

# City of Detroit

Janice M. Winfrey  
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II  
Deputy City Clerk

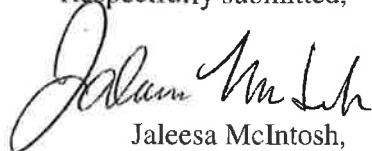
August 15, 2022

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

Re: Request for the application for Obsolete Property Rehabilitation Exemption Certificate for the property located at 1732 Bethune Avenue and 1800 Bethune Avenue. **(RELATED TO PETITION #1530)**

Please find attached an application Request for Obsolete Property Rehabilitation Exemption Certificate for the property located at 1732 Bethune Avenue and 1800 Bethune Avenue

Respectfully submitted,



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



## 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) 1732 Bethune Lofts, LLC		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 5918 St. Antoine Street, Apartment 501, Detroit, MI 48202		
Location of obsolete facility (No. and street, City, State, ZIP Code) 1732 Bethune Avenue		
City, Township, Village (indicate which) Detroit		County Wayne
Date of Commencement of Rehabilitation (mm/dd/yyyy) 5/1/2022	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 5/1/2023	School District where facility is located (include school code) Detroit City Schools
Estimated Cost of Rehabilitation \$1,748,000.00	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 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 <u>1</u>		
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) Michael Rivait	Telephone Number (248) 670-2011	Fax Number
Mailing Address 5918 St. Antoine Street, Apartment 501, Detroit, MI 48202		Email Address michael@newdetroit.com
Signature of Company Officer (no authorized agents) 		Title Owner

### 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
-----------	---------------------------

FOR STATE TAX COMMISSION USE		
Application Number	Date Received	LUCI Code

### 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

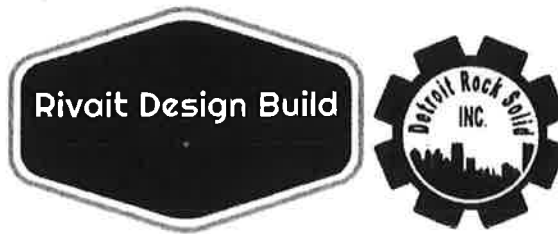
The undersigned clerk certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way. Further, the undersigned is aware that if any information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.

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- 335-7491.

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



March 22, 2022

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 Exemption Certificate located at 1732 Bethune Avenue, Detroit, Wayne County, Michigan for 1732 Bethune Lofts, LLC**

Honorable City Council:

Please accept this letter and attachments as a request to establish an Obsolete Property Rehabilitation Act (OPRA) Exemption Certificate in accordance with P.A. 146 of 2000 for the property located at 1732 Bethune Avenue, Detroit, Wayne County, Michigan (the "Property"), further described in Attachment A.

#### **Company and Project Synopsis**

1732 Bethune Lofts, LLC was founded by Michael Rivait and Martin Herz in 2021. Michael Rivait, owner of Rivait Design + Build Group (the general contractor (GC)) has been investing in southeast Michigan since 1985 and is well-versed in real estate, building and contracting, and development. In over 35 years, Rivait Design + Build has built over 200 energy efficient homes and residential projects, before expanding to include additional construction and development of senior living condos and apartment buildings. With demonstrated experience in building and rehabilitating residential properties in southeast Michigan, Michael has recently completed the rehabilitation of Elaine Lofts in Milwaukee Junction. As a German native, Martin Herz has his B.S. and M.S in Structural Engineering and a vast background in entrepreneurship ventures. In 2016, Herz moved to Detroit and founded Detroit Rock Solid. He owns, renovates, and manages real estate in the city and southeast Michigan, focusing on his own neighborhood and the surrounded LaSalle Gardens neighborhood.

1732 Bethune Avenue was acquired in July 2021 by the applicant, 1732 Bethune Lofts, LLC.

The proposed project contains one parcel and totals approximately 0.110 acres. The property is occupied by a two- and one-half split level mixed-use building totaling approximately 7,370 square feet. The project will entail the rehabilitation and renovation of the current building to provide 11 residential apartment units and one commercial space.

#### **PA 146 Request**

This application documents the request for the establishment of a Commercial Rehabilitation Exemption Certificate. A 12-year abatement is being requested.

**Request for Establishment of an Obsolete Property Rehabilitation Exemption Certificate at  
1732 Bethune, Detroit, Wayne County, Michigan  
For 1732 Bethune Lofts LLC**

The proposed project occurs on property within an Obsolete Property Rehabilitation District that has been established by a qualified local governmental unit by resolution. The property meets the definition of "obsolete property" as defined in Section 2 of Public Act 146 as commercial housing property that is "functionally obsolete" as defined in Section 2 of the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2652.

**Necessity for Tax Relief**

The property currently contains a deteriorating building that will require selective demolition and significant repair with the property rehabilitation. Substantial investment is necessary to rehabilitate the property into a viable, long-term mixed-use development. In order to secure financing and meet lender debt service requirements, the operating costs of the proposed renovations and redevelopment of the project need to be kept as low as possible (including property taxes). Without the receipt of the Obsolete Property Rehabilitation Certificate, the development would not be possible.

**Closing**

1732 Bethune Lofts, LLC is a compassionate group of professionals with a proven track record and experience in multi-family investments within the City of Detroit. Members of the Development team have reached out to members of the community, local Block Clubs, and neighboring property owners regarding the new ownership and anticipated improvements. The development team has garnered meaningful positive feedback and generated excitement for the proposed project.

The team is looking forward to pursuing this redevelopment and creating a community space on the heart of Detroit's Henry Ford Neighborhood.

Respectfully submitted,



Michael Rivait  
1732 Bethune Lofts, LLC  
[michael@newdetroit.com](mailto:michael@newdetroit.com)  
(248) 670-2011

Submitted with Assistance from:  
Ginny Dougherty  
PM Environmental, Inc.  
[dougherty@pmenv.com](mailto:dougherty@pmenv.com)  
(248) 414-1436

**Attachment A: Detailed Project Description**  
**Attachment B: Parcel Map**

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

# Attachment A





**General Description**

The proposed Obsolete Property Rehabilitation Act (OPRA) project is bounded by the property line to the north, a public alley to the east, Bethune Avenue to the south, and Churchill Street to the west. The parcel is located in the Henry Ford Neighborhood of Detroit and consists of one parcel totaling approximately 0.110 acres. The property is occupied by a two- and one-half split level mixed-use building, totaling approximately 7,370 square feet.



The property has been developed with the residential apartments since 1916. The building requires significant renovations to be brought up to code and current market demands.

The property is located along the Rosa Parks Boulevard corridor, within the Henry Ford neighborhood, and is within walking distance to many of the City's amenities, including the Henry Ford Hospital, Motown Museum, and LaSalle Park. The project is near the Rosa Parks – Clairmont Revitalization Framework area that encourages renovation and development of homes and business within existing building stock. The project also aids in the transformation of Rosa Parks Boulevard by increasing investment and providing a walkable destination within the corridor.

**Description of Proposed Use**

The project involves the renovation of eleven (11) residential units within 1732 Bethune. One commercial space will be retained, updated, and white boxed to host a small retail/café space or similar type of tenant. Units will include an upper-medium level finish standard, including stainless steel appliances, granite countertops, and an open loft style. Amenities will include central air conditioning for each unit, in-unit laundry, hardwood floors, and gated parking lots. New landscaping will also be installed throughout the site.



Unit Type	Unit Count	Bathrooms	Unit Avg Sq Ft
<b>1732 Bethune</b>			
1-bdr	9	1	580
2-bdr	2	1	800
Commercial	1	NA	2,000

## **Nature and Extent of the Rehabilitation**

The property currently contains a deteriorating building that will require selective demolition and significant repair with the property rehabilitation. A priority for the rehabilitation includes immediate repairs to ensure water-tightness to the building. This work includes roof repairs and extensive masonry work to repair areas of previous collapse. The building will receive electrical, plumbing, and mechanical/HVAC upgrades and replacement to improve the current conditions and meet modern demands while providing increased efficiency. The rehabilitation will require new energy efficient windows and doors, and new kitchen and bathroom cabinetry, appliances, and fixtures.

## **Descriptive List of the Fixed Building Equipment**

Renovations, new fixed building equipment and materials for the project include;

- Masonry; restoration activities associated with the existing building
- Carpentry; including framing, kitchen cabinetry, vanities, trim work
- Thermal and Moisture Protection; roofing system, caulking and sealing, waterproofing
- Doors and Windows; new windows, exterior doors, interior doors/frames/hardware
- Mechanical; plumbing and HVAC
- Electrical; electrical work, security system, and communications
- Fire alarm/suppression system
- Finishes; drywall and insulation, hard tile, hardwood flooring, painting, granite countertops
- Specialties; elevator, fire extinguishers, toilet accessories, and appliances

## **Time Schedule**

The written application for establishment of the Obsolete Property Rehabilitation District has been submitted to the City of Detroit for review and currently awaits a public hearing and City Council vote for approval. Renovation activities are anticipated to commence immediately following approval of the OPRA District. Construction activities will take one year for completion.

## **Statement of Economic Advantages**

Hard-cost investment is estimated at \$900,000, with total project investment estimated at \$1.7 million. The Developer plans to apply for a 12-year real property tax abatement under the provisions of a PA 146 Obsolete Property Rehabilitation Act tax abatement. The remaining sources of funds for the project are through owner equity and permanent financing.

On a short-term basis approximately 50 full-time equivalent (FTE) construction jobs will be created. On a long-term basis, the proposed redevelopment associated with the Development will create approximately one full-time equivalent (FTE) job related to the management and maintenance of the property. The Development will house approximately 11 new Detroit households. Therefore, it is anticipated the City of Detroit will collect approximately 2.4% income tax per resident per year. The table below illustrates the resident tax impact the development will have following completion.



**Request for Establishment of an Obsolete Property Rehabilitation Exemption Certificate at  
1732 Bethune, Detroit, Wayne County, Michigan  
For 1732 Bethune Lofts LLC**

<b>Residential Benefits</b>	<b>Annual Amount</b>
11 apartment units	
\$30,894 x 11 x 2.4% (Median Household Income x Units x 2.4%)	\$8,156
One FTE permanent job	
\$45,000 x 1 x 2.4%	\$1,080
<b>Total</b>	<b>\$9,236</b>

Upon completion, the Development will return an obsolete property to productive use and will restore residential density in an area challenged by the prevalence of vacant land and structures, but rich in history and primed for rehabilitation of these historic properties for additional households. Activation of this property, along with the upcoming Rosa Parks/12<sup>th</sup> Street Streetscape project, will spur further growth and act as a catalyst for future redevelopment along the Rosa Parks corridor and the surrounding neighborhoods.

The granting of the tax abatement will not result in any fewer taxes to the City in the short-term or long-term. All City taxes are current as of the date of this submittal. Following expiration of the 12-year abatement the building will deliver a significant increase in tax revenue. Over time, the successful redevelopment and cultural growth will have a catalyst effect within this neighborhood.

**Legal Description**

Parcel Number: 08005730

Address: 1732 Bethune

Acres: 0.11

Legal Description: E CHURCHILL 12 BLK 15 IRVING PL SUB L11 P5 PLATS, W C R 8/84 40 X 120

# Parcel Map



1732 W. Bethune Street



April 16, 2021

- Condominiums
- Parcel Boundaries

1:2,257



SEMCOG, Esri, Canada, Esri, HERE, Garmin, INCREMENT P,  
USGS, EPA, USDA, AAFC, NRCan





**Reset Form**

## 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.

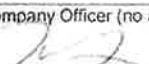
Applicant (Company) Name (applicant must be the OWNER of the facility) 1800 Bethune Lofts, LLC		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 5918 St. Antoine Street, Apartment 501, Detroit, MI 48202		
Location of obsolete facility (No. and street, City, State, ZIP Code) 1800 Bethune Avenue		
City, Township, Village (indicate which) Detroit		County Wayne
Date of Commencement of Rehabilitation (mm/dd/yyyy) 5/1/2022	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 5/1/2023	School District where facility is located (include school code) Detroit City Schools
Estimated Cost of Rehabilitation \$10,766,000.00	Number of years exemption requested 12	Attach Legal description of Obsolete Property on separate sheet
Expected project likelihood (check all that apply):		
<input type="checkbox"/> Increase Commercial activity	<input type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas
<input checked="" type="checkbox"/> Create employment	<input type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated
Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment <u>1</u>		
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) Michael Rivait	Telephone Number (248) 670-2011	Fax Number
Mailing Address 5918 St. Antoine Street, Apartment 501, Detroit, MI 48202		Email Address michael@newdetroit.com
Signature of Company Officer (no authorized agents) 		Title Owner

### 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

**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.

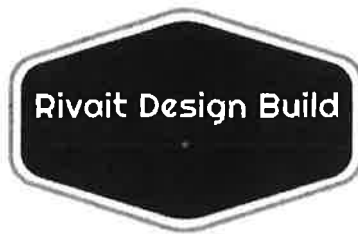
Name of Clerk	Clerk Signature	Date	
Clerk's Mailing Address	City	State	ZIP Code
	Telephone Number	Fax Number	Email Address

**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- 335-7491.

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





March 23, 2022

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 Exemption Certificate located at 1800 Bethune Avenue, Detroit, Wayne County, Michigan for 1800 Bethune Lofts, LLC**

Honorable City Council:

Please accept this letter and attachments as a request to establish an Obsolete Property Rehabilitation Act (OPRA) Exemption Certificate in accordance with P.A. 146 of 2000 for the property located at 1800 Bethune Avenue, Detroit, Wayne County, Michigan (the "Property"), further described in Attachment A.

#### **Company and Project Synopsis**

1800 Bethune Avenue was acquired by 1800 Bethune Lofts, LLC in January 2022. 1800 Bethune Lofts, LLC (the "Developer") was founded by Michael Rivait and Martin Herz in 2021. Michael Rivait, owner of Rivait Design + Build Group (the general contractor (GC)) has been investing in southeast Michigan since 1985 and is well-versed in real estate, building and contracting, and development. In over 35 years, Rivait Design + Build has built over 200 energy efficient homes and residential projects, before expanding to include additional construction and development of senior living condos and apartment buildings. With demonstrated experience in building and rehabilitating residential properties in southeast Michigan, Michael has recently completed the rehabilitation of Elaine Lofts in Milwaukee Junction. As a German native, Martin Herz has his B.S. and M.S in Structural Engineering and a vast background in entrepreneurship ventures. In 2016, Herz moved to Detroit and founded Detroit Rock Solid. He owns, renovates, and manages real estate in the city and southeast Michigan, focusing on his own neighborhood and the surrounded LaSalle Gardens neighborhood.

The proposed project contains one parcel, which totals approximately 0.368 acres. The Property is occupied by a 4-story residential building totaling approximately 43,313 square feet. The project will entail the rehabilitation and renovation of the current building to provide 84 residential apartment units.

#### **PA 146 Request**

This application documents the request for the establishment of a Commercial Rehabilitation Exemption Certificate. A 12-year abatement is being requested.

The proposed project occurs on property within an Obsolete Property Rehabilitation District that has been established by a qualified local governmental unit by resolution. The property meets the definition of "obsolete property" as defined in Section 2 of Public Act 146 as commercial housing

*Request for Establishment of an Obsolete Property Rehabilitation Act Exemption Certificate at  
1800 Bethune Street, Detroit, Wayne County, Michigan  
For 1800 Bethune Lofts LLC*

property that is "functionally obsolete" as defined in Section 2 of the Brownfield Redevelopment Financing Act, 1996 PA 381, MCL 125.2652.

**Necessity for Tax Relief**

The property currently contains a deteriorating building that will require urgent structural repairs and selective demolition with the property rehabilitation. Substantial investment is necessary to rehabilitate the building into a viable, long-term development. In order to meet lender requirements and secure financing, the operating costs of the proposed renovations and redevelopment of the project need to be kept as low as possible (including property taxes). The development would not be possible without the receipt of the Obsolete Property Rehabilitation Certificate.

**Closing**

1800 Bethune Lofts, LLC is a compassionate group of professionals with a proven track record and experience in multi-family investments within Metro Detroit. Members of the Development team have reached out to members of the community, local Block Clubs, and neighboring property owners regarding the new ownership and anticipated improvements. The development team has garnered meaningful positive feedback and generated excitement for the proposed project.

The team is looking forward to pursuing this redevelopment and creating a community space on the heart of Detroit's Henry Ford Neighborhood.

Respectfully submitted,



Michael Rivait  
1732 Bethune Lofts, LLC  
[michael@newdetroit.com](mailto:michael@newdetroit.com)  
(248) 670-2011

Submitted with Assistance from:  
Ginny Dougherty  
PM Environmental, Inc.  
[dougherty@pmenv.com](mailto:dougherty@pmenv.com)  
(248) 414-1436

**Attachment A: Detailed Project Description**  
**Attachment B: Parcel Map**

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

# Attachment A



## General Description

The proposed Obsolete Property Rehabilitation Act (OPRA) project is bounded by the property line to the north, Churchill Street the east, Bethune Avenue to the south, and the property line to the west. The parcel is located in the Henry Ford Neighborhood of Detroit and consists of one parcel, totaling approximately 0.386 acres.



The property is occupied by a 4-story residential building totaling approximately 43,313 square feet including the basement level. The property has been developed with the apartment building since 1924. 1800 Bethune has been vacant for over a decade with parts of the building in a state of disrepair from exposure to the elements and vandalism/scrap metal collectors.

The property is located along the Rosa Parks Boulevard corridor, within the Henry Ford neighborhood. The Property is within walking distance to many of the City's amenities, including the Henry Ford Hospital, Motown Museum, and LaSalle Park. The project is nearby the Rosa Parks – Clairmont Revitalization Framework area that encourages renovation and development of homes and business within existing building stock. The project also aids in the transformation of Rosa Parks Boulevard by increasing investment and providing a walkable destination within the corridor.

## Description of Proposed Use

The building will be rehabilitated to contain 84 residential units and gated parking located on the north side of the building. Units will include an upper-medium level finish standard, including stainless steel appliances, granite countertops, and an open loft style. Amenities will include central air conditioning for each unit, in-unit laundry, hardwood floors, and balconies for select units.

New landscaping will also be installed throughout the site and on-site gated parking will be available.



Unit Type	Unit Count	Bathrooms	Unit Avg Sq Ft
<b>1800 Bethune</b>			
Studio	46	1	425
1-bdr	36	1	617
2-bdr	2	2	2,000

## **Nature and Extent of the Rehabilitation**

1800 Bethune has sustained significant deferred maintenance and lacks in functional use due to uninhabitable building conditions. Redevelopment will require extensive repairs to the building structure due to extended vacancy and deterioration caused by exposure to the elements and scappers. In addition, the building will be internally gutted prior to rehabilitation to allow for an updated layout, more efficient building performance, and improvements to the current rental market.

The building will receive electrical, plumbing, and mechanical/HVAC upgrades and replacement to improve the current conditions and meet modern demands while providing increased efficiency. The rehabilitation will require new energy efficient windows and doors, construction of balconies or patios for certain units, kitchen and bathroom cabinetry, appliances, and fixtures. Upgrades and repairs to the freight and passenger elevators will be required.

## **Descriptive List of the Fixed Building Equipment**

Renovations, new fixed building equipment and materials for the project include;

- Masonry; restoration activities associated with the existing building
- Carpentry; including framing, kitchen cabinetry, vanities, trim work
- Thermal and Moisture Protection; roofing system, caulking and sealing, waterproofing
- Doors and Windows; new windows, exterior doors, interior doors/frames/hardware
- Mechanical; plumbing and HVAC
- Electrical; electrical work, security system, and communications
- Fire alarm/suppression system
- Finishes; drywall and steel studs/insulation, hard tile, hardwood flooring, painting, granite countertops
- Specialties; elevator, fire extinguishers, toilet accessories, and appliances

## **Time Schedule**

The written application for establishment of the Obsolete Property Rehabilitation District has been submitted to the City of Detroit for review and currently awaits a public hearing and City Council vote for approval. Renovation activities are anticipated to commence immediately following approval of the OPRA District. Construction activities will take one year for completion.

## **Statement of Economic Advantages**

Hard-cost investment is estimated at \$7.9 million, with total project investment estimated at \$10.8 million. The Developer is applying for a 12-year real property tax abatement under the provisions of a PA 146 Obsolete Property Rehabilitation Act property tax abatement. The sources of funds for the project are through owner equity and permanent financing. The Developer is not delinquent on any property tax related to the facility.

On a short-term basis, the project will generate approximately 50 full-time equivalent (FTE) construction jobs. On a long-term basis, the proposed redevelopment associated with the Development will create approximately one full-time equivalent (FTE) job related to the management and maintenance of the property.

Upon completion, the redevelopment will return a historic building in the Henry Ford neighborhood to a productive use and will house approximately 84 new Detroit households. Therefore, it is anticipated the City of Detroit will collect approximately 2.4% income tax per resident per year. The table below illustrates the resident tax impact the development will have following completion.

<b>Residential Benefits</b>	<b>Annual Amount</b>
84 apartment units	
\$30,894 x 84 x 2.4% (Median Household Income x Units x 2.4%)	\$62,282
One FTE permanent job	
\$45,000 x 1 x 2.4%	\$1,080
<b>Total</b>	<b>\$63,362</b>

Additionally, there will be other indirect benefits that will contribute to the economic benefits produced by this investment. The rehabilitation follows the Rosa Parks and Clairmont Neighborhood Framework Plan by stabilizing this building to improve housing opportunities in the neighborhood. With the Henry Ford Hospital within walking distance, this development will provide excellent housing opportunities for their 30,000 employees and make local jobs accessible to neighborhood residents. Investments in the community such as this can compound the long-term goals of city-led efforts of revitalization. Stabilization of this building assists in the activation of the southern Rosa Parks gateway and foster greater success including the upcoming 12<sup>th</sup> Street/Rosa Parks Streetscape project.

The granting of the tax abatement will not result in any fewer taxes to the City in the short-term or long-term. All City taxes are current as of the date of this submittal. Upon successful redevelopment, the project will generate increased property and income taxes. Following expiration of the 12-year abatement the building will deliver a significant increase in tax revenue. Over time, the successful redevelopment and cultural growth will have a compounding effect within this neighborhood.

## **Legal Descriptions**

Parcel Number: 08005733  
Address: 1800 Bethune  
Acres: 0.386

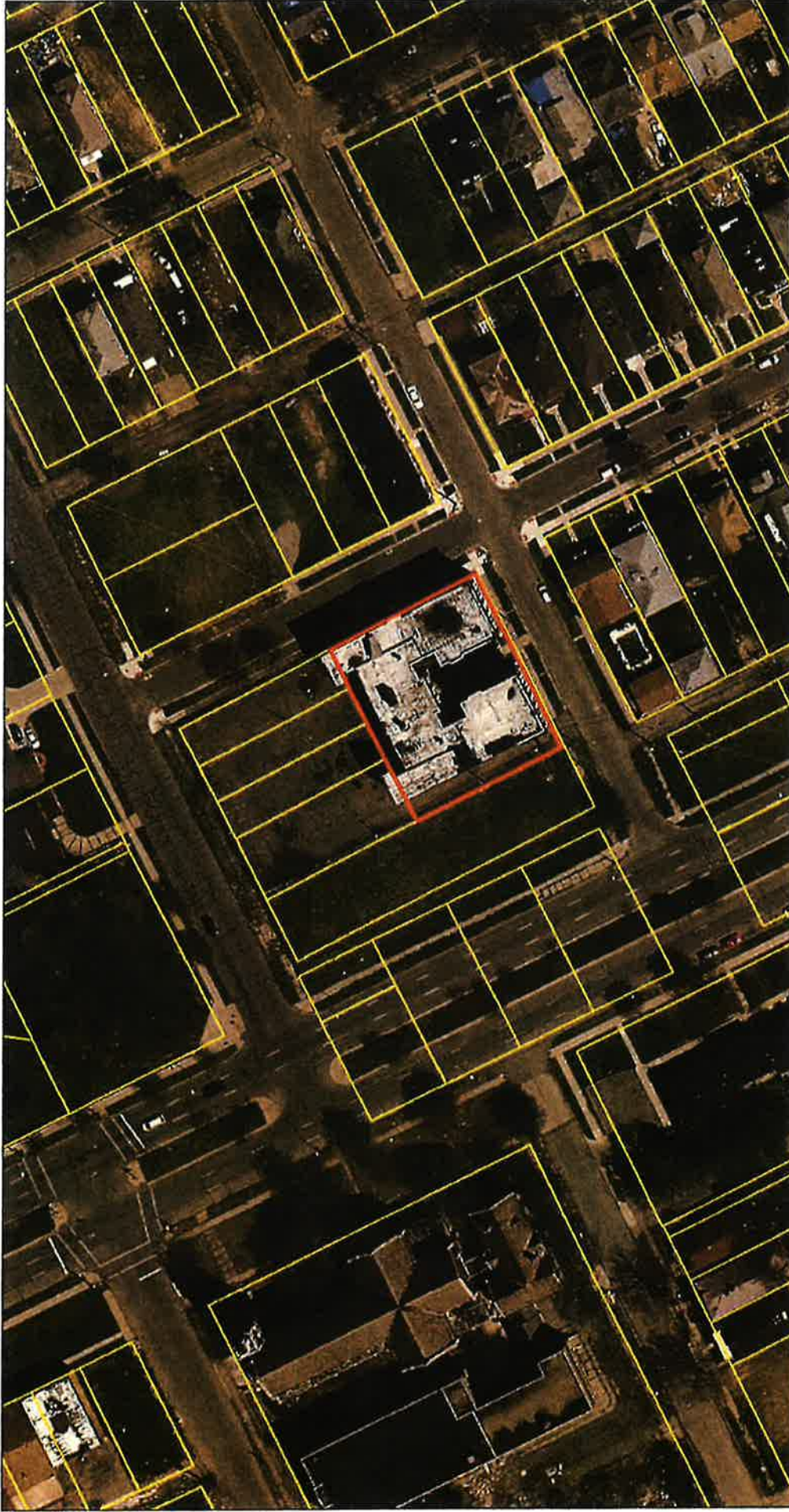


Legal Description: W CHURCHILL 3 THRU 1 AND VAC ALLEY ADJ BLK 16 IRVING PLACE  
SUB L11 P5 PLATS, W C R 8/84 120 X 142.42A

# Parcel Map



# 1800 W. Bethune Street

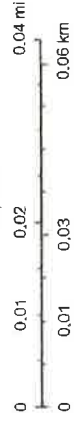


April 16, 2021

Condominiums

Parcel Boundaries

1:1,128



SEMCOG, Esri, Canada, Esri, HERE, Garmin, INCREMENT P, USGS, EPA, USDA, AAFC, NRCan





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

August 22, 2022

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

Re: **Obsolete Property Rehabilitation Certificate – 1800 Bethune Lofts LLC**  
Address: 1800 W Bethune  
Parcel Number: 08005733.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation Certificate for the property located at **1800 W Bethune** located in the **Henry Ford** area of the City of Detroit.

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

The 2022 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
08005733.	1800 W Bethune	\$ 729,300	\$ 12,869	\$ 6,500	\$ 115

The district as proposed by the **1800 Bethune Lofts LLC** consists of one 4-story apartment building with 43,313 square feet, built in 1924. The developer proposes to rehabilitate the structure with a total of 84 apartment units. The building will undergo major renovations including layout reconfiguration, all major mechanical, HVAC, plumbing and electrical systems replacement, new windows and doors, structural repairs, and façade improvements.



CITY OF DETROIT  
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OFFICE OF THE ASSESSOR

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Obsolete Property Rehabilitation Certificate  
1800 Bethune Lofts 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 **1800 W Bethune** 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





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  
1800 Bethune Lofts LLC  
Page 3

Property Address: 1800 W BETHUNE  
Parcel Number: 08005733.  
Property Owner: 1732 BETHUNE LOFTS LLC  
Legal Description: W CHURCHILL 3 THRU 1 AND VAC ALLEY ADJ BLK 16 IRVING PLACE SUB L11 P5 PLATS, W C R 8/84  
120 X 142.42A







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

August 22, 2022

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

Re: **Obsolete Property Rehabilitation Certificate – 1732 Bethune Lofts LLC**  
Addresses: 1732 W Bethune  
Parcel Number: 08005730.

Dear Ms. Trudeau:

The Office of the Chief Financial Officer, Office of the Assessor, has reviewed the proposed Obsolete Property Rehabilitation Certificate for the property located at **1732 W Bethune** located in the **Henry Ford** area of the City of Detroit.

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

The 2022 values are as follows:

Parcel #	Address	Building Assessed Value (SEV)	Building Taxable Value	Land Assessed Value (SEV)	Land Taxable Value
08005730	1732 W Bethune	\$ 154,700	\$ 154,700	\$ 2,200	\$ 2,200

The project as proposed by the **1732 Bethune Lofts LLC** consists of one two-story apartment building with first floor retail space, consisting of 7,370 square feet and built in 1916. The developer proposes to rehabilitate the structure with 11 apartment units and retail space. The building will undergo major renovations including layout reconfiguration, all major mechanical, HVAC, plumbing and electrical systems replacement, new windows and doors, structural repairs, and façade improvements.



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

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Obsolete Property Rehabilitation Certificate  
1732 Bethune Lofts 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 **1732 W Bethune** 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



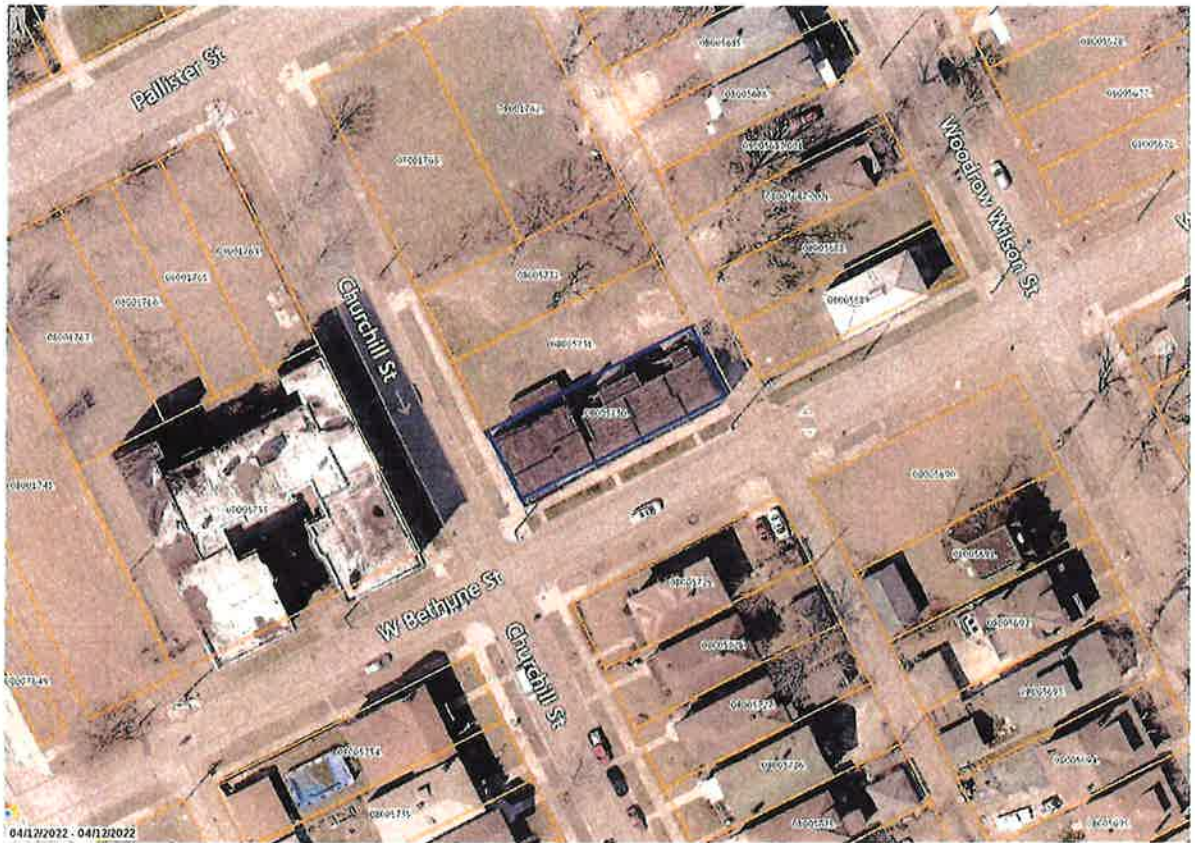


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FAX: 313•224•9400

Obsolete Property Rehabilitation Certificate  
1732 Bethune Lofts LLC  
Page 3

Property Address: 1732 W BETHUNE  
Parcel Number: 08005730.  
Property Owner: 1732 BETHUNE LOFTS LLC  
Legal Description: E CHURCHILL 12 BLK 15 IRVING PL SUB L11 P5 PLATS, W C R 8/84 40 X 120









TO: Veronica Farley, Housing and Revitalization  
FROM: Shelby Holmes, Planning and Development  
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at t 1732 and 1800  
Bethune Avenue (Associated to Petition #1530)  
DATE: September 9, 2021  
CC: Katharine Trudeau, Deputy Director, Planning and Development  
Kevin Schronce, PDD Central, Planning and Development  
Karen Gage, PDD Zoning, Planning and Development

In order to ensure that the creation of an Obsolete Property District is in conformance with the City's Master Plan of Policies and will have the reasonable likelihood to increase commercial activity; create, retain or prevent a loss of employment; revitalize an urban area; or increase the number of residents in a community, pursuant to State of Michigan, Public Act 146 of 2000 (section 125.2788), the Planning and Development Department submits the following interpretation. The Petitioner is 1732 Bethune Lofts LLC.

**Location and Project Proposal:** 1732 and 1800 West Bethune Avenue The project will entail the rehabilitation and renovation of the current buildings to provide a total of 97 residential apartment units and one commercial space.

**Current Master Plan (MP) & Zoning:** MP Classification – Low/Medium Density Residential (RLM)  
Zoning – Low Density Residential District (R3)

#### **Master Plan Interpretation**

The subject site area is designated Low/Medium Density Residential (RLM). Low/Medium Density Residential 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 following policies of the Rosa Parks neighborhood describe the following recommendations:

- GOAL 2: Revitalize neighborhoods with poor housing conditions
- Policy 2.2: Preserve and rehabilitate the existing housing stock and construct new affordable and market rate housing in the Virginia Park (northwest of the Lodge Freeway and West Grand Boulevard) and Research Park Urban Renewal Areas (near Trumbull and the Ford Freeway).

**The proposed development conforms to the Future General Land Use characteristics of the area.**

#### **Attachments**

Future General Land Use Map: Neighborhood Cluster 6, Rosa Parks; Map 6-2B



**OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE  
AGREEMENT**

THIS OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this "Agreement") is made this 29 day of July, 2022 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 1732 Bethune Lofts, LLC ("Applicant") with an office at 5918 St. Antoine Street, Apartment 501 Detroit, MI 48202.

**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: 1732 Bethune Avenue (the "Property"). A copy of the Application is attached hereto as Exhibit A and made a part hereof; and

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

WHEREAS, the Applicant has committed to complete a Rehabilitation of the Property, as defined in the Act, and to hire or retain a certain amount of full-time employees at the Property during the Term (as defined below); and

WHEREAS, the City has approved the Application by adopting a resolution granting the OPREC to the Applicant, contingent upon the covenants and representations contained herein and pending approval by the Michigan State Tax Commission. A copy of the City resolution granting the OPREC is attached hereto as Exhibit B and made a part hereof; and

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

1. General.

a. Unless earlier revoked as provided for in Section 12 of the Act, being MCL 125.2792, or as provided for in this Agreement, the term of the OPREC and the term of this Agreement (collectively, the "Term") will be for a period of Nine (9) 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 May 1, 2023.

c. The Applicant shall create, or cause to be created, at least One ( 1 ) (the “Employee Commitment Number”) full-time employees at the Property within one (1) year of the effective date of this Agreement.

d. The Applicant will recruit and hire City of Detroit residents in accordance with specified targets as set forth in the City of Detroit Resident Employment Plan (“Employment Plan”) submitted by the Applicant to the City as part of the Application and approved by the City of Detroit Civil Rights, Inclusion and Opportunity Department (“CRIO”). Throughout the Term, the Employment Plan may not be modified without CRIO’s prior written approval, which approval may be granted or withheld in CRIO’s sole discretion. CRIO will monitor the Applicant’s compliance with the Employment Plan on an annual basis throughout the Term. Upon notice from CRIO of a discrepancy between the Applicant’s commitment in the Employment Plan and the actual number of City of Detroit residents employed at the Property, Applicant shall submit a correction plan setting forth the Applicant’s plan to bring the number of City of Detroit residents employed at the Property back up to the specified targets as set forth in the Employment Plan. Applicant’s correction plan must be approved by CRIO. Applicant shall be required to fulfill the terms of such correction plan in the timeline set forth in the correction plan.

e. For purposes of this Agreement, a “full-time employee” is defined as a person: (i) who is employed by the Applicant or its affiliates on a salary, wage, commission, or other basis for a minimum period of forty (40) hours a week and (ii) from whose compensation the Applicant or its affiliates, including a staffing agency, are required by law to withhold City of Detroit income taxes. Affiliates may include Applicant’s tenant(s) that lease space at the Property.

## 2. Applicant Representations and Warranties.

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

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

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

c. During the Term, no portion of the Property will be used as a professional sports stadium.

d. During the Term, no portion of the Property will be used, owned or operated by a casino or affiliated company, as defined in the Act.

e. The Applicant would not have considered accomplishing Rehabilitation of the Property without an OPREC.

f. Rehabilitation of the Property did not start prior to establishment of the obsolete property rehabilitation district in which the Property is located.

- g. There are no delinquent taxes owed on the Property.
- h. The Applicant will pay any applicable taxes on the Property as they become due.
- i. The Rehabilitation and Applicant's current and planned future operation of the Property are in compliance with the City of Detroit Zoning Ordinance and Master Plan.
- j. If the Rehabilitation of the Property will include the provision of housing at the Property, the Applicant agrees: (i) to comply with Fair Housing Practices that meet the guidelines set forth by the U.S. Fair Housing Act (42 U.S.C. 3601 through 3619); and (ii) to comply with the Affordability Requirements set forth on Addendum 2, attached hereto.

3. Community Benefits Requirements.

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

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

4. Reporting to the City by the Applicant.

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

- a. Upon request, the Applicant shall provide the Planning & Development Department copies of all construction plans, building permits and certificates of occupancy related to the Rehabilitation of the Property.
- b. Applicant shall permit the City to perform periodic site visits to the Property by the City to establish whether the Applicant is completing the Rehabilitation to the Property as required by the Act and this Agreement.
- c. Annually, within two (2) weeks after each anniversary of the commencement of the Term, Applicant shall submit to the Planning & Development Department a certified status report ("Status Report") signed by an authorized officer of the Applicant. The Status Report shall set forth for the previous year: (i) the Rehabilitation work completed at the Property; (ii) Applicant's



financial investment in the Property for that year; and (iii) the number of full-time employees at the Property for that year.

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

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

#### 5. Revocation of OPREC and Termination of this Agreement.

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

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

#### 6. Payment of Exempted Taxes for Shortfall of Employment.

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

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

7. Notice to City of Discontinuance of Operations.

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

8. Reservation of Remedies.

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

9. Transfer.

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

10. Headings.

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

11. Capitalized Terms.

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

12. Governing Law; Venue.

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

13. Amendment.

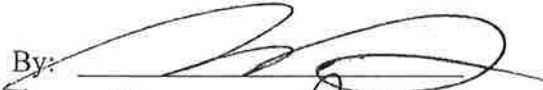
This Agreement may not be amended or modified except by a written instrument executed by each of the parties hereto.

[Remainder of Page Intentionally Left Blank]

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

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

**APPLICANT:**

By:   
Print: MICHAEL RIVAIT  
Its: PRES

**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 1800 Bethune Lofts, LLC mixed-use project (the "Project") on the Property, will implement during the Term the following affordable housing plan for the planned Three (3) residential apartments to be included within the Project:

a. The Applicant will offer for lease Three (3) 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")<sup>1</sup>. 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 Zero (0) studios, Three (3) one-bedroom units, Zero (0) two-bedroom units and Zero (0) 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 Eleven (11). 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.

---

<sup>1</sup> 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**



**OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE  
AGREEMENT**

THIS OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this "Agreement") is made this 29 day of July, 2022 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 1800 Bethune Lofts, LLC ("Applicant") with an office at 5918 St. Antoine Street, Apartment 501 Detroit, MI 48202.

**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: 1800 Bethune Avenue (the "Property"). A copy of the Application is attached hereto as Exhibit A and made a part hereof; and

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

WHEREAS, the Applicant has committed to complete a Rehabilitation of the Property, as defined in the Act, and to hire or retain a certain amount of full-time employees at the Property during the Term (as defined below); and

WHEREAS, the City has approved the Application by adopting a resolution granting the OPREC to the Applicant, contingent upon the covenants and representations contained herein and pending approval by the Michigan State Tax Commission. A copy of the City resolution granting the OPREC is attached hereto as Exhibit B and made a part hereof; and

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

1. General.

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



b. The Applicant will complete the Property Rehabilitation, as defined in the Act and as set forth in the Application, no later than May 1, 2023.

c. The Applicant shall create, or cause to be created, at least One (1) (the "Employee Commitment Number") full-time employees at the Property within one (1) year of the effective date of this Agreement.

d. The Applicant will recruit and hire City of Detroit residents in accordance with specified targets as set forth in the City of Detroit Resident Employment Plan ("Employment Plan") submitted by the Applicant to the City as part of the Application and approved by the City of Detroit Civil Rights, Inclusion and Opportunity Department ("CRIO"). Throughout the Term, the Employment Plan may not be modified without CRIO's prior written approval, which approval may be granted or withheld in CRIO's sole discretion. CRIO will monitor the Applicant's compliance with the Employment Plan on an annual basis throughout the Term. Upon notice from CRIO of a discrepancy between the Applicant's commitment in the Employment Plan and the actual number of City of Detroit residents employed at the Property, Applicant shall submit a correction plan setting forth the Applicant's plan to bring the number of City of Detroit residents employed at the Property back up to the specified targets as set forth in the Employment Plan. Applicant's correction plan must be approved by CRIO. Applicant shall be required to fulfill the terms of such correction plan in the timeline set forth in the correction plan.

e. For purposes of this Agreement, a "full-time employee" is defined as a person: (i) who is employed by the Applicant or its affiliates on a salary, wage, commission, or other basis for a minimum period of forty (40) hours a week and (ii) from whose compensation the Applicant or its affiliates, including a staffing agency, are required by law to withhold City of Detroit income taxes. Affiliates may include Applicant's tenant(s) that lease space at the Property.

## 2. Applicant Representations and Warranties.

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

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

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

c. During the Term, no portion of the Property will be used as a professional sports stadium.

d. During the Term, no portion of the Property will be used, owned or operated by a casino or affiliated company, as defined in the Act.

e. The Applicant would not have considered accomplishing Rehabilitation of the Property without an OPREC.

f. Rehabilitation of the Property did not start prior to establishment of the obsolete property rehabilitation district in which the Property is located.

- g. There are no delinquent taxes owed on the Property.
- h. The Applicant will pay any applicable taxes on the Property as they become due.
- i. The Rehabilitation and Applicant's current and planned future operation of the Property are in compliance with the City of Detroit Zoning Ordinance and Master Plan.
- j. If the Rehabilitation of the Property will include the provision of housing at the Property, the Applicant agrees: (i) to comply with Fair Housing Practices that meet the guidelines set forth by the U.S. Fair Housing Act (42 U.S.C. 3601 through 3619); and (ii) to comply with the Affordability Requirements set forth on Addendum 2, attached hereto.

3. Community Benefits Requirements.

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

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

4. Reporting to the City by the Applicant.

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

- a. Upon request, the Applicant shall provide the Planning & Development Department copies of all construction plans, building permits and certificates of occupancy related to the Rehabilitation of the Property.
- b. Applicant shall permit the City to perform periodic site visits to the Property by the City to establish whether the Applicant is completing the Rehabilitation to the Property as required by the Act and this Agreement.
- c. Annually, within two (2) weeks after each anniversary of the commencement of the Term, Applicant shall submit to the Planning & Development Department a certified status report ("Status Report") signed by an authorized officer of the Applicant. The Status Report shall set forth for the previous year: (i) the Rehabilitation work completed at the Property; (ii) Applicant's

financial investment in the Property for that year; and (iii) the number of full-time employees at the Property for that year.

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

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

#### 5. Revocation of OPREC and Termination of this Agreement.

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

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

#### 6. Payment of Exempted Taxes for Shortfall of Employment.

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

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

7. Notice to City of Discontinuance of Operations.

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

8. Reservation of Remedies.

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

9. Transfer.

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

10. Headings.

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

11. Capitalized Terms.

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

12. Governing Law; Venue.

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

13. Amendment.

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

[Remainder of Page Intentionally Left Blank]



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

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

**APPLICANT:**

By:   
Print: MICHAEL RIVART  
Its: PRES

**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

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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 1800 Bethune Lofts, LLC mixed-use project (the "Project") on the Property, will implement during the Term the following affordable housing plan for the planned Sixteen (16) residential apartments to be included within the Project:

a. The Applicant will offer for lease Sixteen (16) 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")<sup>1</sup>. 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 Nine (9) studios, Seven (7) one-bedroom units, Zero (0) two-bedroom units and Zero (0) 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 Eighty-four (84). 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.

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<sup>1</sup> 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**





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: August 10, 2022

Tax Abatement Type: PA 146

New  Renewal

Duration of Abatement: 12 years

Development: 1800 Bethune

Parcel/Facility Address: 1800 Bethune St

Applicant/Recipient: Michael Rivait

Applicant Contact: [michael@newdetroit.com](mailto:michael@newdetroit.com) 248-670-2011

### Post-Construction Employment Commitments

If Developer Occupied is selected, the Developer will be responsible for both Developer and Tenant requirements listed below.

Developer Occupied  Tenant Occupied

Total Employment: 1

### 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.

Erica Hill \_\_\_\_\_

CRIO Deputy Director Name

DocuSigned by:  
  
6EBB818BF73A4F8...

CRIO Deputy Director Signature

8/16/2022

\_\_\_\_\_  
Date



