

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

DEPARTMENT PETITION REFERENCE COMMUNICATION

To: The Department or Commission Listed Below

From: Janice M Winfrey, Detroit City Clerk

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

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

Petition No.	2024-324 (Certificate)
Name of Petitioner	Eskay Holdings LLC
Description of Petition	Petition request for the establishment of a Obsolete Property Rehabilitation Exemption Certificate at 3641 and 3651 Oakman Blvd.
Type of Petition	Tax Abatement for a Obsolete Property Rehabilitation Exemption Certificate
Submission Date	08/25/2025
Concerned Departments	Finance Department, Planning and Development Department, Housing and Revitalization Department, Legislative Policy Division, City Planning Commission, Civil Rights, Inclusion, & Opportunity Department
Petitioner Contact	Eskay Holdings LLC Shaker Manns 6763 Edinborough Dr. West Bloomfield, MI 48322 P: (810) 210-2355 EskayHoldingsLLC@gmail.com

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by Public Act 146 of 2000, as amended. This application should be filed after the district is established. This project will not receive tax benefits until approved by the State Tax Commission. Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the State Tax Commission.

INSTRUCTIONS: File the original and two copies of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires two copies of the Application and attachments. The original is retained by the clerk.) Please see State Tax Commission Bulletin 9 of 2000 for more information about the Obsolete Property Rehabilitation Exemption. The following must be provided to the local government unit as attachments to this application: (a) General description of the obsolete facility (year built, original use, most recent use, number of stories, square footage); (b) General description of the proposed use of the rehabilitated facility, (c) Description of the general nature and extent of the rehabilitation to be undertaken, (d) A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility, (e) A time schedule for undertaking and completing the rehabilitation of the facility, (f) A statement of the economic advantages expected from the exemption. A statement from the assessor of the local unit of government, describing the required obsolescence has been met for this building, is required with each application. Rehabilitation may commence after establishment of district.

Applicant (Company) Name (applicant must be the OWNER of the facility) Eskay Holdings LLC		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) P.O. Box 252041 West Bloomfield MI 48325		
Location of obsolete facility (No. and street, City, State, ZIP Code) 3641 and 3651 Oakman Blvd Detroit MI 48204		
City, Township, Village (indicate which) City		County Wayne
Date of Commencement of Rehabilitation (mm/dd/yyyy) 02/17/2025	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 12/31/2025	School District where facility is located (include school code) Detroit 82010
Estimated Cost of Rehabilitation 1380513	Number of years exemption requested 12	Attach Legal description of Obsolete Property on separate sheet
Expected project likelihood (check all that apply):		
<input checked="" type="checkbox"/> Increase Commercial activity	<input checked="" type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas
<input checked="" type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment 1		
Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the following box if you wish to be considered for this exclusion. <input checked="" type="checkbox"/>		

APPLICANT'S CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (no authorized agents) Shaker Manns	Telephone Number 8102102355	Fax Number
Mailing Address 6763 Edinborough Dr West Bloomfield MI 48322	Email Address EskayHoldingsLLC@gmail.com	
Signature of Company Officer (no authorized agents) Shaker Manns	Title Principal Executive Officer	

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

The Clerk must also complete Parts 1, 2 and 4 on Page 2. Part 3 is to be completed by the Assessor.

Signature	Date application received
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FOR STATE TAX COMMISSION USE

Application Number	Date Received	LUCI Code
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LOCAL GOVERNMENT ACTION

This section is to be completed by the clerk of the local governing unit before submitting the application to the State Tax Commission. Include a copy of the resolution which approves the application and Instruction items (a) through (f) on page 1, and a separate statement of obsolescence from the assessor of record with the State Assessor's Board. All sections must be completed in order to process.

PART 1: ACTION TAKEN

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

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

<p>A statement that the local unit is a Qualified Local Governmental Unit.</p> <p>A statement that the Obsolete Property Rehabilitation District was legally established including the date established and the date of hearing as provided by section 3 of Public Act 146 of 2000.</p> <p>A statement indicating whether the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit.</p> <p>A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.</p> <p>A statement that a public hearing was held on the application as provided by section 4(2) of Public Act 146 of 2000 including the date of the hearing.</p> <p>A statement that the applicant is not delinquent in any taxes related to the facility.</p> <p>If it exceeds 5% (see above), a statement that exceeding 5% will not have the effect of substantially impeding the operation of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit.</p> <p>A statement that all of the items described under "Instructions" (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.</p>	<p>A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.</p> <p>A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.</p> <p>A statement that the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under Public Act 146 of 2000 to establish such a district.</p> <p>A statement that completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to, increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, or increase the number of residents in the community in which the facility is situated. The statement should indicate which of these the rehabilitation is likely to result in.</p> <p>A statement that the rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(l) of Public Act 146 of 2000.</p> <p>A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.</p>
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PART 3: ASSESSOR RECOMMENDATIONS

Provide the Taxable Value and State Equalized Value of the Obsolete Property, as provided in Public Act 146 of 2000, as amended, for the tax year immediately preceding the effective date of the certificate (December 31st of the year approved by the STC).

	Taxable Value	State Equalized Value (SEV)
Building(s)		
Name of Governmental Unit	Date of Action on application	Date of Statement of Obsolescence

PART 4: CLERK CERTIFICATION

The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

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

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

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

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



7/28/25

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

RE: Request for the Establishment of an Obsolete Property Rehabilitation Certificate at 3641 and 3651 Oakman Blvd, Detroit, MI 48204

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Certificate for the property located at **3641/3651 Oakman Blvd, Detroit, MI 48204** and described on Attachment A.

Eskay Holdings LLC is a real estate development company servicing the metro Detroit area. The company is established as a limited liability company in the State of Michigan since 2015. Our work consists of modernizing distressed properties through the electrification of building systems with energy efficient functionality and purposeful attention on meeting the needs of underserved communities. In this capacity, our approach to real estate development adheres to a sustainable business strategy, by positively impacting the environment, society, or both, without the sacrifice of economic performance. The founder, Shaker Manns, is an electrical engineer, certified energy manager and licensed general contractor with over 15 years of experience in the Water and Power Utility industries.

It is this experience that allows for innovative solutions that not only modernize homes but also enhance their long-term energy performance and value. This is why we believe this project should proceed as designed because it addresses many of the concerns raised in the Michigan Statewide Housing Plan (MSHP) and the 7-point city of Detroit Housing Plan (DHP) that includes converting long-vacant apartment buildings into affordable rental housing. The State Plan highlights that **47%** of the state's housing units are old, having been built prior to 1970. This contributes to the fact that over **48%** of renters are cost burdened by living in properties that are inefficient and utility cost heavy.

Our development strategy addresses these issues by leveraging the condition of currently offline properties and maximizing their potential by transitioning the structure from combustible mechanicals to all electric functionality. What we are proposing with this project is not simply a renovation of an old structure. We are “**building a better thermos**”. By highly insulating the structure it will retain the desired interior temperature for longer, resulting in fewer times for the heat pump to run (**Comfort**). This step alone will save up to **30% on energy bills**. Utilizing a highly efficient geothermal heat pump system increases the energy savings further with a payback period between **5-10 years** and eliminates toxic combustible fumes because it does not burn gas (**Health**). Lastly, by creating energy onsite with rooftop solar, initial studies for this project show the potential to save **\$5000 annually** in electricity savings. This green strategy does not only impact the environment; it positively impacts the bottom line. The savings created with this design helps to keep the housing **affordable** and in line with the naturally occurring affordability of the neighborhood at 60% AMI. A **bonus** benefit to this design is the necessity for the systems to be monitored for performance through wireless internet. The internet service will be made available for tenant use, bridging the digital divide also highlighted in the MSHP (**Access**).

This structure was originally developed in 1965 as a part of a three-building development known as the Grand Oak Condominium of the Robert Oakman’s Cortland and Ford Highway Subdivision. Building “B”, as it is described in the original condominium bylaws, is a two-story structure containing eight individual apartments, all for residential purposes. Over a decade ago, building “B” fell into disrepair and scattered ownership, including private owners and governmental agencies. As a new owner of two units, it was quickly recognized that without a functional HOA to act in the best interests of its members, the only way to bring the property back to purposeful use would be to acquire all remaining units. To date, we own all 8 units with complete site control. Please see **Table 1 Acquisition Timeline** for more detail.

Table 1. Acquisition Timeline

Building 3641	Date of Purchase	Status	Seller
201	Sept 2019	Vacant	Tax Auction
101	May 2023	Vacant	DLBA
102	May 2023	Vacant	DLBA
202	April 2024	Vacant	Individual
Building 3651			
103	Sept 2017	Vacant	Tax Auction
104	Sept 2017	Vacant	Tax Auction
203	Sept 2019	Vacant	Tax Auction
204	Mar 2018	Vacant	Individual

Our development strategy for this property focuses on optimizing the building's potential by taking advantage of its current state of disrepair and transitioning the property from combustible mechanicals to all electric functionality. Our vision is to electrify the building utilizing energy efficient appliances, geothermal heat pumps, and rooftop solar while also bridging the information gap with wireless internet available for tenant use. The goal is to operate the building as an apartment, providing all-inclusive housing, rent, utilities and WIFI at a single cost of 60% AMI. This will essentially level fluctuating utility costs for a more predictable monthly bill, creating an **affordable, healthy and comfortable** place to live.

Unfortunately, the funding sources to renovate smaller projects of this nature are non-existent through traditional lending institutions. This fact combined with the renewable energy sources/energy reduction design at 60% AMI and a renovation budget exceeding \$1.3 million, this project is not feasible and will certainly not be undertaken without the receipt of an exemption certificate. In addition to the green design, the renovation will include replacing 40+ windows, installing completely new HVAC, plumbing and electrical systems. All systems have been removed from the structure and cut from the utility both underground and overhead by the service provider. All elements that would make this a livable structure have been either removed or degraded beyond its useful life. This includes the removal of all kitchens, bathrooms and multiple roof leaks causing walls and ceilings to collapse. The project will support 10 FTE positions during the renovation period and 1 new FTE upon completion. The property is functionally obsolete and is a blight to an otherwise strong community and as such, is eligible under the Obsolete Property Rehabilitation Act 146 of 2000 MCL PA Section 125.2782, MCL 125.2652 (e) "Facility", except as otherwise provided in this act, means a building or group of contiguous buildings and therefore qualifies 3641/3651 Oakman Blvd for the establishment of a district and issuance of an OPRA certificate pursuant to the Act 146 of 2000.

It is for the reasons stated above that we are asking for the City of Detroit to support this development with an OPRA certificate for 12 years beginning upon completion of the renovation.

The ripple effect of a project such as this is that in the short term, it immediately creates 8 affordable housing units at 60% AMI for potentially 14 new residents to the neighborhood who would support area businesses. It compliments other development in the area including the Joe Louis Greenway, SNF areas Nardin Park/Russell Woods, Dexter Corridor and the newly finished \$30M Union Carpenters and Millwrights Skilled Training Center.

However, the standout to this development is the renewable design. In the long term, there are many benefits to developing with energy efficiency in mind. The demand for skilled workers in green building practices fosters innovation and investment in sustainable technologies. Renovating in this manner provides a buffer to fluctuating energy costs, making tenants less vulnerable to rising costs while keeping rents affordable. This reduces turnover, providing stability to the development and potentially the neighborhood. Energy-efficient developments often have higher market value compared to traditional homes. Properties that feature energy-efficient technologies become more attractive in the real estate market, increasing the value of the property and the surrounding area. This increase in market value has a direct correlation with city taxes. Currently all taxes are up to date.

Eskay Holdings, through The Grand Oak Apartment redevelopment, will showcase that affordable housing can be energy efficient, beneficial to the community and economically feasible at the midsize development level.

Respectfully submitted,

Shaker Manns for Eskay Holdings LLC
810-210-2355
EskayHoldingsLLC@gmail.com

Attachment A: Site Map that includes the parcel(s) of property / Legal Description
Attachment B: Paid Receipt of Current Taxes

cc: K. Bridges, DEGC
N. Marsh, DEGC
V. Farley, HRD

Attachment A:

- A. General description – The structure was built in 1965 as condominiums. It is a 2-story building with 8 residential units totally approximately 7600 total square feet. The building has been vacant for over a decade.
- B. The building is currently vacant. We are proposing to renovate the structure and operate it as apartments at 60% AMI utilizing a gross lease model, meaning all utilities are included.
- C. To transition the facility from combustible mechanicals to all electric functionality with the purpose of removing harmful fumes, eliminating pollution from the structure and managing rising energy costs.
- D. We are incorporating solar, geothermal heat pumps, electric appliances and making available to residents the same WIFI used to monitor the renewable systems.
- E. The project started on 2/17/2025 and is projected to be completed by 12/31/2025.
- F. The site map and legal description are shown below in Picture 1 and Table 2.

Picture 1. Site Map - Aerial View with 8 parcels



Table 2. Addresses with Parcel ID and Legal Description

Address	Parcel	Legal Description
3641 Oakman Blvd, Unit 201	16025189.001	E Oakman BLVD BLDG B APT 201 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.460%Grand Oak Condominium
3641 Oakman Blvd, Unit 202	16025189.002	E Oakman BLVD BLDG B APT 202 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs,
3641 Oakman Blvd, Unit 102	16025188.002	E Oakman BLVD BLDG B APT 102 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs,
3641 Oakman Blvd, Unit 101	16025188.001	E Oakman BLVD BLDG B APT 101 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs,
3651 Oakman Blvd, Unit 103	16025188.003	E Oakman BLVD BLDG B APT 103 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.270%Grand Oak Condominium
3651 Oakman Blvd, Unit 104	16025188.004L	E Oakman BLVD BLDG B APT 104 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.560%Grand Oak Condominium
3651 Oakman Blvd, Unit 203	16025189.003	E Oakman BLVD BLDG B APT 203 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.190%Grand Oak Condominium
3651 Oakman Blvd, Unit 204	16025189.004L	E Oakman BLVD BLDG B APT 204 Wayne County Condo Sub Plan No. 2 L15737 P792-813 DEEDs, WCR 16/477 3.460%Grand Oak Condominium

Attachment B: Paid Receipt of Current Taxes

***Note:** DLBA parcels were purchased in May 2023. The ownership designation will change to Eskay Holdings upon completion of the redevelopment



September 16, 2025

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

Re: **Obsolete Property Rehabilitation Certificate – Eskay Holdings LLC**
 Address: 3641/3651 Oakman Blvd
 Parcel Number: 16025188.001 – 16025189.004L
 8 Parcels (See Chart on Page 3)

Dear Ms. Bush:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation Certificate located at **3641/3651 Oakman Blvd** in the **Oakland Boulevard Community** area within the City of Detroit.

The rationale for Obsolete Property Rehabilitation Certificates under PA 146 of 2000, as amended, is based on the anticipation of increased market value upon completion of new construction and /or significant rehabilitation of existing commercial property and commercial housing property. Normal repair and maintenance are not assessed and do not necessarily generate additional market value.

The Project as proposed by Eskay Holdings LLC consists of a vacant two-story structure that was built in 1965 composed of eight (8) individual condominiums units with a combined building area of 7600 square feet. The proposed project consists of fully renovating the existing structure. Renovations will include new highly efficient geothermal heat pump system, and solar rooftop. The building will undergo major renovations including floor reconfiguration, all major mechanical, plumbing and electrical systems replacement, new kitchens and bathrooms.

2024 Values

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
16025188.001	3641 OAKMAN Blvd 101	\$27,350	\$27,350	\$600	\$600
16025188.002	3641 OAKMAN Blvd 102	\$27,850	\$27,850	\$600	\$600
16025188.003	3651 OAKMAN Blvd 103	\$22,500	\$3,111	\$600	\$83
16025188.004L	3651 OAKMAN Blvd 104	\$27,500	\$3,608	\$600	\$79
16025189.001	3641 OAKMAN Blvd 201	\$27,300	\$7,569	\$600	\$166
16025189.002	3641 OAKMAN Blvd 202	\$27,300	\$3,608	\$600	\$78
16025189.003	3651 OAKMAN Blvd 203	\$22,500	\$6,297	\$600	\$168
16025189.004L	3651 OAKMAN Blvd 204	\$27,500	\$7,570	\$600	\$165



CITY OF DETROIT
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF THE ASSESSOR

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 824
DETROIT, MI 48226
PHONE: 313•224•3011
FAX: 313•224•9400

Obsolete Property Rehabilitation Certificate

Eskay Holdings LLC

Page 2

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

A review of the project plan and related statutes indicated that the proposed Obsolete Property Rehabilitation Certificate for the property located at 3641/3651 Oakman Blvd is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

Sincerely,

Charles Ericson, MMAO
Assessor/Board of Assessors



Obsolete Property Rehabilitation District
Eskay Holdings LLC
Page 3

Parcel Number	Property Address	Property Owner	Legal Description
16025189.001	3641 Oakman Blvd 201	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 201 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.460% GRAND OAK CONDOMINIUM
16025189.002	3641 Oakman Blvd 202	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 202 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.440% GRAND OAK CONDOMINIUM
16025188.002	3641 Oakman Blvd 102	Eskay Holdings LLC	E OAKMAN BLVD BLDG B APT 102 WAYNE COUNTY CONDO SUB PLAN NO 2 L15737 P792-813 DEEDS, W C R 16/477 3.460% GRAND OAK CONDOMINIUM
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OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE AGREEMENT

THIS OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this “Agreement”) is made this 21 day of September, 2025 by and between the City of Detroit, a Michigan municipal corporation (the “City”), acting by and through its Planning & Development Department, with an office at 2 Woodward Avenue, Suite 808, Detroit, Michigan 48226, and **Eskay Holdings LLC**, an (“Applicant”) with an office at **6763 Edinborough Dr West Bloomfield MI 48322**.

WITNESSETH:

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

WHEREAS, the Applicant has submitted an application (the “Application”) for an Obsolete Property Rehabilitation Exemption Certificate (“OPREC”) for the property located at: **3641 and 3651 Oakman Blvd Detroit MI 48204** (the “Property”). A copy of the Application is attached hereto as **Exhibit A** and made a part hereof; and

WHEREAS, the City has previously approved an obsolete property rehabilitation district pursuant to the Act, and the Property is located in such district; and

WHEREAS, the Applicant has committed to complete a Rehabilitation of the Property, as defined in the Act, and to hire or retain, or cause to be hired or retained, a certain number 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 OPREC to the Applicant, contingent upon the covenants and representations contained herein and pending approval by the Michigan State Tax Commission. A copy of the City resolution granting the OPREC is attached hereto as **Exhibit B** and made a part hereof; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. General.

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

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

c. The Applicant shall create at least _____ **(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.

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 _____ **(0)** number (the “Tenant Jobs Number”) of full-time, or full-time equivalent, employees at the Property within one (1) year of the issuance 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 efforts to ensure said tenants engage with Detroit at Work to recruit and hire City of Detroit residents, including but not limited to posting solicited 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 and Warranties.

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

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

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

- c. During the Term, no portion of the Property will be used as a professional sports stadium.
- d. During the Term, no portion of the Property will be used, owned or operated by a casino or affiliated company, as defined in the Act.
- e. The Applicant would not have considered accomplishing Rehabilitation of the Property without an OPREC.
- f. Rehabilitation of the Property did not start prior to establishment of the obsolete property rehabilitation district in which the Property is located.
- g. There are no delinquent taxes owed on the Property.
- h. The Applicant will pay any applicable taxes on the Property as they become due.
- i. The Rehabilitation and Applicant's current and planned future operation of the Property are in compliance with the City of Detroit Zoning Ordinance and Master Plan.
- j. If the Rehabilitation of the Property will include the provision of housing at the Property, the Applicant agrees: (i) to comply with Fair Housing Practices that meet the guidelines set forth by the U.S. Fair Housing Act (42 U.S.C. 3601 through 3619); and (ii) to comply with the Affordability Requirements set forth on Addendum 2, attached hereto.

3. Community Benefits Requirements.

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

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

4. Reporting to the City by the Applicant.

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

a. Upon request, the Applicant shall provide the Planning & Development Department copies of all construction plans, building permits and certificates of occupancy related to the Rehabilitation of the Property.

b. Applicant shall permit the City to perform periodic site visits to the Property by the City to establish whether the Applicant is completing the Rehabilitation to the Property as required by the Act and this Agreement.

c. Annually, within two (2) weeks after each anniversary of the commencement of the Term, Applicant shall submit to the Planning & Development Department a certified status report (“Status Report”) signed by an authorized officer of the Applicant. The Status Report shall set forth for the previous year: (i) the Rehabilitation work completed at the Property; (ii) Applicant’s financial investment in the Property for that year; and (iii) the number of full-time employees at the Property for that year.

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

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

5. Revocation of OPREC and Termination of this Agreement.

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

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

6. Payment of Exempted Taxes for Shortfall of Employment.

If the average number of full-time employees at the Property for any given year of the Term is less than the Employee Commitment Number, the Applicant agrees to pay to the City, in addition to the Obsolete Properties Tax due under the OPREC, an amount equal to the difference between the amount of ad valorem tax that would be due on the Property without the OPREC, and the amount of Obsolete Properties Tax due on the Property under the OPREC, for that given year, multiplied by a fraction, the numerator of which is the shortfall in the number of full-time employees indicated in the Status Report, and the denominator of which is the Employee Commitment Number. Prior to taking any action to require the Applicant to pay an amount to the City pursuant to this Section, the City must afford the Applicant an opportunity to present reasons for the employment shortfall at a public hearing.

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

7. Notice to City of Discontinuance of Operations.

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

8. Reservation of Remedies.

The City and the Applicant agree that each of the rights and remedies provided by this Agreement may be exercised separately or cumulatively, and shall not be exclusive of any other rights and remedies provided by law. Invalidation of any of the provisions contained in this Agreement by operation of law, judgment, court order or otherwise shall not invalidate any of the other provisions of this Agreement.

9. Transfer.

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

10. Headings.

The headings contained in this Agreement are for descriptive purposes only, and do not alter or govern the substantive content of the provisions of the Agreement.

11. Capitalized Terms.

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

12. Governing Law; Venue.

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

13. Amendment.

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

[Remainder of Page Intentionally Left Blank]

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

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

APPLICANT:

By: Shaker Manns

Print: Shaker Manns

Its: Managing Member

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

By: _____

Print: _____

Its: _____

THIS AGREEMENT WAS
APPROVED BY THE CITY
COUNCIL ON:

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

Date

Corporation Counsel Date

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

ADDENDUM 1
Requirements

ADDENDUM 2
Affordability Requirements

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

a. The Applicant will offer for lease _____ apartment units (“Affordable Units”) to those earning not more than 80% of the Detroit SMSA area median income (“AMI”), based on the income limits most recently published by the United States Department of Housing and Urban Development (“HUD”)¹. Rental rates will be based upon occupancy of 1 person in a studio and 1.5 people per bedroom for all other rental unit sizes.

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

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

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

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

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

2. Payment for Exempted Taxes for Violation of Undertaking. If Applicant is not in compliance with its obligations under paragraph 1 of this Addendum and fails to cure its non-compliance within 60 days of written notice from the City, the Applicant shall pay to the City, in addition to the Obsolete Properties Tax due under the OPREC on the Property, an amount equal to the difference for the year of non-compliance between the amount of ad valorem tax otherwise due on the Property without the OPREC and the amount of the Obsolete Properties Tax due on the Property with the OPREC, multiplied by a fraction, the numerator of which is shortfall of the number of units that are not in compliance and the denominator of which is _____. Prior to taking any action to require the Applicant to pay any amount to the City pursuant to this paragraph 2, the City shall afford the Applicant an opportunity to present at a public hearing reasons for the shortfall by the Applicant in its compliance with this Addendum.

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

EXHIBIT A

Application for Obsolete Property Rehabilitation Exemption Certificate

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