



301 W. MAIN • OWOSSO, MICHIGAN 48867-2958 • (989) 725-0530 • FAX (989) 723-8854

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# MEMORANDUM

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DATE: April 21, 2023

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

FROM: Michael Dowler, Assessor

RE: Obsolete Property Rehabilitation District – 902 W Main Street  
Set Public Hearing to Establish District

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The city clerk has received an application for an Obsolete Property Rehabilitation Act (OPRA) tax exemption, from DBMA Owosso, LLC, owners of 902 W. Main Street. The project proposes to completely renovate the 2 story 3,700 square foot building with a microbrewery and tap room on the first floor and two (2) apartments on the second floor.

The Obsolete Property Rehabilitation Act, PA 146 of 2000, MCL 125.2781 *et seq.*, as amended, provides a property tax exemption for commercial and commercial housing properties that are rehabilitated and meet the requirements of the Act. Properties must meet eligibility requirements and must be located in an established Obsolete Property Rehabilitation District.

OPRA exemptions are approved for a term of 1-12 years as determined by the local unit of government. The property taxes for the rehabilitated property are based on the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the exemption. Additionally, the State Treasurer may approve reductions of half of the school operating and state education taxes for a period not to exceed 6 years for 25 applications annually. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division. The State Tax Commission (STC) is responsible for final approval and issuance of OPRA certificates. Exemptions are not effective until approved by the STC.

The creation of an OPRA District is the first step in the process and must be in place before any work can commence on the property. An Obsolete Property Rehabilitation District may consist of one or more parcels or tracts of land or a portion of a parcel or tract of land, provided that the parcel or tract is either of the following:

- a. Obsolete property in an area characterized by obsolete commercial property or commercial housing property.

- b. Obsolete property that is commercial property that was owned by the local governmental unit on June 6, 2000 and was later conveyed to a private owner.

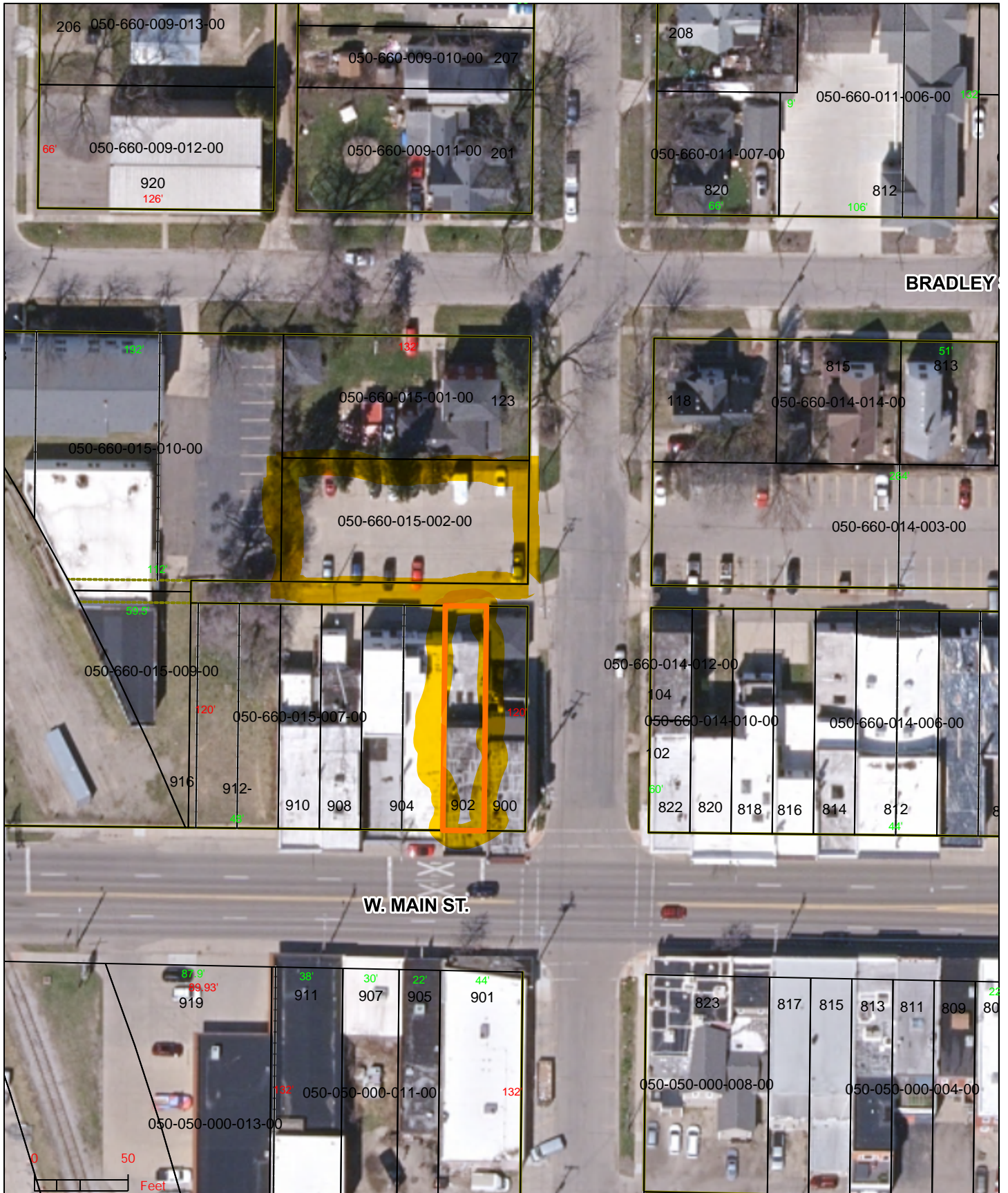
Before adopting a resolution establishing an Obsolete Property Rehabilitation District, the local governmental unit must give written notice by certified mail to the owners of all real property within the proposed Obsolete Property Rehabilitation District and shall afford an opportunity for a hearing on the establishment of the Obsolete Property Rehabilitation District. Any of the owners and any other resident or taxpayer of the qualified local governmental unit may appear at the hearing and be heard. The legislative body shall give public notice of the hearing not less than 10 days or more than 30 days before the date of the hearing.

Following the public hearing, the legislative body of the qualified local governmental unit may establish an Obsolete Property Rehabilitation District by resolution. The resolution must set forth a finding and determination that the district meets the requirements of the Act.

Attached is a map of the proposed district, an excerpt of PA 146 of 2000 governing the establishment of OPRA districts, a signed Letter of Obsolescence from the City Assessor, and a copy of the application for the Obsolete Property Rehabilitation Exemption. Staff suggests setting a public hearing for Monday, June 5, 2023 to receive comments regarding the proposed district.

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

# OWOSSO



**OBSELETE PROPERTY REHABILITATION ACT (EXCERPT)**  
**Act 146 of 2000**

**125.2783 Obsolete property rehabilitation districts; creation; conditions; filing written request; notice and hearing; finding and determination.**

Sec. 3. (1) A qualified local governmental unit, by resolution of its legislative body, may establish 1 or more obsolete property rehabilitation districts that may consist of 1 or more parcels or tracts of land or a portion of a parcel or tract of land, if at the time the resolution is adopted, the parcel or tract of land or portion of a parcel or tract of land within the district is either of the following:

(a) Obsolete property in an area characterized by obsolete commercial property or commercial housing property.

(b) Commercial property that is obsolete property that was owned by a qualified local governmental unit on the effective date of this act, and subsequently conveyed to a private owner.

(2) The legislative body of a qualified local governmental unit may establish an obsolete property rehabilitation district on its own initiative or upon a written request filed by the owner or owners of property comprising at least 50% of all taxable value of the property located within a proposed obsolete property rehabilitation district. The written request must be filed with the clerk of the qualified local governmental unit.

(3) Before adopting a resolution establishing an obsolete property rehabilitation district, the legislative body shall give written notice by certified mail to the owners of all real property within the proposed obsolete property rehabilitation district and shall afford an opportunity for a hearing on the establishment of the obsolete property rehabilitation district at which any of those owners and any other resident or taxpayer of the qualified local governmental unit may appear and be heard. The legislative body shall give public notice of the hearing not less than 10 days or more than 30 days before the date of the hearing.

(4) The legislative body of the qualified local governmental unit, in its resolution establishing an obsolete property rehabilitation district, shall set forth a finding and determination that the district meets the requirements set forth in subsection (1).

**History:** 2000, Act 146, Imd. Eff. June 6, 2000.





301 W. MAIN OWOSSO, MICHIGAN 48867-2958 • (989) 725-0550 • FAX 725-0526

RE: 902 W Main St

**STATEMENT OF OBSOLESCENCE FROM ASSESSOR**

The building that is the subject of this request is a typical, two-story, downtown building constructed around 1900. The first floor of the building has been used as commercial retail space for many years and has been vacant for some time while the second floor has been used for two apartments. The obsolescence is evident in the lack of modern electrical, plumbing, and mechanical systems as well as the poor condition of the walls, floors, and ceilings. The windows and doors are also very old and inefficient by today's standards. In the opinion of the assessor, this property suffers in excess of 50% functional obsolescence.

Michael Dowler, MMAO(4)  
City Assessor

  
Assessor Signature

4-11-2023  
Date



RECEIVED  
4-4-23

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## APPLICATION FOR TAX ABATEMENT

Applicant (Official Company Name) DBMA Owosso, LLC  
Business Name (If Different) Barrister Brewing Co  
Address of Proposed Project 902 West Main Street  
Mailing Address (If Different) PO Box 281, Owosso, MI 48867

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

Type of Abatement Requested (if known) Obsolete Property Rehabilitation Act

Total square footage of all current buildings on site 3,700

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.

Property is currently vacant. Proposed project is to fully rehabilitate the existing building at 902 West Main Street and redevelopment of the parking area. The renovation will be consistent with historical rehabilitation guidelines as dictated by the State Historic Preservation Office, including an historically consistent facade and windows. Additionally, energy-efficient upgrades will be made including insulation and lower-energy heating/cooling and demand water heaters. The commercial space will be constructed to house a microbrewery and taproom on the currently vacant main floor.

The existing parking lot will be removed, an asphalt parking lot will be installed, along with greenery and landscaping.

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

Land improvements (excluding land): \$38,800 for parking lot and landscaping  
Building improvements: Size 3,700 sf \$ 885,000 for structural rehabilitation  
Machinery & Equipment: \$200,000 for brewery equipment and kitchen equipment  
Furniture & Fixtures: \$140,000 for furniture, cabinets, countertops, sinks, etc.

Total - \$1,263,800

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

Building:	Equipment installation (if applicable):
Start Date <u>June 2023</u>	Start Date <u>August 2023</u>
Completion Date <u>December 2023</u>	Completion Date <u>December 2023</u>

**Abatement Application**  
**Page 2**

Will project be owned or leased by applicant? owned

Will machinery be owned or leased by applicant? owned

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 4  
Part Time 10

When project is complete, how many will be:

~~Management/Professional~~ 2 Wage level \$ 40,000/yr \$12.23/hr  
~~Skilled~~ 2 Wage level \$ 38,480/yr \$18.50/hr  
~~Semi-Skilled~~ 5 Wage level \$ 35,000/yr \$16.92/hr  
~~Un-Skilled~~ 5 Wage level \$ 20,000/yr plus tips \$9.62/hr

Name of Company Officer (contact person) Barbara Nees  
Title Member and Board Secretary of DBMA Owosso, LLC

Signature \_\_\_\_\_ Date 3/27/2023  
Phone Number 989-627-0745

**For City Staff Use Only**

Was the applicant given a copy of Tax Abatement Policy? (Y) N 4-4-23  
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 Nathan R. Henne

Signature Nathan R. Henne Date \_\_\_\_\_