



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

MEMORANDUM

DATE: July 24, 2024

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

FROM: Michael Dowler, Assessor

RE: Obsolete Property Rehabilitation District – 207 N Washington Street
Set Public Hearing to Establish District

The city clerk has received an application for an Obsolete Property Rehabilitation Act (OPRA) tax exemption, from Tammie Sanders, owner of 207 N Washington Street. The project proposes to completely renovate the 2 story 6,120 square foot building with new flooring and rehabilitated storefront on first floor with three (3) 2-bedroom apartments on 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 along with a copy of the application for the Obsolete Property Rehabilitation Exemption. Staff suggests setting a public hearing for Monday, August 19, 2024, to receive comments regarding the proposed district.

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

Master Plan Goals: 1.19, 3.20, 5.13



Rehabilitation Address:
207-209 N Washington St

Approximate Aerial
Boundary Map

Historic name:
The Shattuck Block

RESOLUTION NO.

**SETTING PUBLIC HEARING TO CONSIDER ESTABLISHING
AN OBSOLETE PROPERTY REHABILITATION DISTRICT
FOR THE PROPERTY COMMONLY KNOWN AS
207 N WASHINGTON STREET**

WHEREAS, a request was received July 24, 2024 for an Obsolete Property Rehabilitation Act (OPRA) tax exemption from Tammie Sanders, owner of the property at 207 N Washington Street; and

WHEREAS, PA 146 of 2000 requires that a property must be located in an established Obsolete Property Rehabilitation District to be eligible for an exemption; and

WHEREAS, PA 146 of 2000 further requires that a public hearing must be held and notice of said hearing provided prior to the establishment of an OPRA District.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Owosso, Shiawassee County, Michigan that:

- FIRST: a public hearing is called for Monday, August 19, 2024 at or about 7:30 p.m. in the City Hall Council Chambers for the purpose of hearing comments from those within the proposed district, and any other resident or taxpayer, of the City of Owosso.
- SECOND: the City Clerk gives the notifications required by law.
- THIRD: the City staff is directed to investigate and determine if the qualifications of the act are satisfied and report findings at the hearing.



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APPLICATION FOR TAX ABATEMENT

Applicant (Official Company Name) Tammie Sanders

Business Name (If Different) N/A

Address of Proposed Project 207-209 N Washington

Mailing Address (If Different) _____

Do you own the property? Yes If no, what is your relationship? _____

Type of Abatement Requested (if known) OPRA

Total square footage of all current buildings on site 5,378

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.

The proposed rehabilitation project at 207-209 N Washington in downtown Owosso, Michigan, involves the comprehensive rehabilitation of the historic Shattuck Block, originally built in 1891. The 5,378 square foot building will undergo extensive renovations, including creating three modern 2-bedroom, 2-bath apartments on the 2nd floor with new mechanical, electrical, and plumbing systems, and a new fire alarm system. The first floor will continue to host the existing retail tenant with all new flooring and a rehabilitated storefront. Additional upgrades include a new cool roof and a low-use elevator for building management and maintenance. All facade improvements will adhere to Owosso's Historic Society's guidelines, preserving the building's architectural charm for the commercial tenant and future residents

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

- Land improvements (excluding land): N/A
- Building improvements: Size 5,378 sf \$ \$1,246,476.00
- Machinery & Equipment: N/A
- Furniture & Fixtures: N/A

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

Building:	Equipment installation (if applicable):
Start Date <u>12.01.2024</u>	Start Date _____
Completion Date <u>12.01.2025</u>	Completion Date _____

Abatement Application

Page 2

Will project be owned or leased by applicant? Owned

Will machinery be owned or leased by applicant? N/A

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 0
Part Time 0

When project is complete, how many will be:

Management/Professional _____ Wage level \$ _____

Skilled _____ Wage level \$ _____

Semi-Skilled _____ Wage level \$ _____

Un-Skilled _____ Wage level \$ _____

Name of Company Officer (contact person) Tammie Sanders

Title Owner/Developer

Signature Tammie Sanders Date 6.25.24

Phone Number 616-893-8288

For City Staff Use Only

Was the applicant given a copy of Tax Abatement Policy? Y N

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 _____

Signature _____ **Date** _____

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.

Michael L. Dowler

From: Tlsanders24 <tlsanders24@aol.com>
Sent: Wednesday, July 24, 2024 5:34 PM
To: Michael L. Dowler
Cc: krista.revitalizellc@gmail.com
Subject: Re: 207 N Washington

Hello Michael,
I'm responding to this email regarding tax exemption from the city of Owosso for my project at 207 N. Washington St. Owosso, MI. I am requesting the city establish an OPRA District for my property's project to put 3 apartments upstairs at 207 N. Washington St and receive a tax abatement.
Please consider my request.
Thank you for your time
Sincerely,

Tammie Sanders
Owner

On Wednesday, July 24, 2024 at 04:05:48 PM EDT, Michael L. Dowler <michael.dowler@ci.owosso.mi.us> wrote:

Hello Krista,

In getting the exemption process started I need a statement from Tammie asking the City to establish a OPRA District for the property.

Tammie can respond to this email with the request.

I was planning on getting this on the Aug 5th, 2024, City Council agenda to set the public hearing for the district on Aug 19th 2024.

Thanks

MICHAEL DOWLER, MMAO(4) / PPE

Assessor

City of Owosso

301 W Main St

Owosso, MI 48867

989-725-0532