

EM Submission: EME2812014

Presented: 5-15-14

Adopted: 5-20-14

By the Emergency Manager

**Resolution Approving an Obsolete Property Rehabilitation Exemption  
Certificate for the Health and Wellness District Project**  
(Public Act 146 of 2000 – URC FJ, L.L.C.)

Pursuant to Public Act 146 of 2000, as amended, the City of Flint is a Qualified Local Governmental unit eligible to establish one or more Obsolete Property rehabilitation districts.

The City of Flint legally established an Obsolete Rehabilitation District for the Health and Wellness District Project on June 18, 2012.

The taxable value of this exemption plus the aggregate taxable value of property already exempt, exceeds 5 percent of the total taxable value of the City of Flint.

Granting of Obsolete Property Rehabilitation Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 246 of the Public Acts of 2000, shall not have the effect of substantially impeding the operation of the City of Flint, or impairing the financial soundness of the taxing unit which levies ad valorem property taxes in the City of Flint.

The applicant is not delinquent in any taxes related to the facility and has provided all required items listed under the application instructions. The application is for obsolete property as defined in Section 2(h) of the P.A. 146 of 2000, as amended.

The rehabilitation of this facility, as covered by this exemption, had not begun prior to June 18, 2012, the date the Obsolete Property Rehabilitation District was established.

The application relates to a rehabilitation program that, when completed, constitutes a rehabilitated facility within the meaning of P.A 146 of 2000, as amended, situated within an obsolete Property Rehabilitation District.

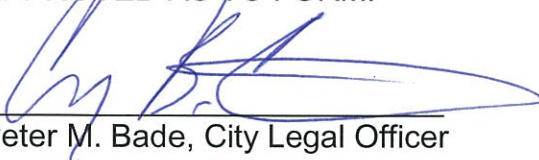
The completion of the rehabilitation facility is calculated, to, and will at the time of the issuance of the certificate, have the reasonable likelihood to increase commercial activity, to create employment, and to revitalize an urban area.

The rehabilitation includes improvements aggregating 10 percent or more of the true cash value of the property at commencement of the rehabilitation as provided by Section 2(h) of P.A. 146 of 2000, as amended.

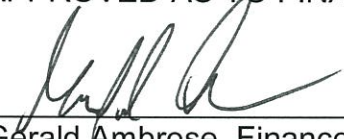
The application was approved subsequent to the public hearing held on April 29, 2014, as provided by Section 4(2) of P.A. 146 of 2000, as amended.

**IT IS RESOLVED,** That the Emergency Manager of the City of Flint hereby approves and grants an Obsolete Property Rehabilitation Act exemption for the real property located within the Health and Wellness District at 120 E. First St., 200 E. First St., 300 E. First St., 140 E. Second St., 529 Harrison St., and 515 Stevens St., for a period of 12 years beginning December 31, 2014 and ending December 30, 2026.

APPROVED AS TO FORM:

  
Peter M. Bade, City Legal Officer

APPROVED AS TO FINANCE:

  
Gerald Ambrose, Finance Director

EFM DISPOSITION:

ENACT   *x*        REFER TO COUNCIL \_\_\_\_\_      FAIL \_\_\_\_\_

  
Darnell Earley, Emergency Manager

DATED:   5-20-14

ATTACHMENT  
Health and Wellness District – URC, FJ L.L.C.

140 E. Second St.

LEGAL DESCRIPTION

Village of Flint River Lots 2, 4 and 6, Blk 3  
(Parcel 41-18-129-001)

120 E. First Street

LEGAL DESCRIPTION

VILLAGE OF FLINT RIVER LOT 2; ALSO NLY 54 FT OF LOT 4; ALSO SLY 8 FT OF  
NLY 62 FT OF ELY 22 FT OF LOT 4, BLK 2.  
(Parcels P-73300-8 and 41-18-115-001)

200 E. First Street

LEGAL DESCRIPTION

VILLAGE OF FLINT RIVER. LOTS 1,2,3 AND 4; ALSO NLY 58.87 FT OF LOTS. BLIC  
7. ALSO THAT PART OF WLY . OF VACATED WALLENBERG ST ADJOINING SAID  
LOTS 2 AND 4, BLK 7.  
(Parcel 41-18-126-018)

300 E. First Street

LEGAL DESCRIPTION

VILLAGE OF FLINT RIVER. LOTS 1 THROUGH 10. BLK 12. ALSO THAT PART OF  
ELY ½ OF VACATED WALLENBERG ST ADJOINING SAID LOTS 1, 3, 5,7 AND 9,  
BLK 12. 2003 PARCEL COMBINATION OF 11-18-127-003-8, 006-2, 007-0, 009-7, 011-  
9, 014-3, 017-8, 018.6.  
(Parcels 41-18-127-019 and 21-03-442-001)

529 Harrison Street

LEGAL DESCRIPTION

VILLAGE OF FLINT RIVER PART OF LOT 9 BEG AT A PT ON SLY LINE OF SD LOT  
9, 75.25 FT ELY FROM SWLY COR OF SD LOT; TH WLY ALG SD SLY LINE 75.25 FT  
TO SD SWLY COR; TH NLY ALG WLY LINE OF SD LOT, 63.11 FT; TH ELY 74.8 FT  
TO A PT 63.29 FT NLY FROM P08; TH SLY TO BEG, BLK 7.  
(Parcel 41-18-126-016)

515 Stevens Street

LEGAL DESCRIPTION

VILLAGE OF FLINT RIVER. LOTS 1 THRU 6 INCL; ALSO LOT 7 EXC S 49.5 FT OF  
ELY 33 FT; ALSO PART OF LOT 8 DESC AS: BEG AT NWLY COR OF SD LOT; TH  
SLY ALG WLY LINE OF SD LOT, 16.5 FT; TH ELY WITH NLY LINE OF SECOND ST,  
33 FT; TH SLY WITH ELY LINE OF STEVENS ST, 43.5 FT; TH ELY WITH SD  
SECOND ST, 28 FT; TH SLY WITH ELY LINE OF STEVENS ST, 2 FT; TH ELY WITH  
SD SECOND ST, 104 FT; TH NLY WITH SD STEVENS ST, 62 FT TO NELY COR OF

SD LOT; TH WLY ALG NLY LINE OF SD LOT, 165 FT TO POB; ALSO LOT 9 EXC E 33 FT. INCLUDING THAT PART OF VACATED LIBERTY ST ADJOINING ON THE EAST. BLK 17. 2001 COMB 009, 011, 017 & 021 REWRITTEN DUE TO ERROR 10-22-03.

(Parcel #41-1 8-128-023)

## RESOLUTION STAFF REVIEW FORM

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### **DATE**

May 7, 2014

### **Agenda Item Title:**

Resolution Approving an Obsolete Property Rehabilitation Exemption for the Health and Wellness District Project (Public Act 146 of 2000 – URC FJ, L.L.C.)

### **Prepared By**

The Department of Community and Economic Development

### **Background/Summary of Proposed Action:**

The purpose for which this resolution is being presented is to approve an obsolete property rehabilitation exemption for the Health and Wellness District project.

#### **Obsolete Property Rehabilitation Act (OPRA)**

To apply for the tax exemption, an OPRA district must first be established. Such district was established on June 18, 2012, which now allows the owner of the obsolete property located within the OPRA district to file an application for an OPRA exemption certificate on the proposed rehabilitated obsolete facility located within the district boundaries.

Under the OPRA, only those properties within the district meeting the definition of “obsolete property” are eligible for an exemption certificate. The facilities for which the OPRA exemption are being requested for this application has been deemed functionally obsolete and defined as follows:

*... the property is unable to be used to adequately perform the function for which it is intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super inadequacies in design, or other similar factors that affect the property itself or the property's relationship with other surrounding property.*

Prior to City Administration's approval consideration of the OPRA application for this project, the Act requires that a public hearing be held to allow for public comments. Once the hearing has been held, the City will make its decision on the application. Final approval is made by the State of Michigan.

#### **General Description of Proposed Use of the Rehabilitated Facility**

The Flint Health and Wellness District calls for revitalizing three city blocks in downtown Flint. The first phase of the district calls for renovating two buildings and demolishing three buildings. The renovated buildings include the former Flint Journal headquarters, which is located at 200 E. First Street and is 100,000 sf. The building is four stories tall and will house a Michigan State University's Master of Public Health Program, 16 loft apartments and 7,700 sf of speculative office space. The building was originally

constructed in the 1920s and added onto in the 1950s. The second renovated building is located at 300 E. First St. and was a specially built press facility for the Journal. While the facility was constructed in 2002 and is 72,000 sf, it was a special purpose build and thus extremely hard to reuse. As a result, the project calls for demolishing 30,000 sf of the building to make way for a relocated Flint Farmers' Market and 10,000 sf of speculative office space. The buildings being demolished are located at 115 E. First St., 529 Harrison St., and the Nemeth Building, parcel number 11-18-115-004-0. The Harrison St. and Nemeth buildings have been vacant for over a decade. The 120 E. First St. building is known as Genesee Towers and is being demolished to make way for a park and parking, with the long term goal of reusing the space for commercial use. The Tower was built in the 1960s.

**Financial Implications (Analysis):**

If granted, the Obsolete Property Rehabilitation Exemption Certificate will allow for an exemption of the taxes that is based on the value of the building during the twelve (12) year exemption period

**Budgeted Expenditure:** Yes \_\_\_\_\_ No X \_\_\_\_\_ **Please explain, if no:** N/A

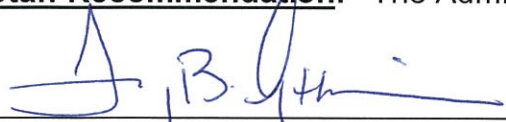
**Account #:**

Date Reviewed and approved by Carissa Dotson \_\_\_\_\_ N/A

**Pre-encumbered:** Yes \_\_\_\_\_ No \_\_\_\_\_ **Requisition #** \_\_\_\_\_ N/A

**Other Implications (i.e., collective bargaining):** There are no known implications

**Staff Recommendation:** The Administration recommends approval.

  
\_\_\_\_\_  
Tracy Atkinson, DCED Chief Officer