



## RESOLUTION

NO. 233

A resolution approving an application for an Obsolete Property Rehabilitation Exemption Certificate on behalf of 25 Michigan Holdings, LLC located at 25 West Michigan Avenue Battle Creek, Michigan in Obsolete Property Rehabilitation District No. 10, and having an estimated cost of \$17,650,000 for real property improvements

**BATTLE CREEK, MICHIGAN** 10/01/2013

### **Resolved by the Commission of the City of Battle Creek:**

On the 4th day of September, 2013, an application was submitted on behalf of 25 Michigan Holdings, LLC for a Obsolete Property Rehabilitation Exemption Certificate under Act 146 of the Public Acts of 2000, as amended, with respect to certain property set forth in said application located within the boundaries of Obsolete Rehabilitation District No. 10; and

After notice having been given as required by law, the City Commission of the City of Battle Creek held a public hearing on October 1, 2013 at 7:00 PM in the City Commission Chambers, City Hall, City of Battle Creek, Michigan, to provide an opportunity to be heard to the Assessor and representatives of all taxing units affected by the application referred to above, as well as to all other interested parties, and

It appears to this Commission that the application filed by 25 Michigan Holdings, LLC for an Obsolete Property Rehabilitation Exemption Certificate with respect to the property described therein complies in all respects with the requirements of said Act, and

WHEREAS, 25 Michigan Holdings, LLC complies with the City's Affirmative Action Policy,

THEREFORE, IT IS RESOLVED THAT:

1. The City of Battle Creek is a Qualified Local Governmental Unit as defined section 2 of P.A. 146 of 2000.
2. The Obsolete Property Rehabilitation District was legally established by the adoption of Resolution No. 171 on July 16, 2013 after a public hearing before the City Commission as provided by section 3 of P.A. 146 of 2000.
3. The taxable value of the property proposed to be exempted plus the aggregate taxable value of property already exempt under P.A. 146 of 2000 and under P.A. 198 of 1974 exceeds 5% of the total taxable value of the unit.
4. The application of 25 Michigan Holdings, LLC for an Obsolete Property Rehabilitation Exemption Certificate with respect to their property described therein having an estimated cost of \$17,650,000 for real property is hereby approved for 12 years upon completion.
5. The application by 25 Michigan Holdings, LLC was subject to a public hearing before the City Commission held October 1, 2013, as provided by section 4(2) of P.A. 146 of 2000.
6. 25 Michigan Holdings, LLC is not delinquent in any taxes related to this facility.
7. The Commission does hereby determine that the granting of said Obsolete Property Rehabilitation Exemption Certificate requested by 25 Michigan Holdings, LLC together with all other Obsolete Property Rehabilitation Exemption Certificates presently in effect, will not have the effect of substantially impeding the operation of the City of Battle Creek and will not impair the financial soundness of any taxing unit which levies ad valorem property taxes in the City of Battle Creek.

8. 25 Michigan Holdings, LLC has provided the City of Battle Creek with all of the items described in the instructions (a) through (f) of the Application for Obsolete Property Rehabilitation Exemption Certificate.

9. The application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.

10. Commencement of rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.

11. The application of 25 Michigan Holdings, LLC relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility within the meaning of P.A. 146 of 2000 and is situated within an Obsolete Property Rehabilitation District established in a Qualified Local Governmental Unit eligible under P.A. 146 of 2000 to establish such a district.

12. The completion of the rehabilitated facility is calculated to, and will at the time of issuance of the Exemption Certificate, have the reasonable likelihood to overcome design inadequacies and deficiencies, increase efficiency and commercial activity, retain employment, possibly add employees and revitalize an urban area of the community.

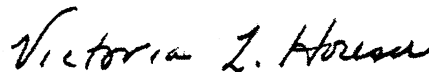
13. The rehabilitation includes improvements aggregating 10% or more of the true cash value of the property at commencement of the rehabilitation as provided by section 2(1) of P.A. 146 of 2000.

14. The City Commission determines that the granting of said Obsolete Property Rehabilitation Exemption Certificate requested by the application of 25 Michigan Holdings, LLC, is in keeping with the City Commission's policy in granting said certificate.

15. The aforesaid application of 25 Michigan Holdings, LLC together with all other pertinent documents as required by said Act, including proper evidence of this City Commission's approval of said application shall be forwarded to the Michigan State Tax Commission by the City Clerk in accordance with the requirements of said Act.

16. The City Commission determines that the rehabilitation of the facility, which is subject to the application, did not begin prior to the establishment of the Obsolete Property Rehabilitation District and will be completed in not more than two years.

I, Victoria Houser, City Clerk of the City of Battle Creek, hereby certify the above and foregoing is a true and correct copy of a Resolution adopted by the Battle Creek City Commission at a Regular Meeting held on Tuesday Oct 01, 2013.



Victoria Houser

**Motion to approve**

Moved By: Andy Helmboldt City Commissioner

Supported By: Mary Lou Ramon City Commissioner

**Votes For = 9**

Sherry Sofia City Commissioner

Elizabeth Fulton City Commissioner

Lynn Gray City Commissioner

Mark Behnke City Commissioner

Andy Helmboldt City Commissioner

Jeffrey Domenico City Commissioner

Dave Walters City Commissioner

Susan Baldwin City Commissioner

Mary Lou Ramon City Commissioner

**MOTION APPROVED**

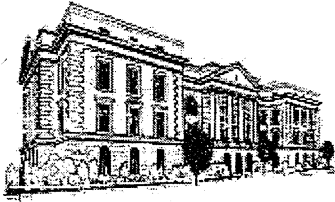
**Motion to approve**

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Supported By: Mary Lou Ramon City Commissioner

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Lynn Gray City Commissioner  
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Jeffrey Domenico City Commissioner  
Dave Walters City Commissioner  
Susan Baldwin City Commissioner  
Mary Lou Ramon City Commissioner

**MOTION APPROVED**



**Battle Creek City Commission**

10/01/2013

## Action Summary

**Staff Member:** Steven M. Hudson

**Department:** Assessing

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### SUMMARY

This resolution grants an obsolete property rehabilitation act tax abatement as requested by 25 Michigan Holdings, LLC.

BUDGETARY CONSIDERATIONS

**CITY OF BATTLE CREEK**  
**OBSOLETE PROPERTY REHABILITATION TAX EXEMPTION**  
**TAX ABATEMENT ANALYSIS-BUILDING ONLY**

APPLICANT: **25 Michigan Holdings, LLC**

LOCATION: **25 West Michigan Avenue**

ESTIMATED COST OF REAL PROPERTY IMPROVEMENTS:

ESTIMATED COST OF PERSONAL PROPERTY IMPROVEMENTS:

**TOTAL ESTIMATED PROJECT COST:**

ESTIMATED NUMBER OF NEW FULL TIME JOBS CREATED:

	<b>Begins</b>	<b>Ends</b>
Improvements	11/30/2013	2/1/20

**ESTIMATED TAXES OVER LIFE OF CERTIFICATE**

Year	Bldg. Taxable without OPRA*	OPRA Taxable Values		Bldg Taxes w/o OPRA	OPRA Taxes		Taxes Abated
		Frozen	Rehab*		Frozen	Rehab	
2014	\$718,500	\$346,262	\$372,229	\$45,895	\$22,118	\$8,933	\$14,8
2015	\$5,199,670	\$346,262	\$4,466,800	\$332,137	\$22,118	\$107,203	\$202,8
2016	\$6,048,074	\$346,262	\$5,583,440	\$386,330	\$22,118	\$134,003	\$230,2
2017	\$6,169,036	\$346,262	\$5,583,440	\$394,057	\$22,118	\$134,003	\$237,9
2018	\$6,292,417	\$346,262	\$5,583,440	\$401,938	\$22,118	\$134,003	\$245,8
2019	\$6,418,265	\$346,262	\$5,583,440	\$409,976	\$22,118	\$134,003	\$253,8
2020	\$6,546,630	\$346,262	\$5,583,440	\$418,176	\$22,118	\$134,003	\$262,0
2021	\$6,677,563	\$346,262	\$5,583,440	\$426,540	\$22,118	\$134,003	\$270,4
2022	\$6,811,114	\$346,262	\$5,583,440	\$435,070	\$22,118	\$134,003	\$278,9
2023	\$6,947,336	\$346,262	\$5,583,440	\$443,772	\$22,118	\$134,003	\$287,6
2024	\$7,086,283	\$346,262	\$5,583,440	\$452,647	\$22,118	\$134,003	\$296,9
2025	\$7,228,009	\$346,262	\$5,583,440	\$461,700	\$22,118	\$134,003	\$305,9
<b>TOTALS</b>				<b>\$4,608,238</b>	<b>\$265,416</b>	<b>\$1,456,162</b>	<b>\$2,886,6</b>

Total Taxes without abatement (4 YEARS): \$1,158,419

Total Taxes with abatement (4 YEARS): \$472,614

**Estimated taxes to be abated for total of 4 YEARS: \$685,8**

Total Taxes without abatement (8 YEARS): \$2,815,049

Total Taxes with abatement (8 YEARS): \$1,097,096

**Estimated taxes to be abated for total of 8 YEARS: \$1,717,9**

Total Taxes without abatement (12 YEARS):	\$4,608,238	
Total Taxes with abatement (12 YEARS):	\$1,721,578	
<b>Estimated taxes to be abated for total of 12 YEARS:</b>		<b>\$2,886,660</b>
<b>NOTE: Frozen value based on the 2013 taxable value.</b>		
<i>*Real taxable values indexed each year by average CPI of 1.02</i>		
		Submitted by: Steven Hudson, MMAO City Assessor
Full Millage	63.87660	
OPRA Rehab I	24.00000	
<b>ANALYSIS IS FOR ILLUSTRATIVE PURPOSES ONLY</b>		
<b>ACTUAL AMOUNT AND DURATION OF INCENTIVE SUBJECT TO CITY COMMISSION</b>		

**ATTACHMENTS**



25 Michigan Holdings OPRA Application.pdf 17 & 25 W. MI OPRA District Request Letter & Map.PDF

- Submission Battle Creek City Commission - 9/17/2013 7:00:00 PM - A Resolution setting a Public Hearing for 7:00 PM, October 1, 2013, on behalf of 25 Michigan Holdings, LLC, on the application for an Obsolete Property Rehabilitation Act Tax Exemption, in Obsolete Property Rehabilitation District No. 10.



25 Michigan Holdings OPRA Application.pdf 17 & 25 W. MI OPRA District Request Letter & Map.PDF