324 sqft
 (excl. roof decks)

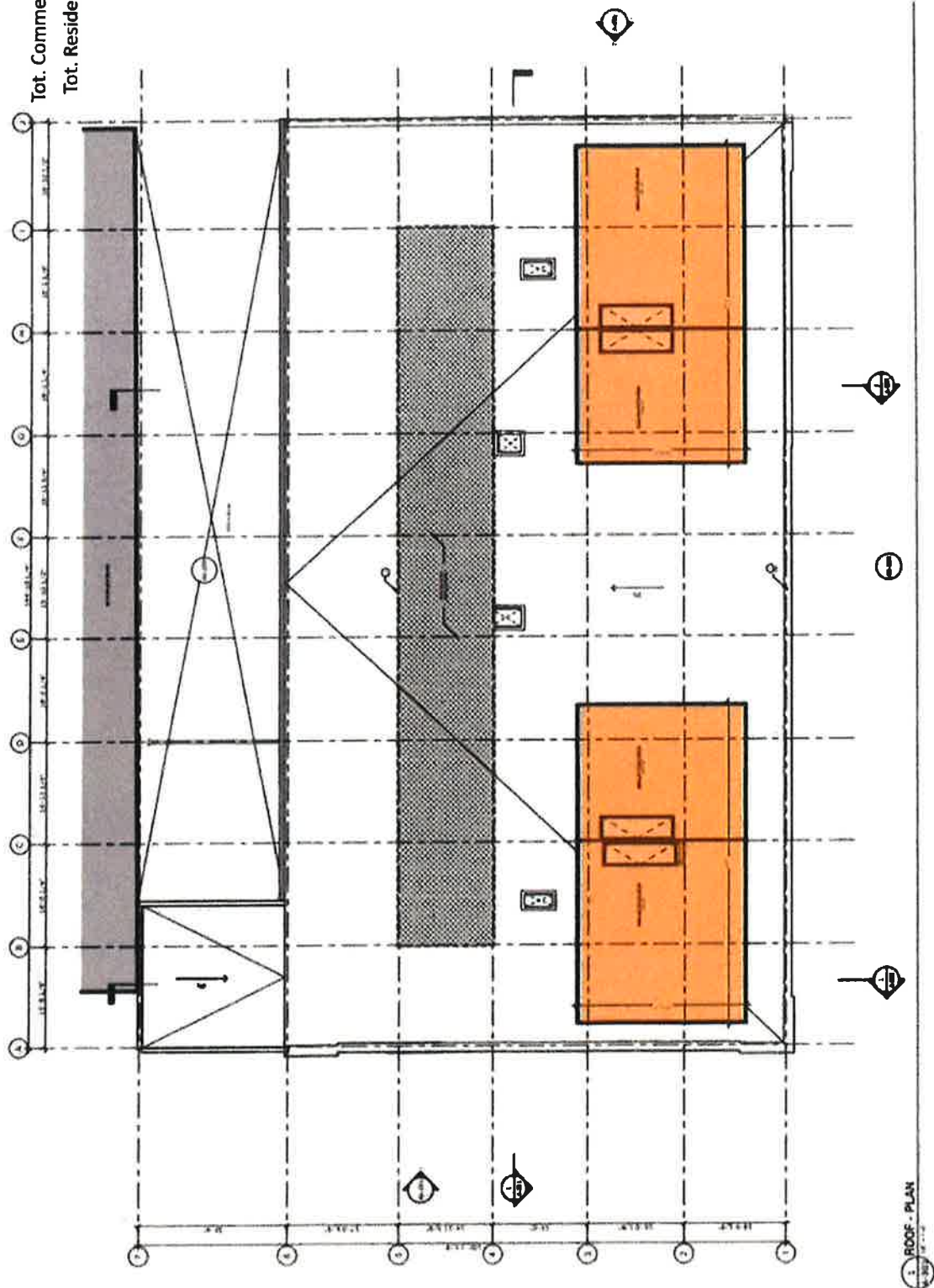


- Commercial
- Residential
- Common area
- Other



Tot. Commercial 9,827 sqft
 Tot. Residential 11,324 sqft
 (excl. roof decks)

- Commercial
- Residential
- Common area
- Other



1. ROOF - PLAN



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

June 21, 2023

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

RE: Commercial Facilities Tax Exemption Certificate – 2150 Bagley LLC
Property Address: 2150 Bagley
Parcels Number: 10004862.

Dear Mr. 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 property located at **2150 Bagley** in the **Corktown** area in 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 building consists of a mixed use two story commercial property with approximately 24,590 square feet on 0.200 acres of land. The owner proposes to convert the property to 10,000 square feet of commercial space and 14 residential apartment units. 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 which is the complete 1st floor of the building.**

The 2023 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
10004862.	2150 BAGLEY	\$ 49,300	\$ 49,300	\$ 118,900	\$ 118,900

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
2150 Bagley LLC
Page 2

A review of the project details and relevant statutes indicated that the facility located at **2150 Bagley** 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
2150 Bagley LLC
Page 3

Parcel Number: 10004862.

Property Address: 2150 Bagley

Property Owner: 2150 Bagley LLC

Legal Description: E FOURTEENTH 97 & 100 SUB OF GODFROY FARM L1 P132 PLATS, W C R 10/24 15,010 SQ FT



**COMMERCIAL FACILITIES EXEMPTION CERTIFICATE
AGREEMENT**

THIS COMMERCIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT ("Agreement") is made this _____ day of _____, 2023, 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 2150 Bagley LLC, a Michigan limited liability company ("Applicant"), with an office at 2003 Brooklyn Street, Unit 404, Detroit, Michigan 48226.

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 2150 Bagley Street, Detroit, Michigan ("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 be for a period beginning on the December 31st following issuance of the CFEC by the City and concluding on the ending date stated in the CFEC issued by the City, said ending

date being December 30th of the calendar year twelve (12) years following the Restoration Completion Date (as defined herein).

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 September 30, 2025 (the “Restoration Completion Date”).

c. The Applicant shall create, or cause to be created, at least four (4) (the “Employee Commitment Number”) full-time employees 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:

2150 Bagley LLC

By: 
Print: Tarun Kajjappa
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



**Civil Rights, Inclusion
and Opportunity**

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

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

Date: July 11, 2023

Tax Abatement Type: PA 255

New ☒ Renewal ☐

Duration of Abatement: 12 years

Development Name: 2150 Bagley

Development: The building consists of a mixed use two story commercial property. The owner proposes to convert the property to 10,000 sq ft of commercial space and 14 residential apartment units.

Parcel/Facility Address: 2150 Bagley

Applicant/Recipient: Tarun Kajeepeta

Applicant Contact: tarun@piquettepartners.com 347-604-0815

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: 4

Developer commits to

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

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

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



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

Tenika R. Griggs, Esq.

CRIO Deputy Director Name

DocuSigned by:

Tenika R. Griggs, Esq.

FP584CD896E341A...

CRIO Deputy Director Signature

7/11/2023

Date