

EM Submission: EME5592014

Presented: 10-9-14

Adopted: 10-10-14

By the Emergency Manager

**Resolution Approving an Obsolete Property Rehabilitation Exemption  
Certificate for the Genesys PACE Project**  
(Public Act 146 of 2000 – URC PACE, 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 PACE 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.

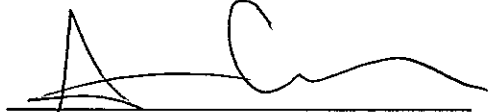
The completion of the rehabilitation facility is calculated, to, and will at the time of the issuance of the certificate, have the reasonable likelihood to increase commercial activity, to create employment, and to revitalize an urban area.

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 September 23, 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 Genesys PACE project, located within the Health and Wellness District, which consists of real property 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 after the completion of the rehabilitated facility. The exemption period shall begin December 31, 2014 and continue for a 12 year period.

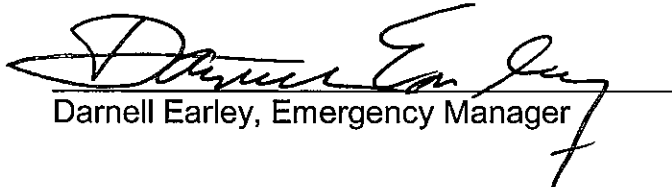
APPROVED AS TO FORM:



Peter M. Bade, City Legal Officer

EFM DISPOSITION:

ENACT ✓      REFER TO COUNCIL \_\_\_\_\_      FAIL \_\_\_\_\_

  
Darnell Earley, Emergency Manager

DATED: 10-10-14

## RESOLUTION STAFF REVIEW FORM

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### **DATE**

October 8, 2014

### **Agenda Item Title:**

Resolution Approving an Obsolete Property Rehabilitation Exemption Certificate for the Genesys PACE Project (Public Act 146 of 2000 – URC PACE, 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 Genesys PACE 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 Program for All Inclusive Care, or the PACE project as it is referred to, consists of renovating the building that formerly housed the International Institute located. The building was constructed in the 1960s and operated for many years as a community

facility and gathering spot for the international community in Flint. International Institute an existing building on the former site of the International Institute to create an adult day care facility. The 15,000 sf building has been boarded up for the past ten years and is in serious disrepair. Once the renovation has been completed, it will be operated by Genesys Health Systems, a major health care institution in Genesee County. The project will create jobs during its construction and permanent jobs after the facility has been completed and operating. The total project cost is estimated at \$2.9 million. The project is part of the Health and Wellness District which previously established.

**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.

for Tracy Atkinson, DCED Chief Officer