

Application for Obsolete Property Rehabilitation Exemption Certificate

This form is issued as provided by P.A. 146 of 2000. Filing of this form is voluntary. 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 one copy of this form and the required attachments with the clerk of the local government unit. (The State Tax Commission requires one copy of the Application and the Resolution. 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; (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.

Applicant (Company) Name (applicant must be the OWNER of the facility)		
Company Mailing address (No. and street, P.O. Box, City, State, Zip code)		
Location of obsolete facility (No. and street, P.O. Box, City, State, Zip Code)		
City, Township, Village		County
Date of Commencement of Rehabilitation	Planned date of Completion of Rehabilitation	School District where facility is located (include school code)
Estimated Cost of Rehabilitation	Number of years exemption requested	Expected project likelihood (check all that apply): <input type="checkbox"/> Increase Commercial activity <input type="checkbox"/> Create employment <input type="checkbox"/> Retain employment <input type="checkbox"/> Prevent a loss of employment <input type="checkbox"/> Revitalize urban areas <input 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 _____
Legal description of Obsolete Property		
The State Treasurer may exclude from the specific tax up to 1/2 of the mills levied for local school operating purposes and for the State Education Tax. Check the following box if you wish to be considered for this exclusion. <input 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 P.A. 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 P.A. 146 of 2000 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 P.A. 146 of 2000, 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.

Contact person name	Title	Telephone Number
Mailing Address		
Company Officer name	Title	Telephone Number
Signature		Telephone Number

LOCAL GOVERNMENT UNIT CLERK CERTIFICATION

Clerk must also complete Parts 1-3 on Page 2.

Signature	Date application received
-----------	---------------------------

FOR STATE TAX COMMISSION USE

Application Number	Date Received
--------------------	---------------

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.

PART 1: ACTION TAKEN

Action Date: _____

Exemption Approved for _____ Years, ending December 31, _____ (not to exceed 12 years)

Disapproved

PART 2: RESOLUTIONS

- | | |
|---|--|
| <p><input type="checkbox"/> A statement that the local unit is a Qualified Local Governmental Unit.</p> <p><input type="checkbox"/> 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 P.A. 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 P.A. 146 of 2000 and under P.A. 198 of 1974 (IFT's) exceeds 5% of the total taxable value of the unit.</p> <p><input type="checkbox"/> 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><input type="checkbox"/> A statement that the application was approved at a public hearing as provided by section 4(2) of P.A. 146 of 2000 including the date of the hearing.</p> <p><input type="checkbox"/> 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 operating of the Qualified Local Governmental Unit or of impairing the financial soundness of an affected taxing unit.</p> <p><input type="checkbox"/> A statement that all of the items described on line 9 of the Application for Obsolete Property Rehabilitation Exemption Certificate have been provided to the Qualified Local Governmental Unit by the applicant.</p> | <p><input type="checkbox"/> A statement that the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000.</p> <p><input type="checkbox"/> 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 P.A. 146 of 2000 and that 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.</p> <p><input type="checkbox"/> 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><input type="checkbox"/> 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 P.A. 146 of 2000.</p> <p><input type="checkbox"/> A statement of the period of time authorized by the Qualified Local Governmental Unit for completion of the rehabilitation.</p> |
|---|--|

PART 3: ASSESSOR RECOMMENDATIONS

Current Taxable Value and State Equalized Value of obsolete properties

	Taxable Value	State Equalized Value (SEV)
Land		
Buildings		
Buildings on Leased Land		
Other Personal Property		
Year of Values		
Name of Local Government Body	Date of Action on application	

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 P.A. 146 of 2000 may be in jeopardy.

Clerk Signature	Date	Telephone Number
Clerk's Mailing Address	City & State	Zip Code

Mail completed Application and copy of Resolution to:

State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, Michigan 48909-7971

If you have any questions, call (517) 373-2408 or 373-3302.

POLICY NO. _____

CITY OF MUSKEGON
OBSOLETE PROPERTY REHABILITATION DISTRICTS
ACT NO. 146
PUBLIC ACTS OF 2000

1.0 STRATEGIC PLANNING PROCESS

The City Commission, on November 14, 2000, determined that the following policy is necessary, in order to implement the Obsolete Property Rehabilitation Districts, for these reasons:

- New legislation available that will benefit the City of Muskegon, particularly our commercial areas
- Implementation will encourage the development of commercial areas that have experienced little or no redevelopment in recent years
- To ensure that the redevelopment that does take place is appropriate for the districts identified

2.0 PURPOSE

The Muskegon City Commission is a strong advocate of economic development activities, programs, and structures designed to create and promote employment opportunities and expand the local tax base. In the past, the available incentives for commercial businesses have been minimal. The State of Michigan is now creating incentives that can be used on a local level to spark business development and building rehabilitation. The purpose of this policy is to stimulate business growth and improve commercial areas of the City where certain properties have become obsolete. The City Commission believes that it should be an active participant and a leader where appropriate in the economic development of the City.

The City of Muskegon supports the establishment of policies, programs, and facilities, permitted by law, which will carry out this policy. For the City to accomplish these purposes in an orderly fashion, it must be assured that the use of tax abatements for commercial rehabilitation is judicious, fair, and responsibly accomplished. The City adopts this policy, not only to encourage the use of tax abatements for commercial rehabilitation, but also to articulate the reasonable expectations of performance by those directly benefiting from the policy.

3.0 POLICY

- A. It is the policy of the City of Muskegon to provide obsolete property rehabilitation exemption certificates to qualifying applicants under certain State laws. The policy will increase the tax base of the community, attract new business, housing and industry, and will result in the expansion, modernization, and rehabilitation of existing businesses.
- B. Multiple certificates by the same applicant are permitted, if authorized by State law, based upon previous performance and compliance with projections and conditions of previous applications. Specific monitoring techniques will be employed which analyze the results of the rehabilitation certificate program overall and specifically of each applicant on an annual basis. An annual performance report will be prepared for review by the Commission to determine the need for amendment to this policy.
- C. It is the intent of the City of Muskegon that each application be reviewed against this policy, procedures and the annual reports to determine on a case-by-case basis that the application meets the goals and objectives of the City.

3.1 *Obsolete Property Rehabilitation Criteria*

The criteria to be considered by the City Commission in approval of applications, including applications for the establishment of districts, as well as the issuance of certificates, are the following:

1. Compliance with the Obsolete Property Rehabilitation Policy as adopted by the City Commission.
2. Completion of the rehabilitated facility must be 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.
3. Will increase the tax base.

4. Compliance of the petitioner in meeting previous obsolete property rehabilitation requirements, and employment goals and investment projections (if relevant).
5. The impacts on public right of way and general circulation patterns.
6. General site improvements such as paving, parking areas, increases in landscaping ground vegetation, and signage improvements.
7. The history of the applicant in payment of taxes, water bills, or any other obligations to the City. "Applicant," for this purpose, shall include any entity controlled by the principal officers or owners of the entity signing the present application. The City shall not issue a certificate or approve a district in cases where the "applicant" as here defined, is delinquent in any tax, water bill, or obligation to the City.
8. The applicant must state, in writing, that the rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.
9. The location of the proposed improvements and whether the general area has already been designated as an Obsolete Property Rehabilitation District, or is an area that would qualify as having obsolete properties.
10. The value of the rehabilitation must include improvements aggregating 10 % or more of the true cash value of the property at the commencement of the rehabilitation of the obsolete property.
11. The impact on property values in the general area of the project.
11. The consistency of the project with adopted codes, ordinances and plans.
12. Other considerations considered unique or of benefit to the community.

3.2 *Administration & Monitoring Procedures*

The City of Muskegon Planning & Economic Development Department shall be the administrator of the application process on obsolete property exemption certificates. Prior to presenting an application to the City Commission for approval the Planning & Economic Development

Department, in conjunction with any other appropriate city departments, shall review all applications for compliance with this policy.

For each approved application, the property owner receiving the obsolete property rehabilitation certificate shall submit annual monitoring reports. These reports will include the following information:

- New Jobs Created
- Workforce Breakdown (by race and gender)
- Capital Investment Expended
- Status of any Other Requirements Set Forth by the City Commission

The City of Muskegon shall provide the report forms to the owner in the month of November for year-end calculations.

The Planning & Economic Development Department shall provide an annual report on the status of active obsolete property rehabilitation certificates to the City Commission in February of the following year. (i.e. 2000 annual report shall be submitted in February of 2001).

3.3 *Application Procedures*

The following procedures are intended to implement the foregoing policy and provide complete applications upon which to base a decision for approval or denial. It is intended that the administration of this procedure and the application process be efficient and flexible so as to meet the applicant's needs while complying with the policy as adopted.

1. Applications

- a. Application forms (Exhibit A) provided by the City shall be filled out completely and additional required documents shall be attached when submitted to the City Clerk.
- b. All fees shall be paid with the application. The Clerk will not process any application without the payment of all required fees.

2. Processing of Applications; Schedule. The application will be processed on the following schedule.

- a. Properly completed application for obsolete property rehabilitation certificates will be submitted to the City Clerk. Copies will be forwarded to the Planning & Economic Development Department and other appropriate person(s). The Clerk will also notify in

writing the City Assessor and the legislative body of each taxing unit that levies ad valorem property taxes in the City of Muskegon.

- b. Meeting scheduled with applicant to go over application, missing items, etc.
- c. A public hearing will be scheduled and resolution drafted to approve a district or certificate.
- d. A public hearing notice prepared by Planning & Economic Development staff for publication and forwarded to the City Clerk for publication in the Muskegon Chronicle. Public notice of the hearing shall not be less than 10 days or more than 30 days before the date of the hearing.
- e. Certified mailing to property owners and taxing authorities with notification of application and public hearing date prepared and executed (if applicable). Notice will be given to all of the following:
 - ◆ Property Owner
 - ◆ Business Owner (if other than property owner)
 - ◆ Muskegon School District or Orchard View School District (whichever is applicable)
 - ◆ Muskegon Community College
 - ◆ Muskegon Area Intermediate School District
 - ◆ City of Muskegon Assessor's office
 - ◆ County of Muskegon
- f. Time requirements set forth in any applicable statute or regulation shall be observed. This includes 60 days for the City Commission to approve or disapprove the certificate and resolution authorizing the certificate, after the completed application is received by the City Clerk, and 60 days for the State Tax Commission ("commission") to approve or disapprove the resolution, after the commission receives the application and resolution adopted by the City Commission.
- g. After approval by City Commission, the City Clerk will review the application and attachments for completeness, then sign the application and send copies to the appropriate persons. A copy of the completed application will be forwarded to the property owner and the original application to the. commission The resolution is not effective unless approved by the commission.

3.4 Establishing Obsolete Property Rehabilitation Districts & Approving Obsolete Property Rehabilitation Certificates

The City Commission, on its own initiative, may choose to establish Obsolete Rehabilitation Districts on their own. They may establish 1 or more districts that may consist of 1 or more parcels or tracts of land or a portion of a parcel or tract of land. It is also possible for the City Commission to establish a district if a written request is filed by the owner or owners of property comprising at least 50% of all taxable value of the property located within a proposed obsolete priority rehabilitation district. The written request must be filed with the City Clerk. The resolution creating the Obsolete Property Rehabilitation District will note all terms and conditions to be met by both the applicant and the community, if any. The District shall be approved by resolution of the City Commission to include the boundaries of the district.

A Certificate for Obsolete Property Rehabilitation Exemption shall be approved only after the creation of the District. The Certificate shall be approved by resolution of the City Commission to include the boundaries of the Obsolete Property Rehabilitation District, the length of the abatement (1-12 years), and any conditions the City Commission deems appropriate for the issuance of the Certificate.

3.5 Filing and Compliance Monitoring Fee

The applicant shall pay the filing and monitoring fee at the time the application is made. No applications shall be submitted to City Commission for approval prior to the payment of this fee. The fee will be equal to 2% of the abated taxes (based on the amount of investment on the first full year of service) or a maximum of \$1,000.

B. *Site/Facility Requirements*

Improvements made shall conform to the Obsolete Property Rehabilitation Districts Act. Changes made to the facility, other than replacement that restore or modify the property, together with all appurtenances, to an economically efficient condition are eligible. This includes major renovation and modification including, but not necessarily limited to, the improvement to floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, improved structural support including foundations, improved roof structure and cover, floor replacement, improve 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. The commencement of the rehabilitation of the facility cannot occur before the establishment of the obsolete property rehabilitation district

C. *Employment Requirements*

All tax abatement applicants are encouraged to have a diverse labor force . The Company shall also agree to work with the City's Affirmative Action Director to market and publish notices regarding employment opportunities to underserved populations.

All new jobs promised at the time of application must be filled within two years and must be maintained over the life of the abatement. In the event the employment is not maintained over the life of the abatement, the City reserves the right to decrease the abatement by the number of bonus years that were given directly for that employment.