



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

MEMORANDUM

DATE: May 24, 2022

TO: Mayor Chris Eveleth, City Council, and Manager Nathan Henne

FROM: Michael Dowler, Assessor

RE: Obsolete Property Rehabilitation Exemption Certificate –
123 N. Washington Street

As mentioned in my memo of May 10, 2022, the city clerk received a request from Woodworth Investments LLC, owner of 123 N. Washington St., to establish an Obsolete Property Rehabilitation District. Also received was an application for an Obsolete Property Rehabilitation Exemption Certificate. The council will consider approval of the OPRA District early in the meeting on June 6, 2022. Anticipating approval of the district, this item sets the public hearing to consider the application for the tax exemption certificate.

The project proposes to completely renovate the 3 story 20,965 square foot building with 9 new apartments.

It is recommended by staff that the city council set a public hearing for Tuesday, July 5, 2022 at 7:30 p.m. in the City Hall Council Chambers to receive 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.

If there are any questions, please feel free to contact me at (989) 725-0530.

RESOLUTION NO.

**SETTING A PUBLIC HEARING TO CONSIDER APPLICATION
FOR AN OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE
FOR THE PROPERTY AT 123 N. WASHINGTON STREET**

WHEREAS, the City of Owosso received application for an Obsolete Property Rehabilitation Exemption Certificate on April 26, 2022 from Woodworth Investments LLC, and

WHEREAS, the City of Owosso approved a request to establish an Obsolete Property Rehabilitation District, on June 6, 2022, described as:

W 44' OF LOT 3 & N 44' OF THE E 88' OF LOT 3, BLK 22 OF ORIGINAL PLAT; and

WHEREAS, 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 July 5, 2022 on 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 findings at the hearing.



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APPLICATION FOR TAX ABATEMENT

Applicant (Official Company Name) Woodworth Investments, LLC
Business Name (If Different) _____
Address of Proposed Project 123. N. Washington Street, Owosso, MI 48867
Mailing Address (If Different) 120 W. Exchange St., Suite 203, Owosso, MI

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

Type of Abatement Requested (if known) OPRA, Public Act 146 of 2000 and Brownfield
ren

Total square footage of all current buildings on site 20,965 sq. ft.

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 CRP application & narrative.

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

Land improvements (excluding land): NA
Building improvements: Size 20,965 sf \$ 2,932,970
Machinery & Equipment: NA
Furniture & Fixtures: \$10,000

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

Building: Start Date 12/1/2022 Equipment installation (if applicable): Start Date NA
Completion Date 12/1/2023 Completion Date _____

Abatement Application

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Will project be owned or leased by applicant? owned
Will machinery be owned or leased by applicant? NA

How many employees do you currently employ? Full Time 0 Part Time 0

How many new employees do you estimate after project complete? Full Time 0
Part Time 0

When project is complete, how many will be:

Management/Professional NA Wage level \$ _____
Skilled _____ Wage level \$ _____
Semi-Skilled _____ Wage level \$ _____
Un-Skilled _____ Wage level \$ _____

Name of Company Officer (contact person) Randy Woodworth
Title Member

Signature [Signature] Date 5/20/2022
Phone Number 989-277-2815

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. District to be considered
@ 6-6-22 council meeting

If yes, type of district in place _____ Year established 2022

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~~ ~~N/A~~

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

Name of reviewer Nathan Henne

Signature [Signature] Date 6-1-22

(MCL 125-2783)

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) Woodworth Investments, LLC								
Company Mailing Address (Number and Street, P.O. Box, City, State, ZIP Code) 120 W. Exchange Street, Suite 203, Owosso, Michigan 48867								
Location of obsolete facility (Number and Street, City, State, ZIP Code) 123 N. Washington Street, Owosso, Michigan 48867								
City, Township, Village (indicate which) City of Owosso	County Shiawassee							
Date of Commencement of Rehabilitation (mm/dd/yyyy) 12/1/2022	Planned date of Completion of Rehabilitation (mm/dd/yyyy) 12/1/2023	School District where facility is located (include school code) Owosso (2627210)						
Estimated Cost of Rehabilitation \$2,932,970.00	Number of years exemption requested 12							
Attach legal description of obsolete property on separate sheet.								
Expected Project Outcomes (Check all that apply) <table><tr><td><input checked="" type="checkbox"/> Increase commercial activity</td><td><input type="checkbox"/> Retain employment</td><td><input type="checkbox"/> Revitalize urban areas</td></tr><tr><td><input checked="" type="checkbox"/> Create employment</td><td><input 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>			<input checked="" type="checkbox"/> Increase commercial activity	<input type="checkbox"/> Retain employment	<input 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
<input checked="" type="checkbox"/> Increase commercial activity	<input type="checkbox"/> Retain employment	<input 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. 0								
<input checked="" type="checkbox"/> Each year, the State Treasurer may approve 25 additional reductions of half the school operating and state education taxes for a period not to exceed six years. Check the box at left if you wish to be considered for this exclusion.								

APPLICANT CERTIFICATION

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all of the information is truly descriptive of the property for which this application is being submitted. Further, the undersigned is aware that, if any statement or information provided is untrue, the exemption provided by Public Act 146 of 2000 may be in jeopardy.


The applicant certifies that this application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility, as defined by Public Act 146 of 2000, as amended, and that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

It is further certified that the undersigned is familiar with the provisions of Public Act 146 of 2000, as amended, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Obsolete Property Rehabilitation Exemption Certificate by the State Tax Commission.

Name of Company Officer (No authorized agents) Randy Woodworth	Telephone Number (989) 277-2815	Fax Number
Mailing Address 120 W. Exchange St., Suite 203, Owosso, Michigan 48867	E-mail Address randywoodworth@gmail.com	
Signature of Company Officer (no authorized agents)	Title Member	

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 4-26-2022
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FOR STATE TAX COMMISSION USE

Application Number	Date Received	LUCI Code
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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)			
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		Building State Equalized Value	
\$ 196,900		\$ 196,900	
Name of Government Unit City of Owosso		Date of Action Application _____	Date of Statement of Obsolescence 12-15-2021
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.

April 11, 2022

**Application for Obsolete Property Rehabilitation Exemption Certificate
Public Act 146 of 2000, as amended
Woodworth Investments, LLC
123 N. Washington Street, Owosso, Michigan**

PART 2: APPLICATION DOCUMENTS

a. General Description of the facility (year built, original use, most recent use, number of stories, square feet)

Historical records indicate the existing building was constructed in 1895. Throughout the years the building was used for multiple purposes including banks, law firms, medical practices, real estate agencies, and insurance agencies. It has been stated that this building was part of the original Keeler Block. 'Among the numerous architecturally distinguished Victorian buildings in downtown Owosso, the Keeler Block was one of the most outstanding.' The building's exterior underwent construction in 1964, creating the "modern exterior" that is still present today.

The Property consists of a three-story, functionally obsolete building totaling approximately 20,965-square feet, located in downtown Owosso.

b. Description of the qualified facility's proposed use

The applicant intends to completely rehabilitate and reuse the subject building including approximately 9 apartments.

c. Description of the general nature and extent of the rehabilitation to be undertaken

This is a complete rehabilitation project that will include new utilities, windows, doors, flooring, and roofing. Building concrete and masonry will also be repaired with new historically approved construction materials.

d. Descriptive list of the fixed building equipment that will be a part of the qualified facility

The building interior will be demolished down to the structural components of the building while maintaining and/or reusing as many of the original architectural features as possible. New fixed building equipment will include new heating, ventilation, and air condition (HVAC) mechanical systems, plumbing and plumbing fixtures, electrical and electrical fixtures, lighting, fire suppression, interior walls and flooring, new doors and windows, improved interior and exterior appearance.

e. Time schedule for undertaking and completing the facility's rehabilitation

The rehabilitation project is anticipated to take 12 months to complete with a construction schedule currently planned for December 1, 2022, through December 1, 2023. No construction activities will be conducted prior to any approval of the PA 146 abatement.

f. Statement of the economic advantages expected from the exemption

Redevelopment of the property would provide numerous benefits to the City. While the specific facility would undergo considerable renovation, the entire area would benefit from the transformation of a vacant building (extensive vacant space) into a thriving and fully utilized property.

In an effort to maximize the utility value of the vacant, dilapidated building, the applicant is committed to doing a complete rehabilitation of the building. In that context, the applicant will incur considerable renovation costs. The establishment of the PA 146 District, with its multi-year property tax deferment benefit, is vital to making the project economically viable.

g. Legal description of the facility

The legal description of the eligible property is provided below.

- W 44' OF LOT 3 & THE N 44' OF THE E 88' OF LOT 3 BLK 22 ORIGINAL PLAT.