



301 W. MAIN • OWOSSO, MICHIGAN 48867-2958 • (989) 725-0599 • FAX (989) 723-8854

MEMORANDUM

DATE: March 6, 2024

TO: Mayor Robert Teich Jr, City Council, and Manager Nathan Henne

FROM: Michael Dowler, Assessor

RE: Obsolete Property Rehabilitation Exemption Certificate – 344 W. Main Street

The city clerk has received an application for tax abatement as required under the city's abatement policy on February 23, 2024. Also received was an application for an Obsolete Property Rehabilitation Exemption Certificate.

The council will be taking action on the tax abatement application for the Obsolete Property Rehabilitation Exemption Certificate. The project is valued at approximately \$2,818,000.

The application for an Obsolete Property Rehabilitation Exemption Certificate, Act 146 of 2000, is a tax abatement which freezes the existing taxable value on a designated facility prior to rehabilitation for up to 12 years. The rehabilitated facility value will not be fully taxable until the abatement is no longer in place. The proposed project is to renovate the 2 story 18,564 square foot building with nine remodeled apartment residences. This will increase downtown private residence availability. The estimated cost for this redevelopment is \$2,818,000. This exemption meets the requirements of the city's tax abatement policy.

The council approved of an Obsolete Property Rehabilitation District for this property on September 6, 2016. With the district already in place the city council is set to schedule a public hearing to consider the application for tax exemption.

It is recommended by staff that the city council set a public hearing for April 1, 2024, for input from the public both within and out of the district. The city clerk will send notice to all taxing jurisdictions as required by the statute and the city's tax abatement policy.

MASTER PLAN GOALS: 1.19, 3.20, 5.13

RESOLUTION NO.

**SETTING A PUBLIC HEARING TO CONSIDER APPLICATION FOR
AN OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE
FOR THE PROPERTY COMMONLY KNOWN AS 344 W. MAIN STREET**

WHEREAS, the City of Owosso received application for an Obsolete Property Rehabilitation Exemption Certificate on February 23, 2024 from Curwood Place LLC; and

WHEREAS, the City of Owosso approved a request to establish an Obsolete Property Rehabilitation District on September 6, 2016 for the property described as:

LOTS 10 THRU 15 & W 132' LOT 8 & W 132' OF S 18' LOT 7 BLK 6 LUCY L COMSTOCKS ADD, INCL W 132' CLSD ALLEY; and

WHEREAS, a public hearing must be held and it must be determined that approval of the Obsolete Property Rehabilitation Certificate would be beneficial to the City of Owosso, as well as local and regional economy.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Owosso, Shiawassee County, Michigan that:

- FIRST: the Owosso City Council sets a public hearing for Monday, April 1, 2024 at or about 7:30 p.m. in the council chambers for the purpose of hearing comments for those within the district, and any other resident or taxpayer, of the City of Owosso.
- SECOND: the City Clerk gives the notifications as required by law.
- THIRD: the city staff is directed to investigate and determine if the qualifications of the act are satisfied and report said findings at the hearing.

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) Curwood Place LLC								
Company Mailing Address (Number and Street, P.O. Box, City, State, ZIP Code) 2899 Bay Drive West, Bloomfield, MI, 48324								
Location of obsolete facility (Number and Street, City, State, ZIP Code) 344 W. Main Street, Owosso, MI, 48867								
City, Township, Village (indicate which) Owosso		County Shiawassee						
Date of Commencement of Rehabilitation (mm/dd/yyyy) 08/01/2024	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 10/31/2025	School District where facility is located (include school code) Owosso (2627210)						
Estimated Cost of Rehabilitation \$2,877,650.00		Number of years exemption requested 12						
Attach legal description of obsolete property on separate sheet.								
Expected Project Outcomes (Check all that apply) <table border="0"><tr><td><input checked="" type="checkbox"/> Increase commercial activity</td><td><input checked="" type="checkbox"/> Retain employment</td><td><input checked="" type="checkbox"/> Revitalize urban areas</td></tr><tr><td><input checked="" type="checkbox"/> Create employment</td><td><input checked="" type="checkbox"/> Prevent a loss of employment</td><td><input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated</td></tr></table> <p>Indicate the number of jobs to be retained or created as a result of rehabilitating the facility, including expected construction employment. 31</p>			<input checked="" type="checkbox"/> Increase commercial activity	<input checked="" type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas	<input checked="" type="checkbox"/> Create employment	<input checked="" type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated
<input checked="" type="checkbox"/> Increase commercial activity	<input checked="" type="checkbox"/> Retain employment	<input checked="" type="checkbox"/> Revitalize urban areas						
<input checked="" type="checkbox"/> Create employment	<input checked="" type="checkbox"/> Prevent a loss of employment	<input checked="" type="checkbox"/> Increase number of residents in the community in which the facility is situated						
<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								
<p>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.</p> <p>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.</p> <p>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.</p>								
Name of Company Officer (No authorized agents) Curwood Place LLC	Telephone Number (248) 569-1430	Fax Number (248) 892-2371						
Mailing Address 2899 Bay Drive West, Bloomfield, MI, 48324	E-mail Address perry@dsonline.com							
Signature of Company Officer (no authorized agents) 	Title Property Owner							
LOCAL GOVERNMENT UNIT CLERK CERTIFICATION								
The Clerk must also complete Parts 1, 2 and 4 on page 2. Part 3 is to be completed by the Assessor.								
Signature	Date Application Received							
FOR STATE TAX COMMISSION USE								
Application Number	Date Received	LUCI Code						

LOCAL GOVERNMENT ACTION

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

PART 1: ACTION TAKEN

Action Date

☐ Exemption Approved for _____ Years, ending December 30, _____ (not to exceed 12 years)

☐ Denied

Date District Established

9-6-2016 Resolution 98-2016

LUCI Code

School Code

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

A statement that the local unit is a Qualified Local Governmental Unit.

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.

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.

A statement of the factors, criteria and objectives, if any, necessary for extending the exemption, when the certificate is for less than 12 years.

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.

A statement that the applicant is not delinquent in any taxes related to the facility.

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.

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.

A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.

A statement that the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District.

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.

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.

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.

A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.

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

\$ 317,043

Building State Equalized Value

\$ 364,300

Name of Government Unit

City of Owosso

Date of Action Application

4-1-2024

Date of Statement of Obsolescence

3-26-2024

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.



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APPLICATION FOR TAX ABATEMENT

Applicant (Official Company Name) _Curwood Place LLC_____

Business Name (If Different) _____

Address of Proposed Project _ 344 W. Main St. Owosso MI 48867 _____

Mailing Address (If Different) _2899 Bay Drive West Bloomfield MI 48324_____

Do you own the property? __Yes__ If no, what is your relationship?_____

Type of Abatement Requested (if known) _OPRA_____

Total square footage of all current buildings on site __18,564 square feet_____

Description of proposed project including type of current business activity and product to be manufactured (if applicable), size of proposed structure and proposed activity and/or product.

__See Attached_____

Give estimated cost of the following components applicable for the proposed project:

Land improvements (excluding land): _____

Building improvements: __\$2,877,650.00 est cost of project_____

Machinery & Equipment: _____

Furniture & Fixtures: _____

Time schedule for start and completion of construction and equipment installation (if applicable):

Building: Equipment installation (if applicable):

Start Date __08/01/2024_____ Start Date _____

Completion Date __10/31/2025_ Completion Date _____

Abatement Application
Page 2

Will project be owned or leased by applicant? _Owned_____

Will machinery be owned or leased by applicant? _____

How many employees do you currently employ? Full Time _0_____ Part Time _____

How many new employees do you estimate after project complete? Full Time _____0_____
Part Time _____

When project is complete, how many will be:

Management/Professional _____ Wage level \$ _____

Skilled _____ Wage level \$ _____

Semi-Skilled _____ Wage level \$ _____

Un-Skilled _____ Wage level \$ _____

Name of Company Officer (contact person) _Ashley Connelly_____

Title _Project Manager_____

Signature  Date _03/08/24_____

Phone Number _(810)447-1571_____

For City Staff Use Only

Was the applicant given a copy of Tax Abatement Policy? Y N

Is an abatement district in place for this project? Y N

If no, legal description of proposed district. _____

If yes, type of district in place _____ Year established _____

Does the proposed project meet the guidelines for Tax Abatement under the policy? Y N

If no, explain _____

If yes, was notice given to taxing jurisdictions within the proposed project area? Y N

If yes, was notice given to applicant and proper state documents sent? Y N

Name of reviewer _____

Signature _____ Date _____

1. Attachment with Narrative

a. General Description

The subject property, located at 344 W. Main Street in downtown Owosso, Michigan, is an 18,564 sq. ft single building with a total acreage of 0.65 acres with 44 parking spaces. The multi-use building was built in ca. 1930 and designed by architect George John Bachmann and has a later addition which housed garages for an Oldsmobile dealership. It consists of two floors and a basement. The first floor (9,241 sq. ft) has a retail space that is currently rented, a vacant blighted foyer, and six garages that are in poor condition. The second floor (7591 sq. ft) has nine vacant apartments that require total renovation and redesign with partial demolition and rearrangement of walls and spaces. The basement is vacant with an obsolete foyer entrance from the street.

b. Proposed use

Curwood Place will continue to be a mixed-use development consisting of retail space, residential areas, and community facilities, including art studios and gallery space for organizations located in Owosso's cultural campus. The building's rehabilitation and remodel will be sensitive to the building's historic elements and will include minor preservation work to the historic entrance and facade. Updates to each individual apartment will be made to modernize the units on the second floor. A food business is proposed for the basements which will provide additional retail/creative pop-up space to further local entrepreneurs in their entrepreneurial journey. EV chargers and covered parking will be added to the parking area. Murals have been funded and will be added to the facade to tie in the art community and Owosso's history. The center garage unit will be renovated into a residential foyer at the rear of the building, including storage lockers and an ADA compliant elevator to access the second floor.

The first floor's retail space, which currently houses a pet store; employing 8 part time and 1 full time employee; (lease ending March 2025), will remain as-is during the initial phase of construction and development. The original entry is on the east side of the building. Prior building owners removed most of the large original windows and replaced them with blue painted panels, and the developer is adding murals to these areas depicting historic Owosso scenes or art which is distinctive to the Owosso community; the funding for these murals has already been secured.

The proposed basement tenant, a hospitality talent accelerator, is raising capital to launch a speakeasy bar in the basement which will also house pop-up space that provides additional retail outlets for small startup businesses in Owosso. The space will be open to the public on select days and provide an event space for small groups (under 50) in which guests arrive through a secret entrance. Liquor licensing and food retail licensing will be obtained for this project. Currently the space is under-utilized as it is

used as storage for a now-defunct company and the meters for electricity and water for the building.

The upper story will be renovated to add 1 additional unit to feature nine rehabbed apartments (two two-bedroom unit, five one-bedroom units and two 'micro' units). One to two of the nine apartments will be available fully furnished. Each individual apartment unit will include new plumbing, windows, HVAC systems, ductwork, new separate water heaters, electrical panels, washer/dryers, kitchen cabinets, appliances, and fixtures will all be replaced with new, energy efficient systems. Similarly, all the flooring needs repair and replacement. All bathrooms will be remodeled to include large walk-in showers. The hall corridor will be upgraded to include new lighting, doors, and skylights and will include the display of local artists' exhibits and historic photos of the building and community.

Two of the six first-floor garages (1408 sq. ft total) will be converted to a foyer entrance for second floor residents that includes individual storage lockers and an elevator. The remaining four garages will be upgraded with a new roof, interiors, external trim, and garage doors. The units may be rented as storage or space for local artists to work and showcase their products.

The parking lot includes a large parking area (44 spaces), of which the twelve on the north end of the building will be covered to be used for additional programmatic space by the Shiawassee Arts Center and other local nonprofits for events such as pop-up artists, artisan, and food markets.

c. Detailed description of the rehab

Installation of EV chargers and covered parking spaces for residents and patrons

The 6 first-floor garages will be upgraded with a new roof, interiors, external trim, and garage doors that include the door within a door. This allows entry without having to open the large door.

Construct foyer and install elevator in the center two garage units. Installation of an elevator to make the second-floor apartments handicapped accessible.

The basement will be gutted; this includes removal of broken fixture and repairing of falling ceilings, crumbling unused incinerator chimney, unfinished wall partitions and broken walls and floors.

Update electrical and plumbing to prepare unit for a food business/bar.
Remodel foyer entrance on the west side of the building.
Installation of a restroom in the basement.

Application of murals depicting historic Owosso scenes and/or art that is distinctive to Owosso community to the facade.

Plumbing, HVAC, ductwork, and fixtures will be replaced with new, energy efficient systems throughout the building.

All flooring is in need of repair and replacement.

The second floor has nine vacant apartments that require total renovation and redesign to include partial demolitions and rearrangement of walls and spaces.

Each individual apartment unit will include new separate water heaters, HVAC systems, windows, doors, electrical panels, energy efficient fixtures, and washer/dryers.

Each apartment will have new kitchen cabinets and energy efficient appliances.

All apartment bathrooms will be remodeled to include large walk-in showers to be handicapped accessible.

Up to 2 of the 9 apartments will be available fully furnished.

The hall corridor will be upgraded to include new lighting, doors, and skylights.

d. Descriptive List

Please see attached for more comprehensive list;

- >9 washers (Stackable)
- >9 dryers (Stackable)
- >9 water heaters
- >9 HVAC systems
- >9 fridges
- >9 oven/ranges
- >Elevator

e. Time Schedule

Construction to begin in August 2024 and run through October 2025. Please see attached document with more details on construction.

f. Business Creation: Expected economic advantages from exemption

The proposed Curwood Place development at 344 W. Main Street in downtown Owosso, Michigan will have a catalytic, long-term impact on the community in several ways:

Vacancy & Blight: The project activates vacant space, increases density through additional rentable commercial units, contributes to the success of local businesses, and prioritizes clean and green systems.

Stimulating Economy: The development will grow the area's tax base by rehabilitating a currently underutilized property and creating new retail and residential spaces as well as community facilities. Completing the full vision which integrates arts, food, retail, and housing along the river will enhance Owosso's attractiveness, thus encouraging additional investment by this investment group and others.

Job Creation: In addition to the job retention that will result from maintaining this building through the current lessee (9 jobs retained) there is an approximate 22 jobs that will result from this project. 2 of these jobs would result from the rehab in the basement, which will provide a small hospitality outpost. 20 of these jobs will be from the construction being done on the building.

Housing: With the addition of nine new apartments, the project addresses the critical need for affordable housing in Michigan. Access to safe and affordable housing is a fundamental right and a key driver of economic growth and community development and by investing in affordable housing, the project provides resources for Michigan citizens and communities, which helps to attract and retain talent. The addition of furnished rental units will attract a diverse range of tenants, who will contribute to the local economy and increase community density while prioritizing housing for permanent residents. Through the proposed mixed-use development, Curwood Place not only will provide affordable, short-term housing options for a variety of individuals and families but will stimulate the economy within the community and provide additional programmatic offerings to further the City's development and vision as a regional destination to live, work, and play.

Business Creation: The first floor is currently leased and will remain so until 2025. The lessee employs 1 full time and 8 part time employees. Newly repurposed spaces will

introduce new sources of income for the community, including a speakeasy, and rental space for a gallery, retail units, classrooms, studio spaces, and storage for rent. The creation of a space to be used by an accelerator program for pop ups featuring new hospitality talent will allow entrepreneurs in the Food & Beverage industry an opportunity to run their small business with guidance and low overhead to increase their chances of success in the first year. These new spaces will provide opportunities for small businesses and entrepreneurs to thrive, further boosting the local economy and existing businesses and contributing to the long-standing cultural community in Owosso. The development of Curwood Place will help create jobs by providing space and housing for small businesses and the local cultural community, recognizing that a thriving business ecosystem is essential for economic growth.

Community Space: The addition of outdoor community space and pop-up markets in the parking area will also contribute to the burgeoning arts scene in Owosso, helping to revitalize the downtown area and attracting more visitors to the city. By attracting more visitors to the area, this project will also support existing businesses in downtown Owosso.

Energy Efficient: The building will include LED-certified windows in addition to other systems that maximize energy efficiency, including new systems and EV chargers in the parking lot.

Placemaking: Being centrally located in downtown Owosso, this project not only allows employees to live closer to their workplace but also encourages active participation in downtown events and patronage of downtown businesses. Affordable and diverse housing options contribute to a healthy urban environment where employees can reduce commute times and increase productivity. Meanwhile, the new housing units will be close to other critical community facilities in town and encourage non-motorized transportation. Murals adorning the facade will depict historic Owosso scenes or art which is distinctive to the Owosso community.