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**VILLAGE OF LAKE ORION  
COUNTY OF OAKLAND  
STATE OF MICHIGAN**

**COUNCIL RESOLUTION NO. 2018-025  
AMEND AND READOPT  
COMMERCIAL REHABILITATION DISTRICT TAX  
EXEMPTION CERTIFICATE  
120 S. BROADWAY – LAKE ORION, MI**

**MOTION TO AMEND AND READOPT RESOLUTION 2018-025, APPROVING A COMMERCIAL REHABILITATION DISTRICT TAX EXEMPTION CERTIFICATE APPLICATION FOR LAKE ORION LLC, LOCATED AT 120 SOUTH BROADWAY, INCLUDING THE ADDITION OF THE CONSTRUCTION COMPLETION DATE.**

**WHEREAS**, at a Special Meeting of the Village Council held on June 11, 2018, the Village of Lake Orion Council adopted Resolution 2018-025 as follows approving a Commercial Rehabilitation District Tax Exemption Certificate for 120 S. Broadway, Lake Orion, MI

**WHEREAS**, on May 8, 2017 the Village of Lake Orion legally established the Commercial Rehabilitation District #1 on May 8, 2017 after a public hearing held on April 10, 2017, for the property located at 120 South Broadway pursuant to the Michigan Commercial Rehabilitation Act, Public Act 210 of 2005, as amended, as an important tool to further the community's economic redevelopment objectives; and

**WHEREAS**, on April 9, 2018 the Village of Lake Orion received an application for a Commercial Rehabilitation Exemption Certificate for the property located at 120 South Broadway as defined in section 2(a) of the Michigan Commercial Rehabilitation Act. Public Act 210 of 2005; and

**WHEREAS**, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property previously exempt and currently in force under Public Act 210 of 2005 does not exceed 5% of the total taxable value of the Village of Lake Orion; and

**WHEREAS**, a public hearing was held on the application as provided by section 4(2) of Public Act 210 of 2005 on June 7, 2018; and

**WHEREAS**, the applicant, Lake Orion LLC is not delinquent in any taxes related to the facility; and

**WHEREAS**, the applicant, Lake Orion LLC, has provided answers to all required questions under the application instructions to the Village of Lake Orion, and

**WHEREAS**, the commencement of the rehabilitation of the facility did not occur more than six months prior to the filing of the application for exemption; and

**WHEREAS**, the application relates to a rehabilitation program that when completed constitutes a qualified facility within the meaning of Public Act 210 of 2005 and that is situated within a Commercial Rehabilitation District established under Public Act 210 of 2005; and

**WHEREAS**, completion of the qualified facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, create employment, revitalize urban areas and increase the number of residents in the Village of Lake Orion; and

**WHEREAS**, 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(j) of Public Act 210 of 2005.

**WHEREAS**, the Application for Commercial Rehabilitation Exemption Certificate meets the Village Council established criteria in making determinations on the eligibility of properties for commercial rehabilitation tax exemption certificates and the length of such exemptions pursuant to Public Act 210 of 2005, as amended as established by the Village Council, and therefore is recommended by the Village Manager;

**NOW, THEREFORE, BE IT RESOLVED** that the Village Council for the Village of Lake Orion does hereby grant a Commercial Rehabilitation Exemption for the real property, excluding land, located in Commercial Rehabilitation District #1 at 120 S. Broadway for a period up to ten (10) years with a review after two (2) years in 2020; a review after five (5) years in 2023 and a final review after three (3) years in 2026 to assure criteria are met; beginning December 31, 2018 and ending December 30, 2028, pursuant to the provisions of Public Act 210 of 2015, as amended, subject to the following criteria:

**INCREASE IN LOCAL TAX BASE.** The property being considered shall be credited with one (1) year of eligibility for tax exemption for each \$250,000 in additional taxable value which the rehabilitation project will increase the local tax base (taxable value) within the district in the first year after completion of construction, up to a maximum credit of six (6) years. Appropriate documentation as required by the Village Manager shall be submitted by the applicant to provide ample evidence that the project will result in such tax base enhancement. The \$250,000 threshold may be reduced at the discretion of the village council if the project meets the objectives of “new destination business” contained in

Section 5(c), and the village council finds that the benefits derived from meeting the objectives are commensurate with, or exceed, the value of the additional tax incentives to be provided. The proposed \$5,200,000 investment equates to 20 years which the maximum of six (6) years is met.

1. **JOBS RETAINED.** The property being considered shall be credited with one (1) year of eligibility for tax exemption for each five (5) full-time equivalent (40 hours per week) jobs which the rehabilitation project will cause to be retained within the district, up to a maximum credit of three (3) years. Not applicable since no pre-existing jobs.
2. **JOBS CREATED.** The property being considered shall be credited with one (1) year of eligibility for tax exemption for each five (5) full-time equivalent (40 hours per week) jobs which the rehabilitation project will cause to be created within the district, up to a maximum credit of six (6) years. The full-time equivalent jobs is thirty (30) for the maximum of six (6) years. The proposed project is up to thirty jobs subject to the commercial first floor use.
3. **MULTI-FAMILY RESIDENTIAL HOUSING OPPORTUNITIES.** The property being considered shall be credited with one (1) year of eligibility for tax exemption for each five (5) multi-family residential housing units constructed as part of the overall development project and meeting the requirements of Public Act 210 of 2005. 24 proposed units equates to 4.8 years.
4. **USES AND FACILITIES.** The property being considered shall be credited with one (1) year of eligibility for tax exemption for each of the following uses, facilities, or purposes created as a result of the rehabilitation project, up to a maximum credit of three (3) years:
  - a. Project creates additional public parking within the district; 36 parking spaces
  - b. Project creates outdoor dining facilities within the district;
  - c. Project establishes a new “destination” business within the district, with “destination business” to be defined as one which, by the unusual, unique, or specialized nature of the goods or services offered as compared to those already existing within the community, promotes the diversification of the types of businesses, goods, or services in the community and regularly attracts customers from a distance from the district of 15 miles or more;
  - d. Project results in the rehabilitation of an “obsolete property” as defined by Public Act 210 of 2005, as amended;

- e. Project results in the construction of a new building as an infill project that supports the traditional historic Midwestern downtown character and architecture of the district;
  - f. Project incorporates substantial public art into the overall development;
  - g. Project protects and preserves interior and exterior historic architectural features in accordance with the US Secretary of Interior Standards for Historic Preservation;
  - h. Project results in sustainable development (walkability, accessibility, minimal environmental impact, energy efficiency, and other similar sustainability features).
5. **LIMITATIONS ON ELIGIBILITY.** A property and project must meet all of the requirements of the Michigan Commercial Rehabilitation Act, Public Act 210 of 2005, as amended. In no case shall a property be credited with more years of tax exemption eligibility than is permitted by state law. All projects must, at a minimum, meet the eligibility requirements for tax exemption credits from the categories of (1) increase in local tax base; (2) jobs retained or (3) jobs created; and (4) multi-family residential housing opportunities to be considered for a commercial rehabilitation tax exemption certificate.
6. **EXTENSION OF TAX EXEMPTION CERTIFICATES.** The Village Council may consider the extension of a tax exemption certificate in accordance with the provisions of Public Act 210 of 2005, as amended, if the Village Council, upon recommendation from village administration, determines that such extension is in the best interest of the village. Such extensions shall not exceed the maximum term of tax exemption certificates permitted by Act 210 of 2005. The criteria to be used in determining the granting of extensions must be contained in the resolution approving the original tax exemption certificate as required by state law. Not applicable since the maximum term of ten years was applied for.

**REVOCAION OF TAX EXEMPTION CERTIFICATES.** The Village Council may consider the revocation of the tax exemption certificate in accordance with the provisions of Public Act 210 of 2005, as amended, if the Village Council, upon recommendation from village

**WHEREAS,** Resolution 2018-025 did not include the required “construction completion date” for the project as required by the State of Michigan;

**NOW THEREFORE BE IT RESOLVED:** that the Lake Orion Village Council amends Resolution 2015-025 as follows:

**ADD ITEM 6: COMPLETION OF CONSTRUCTION.** The deadline for completion of construction as authorized by the Village of Lake Orion is May 31, 2019.

**RENUMBER THE RESOLUTION RESPECTIVELY,**

**BE IT FURTHER RESOLVED:** the Lake Orion Village Council *readopts* Resolution 2018-025 as follows:

**WHEREAS,** at a Special Meeting of the Village Council held on June 11, 2018, the Village of Lake Orion Council adopted Resolution 2018-025 as follows approving a Commercial Rehabilitation District Tax Exemption Certificate for 120 S. Broadway, Lake Orion, MI

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**WHEREAS**, completion of the qualified facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, create employment, revitalize urban areas and increase the number of residents in the Village of Lake Orion; and

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**WHEREAS**, the Application for Commercial Rehabilitation Exemption Certificate meets the Village Council established criteria in making determinations on the eligibility of properties for commercial rehabilitation tax exemption certificates and the length of such exemptions pursuant to Public Act 210 of 2005, as amended as established by the Village Council, and therefore is recommended by the Village Manager;

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  - d. Project results in the rehabilitation of an “obsolete property” as defined by Public Act 210 of 2005, as amended;
  - e. Project results in the construction of a new building as an infill project that supports the traditional historic Midwestern downtown character and architecture of the district;
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6. **COMPLETION OF CONSTRUCTION.** The deadline for completion of construction as authorized by the Village of Lake Orion is May 31, 2019.
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**RESOLUTION DECLARED ADOPTED.**

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**CERTIFICATION**

I, Susan Galeczka, Clerk of the Village of Lake Orion, do hereby certify that the foregoing is a true and complete copy of Amended Resolution 2018-025 duly adopted by the Village Council of the Village of Lake Orion at its Special Meeting held on the 22<sup>nd</sup> day of October 2018.

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Susan C. Galeczka, CMC CMMC  
Village Clerk

DATED: October 23, 2108