

City of Detroit

Janice M. Winfrey
City Clerk

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

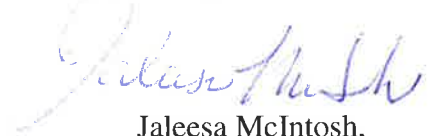
August 4, 2022

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 Establishment of an Obsolete Property Rehabilitation
Certificate at (610 Blaine)

Please find attached an application Request for the Establishment of an Obsolete
Property Rehabilitation Certificate at (610 Blaine)

Respectfully submitted,



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

July 29, 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 Certificate at (610 Blaine)

Honorable City Council:

On behalf of 88711 2nd, LLC, please accept this letter as a request to establish an Obsolete Property Rehabilitation Certificate for the property located at 610 Blaine and described on Attachment A.

Lee Crest, 610 Blaine, is a prominent apartment building in the Piety Hill neighborhood. Currently vacant, this building has experienced extreme deferred maintenance impacting the health and safety of potential residents in the building as well as being a blighting factor in a stable neighborhood. The rehabilitation plan for Lee Crest will bring forth the rehabilitation of the buildings, 102 rental units, 85,456 total square feet, and bring this apartment building in the center of the Piety Hill neighborhood to productive and habitable use contributing to a stable and growing neighborhood. Further, in conjunction with the City of Detroit's Housing and Revitalization Department (HRD), Lee Crest will reserve 20% of the units for returning resident voucher holders, followed by citywide resident voucher holders, then finally for residents who are 80% AMI.

Renovation of the property is planned to commence in January 2023 and is expected to be completed in April 2023. The OPRA is being requested for 12 years.

The Lee Crest Project intends to invest approximately \$12.1 million into the rehabilitation of 610 Blaine. The building is intended to be used as apartments, totaling 102 units. Improvements include new kitchens with appliances, improved bathrooms new roof and exterior façade repair including new windows and restoration of historic elements, new elevators, assessment and abatement of all asbestos and lead where required and necessary. The buildings 610 Blaine qualify as functionally obsolete, according to the definition in Act 381 of 1996; "the property is unable to be used adequately to perform the function for which it was intended due to the substantial loss in value." The loss in value is a result of the following:

- Elevators that cannot safely be operated;
- Extensive exterior façade renovations;

GREATWATER

OPPORTUNITY CAPITAL

- Leaking and damaged roofs;
- Potential asbestos and lead in some units ; and
- Significant deferred maintenance in both plumbing, electrical, and window improvements.

Thank you for your time and consideration of this request. Should you require any additional information in order to proceed, please feel free to contact the development team: Kizzmet Littleton, Development Analyst, klittleton@greatwater.us

Respectfully submitted,

Kizzmet Littleton

Company Name/Representative
Phone Number & Email Address

Attachment A: Site Map that includes the parcel(s) of property / Legal Description

Attachment B: Paid Receipt of Current Taxes

Attachment C: Application for OPRA

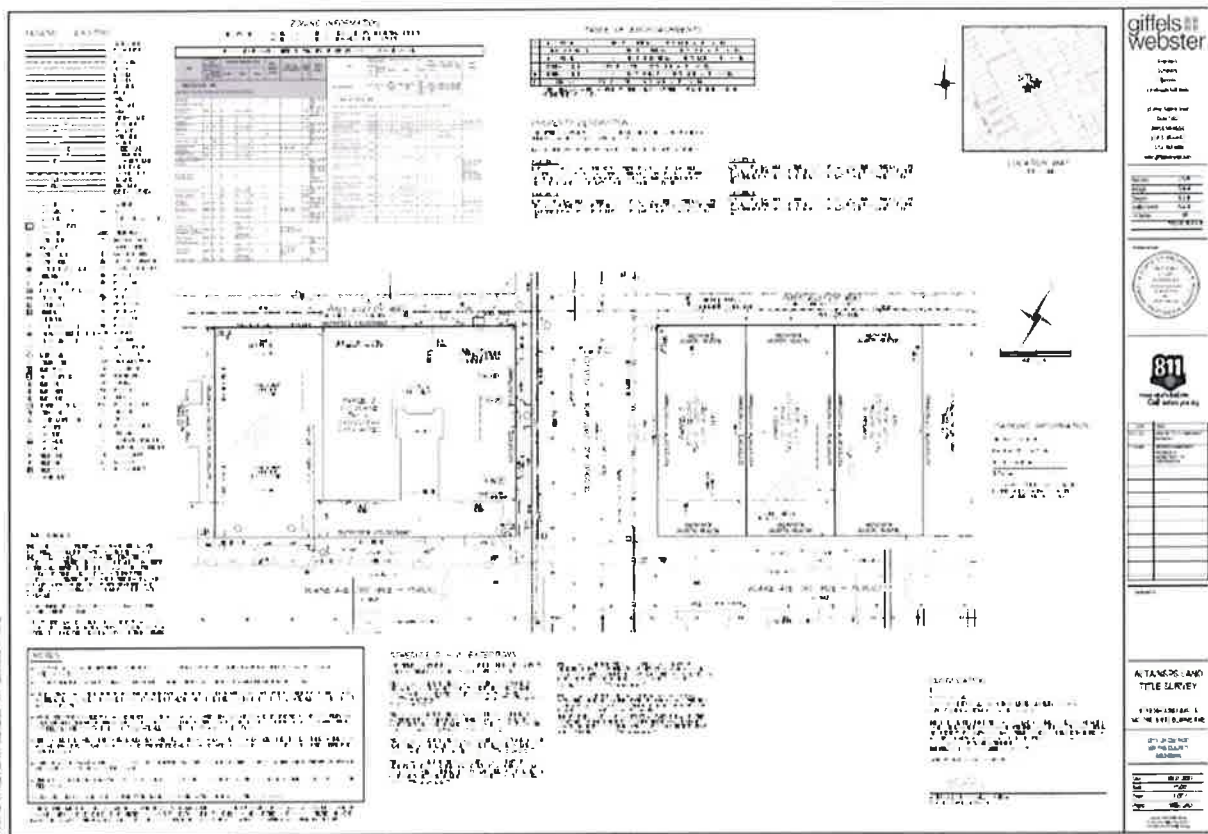
Cc: C. Fraizer DEGC
J.Cook, HRD
V. Farley, HRD
D. Agee, City Clerk

ATTACHMENT A: Site Map that includes the parcel(s) of property / Legal Description

Lee Crest, also known as 610 Blaine, was built in 1926. This 85,456 square foot apartment building is currently vacant. Lee Crest will be renovated into 102 rental units. This includes significant plumbing, electrical, roof and window repairs. Construction is to begin January 2023 and end April 2023.

610 Blaine: N BLAINE 17 THRU 15 W 20 FT 14 MC LAUGHLIN BROTHERS SUB L14 P21 PLATS, W C R 4/85 170 X 117.5

Parcel ID: 04002218-9



ATTACHMENT B

610 BLAINE 48202 (Property Address)

Parcel Number: 04002218-9



Item 1 of 5 4 Images / 1 Sketch

Property Owner: LEE CREST LLC

Summary Information

- > Commercial/Industrial Building Summary
- Yr Built: 1926 - # of Buildings: 3
- Total Sq.Ft.: 82,748
- > Property Tax information found
- > Assessed Value: \$1,298,500 | Taxable Value: \$163,852

Owner and Taxpayer Information

Owner LEE CREST LLC
686 SELDEN
DETROIT, MI 48201

Taxpayer SEE OWNER INFORMATION

Legal Description

N BLAINE 17 THRU 15 W 20 FT 14 MC LAUGHLIN BROTHERS SUB L14 P21 PLATS, W C R 4/85 170 X 117.5

Recalculate amounts using a different Payment Date

You can change your anticipated payment date in order to recalculate amounts due as of the specified date for this property.

Enter a Payment Date

8/18/2021

Recalculate

Tax History

Year	Season	Total Amount	Total Paid	Last Paid	Total Due
2021	Summer	\$12,854.56	\$12,854.56	08/05/2021	\$0.00
2020	Winter	\$1,532.32	\$1,532.32	01/07/2021	\$0.00

2020	Summer	\$13,536.65	\$13,536.65	01/07/2021	\$0.00
2019	Winter	\$1,503.97	\$1,503.97	01/06/2020	\$0.00

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Application for Obsolete Property Rehabilitation Exemption Certificate

Issued under authority of 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 completed application 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.) 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) 88711 2nd LLC		
Company Mailing Address (Number and Street, P.O. Box, City, State, ZIP Code) 6001 Cass Avenue, Detroit, MI, 48202		
Location of obsolete facility (Number and Street, City, State, ZIP Code) 610 Blaine, Detroit, MI, 48201		
City, Township, Village (Indicate which) Detroit, City	County Wayne	
Date of Commencement of Rehabilitation (mm/dd/yyyy) 02/03/2023	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 04/10/2024	School District where facility is located (include school code)
Estimated Cost of Rehabilitation \$12,100,000.00	Number of years exemption requested 12	
Attach legal description of obsolete property on separate sheet.		
Expected Project Outcomes (Check all that apply)		
<input type="checkbox"/> Increase commercial activity	<input type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas
<input 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. _____		
<input checked="" type="checkbox"/> 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 box at left if you wish to be considered for this exclusion.		
APPLICANT 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) John Howbert	Telephone Number (313) 404-7661	Fax Number
Mailing Address 6001 Cass Avenue	E-mail Address klittleton@greatwater.us	
Signature of Company Officer (no authorized agents) 	Title Development Analyst	
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>	
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 31 of the year approved by the STC)		
Building Taxable Value		Building State Equalized Value
\$ _____		\$ _____
Name of Government Unit _____	Date of Action 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 of 2000 may be in jeopardy.		
Name of Clerk _____	Telephone Number _____	
Clerk Mailing Address _____		
Mailing Address _____		
Telephone Number _____	Fax Number _____	E-mail Address _____
Clerk Signature _____		Date _____

For faster service, email completed application and attachments to PTE@michigan.gov. An additional submission option is to mail the completed application and attachments to Michigan Department of Treasury, State Tax Commission, PO Box 30471, Lansing, MI 48909. If you have any questions, call 517-335-7491.



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 – 88711 2ND LLC**
Addresses: 610 Blaine
Parcel Number: 04002218-9.

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 **610 Blaine** located in the **Piety Hill** 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
04002218-9	610 Baine	\$ 1,961,000	\$ 168,606	\$ 7,600	\$ 653

The district as proposed by the **88711 2nd LLC** consists of the apartments building known as the Lee Crest Apartments, consisting of 102 apartment units, built in 1926 with 82,748 sq.ft. The proposed project consists of rehabilitating the existing structure and will undergo major renovations including window replacement, roof replacement, all major mechanical, plumbing and electrical systems replacement and/or repairs, unit updates, elevator replacement, and environmental remediation.



Obsolete Property Rehabilitation Certificate
88711 2nd 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 **610 Blaine** is eligible as it pertains to the Obsolete Property Rehabilitation Act under P.A. 146 of 2000, as amended.

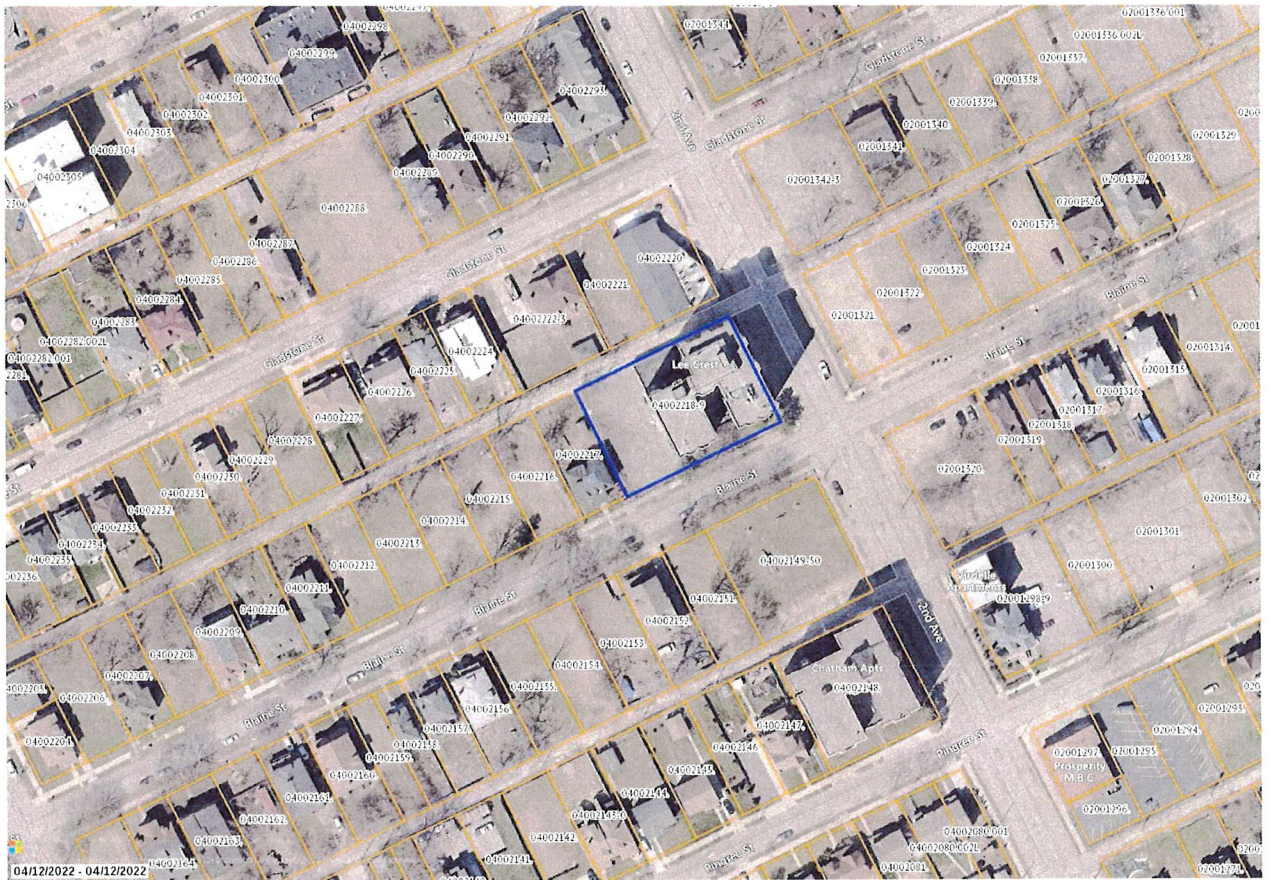
Sincerely,

Charles Ericson, MMAO
Assessor/Board of Assessors



Obsolete Property Rehabilitation Certificate
88711 2ND LLC
Page 3

Property Address: 610 BLAINE
Parcel Number: 04002218-9
Property Owner: 88711 2ND LLC
Legal Description: N BLAINE 17 THRU 15 W 20 FT 14 MC LAUGHLIN BROTHERS SUB L14 P21 PLATS, W C R 4/85 170 X 117.5





TO: Justus Cook, Housing and Revitalization
FROM: Shelby Holmes, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 610 Blaine, 600 Pingree, 8631 Second Ave Detroit, ,MI 48202 (Associated to Petition # 2022-255)
DATE: August 8, 2022
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 Greatwater Opportunity Capital LLC.

Location and Project Proposal: 610 Blaine, 600 Pingree, 8631 Second Ave Detroit, MI 48202. The proposed project will result in the renovation of the Historic Lee Crest Apartments and Chatham apartments. The Lee Crest Apartments has 102 units, and the Chatham Apartment has 73 units that will be renovated. The Lee Crest Apartments will have small neighborhood retail on the first floor.

Current Master Plan (MP) & Zoning: MP Classification – Low/Medium Density Residential (RLM)
Zoning – General Business District (B4), Medium Density Residential District (R5)

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 Middle Woodward neighborhood describe the following recommendations:

- GOAL 3: Increase residential density
- Policy 3.1: Develop East and West Grand Boulevard, and Woodward as a high-density mixed-use area, with housing and ground-floor commercial.

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

**OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE
AGREEMENT**

THIS OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE AGREEMENT (this “Agreement”) is made this 7th day of October, 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 **88711 2nd, LLC**, an (“Applicant”) with an office at **6001 Case Avenue, 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: **610 Blaine, Detroit, MI 48201** (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 **Ten (10)** 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 **April 10, 2024**.

c. The Applicant shall create, or cause to be created, at least **Zero (0)** (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.

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.

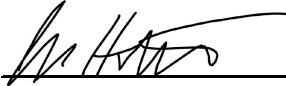
This Agreement may not be amended or modified except by a written instrument executed by each of the parties hereto.

[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:
88711 2ND, LLC**

By:  _____

Print: JOHN HOWBERT

Its: AUTHORIZED SIGNATORY

**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

[SEE ATTACHED]

EXHIBIT A

Application for Obsolete Property Rehabilitation Exemption Certificate

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