

Janice M. Winfrey
City Clerk

City of Detroit

OFFICE OF THE CITY CLERK

Andre P. Gilbert II
Deputy City Clerk

December 22, 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 16530 East Warren.

Please find attached a Request for the Establishment of an Obsolete Property
Rehabilitation Certificate at 16530 East Warren Detroit, MI 48224. **(In reference
to petition 2022-5).**

Respectfully submitted,



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

December 20th, 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 16510 and 16530 East Warren Ave. Detroit Mi, 48224.

Honorable City Council:

Please accept this letter as a request to establish an Obsolete Property Rehabilitation Certificate for the property located at 16510 and 16530 East Warren Ave. Detroit Mi, 48224 and described on Attachment A.

About the Developer

Edward has over a decade of experience in property development in Detroit, and has demonstrated his ability to execute significant real estate projects from conception through to completion. Edward is responsible for overseeing Flux City's long term business activities which includes investment, construction, design, and property management functions.

Edward's background in technology, banking, and real estate development supports Flux City and its mission of enriching the neighborhoods in which we serve through flexible design. His position ensures that Flux City delivers products that are both well-designed and well-placed in the market, and provides our tenants with the best building locations, unit layouts, and community amenities.

Some past projects of our overall team, which include Artisan Contracting & Infuz Architects, are:

- Construction Management services for complete remodel of historic inn and tavern-The Cadillac House, converted to a 11,250 square foot modern day hotel, bar and restaurant. Received 2019 Governor's award for Historic Preservation (\$4,800,000).
- Project Management services for historic restoration work including the first 3 floors of the Metropolitan Building/Element Hotel (\$1,200,000).
- Construction Management service for a restaurant build-out of Marrow in West Village, named 2018 restaurant of the year by Eater Detroit, James Beard award nominee for Best New Restaurant (\$700,000).



Project Overview

In February of 2020, Invest Detroit sought proposals from qualified entities to rehabilitate the East English Village property located at 16520-16602 East Warren Avenue, which currently contains one single-story retail space totaling 5,760 square feet. Our team won this RFP process with the submission of The Ribbon at East English Village, and we currently have the property under contract via an agreement to purchase.

The subject development consists of two City parcels located at 16510 East Warren Avenue (Parcel 21002320) and 16530 East Warren Avenue (Parcel 21002312.9), and consisting of approximately 0.046 acres and 0.367 acres respectively. The subject property is located in an area of the City that is characterized by residential and commercial properties, and is zoned General Business District (B4).

We are redeveloping the one-story, 5,760 square foot site into a 3-story 21,000 square foot mixed-use building that will include a café/restaurant & market on the ground floor, and two residential floors with a total of 18 residential units. Regarding the breakdown and affordability of the 18 residential units:

- 16 units are one-bedroom, and 2 units are two-bedroom.
- 10 units are projected to be at/between 70- 80% AMI.
- 3 units are projected to be at 60% AMI.
- 1 unit is projected to be at 50% AMI.

The project is being envisioned as a one-story non-combustible podium, with the residential construction above being light-frame wood construction. We are projecting 30 total parking places between the main parking lot west of the building and the secondary parking lot on the Eastside of Kensington Ave. The total anticipated development investment for this project is around \$7.6 million dollars.

Community Engagement

Our strategy from the beginning has been to make sure the community is heard as we design The Ribbon with a ground-up approach that focuses primarily on enhancing the streetscape with demanded retail options for the local residents to consistently interact with. This is why we held a number of community engagement events over the past year to make sure that we gained, and continue to gain, input from the residents who walk, bike, and drive the neighborhood blocks on a daily basis.

Even with the pandemic, we've had the ability to engage with the community in a number of ways over the past 2 years. We initially started our engagement process virtually via Zoom, which included 7 zoom community meetings that averaged 45 attendees each, and virtual meetings that were in partnership with the East Warren Development Corp that gave us the



ability to introduce our team to the community, and gain feedback pretty regularly. We also used these virtual opportunities to gain more detailed feedback via a rolling survey that rewarded respondents with a giftcard to a local restaurant called The Detroit Pepper Co. Via the virtual survey, we were able to directly gain close to 30 official responses of what the community wanted to see on their Corridor. Another opportunity for engagement has been via the East Warren Farmer's Markets over the last two years, where we'd regularly attend and engage with the community, and also help the local vendors set up/break down their stations.

One of our most successful forms of community engagement was partnering with the East Warren Dev Co. to jumpstart the East Warren Farmer's Market initiative. I worked with EWDC and Invest Detroit to host 15 Farmers Markets at the development site that averaged 125 visitors in attendance. This gave our team the ability to interact with the local community on a weekly basis. The re-launching of the East Warren Farmer's Market was a significant event due the Farmer's Market not being active for years as it once gave local vendors the opportunity to sell directly to the communities that line the East Warren Corridor. With us working together to restart this tradition, it gave the vendors the opportunity to generate revenue of over \$20k in 2020. Please note that the revenue figures are tracked by the East Warren Development Corporation.

Post-Construction

During our ongoing engagement sessions, amenities that the community could directly interact with, such as a café, market, restaurant and bar, were in high demand, with a consistent restaurant within the neighborhood being something that the East English Village community has demanded for the most. The community has a real need for spaces for neighbors to congregate and collaborate together. With this being said, the community has requests, and the retail tenant that we have identified is ready to meet those demands via a distinct, yet integrated, vision that promotes retail diversity, residential density, and stimulates street-level activity.

The selected tenant, who lives in East English Village, will be incorporating some of the community's top requests. The tenant's direct integration with the streetscape will add to the vibrancy of the neighborhood, respond uniquely to demand, and capitalize on market conditions. The patio of the retail space will be designed in a manner that is highly welcoming and accessible to the whole community. The restaurant's patio and streetscape seating will be visually appealing, and will highlight the activities of residents/customers comfortably sitting outside while pleasantly enjoying a meal, helping to increase the level of foot traffic across the corridor. The Ribbon will also have updated access points to bus routes, bike lanes, and sidewalks, thanks to The East Warren Public Realm streetscape plan that is set to be completed in 2023.

Tax Relief Needed!



Without the incentives that we are requesting, The Ribbon simply would not be financially feasible. Even when considering the assumed appraised value of the building after rehab, The project won't give us the option to use traditional lenders to cover the costs of the development via market rate loans at a typical loan to value ratio. Millage rates in Detroit are significantly higher than in surrounding communities, and the project does not yield adequate debt service coverage ratios without the OPRA approval. The OPRA approval would also give us the ability to provide structured, affordable rental rates for the tenants of the building which is one of the biggest Asks that the community has of this project. We anticipate making an investment of approximately \$7,568,405 in real and personal property improvements on the subject property. However, this project is only able to support \$4,374,499 of conventional debt.

FTE Information

There will be a total of zero full-time employees (FTE) during construction by the developer, and a total of 4 new FTE positions that the retail entity housing the first floor will create.

MCL Info

This project is eligible according to MCL 207.843, (a) "Commercial property" means land improvements classified by law for general ad valorem tax purposes as real property including real property assessable as personal property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, the primary purpose and use of which is the operation of a commercial business enterprise or multifamily residential use. Commercial property shall also include facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a commercial business enterprise. Commercial property does not include any of the following: (i) Land. (ii) Property of a public utility. Also, part (g) of MCL 207.843. (g) "Multifamily residential use" means multifamily housing consisting of 5 or more units.

Request

Due to the above, we want to make it clear that the rehabilitation of this property is in vital need of gaining the exemption certificate at the maximum allowable time frame of 12 years after the completion of construction.

Impact

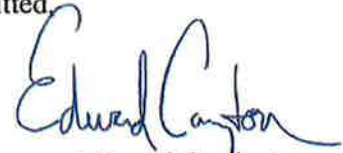
As East Warren continues to change, the surrounding communities have been yearning for when there will be a time where one could live, work, and shop across their once bustling Commercial Corridor. The Ribbon's compact mixed use development design, which includes both housing and retail, is something that has yet to be done within the East English Village community. However, these types of developments are proven throughout the country to help increase density in a manner that is not stressful to the current community population, and is the key to making the East Warren Commercial Corridor walkable and vibrant.



In Closing

Thank you for the opportunity to submit this proposal. We are excited to continue our work with the East English Village community and Detroit on this important development. Help us bring this project to reality by granting us the exemption certificate. Please do not hesitate to contact Edward Carrington with any questions on our proposal.

Respectfully submitted,



Edward Carrington
16530 East Warren, LLC
248.789.8653

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

Attachment B: Paid Receipt of Current Taxes

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





OFFICE OF THE CITY ASSESSOR
Office of the Assessor

COLEMAN A. YOUNG MUNICIPAL CENTER

2 Woodward Avenue, Suite 628 • Detroit, Michigan 48226

Phone: 313-224-3024

Website: www.detroitmi.gov

Email: AssessorLandRecordsMaintenance@detroitmi.gov

DEC 08 2021

Parcel Revision Form

Revision is effective for the following tax year. All taxes must be current at the time of application and up to the time of processing of this request. Revisions cannot be made to Special Acts parcels without prior approval of the Board of Assessors.

OFFICE OF THE ASSESSOR

Request Type: <input checked="" type="checkbox"/> Combination <input type="checkbox"/> Split <input type="checkbox"/> Split/Combine			
Date Submitted: _____			
Primary Party		Secondary Party	
Owner Name	18530 E. Warren LLC	Owner Name	
Address	800 Renaissance Center, Ste 1710	Address	
City, State, ZIP	Detroit, Michigan 48243	City, State, ZIP	
Phone	313-285-2183	Phone	
Email	Nate.Barnes@investdetroit.com	Email	
Print Name	Nate Barnes	Print Name	
Signature		Signature	
<input checked="" type="checkbox"/> Check here if you are a Representative		<input type="checkbox"/> Check here if you are a Representative	
Third Party		Fourth Party	
Owner Name		Owner Name	
Address		Address	
City, State, ZIP		City, State, ZIP	
Phone		Phone	
Email		Email	
Print Name		Print Name	
Signature		Signature	
<input type="checkbox"/> Check here if you are a Representative		<input type="checkbox"/> Check here if you are a Representative	
Parcel Information			
Parcel Number	Address	Parcel Number	Address
21002312-9	16530 East Warren Ave, 48224		
21002320	16510 East Warren Ave, 48224		

Parties hereby request that in accordance with the Michigan Land Division Act and Ordinance Number 423-G for the regulations and control of the subdivision of land in the City of Detroit, you place the following legal descriptions of said premises upon the Assessment and Tax Rolls.

Office Use Only			
Revision Year	2023	Revision #	15
Law Department Petition #		<input type="checkbox"/> This request is to obtain a permit	
		Number of resultant parcels (for splits and split/combines):	
New Parcel #	Survey #	Address	Party

Office Notes

Reviewed by:
Office of the Assessor Stamp for Approval
CITY OF DETROIT
DATE
MAY 23 2022

OFFICE OF THE ASSESSOR

Rev 11/19/2020
Land Records Maintenance Section

2023-15



Office of the Assessor

COLEMAN A. YOUNG MUNICIPAL CENTER
2 Woodward Avenue, Suite 825 • Detroit, Michigan 48226

Phone: 313-224-3024 Website: www.detroitmi.gov
Email: AssessorsLandRecordsMaintenance@detroitmi.gov

DEC 08 2021

Parcel Revision Form

Revision is effective for the following tax year. All taxes must be current at the time of application and up to the time of processing of this request. Revisions cannot be made to Special Acts parcels without prior consent of the Board of Assessors.

Request Type: <input checked="" type="checkbox"/> Combination <input type="checkbox"/> Split <input type="checkbox"/> Split/Combines			
Date Submitted: _____			
Primary Party		Secondary Party	
Owner Name	16530 E. Warren LLC	Owner Name	
Address	600 Renaissance Center, Ste 1710	Address	
City, State, ZIP	Detroit, Michigan 48243	City, State, ZIP	
Phone	313-285-2163	Phone	
Email	Nate.Barnes@investdetroit.com	Email	
Print Name	Nate Barnes	Print Name	
Signature		Signature	
<input checked="" type="checkbox"/> Check here if you are a Representative		<input type="checkbox"/> Check here if you are a Representative	
Third Party		Fourth Party	
Owner Name		Owner Name	
Address		Address	
City, State, ZIP		City, State, ZIP	
Phone		Phone	
Email		Email	
Print Name		Print Name	
Signature		Signature	
<input type="checkbox"/> Check here if you are a Representative		<input type="checkbox"/> Check here if you are a Representative	
Parcel Information			
Parcel Number	Address	Parcel Number	Address
21002310	16602 East Warren Ave, 48224		
21002311	16596 East Warren Ave, 48224		

Parties hereby request that in accordance with the Michigan Land Division Act and Ordinance Number 421-G for the regulations and control of the subdivision of land in the City of Detroit, you place the following legal descriptions of said premises upon the Assessment and Tax Rolls.

Office Use Only			
Revision Year	2023	Revision #	13
Low Department Petition #		<input type="checkbox"/> This request is to obtain a permit	
		Number of resultant parcels (for splits and split/combines):	
New Parcel #	Survey #	Address	Party

Office Notes

Reviewed by: <i>D. Mills</i>
Office of the Assessor Stamp for Approval
CITY OF DETROIT
DATE
MAY 23 2022

OFFICE OF THE ASSESSOR

Rev 11/19/2020
(and Revised Maintenance Section)

2023-015

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) 16530 East Warren, LLC		
Company Mailing address (No. and street, P.O. Box, City, State, ZIP Code) 16816 Shaftsbury Ave. Detroit Mi. 48219		
Location of obsolete facility (No. and street, City, State, ZIP Code) 16530 East Warren Ave. Detroit Mi. 48224		
City, Township, Village (indicate which) Detroit	County Wayne	
Date of Commencement of Rehabilitation (mm/dd/yyyy) 01/01/2023	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 06/01/2024	School District where facility is located (include school code) Detroit Public Schools (2601103)
Estimated Cost of Rehabilitation \$6,348,146.00	Number of years exemption requested 12 years after the completion	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>4</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)	Telephone Number	Fax Number
Mailing Address	Email Address	
Signature of Company Officer (no authorized agents)	Title	

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(i) 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 31st of the year approved by the STC).

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

PART 4: CLERK CERTIFICATION

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

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

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

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

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

**EXHIBIT A
LEGAL DESCRIPTION**

Real property in the City of Detroit, County of Wayne, State of Michigan, described as follows:

Parcel 1:

Lots 183 and 184, Eastern Heights Land Co's Subdivision, according to the recorded plat thereof, as recorded in Liber 48 of Plats, Page 23, Wayne County Records.

Lots 95 through 102, Inclusive, Eastern Heights Land Co's Subdivision, according to the recorded plat thereof, as recorded in Liber 48 of Plats, Page 23, Wayne County Records.

Parcel 2:

Lot 347, A.M. Campau's Three Mile Drive Addition, according to the recorded plat thereof, as recorded in Liber 46 of Plats, Page 78, Wayne County Records.

Property Address: 16602 E. Warren Ave.
16596 E. Warren Ave.
16530 E. Warren Ave.
16510 E. Warren Ave.

Tax Parcel No. 21/002310
21/002311
21/002312-9
21/002320

This is to certify that there are no delinquent property taxes owed to our office
this property for five years prior to the date of this instrument. No representation
is made as to the status of any tax liens or taxes owed to any other jurisdiction.
Noted 2020/10/21 Ted R. [Signature] Not Examined
Date 1/22/20 WAYNE COUNTY TREASURER's Clerk CB

PAGE 1 of 3

PROJECT : The Ribbon

16530 E. Warren
Detroit, MI

APPLICATION NO: 0 Application Date:

Distribution to:
OWNER

FROM: VIA (SUPERVISING ARCHITECT):

**Artisan Contracting LLC
535 Griswold Ste 111-195
Detroit, MI 48226**

VIA (Infuz)

PROJECT NO:

Detroit, MI 48226

CONTRACT DATE:

CONTRACTOR'S APPLICATION FOR PAYMENT

CHANGE ORDER SUMMARY			ADDITIONS	DEDUCTIONS
Change Orders Approved in previous months by Owner				
TOTAL				
Approved this Month				
Number	Date Approved			
TOTALS				\$0.00
Net change by Change Orders				

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR:

By: _____ Date: _____

SUPERVISING ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the above application, the Supervising Architect certifies to the Owner that to the best of the Supervising Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the **AMOUNT CERTIFIED**.

By: _____ Date: _____

This certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

AMOUNT CERTIFIED.....\$

SUPERVISING ARCHITECT:

Date:

This certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

5

CONTINUATION SHEET

APPLICATION AND CERTIFICATE FOR PAYMENT, containing

Contractor's signed Certification is attached

In tabulation below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 0

APPLICATION DATE:

PERIOD TO:

Use Column I on Contracts where variable retainage for line items may apply.									
A	B	C	D	E	F	G	H	I	
ITEM NO	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	%(G / C)	BALANCE TO FINISH (C - G)	RETAINAGE
			FROM PREVIOUS APPLICATION (D+E)	THIS PERIOD					
The Ribbon									
	General Construction								
0201	Demolition	44,674.00			-	0.00	0.00%	44,674.00	0.00
	Earthwork	163,300.00				0.00	0.00%	163,300.00	0.00
0702	Paving and Surfacing	70,000.00				0.00	0.00%	70,000.00	0.00
0901	Site Utilities	72,700.00			-	0.00	0.00%	72,700.00	0.00
	Site Storage	3,000.00				0.00	0.00%	3,000.00	0.00
	Site Fencing	23,000.00				0.00	0.00%	23,000.00	0.00
	Tank Removal	7,500.00				0.00	0.00%	7,500.00	0.00
1001	Landscaping	8,000.00			-	0.00	0.00%	8,000.00	0.00
	Concrete Floors	20,000.00				0.00	0.00%	20,000.00	0.00
1401	Site Concrete	55,000.00			-	0.00	0.00%	55,000.00	0.00
	Exterior masonry	231,600.00				0.00	0.00%	231,600.00	0.00
1501	Structural Steel	319,000.00			-	0.00	0.00%	319,000.00	0.00
1601	Balcony Railing/Site Fencing	95,930.00			-	0.00	0.00%	95,930.00	0.00
	Coring	2,000.00			-	0.00	0.00%	2,000.00	0.00
	Fireproofing Steel	14,050.00				0.00	0.00%	14,050.00	0.00
	Rough Carpentry Framing	490,004.00				0.00	0.00%	490,004.00	0.00
	Siding	320,000.00				0.00	0.00%	320,000.00	0.00
	General Labor	15,000.00				0.00	0.00%	15,000.00	0.00
	Homasote	26,226.00				0.00	0.00%	26,226.00	0.00
	Finish Carpentry	90,000.00				0.00	0.00%	90,000.00	0.00
	Insulation	75,500.00				0.00	0.00%	75,500.00	0.00
	Roofing	116,783.00				0.00	0.00%	116,783.00	0.00
	Joint Sealers	8,000.00				0.00	0.00%	8,000.00	0.00
	Int. Doors and Hardware	152,200.00				0.00	0.00%	152,200.00	0.00
	Exterior Doors	20,000.00				0.00	0.00%	20,000.00	0.00
	Overhead Doors	13,500.00				0.00	0.00%	13,500.00	0.00
	Aluminum and Glazing	254,250.00				0.00	0.00%	254,250.00	0.00
	Mirrors	2,000.00				0.00	0.00%	2,000.00	0.00
	Drywall	242,200.00				0.00	0.00%	242,200.00	0.00
	Tile	20,000.00				0.00	0.00%	20,000.00	0.00
	LVT Flooring	117,840.00				0.00	0.00%	117,840.00	0.00
	Paint	49,875.00				0.00	0.00%	49,875.00	0.00
	Fire Extinguishers	2,000.00				0.00	0.00%	2,000.00	0.00
	Lift	3,000.00				0.00	0.00%	3,000.00	0.00
	Bath Accessories	3,600.00				0.00	0.00%	3,600.00	0.00
	Bath Stalls	4,000.00				0.00	0.00%	4,000.00	0.00
	Shower Doors	20,000.00				0.00	0.00%	20,000.00	0.00
	Signage	10,000.00				0.00	0.00%	10,000.00	0.00
	Mailboxes	3,000.00				0.00	0.00%	3,000.00	0.00
	Closet Shelving	10,000.00				0.00	0.00%	10,000.00	0.00
	Appliances	45,000.00				0.00	0.00%	45,000.00	0.00
	Millwork	72,758.00				0.00	0.00%	72,758.00	0.00
	Countertops	35,000.00				0.00	0.00%	35,000.00	0.00
	Elevator	98,500.00				0.00	0.00%	98,500.00	0.00
	HVAC	667,856.00				0.00	0.00%	667,856.00	0.00

CONTINUATION SHEET

APPLICATION AND CERTIFICATE FOR PAYMENT, containing

Contractor's signed Certification is attached

In tabulation below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO: 0000000000

APPLICATION DATE:

PERIOD TO:

A ITEM NO	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE
			FROM PREVIOUS APPLICATION (D+E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G / C)		
	Fire Suppression	46,700.00				0.00	0.00%	46,700.00	0.00
	Fire Suppression Line Flush	2,000.00				0.00	0.00%	2,000.00	0.00
	Plumbing Rough	360,610.00				0.00	0.00%	360,610.00	0.00
	Plumbing Fixtures	20,000.00				0.00	0.00%	20,000.00	0.00
	Electrical Rough	557,700.00				0.00	0.00%	557,700.00	0.00
	Fire Alarm	42,036.00				0.00	0.00%	42,036.00	0.00
	Low Volt					0.00	#DIV/0!	(0.00)	0.00
	Electrical Fixtures	6,000.00				0.00	0.00%	6,000.00	0.00
	General Conditions	290,000.00				0.00	0.00%	290,000.00	0.00
	Engineering/Surveying	19,254.00				0.00	0.00%	19,254.00	0.00
	ROW Permits	20,000.00				0.00	0.00%	20,000.00	0.00
	Gen Liability Ins	10,000.00				0.00	0.00%	10,000.00	0.00
	Permits	36,000.00				0.00	0.00%	36,000.00	0.00
	Bond	100,000.00				0.00	0.00%	100,000.00	0.00
	Contingency	450,000.00				0.00	0.00%	450,000.00	0.00
	General Contractor	270,000.00				0.00	0.00%	270,000.00	0.00
	Total	6,348,146.00				0.00	0.00%	6,348,146.00	0.00

STATE OF MICHIGAN
COUNTY OF:

Wayne

SWORN STATEMENT

being duly sworn, deposes and says that (contractor)
is the contractor for an improvement to the following described real property situated in
County, Michigan, described as follows:

Artisan Contracting LLC
Wayne

Shane Overbey
is the contractor for an improvement to the following described real property situated in
County, Michigan, described as follows:

That the following is a statement of each subcontractor and supplier and laborer, for which (debtor) the payment of wages or fringe benefits and withholdings is due but unpaid, with whom the
(contractor)(subcontractor) has (contracted)(subcontracted) for performance under the contract with the owner thereof, and that the amounts due to the persons as of the date hereof are
correctly and fully set forth opposite their names, as follows:

No.	Subcontractor / Supplier / Laborer	Type of Improvement	Total Contract	Change Orders	Adjusted Contract	Total Completed	Amount Paid	Amount Due	Retention	Balance to Complete	Complete
1	Arthur Walker	Demolition	44,574.00	-	44,574.00	-	-	-	-	44,574.00	0%
2	REB Contracting	Electrical	163,300.00	-	163,300.00	-	-	-	-	163,300.00	0%
3	Orion Paving	Paving and Surfacing	70,000.00	-	70,000.00	-	-	-	-	70,000.00	0%
4	REB Contracting	Site Utilities	72,700.00	-	72,700.00	-	-	-	-	72,700.00	0%
5	Artisan Contracting LLC	Site Storage	3,000.00	-	3,000.00	-	-	-	-	3,000.00	0%
6	B&B Fencing	Site Fencing	23,000.00	-	23,000.00	-	-	-	-	23,000.00	0%
7	REB Contracting	Tank Removal	7,500.00	-	7,500.00	-	-	-	-	7,500.00	0%
8	Artisan Contracting LLC	Landscaping	8,000.00	-	8,000.00	-	-	-	-	8,000.00	0%
9	HCI	Concrete Floors	20,000.00	-	20,000.00	-	-	-	-	20,000.00	0%
10	HCI	Site Concrete	55,000.00	-	55,000.00	-	-	-	-	55,000.00	0%
11	M&M Masonry	Exterior Masonry	231,600.00	-	231,600.00	-	-	-	-	231,600.00	0%
12	Venex Steel	Structural Steel	319,000.00	-	319,000.00	-	-	-	-	319,000.00	0%
13	Dionos	Balcony railing/Size Fencing	95,930.00	-	95,930.00	-	-	-	-	95,930.00	0%
14	Artisan Contracting LLC	Coring	2,000.00	-	2,000.00	-	-	-	-	2,000.00	0%
15	Harnish	Fireproofing Steel	14,050.00	-	14,050.00	-	-	-	-	14,050.00	0%
16	Kalich	Rough Carpentry Framing	490,004.00	-	490,004.00	-	-	-	-	490,004.00	0%
17	Kalich	Siding	320,000.00	-	320,000.00	-	-	-	-	320,000.00	0%
18	Collingham	General Labor	15,000.00	-	15,000.00	-	-	-	-	15,000.00	0%
19	Collingham	Homesite	26,226.00	-	26,226.00	-	-	-	-	26,226.00	0%
20	VDB	Finish Carpentry	90,000.00	-	90,000.00	-	-	-	-	90,000.00	0%
21	Insulation Plus	Insulation	75,500.00	-	75,500.00	-	-	-	-	75,500.00	0%
22	Rapid Roofing	Roofing	116,783.00	-	116,783.00	-	-	-	-	116,783.00	0%
23	Artisan Contracting LLC	Joint Sealers	8,000.00	-	8,000.00	-	-	-	-	8,000.00	0%
24	Rayhaven	Int. Doors & Hardware	152,200.00	-	152,200.00	-	-	-	-	152,200.00	0%
25	Rayhaven	Exterior Doors	20,000.00	-	20,000.00	-	-	-	-	20,000.00	0%
26	Crystal Glass	Overhead Doors	13,500.00	-	13,500.00	-	-	-	-	13,500.00	0%
27	Crystal Glass	Aluminum and Glazing	254,250.00	-	254,250.00	-	-	-	-	254,250.00	0%
28	Artisan Contracting LLC	Mirrors	2,000.00	-	2,000.00	-	-	-	-	2,000.00	0%
29	Clinton Interior	Drywall	242,200.00	-	242,200.00	-	-	-	-	242,200.00	0%
30	Eldorado Tile	Tile	20,000.00	-	20,000.00	-	-	-	-	20,000.00	0%
31	Conventional Carpet	LVT Flooring	117,840.00	-	117,840.00	-	-	-	-	117,840.00	0%
32	Pauls Prime Painting	Paint	45,875.00	-	45,875.00	-	-	-	-	45,875.00	0%
33	Artisan Contracting LLC	Fire Extinguishers	2,000.00	-	2,000.00	-	-	-	-	2,000.00	0%
34	Artisan Contracting LLC	Lift	3,000.00	-	3,000.00	-	-	-	-	3,000.00	0%
35	Artisan Contracting LLC	Bath Accessories	3,600.00	-	3,600.00	-	-	-	-	3,600.00	0%
36	Rayhaven	Bath Sinks	4,000.00	-	4,000.00	-	-	-	-	4,000.00	0%
37	Crystal Glass	Shower Doors	20,000.00	-	20,000.00	-	-	-	-	20,000.00	0%
38	ID Enterprises	Signage	10,000.00	-	10,000.00	-	-	-	-	10,000.00	0%
39	Artisan Contracting LLC	Mailboxes	3,000.00	-	3,000.00	-	-	-	-	3,000.00	0%
40	Artisan Contracting LLC	Closet Shelving	10,000.00	-	10,000.00	-	-	-	-	10,000.00	0%
41	Sargent	Appliances	45,000.00	-	45,000.00	-	-	-	-	45,000.00	0%
42	Ryan Cabinetry	Millwork	72,758.00	-	72,758.00	-	-	-	-	72,758.00	0%
43	Ryan Cabinetry	Countertops	35,000.00	-	35,000.00	-	-	-	-	35,000.00	0%
44	Thyssen Knupp	Elevator	98,500.00	-	98,500.00	-	-	-	-	98,500.00	0%
45	Airworks	HVAC	667,856.00	-	667,856.00	-	-	-	-	667,856.00	0%

No.	Subcontractor / Supplier / Laborer	Type of Improvement	Total Contract	Change Orders	Adjusted Contract	Total Completed	Amount Paid	Amount Due	Retention	Balance to Complete	Complete
46	Falcon Fire	Fire Suppression	46,700.00		46,700.00			-		46,700.00	0%
47	Conquest Mechanical	Fire Suppression Line Flush	2,000.00		2,000.00			-		2,000.00	0%
48	Conquest Mechanical	Plumbing Rough	360,610.00		360,610.00			-		360,610.00	0%
49	Artisan Contracting LLC	Plumbing Fixtures	20,000.00		20,000.00			-		20,000.00	0%
50	Masters Electric	Electrical Rough	557,700.00		557,700.00			-		557,700.00	0%
51	FSS	Fire Alarm	42,036.00		42,036.00			-		42,036.00	0%
52	Logical Owl	Low Volt COAX			0.00			-		0.00	0%
53	Artisan Contracting LLC	Electrical Fixtures	6,000.00		6,000.00			-		6,000.00	0%
54	Artisan Contracting LLC	General Conditions	290,000.00		290,000.00			-		290,000.00	0%
55	TEC	Engineering/Surveying	19,254.00		19,254.00			-		19,254.00	0%
56	Detroit Public Works	ROW Permits	20,000.00		20,000.00			-		20,000.00	0%
57	Johnston Lewis	Gen Liability Insurance	10,000.00		10,000.00			-		10,000.00	0%
58	Artisan Contracting LLC	Permits	36,000.00		36,000.00			-		36,000.00	0%
59	Artisan Contracting LLC	Bond	100,000.00		100,000.00			-		100,000.00	0%
60		Contingency	450,000.00		450,000.00			-		450,000.00	0%
61	Artisan Contracting LLC	General Contractor	270,000.00		270,000.00			-		270,000.00	0%
TOTAL AMOUNTS			\$ 6,348,146.00		\$ 6,348,146.00	\$ -	\$ -	\$ -	\$ -	\$ 6,348,146.00	0%

The contractor has not procured material from, or subcontracted with, any person other than those set forth above and owes no money for the improvement other than the sums set forth above.
 Dependent further says that he/she makes the foregoing statement as the (contractor)(subcontractor) or as owner of the above described premises and he/she agents that the above described property is free from claims of construction liens or the possibility of construction liens, except as specifically set forth above and except for claims of construction liens by laborers which may be provided pursuant to section 109 of the Public Acts of 1980, as amended, being section 570.1109 of the Michigan Compiled Laws.

WARNING TO OWNER: AN OWNER OF THE ABOVE DESCRIBED PROPERTY MAY NOT RELY ON THIS SWORN STATEMENT TO AVOID THE CLAIM OF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING OR A LABORER WHO MAY PROVIDE A NOTICE OF FURNISHING PURSUANT TO SECTION 109 OF THE CONSTRUCTION LIEN ACT TO THE DESIGNER OR TO THE OWNER IF THE DESIGNER IS NOT NAMED OR HAS DIED.

WARNING TO DEPENDENT: A PERSON, WHO WITH INTENT TO DEFRAUD, GIVES A FALSE SWORN STATEMENT IS SUBJECT TO CRIMINAL PENALTIES AS PROVIDED IN SECTION 110 OF THE CONSTRUCTION LIEN ACT. ACT NO 497 OF THE PUBLIC ACTS OF 1980, AS AMENDED, BEING SECTION 570.1110 OF THE MICHIGAN COMPILED LAWS.

Dependent

Subscribed and sworn to before me this _____ day of _____, 20____

Notary Public, _____ County, Michigan

My Commission Expires: _____



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

November 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 – 16530 E Warren LLC**

Addresses: 16530 E Warren

Parcel Number: 21002312-20 (2023 new parcel)

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 16530 E Warren located in the **East English Village** 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
21002312-20	16530 E Warren	\$ 118,500	\$ 95,781	\$ 16,700	\$ 13,498

The project as proposed by the **16530 E Warren LLC** consists of converting a 1-story former bank branch into a 3-story, 21,000 square foot mixed use building with first floor retail and apartment units on the second and third floors. The building will undergo major renovations including window replacement, floor replacement, roof replacement, all major mechanical, plumbing and electrical systems replacement, and installation of new furniture and fixtures, as well as the new construction of the top two floors. The adjacent parking lots will include a total of 30 spaces.



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
16530 E Warren 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 **16530 E Warren** 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
16530 E Warren LLC
Page 3

Property Address: 16530 E WARREN

Parcel Number: 21002312-20

Property Owner: 16530 E WARREN LLC

Legal Description: S WARREN E 347 A M CAMPAUS THREE MILE DRIVE ADD L46 P78 PLATS, W C R 21/698 & S WARREN
E 95 THRU 102 EASTERN HEIGHTS LAND COS SUB L48 P23 PLATS, W C R 21/716 180.14 X 100





TO: Justus Cook, Housing and Revitalization
FROM: Shelby Holmes, Planning and Development
RE: Master Plan Interpretation for **Obsolete Property District** (PA 146) at 16510-16530 E.
Warren Detroit, MI 48224
DATE: November 9, 2022

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 16530 East Warren LLC.

Location and Project Proposal: 16510,16530 East Warren Detroit, 48224. This project is proposing to rehabilitate a one-story, 5760 square foot site into a 3-story 21,000 square foot mixed-use building that will include ground floor retail and two residential floors.

Current Master Plan (MP) & Zoning: MP Classification Neighborhood Commercial (CN)
Zoning – B4 - General Business District

Master Plan Interpretation

The subject site area is designated Neighborhood Commercial (CN). Neighborhood Commercial Districts generally consist of a large collection of contiguous storefronts along a street or streets. This commercial type is pedestrian oriented with wide sidewalks and landscaping. Parking should be on the street, in structures (with ground floor retail), at the rear of commercial establishments or in concentrated nodes at the periphery of the area. In addition to commercial uses, Neighborhood Commercial areas may also include institutional uses such as libraries and post offices.

The following policies of the Finney neighborhood describe the following recommendations:

- GOAL 3: Increase the vitality of neighborhood commercial areas
- Policy 3.1: Target Warren, Mack and Harper with business improvement and retention programs, with an emphasis on the Warren and Outer Drive intersection as a commercial node.

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 28th day of November, 20 22 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 16530 East Warren, LLC, an ("Applicant") with an office at 16816 Shaftsbury Ave. Detroit Mi 48219.

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: 16530 East Warren Ave (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 Years after the completion (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 June 1, 2024.

c. The Applicant shall create, or cause to be created, at least Fourteen (14) (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:

By: 

Print: Edward Carrington

Its: Managing Member

CITY OF DETROIT

PLANNING & DEVELOPMENT DEPT.

By: _____

Print: _____

Its: _____

THIS AGREEMENT WAS
APPROVED BY THE CITY
COUNCIL ON:

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

Date

Corporation Counsel

Date

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

ADDENDUM 1
Requirements

ADDENDUM 2
Affordability Requirements

1. Affordable Housing Undertaking. The Applicant, as developer of the The Ribbon mixed-use project (the "Project") on the Property, will implement during the Term the following affordable housing plan for the planned 18 residential apartments to be included within the Project:

a. The Applicant will offer for lease 10 apartment units ("Affordable Units") to those earning not more than 80% of the Detroit SMSA area median income ("AMI"), based on the income limits most recently published by the United States Department of Housing and Urban Development ("HUD")¹. Rental rates will be based upon occupancy of 1 person in a studio and 1.5 people per bedroom for all other rental unit sizes.

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

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

d. Applicant currently intends to offer 0 studios, 10 one-bedroom units, 0 two-bedroom units and 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 NA. Prior to taking any action to require the Applicant to pay any amount to the City pursuant to this paragraph 2, the City shall afford the Applicant an opportunity to present at a public hearing reasons for the shortfall by the Applicant in its compliance with this Addendum.

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

EXHIBIT A

Application for Obsolete Property Rehabilitation Exemption Certificate

EXHIBIT B

**Detroit City Council Resolution
Granting the Obsolete Property Rehabilitation Exemption Certificate**