



Memo and map reprinted  
from the meeting of  
June 6, 2011

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

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# *MEMORANDUM*

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DATE: May 20, 2011

TO: Mayor Benjamin Frederick, City Council, and Manager Don Crawford

FROM: Larry Cook, Assessor

RE: Tax Abatement Application – Midwest Bus Corporation – 1070 Aiken Rd.

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On May 19, 2011, the city clerk received an application for Tax Abatement from Midwest Bus Corporation, new owners of 1070 Aiken Rd. This is a result of a meeting held May 16<sup>th</sup> with Timothy Rudolph of Midwest Bust, Justin & Brent of SEDP, and City representatives Adam Zettle and Larry Cook. During this meeting, it was made clear that the building recently acquired by Mid West Bus at 1070 Aiken Road was in definite need of improvements. This is due in part to age and obsolescence of the structure, but also to vandalism of the major electrical components within the facility.

It is the intention of the owner to make a serious investment into this facility by making repairs and renovations for use as warehouse support to their current operations on West Stewart Street. These improvements are also being made to house future manufacturing operations.

To comply with exemptions requirements at the state level, certain districts must be in place. Currently, there is an "Industrial Development District" in place for this property, which meets the district requirements when there is to be new construction and expansion. Since there will not be any new additions with this project, only rehabilitation, we must create a "Plant Rehabilitation District". This will allow the company to make application for an Industrial Facilities Exemption as a rehabilitated facility.

As in any district creation, we need to hold a public hearing. I recommend setting the hearing for June 20, 2011 for the purpose of hearing citizen comments as it relates to this new district designation. Attached is the resolution needed to set the hearing. The city clerk has notified the taxing jurisdictions of this application as required under the city's abatement policy and will forward any responses to you. The taxing jurisdictions will also be given notice of the date of the hearings as required under the act.

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



**RESOLUTION ESTABLISHING  
A PLANT REHABILITATION DISTRICT  
FOR THE PROPERTY AT  
1070 AIKEN ROAD**

WHEREAS, a request was received May 19, 2011 for a Tax Abatement from Midwest Bus Corporation; and

WHEREAS, a Plant Rehabilitation District must be established to meet the needs of applicant; and

WHEREAS, this property is located in the city limits of the City of Owosso, County of Shiawassee; and

WHEREAS, the property description of proposed district is:

LOT 8, of OWOSSO SOUTHEAST INDUSTRIAL PARK OF THE CITY OF OWOSSO, according to the plat thereof as recorded in Plat Liber 14, Page 272, Shiawassee County Records; and

WHEREAS, it is determined, through an inspection by the City Assessor, that over 50% of the State Equalized Value of this Industrial Property is Obsolete; and

WHEREAS, it is determined that establishing this district 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 a Plant Rehabilitation District be approved for the property located at 1070 Aiken Road.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF OWOSSO, SHIAWASSEE COUNTY, MICHIGAN THIS \_\_\_ DAY OF JUNE, 2011.

AYES: \_\_\_      NAYS: \_\_\_      ABSTAIN:\_\_\_      ABSENT: \_\_\_

CITY OF OWOSSO

ATTESTED:

\_\_\_\_\_

\_\_\_\_\_

Midwest Bus Corporation hearing 6-20-11



301 WEST MAIN STREET • OWOSSO, MICHIGAN 48867-2958

June 9, 2011

Owosso City Council  
301 W. Main Street  
Owosso, MI 48867

Re: Obsolescence  
1070 Aiken - 78-050-480-000-008-00

Mayor Frederick & City Council:

Functional obsolescence is *loss in value due to inability of the structure to perform adequately the function for which it is used*. This may be a result from changes in demand, design and even technology. It may also take form of deficiency do to the need for modernization. In any case, it is the perception of a loss in utility.

To meet the requirements of Section 4(5) of Act 198 for a Plant Rehabilitation District, the parcel at 1070 Aiken contains many of the components of a functional obsolete property.

1. Roof in need of repair/replacement in many areas;
2. Electrical system vandalized and wiring removed, in need of repair/replacement and power supply upgrade as well as lighting to meet highest and best use (manufacturing);
3. Exterior insulated wall panels damaged and need of repair/replacement;
4. Block walls cracked and need repaired in some areas;
5. Interior separation walls damaged in areas needing removed/replaced and some of the locations are obsolete for highest and best use;
6. Heating (radiant in shop area), and heating and cooling system (office areas), uncertain if workable and in need upgrade, and gas supply currently insufficient;
7. Water lines cracked and other plumbing obsolete;
8. Garage entrance doors obsolete in size and may hinder owners manufacturing needs;
9. Loading dock obsolete and needs upgrade to eliminate seasonal restraints and use;
10. Parking areas and delivery areas need improved and upgraded for highest and best use (manufacturing);

Owner has initial cost estimates for repair/replacement/upgrade in excess of \$150,000. It is my opinion the functional obsolescence of this parcel has caused a reduction in value of at least 50%.

If you have any further questions, please feel free to contact me at (989) 725-0530.

Respectfully

Larry D. Cook  
Assessor, MAAO (3)