STATEMENT OF OBSOLESCENCE FROM CITY ASSESSOR

The property subjected to this request is located at 101 Days & 103 Days Avenue, Buchanan, MI 49107. The building is a two-story multi-use structure constructed in 1884. Previously a movie rental retailer, established in 1988, the property has since been uninhabited for the past 10+ years. Due to the age and recent years of inactivity, the building is denoted as obsolete and will require structural upgrades to meet today's building codes for future commercial and/or residential uses.

The building maintains its original red brick exterior, requiring minimal to moderate tuckpointing and replacement of block in the masonry wall. Preserving the structures original architecture will accentuate the city's downtown while providing a retrofit and elegant aesthetic for modern commercial and/or residential activity. Extensive rehabilitation will be necessary for the interior of the property. The building's floor will need to be replaced due damage caused by a structural collapse; all windows, along with all heating and cooling equipment, electric distribution throughout the building, and all plumbing equipment and fixtures will need to be updated and brought up to ADA compliance. The current installment of existing equipment is considered obsolete by todays commercial and residential standards and will need to be replaced to accommodate future use. The city of Buchanan provides adequate street and public parking within the vicinity of this property to withstand additional commercial and/or residential interests.

Malinda A Cole-Crocker

Name of Assessor

Assessor Signature

Date

` .

LEGAL DESCRIPTION

Land situated in the City of Buchanan, County of Berrien, State of Michigan is described as follows:

Tax Parcel Number: 58-0035-0201-03-3

COM AT SE COR OF DAYS AVE & FRONT ST CITY OF BUCHANAN IN SEC 35 T7S R18W TH E 80.5'TH S 60'TH W 35.5'TH N 8'TH W 45'TH N 52'TO POB

103 Days - COM 52' S OF INT OF E LN OF DAYS AVE & S LN OF FRONT ST CITY OF BUCHANAN TH E 45' S 12' W 45' N 12' TO BEG SEC 35 T7S R18W

.

RESOLUTION TO APPROVE AN OBSOLETE PROPERTY REHABILITATION EXEMPTION CERTIFICATE APPLICATION PA 146 OF 2000 AS AMENDED

Minutes of a regular meeting of the City Commission of the City of Buchanan held on
PRESENT:
ABSENT:
The following preamble and resolution were offered by, and supported by
Resolution Approving Obsolete Property Rehabilitation Exemption Certificate Application for Rowland Property Group LLC, 101 Days Ave., Buchanan, MI 49107
WHEREAS, pursuant to PA 146 of 2000, the City Commission of the City of Buchanan is a Qualified Local Governmental Unit eligible to establish one or more Obsolete Property Rehabilitation Districts; and
WHEREAS, the City of Buchanan legally established the Obsolete Property Rehabilitation District Rowland Property Group LLC, 101 Days Ave., Buchanan, MI 49107 on Feb. 14, 2022, after a public hearing held on Feb. 14, 2022; and
WHEREAS, the taxable value of the property proposed to be exempt plus the aggregate taxable value of property already exempt under Public Act 146 of 2000 and under Public Act 198 of 1974 (IFT's) does not exceed 5% of the total taxable value of the City of Buchanan; and
WHEREAS, the application was approved at a public hearing as provided by section 4(2) of Public Act 146 of 2000 on Feb. 14, 2022; and
WHEREAS, Rowland Property Group LLC is not delinquent in any taxes related to the facility; and
WHEREAS, the application is for obsolete property as defined in section 2(h) of Public Act 146 of 2000; and

WHEREAS, the applicant Rowland Property Group LLC has provided answers to all required questions under the application instructions to the City of Buchanan; and

WHEREAS, the City of Buchanan requires that rehabilitation of the facility shall be completed by Dec. 10, 2022; and

WHEREAS, the commencement of the rehabilitation of the facility did not occur before the establishment of the Obsolete Property Rehabilitation District; and

WHEREAS, the application relates to a rehabilitation program that when completed constitutes a rehabilitated facility within the meaning of Public Act 146 of 2000 and that is situated within an Obsolete Property Rehabilitation District established in the City of Buchanan eligible under Public Act 146 of 2000 to establish such a district; and

WHEREAS, completion of the rehabilitated facility is calculated to, and will at the time of issuance of the certificate, have the reasonable likelihood to increase commercial activity, create employment, retain employment, prevent a loss of employment, revitalize urban areas, and increase the number of residents in the community in which the facility is situated; 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(l) of Public Act 146 of 2000.

NOW, THEREFORE, BE IT RESOLVED by the City Commission of the City of Buchanan;

Be and hereby is granted an Obsolete Property Rehabilitation Exemption for the real property, excluding land, located in Obsolete Property Rehabilitation District Rowland Property Group LLC, 101 Days Ave., Buchanan, MI 49107 for a period of 12 years, beginning December 31, 2022, and ending December 30, 2034, pursuant to the provisions of PA 146 of 2000, as amended.

AYES:	
NAYS:	
RESOLUTION DECLARED ADOPTED.	
	ntes a true and complete copy of a resolution of Buchanan, County of Berrien, Michigan at
	Clerk

ATTACHMENTS TO THE APPLICATION

- a) GENERAL DESCRIPTION OF THE OBSOLETE FACILITY: The two-story structure, located at 101 & 103 Days Ave., Buchanan, MI 49107, was constructed in 1884 and includes approximately 17,000 total square feet of buildable space. The mulit-use structure was previously occupied by a movie rental retailer, which closed in the early 2010's. The property has remained vacant for the past 10+ years. Significant renovations are necessary to prepare the property for future commercial and/or residential use.
- b) GENERAL DESCRIPTION OF THE PROPOSED USE OF REHABILITATED FACILITY: Rehabilitation efforts will promote mixed-used activity for the property in question. The project will provide 2 storefront retailers on the first floor commercial tenants will consist of restaurants occupying approx. 4200 and 4500 SF respectively, whereas the second floor will consist of 2 residential units approx. 4200 SF (long-term and short-term housing).
- c) DESCRIPTION OF THE GENERAL NATURE AND EXTENT OF THE REHABILITATION: Extensive rehabilitation to the interior and exterior structure of the property is necessary. Exterior masonry work is needed. Tuckpointing and replacement of brick will occur. Interior flooring will be replaced; all windows, along with all heating and cooling equipment will need to be upgraded. Electric distribution throughout the building and all plumbing equipment and fixtures will also need to be upgraded and brought up to ADA compliance.
- d) DESCRIPTIVE LIST OF FIEXED BUILDING EQUIPMENT THAT WILL BE A PART OF THE REHABILITATED FACILITY: Please see attached documents –
- e) TIME SCHEDULE FOR UNDERTAKING AND COMPLETION OF THE REHABILITATED FACILITY:

-	Phase 1 – Demolition	Feb. – Apr. 2022
•	Phase 2 – Exterior Façade	Mar. – May 2022
•	Phase 3 – Interior Buildout/Walls	Apr. – Jun. 2022
•	Phase 4 – Electric/Plumbing	Jun. – July 2022
	Finishing/Cleaning	Aug. – Sept 2022
•	Inspection	Oct. 2022
-	Certificate of Occupancy	Dec. 2022

f) STATEMENT OF ECONOMIC ADVANTAGES:

The OPRA Exemption will be critical to the redevelopment of property in the City of Buchanan's downtown district, as well as play a vital role in attracting commercial and residential activity to the community. This rehabilitation project will create \$600,000.00 in new investment to Berrien County. The project will provide market rate housing, to a region in high demand of housing, and attract 2 new restaurants aimed to increase traffic to the city's downtown. This project creates great opportunity to the State of Michigan, Berrien County, and the City of Buchanan. The OPRA Exemption should be considered to help bring this project to completion for the community.



Business Plan - Rowland Property Group January 6th, 2022

<u>Introduction</u>

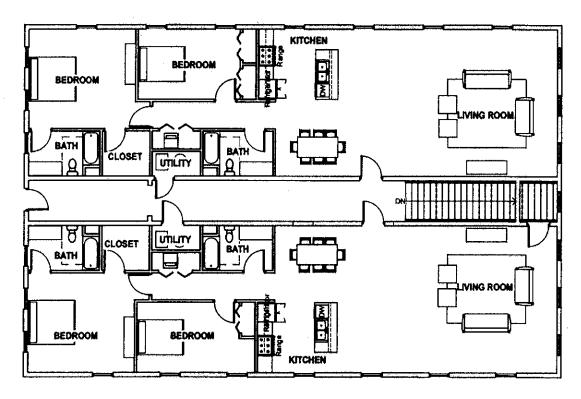
Rowland Property Group, LLC (RPG, LLC) was officially formed in 2019, but Elaine & Michael Rowland have been rental property owners since 2015. They are fourth generation landlords in the Berrien County market with excellent track records of property management, property improvement plans and renovation.

Outside of RPG, Elaine is the Director of Development for Fernwood Botanical Gardens and Michael is the President & CEO of Michigan Gateway Community Foundation.

In 2020, they purchased a small building located at 103 Days Ave. Through their relationship with the owner of River St Joe, a local brewery, they arrived at a plan to create a retail restaurant partnership. In return for the buildout of the space, River St Joe has agreed to create a sister restaurant utilizing their current liquor license that allows for cider and wine. This space would serve "to go food" (street tacos, sandwiches, etc) and serve the Social District being created in Downtown Buchanan. The intent is to take advantage of events at The Common as well as other downtown events. After several visits, we came to the conclusion that the additional space would be helpful if we could come to terms on the adjoining building. We came to that agreement with a purchase price of \$163,000. This extra space would also give them space to extend their own concert series into the winter months and promote their farm to table restaurant on Walton Rd.

Apartments

The plan for this project is to provide two 2 bedroom apartments targeted for "middle housing". This is a well-known weakness for Buchanan's housing market. This has created an element that has made it difficult for the school system and local service businesses to recruit talent. As their employees cannot find housing in our community. Our architect (Bergmann) is currently in the process of designing the floorplans and we will take their lead on the AirBnB concept. The other apartments have been reviewed as illustrated below:



1 SECOND FLOOR OPT 1 SCALE: 1/8" = 1'-0"

Despite the overwhelming demand, we would price these in line with new build projects in the area. Furthermore, the closest quality apartments in Buchanan both have waiting lists for tenants. One of which, lost two buildings to a fire earlier in the year. Rents for both locations are as follows:



WEST WIND *** (42)

808 W Front St, Buchanan, MI 49107 Contact for Availability

Studio \$584-\$684 1 Bed \$624-\$734 2 Beds \$715-\$825 3 Beds \$824-\$904



BUCHANAN PLACE *** * (31)

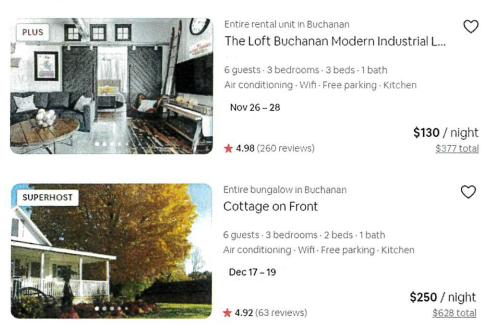
601 W 4th St, Buchanan, MI 49107 Contact for Availability

1 Bed \$574-\$674 2 Beds \$675-\$939

The advantage of the units in this project is that they will have higher end finishes and offer downtown living. Not to mention being located above, what we anticipate, will be the cultural epicenter of the community. The Common has over two dozen concerts, farmer's market, multiple cultural performances and hosts all large community events. The building is across the street from the public library with city views in every unit. There is also ample public parking already available. There are very few apartments downtown, even less that are available.

AirBnB Unit

The second upstairs unit in this building will be a short-term housing apartment to help the community with it's lack of hospitality. Both Michael and Elaine have booked hospitality for a variety of musicians, artists and presenters for both of their organizations. Not once has a downtown option been available. For example, Keller Williams is a musical act that we brought last summer to downtown Buchanan for his show, which brought 4,000+ people. Our only option for hospitality for the act was a Holiday Inn Express in Niles, MI. We also have used a very conservative 60% occupancy rate for our projections. With this being a corner unit with the best view of downtown Buchanan of any building, we anticipate a much higher upside than our projections indicate.



*Data pulled from Airdna.co for short term rentals located in Buchanan, MI.



Retail Unit 1

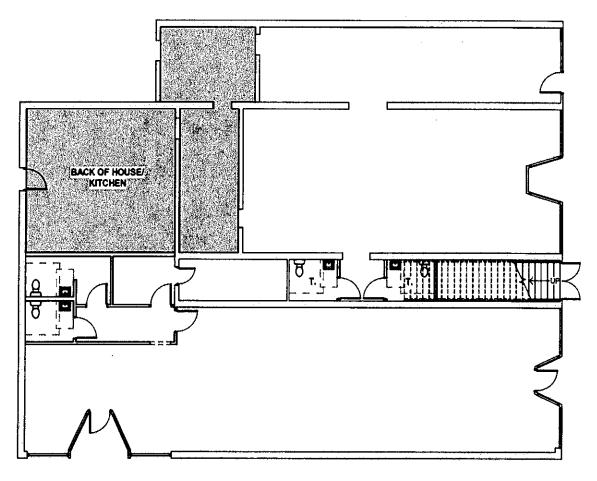
The anchor tenant of this building will be a concept restaurant brought to us from Brian Daugherty of River St Joe Brewery. His current location is one of the most exciting dining options created in our community in many years. Despite opening on the first day of the Covid-19 lock down, they have been wildly successful. Their current liquor license allows for a second location for cider and wine. Which is convenient considering at the time of this business plan, there are no liquor licenses available for downtown Buchanan. They plan on having a limited menu with street tacos, sandwiches and other "walkable" food items. Their interest in this location is due to the social district that has been approved in downtown Buchanan, proximity to The Common and ability to market their flagship location within the downtown sector. The Friends of The McCoy Creek Trail have full funding to expand the trail from downtown all of the way to River St Joe Brewery on Walton Rd and expectations are for that project to begin no later than spring of '22 and take three months to complete. River St Joe Brewery is also considering purchasing rickshaws (bike taxis) to help patrons travel throughout the community, utilizing the McCoy Creek Trail to take visitors on a scenic visit to their other location. The city has also committed to expanding the trail to River St Joe Brewery, which is now a fully funded project, all through private funding. This illustrates the trail's broad public support. Their current Monday concerts will be moved to this location in inclement weather and throughout winter. Providing Buchanan it's only dedicated live music space to enjoy folk, bluegrass and Americana music. This space will also be available for rental through RPG, LLC and is approximately 4500 square feet.

It should also be noted that in a recent community survey done by the City of Buchanan, 243 of the 463 responses to the question "What do you feel is missing in Downtown Buchanan", with a request for more dining options.

Retail Unit 2

Our plan is to "white-box" this retail spot so it can be used for any lite restaurant user. Currently we are engaged with Luna Donuts who have been a regular at the Buchanan Farmer's Market. As many are aware, Buchanan was home to a beloved donut shop that closed many years ago and was one of the most requested restaurant types in the survey done by the city of Buchanan. We also have access to the original donut shop sign and have been offered it's use on a loan basis from the Buchanan Preservation Society. This space is approximately 4200 square feet.

We are also considering separating this unit into two units, each with approximately 2100 square feet. This would depend on the interest in the bigger space, as smaller units would be easier to fill.



FIRST FLOOR OPT 5
SCALE: 1/8" a 1'-0"

Possible Opportunities

There is currently a ramped effort to bring these types of businesses into downtown Buchanan with the momentum the community has already built. The city has already committed to grants for upper floor apartment build-outs as well as restaurant space. We will be applying for all available local grants as well as any funds available for historical preservation for the building. Finally, we are in communication with the city regarding a property tax abatement for the building. Michael & Elaine are also both experienced grant writers and plan to request assistance from Michigan Economic Development Corporation (MEDC), Cornerstone Alliance and other funding sources.

We are also hiring a consultant, at the recommendation of Richard Murphy from the City of Buchanan, to help us navigate historical tax credits.

Home Town Video



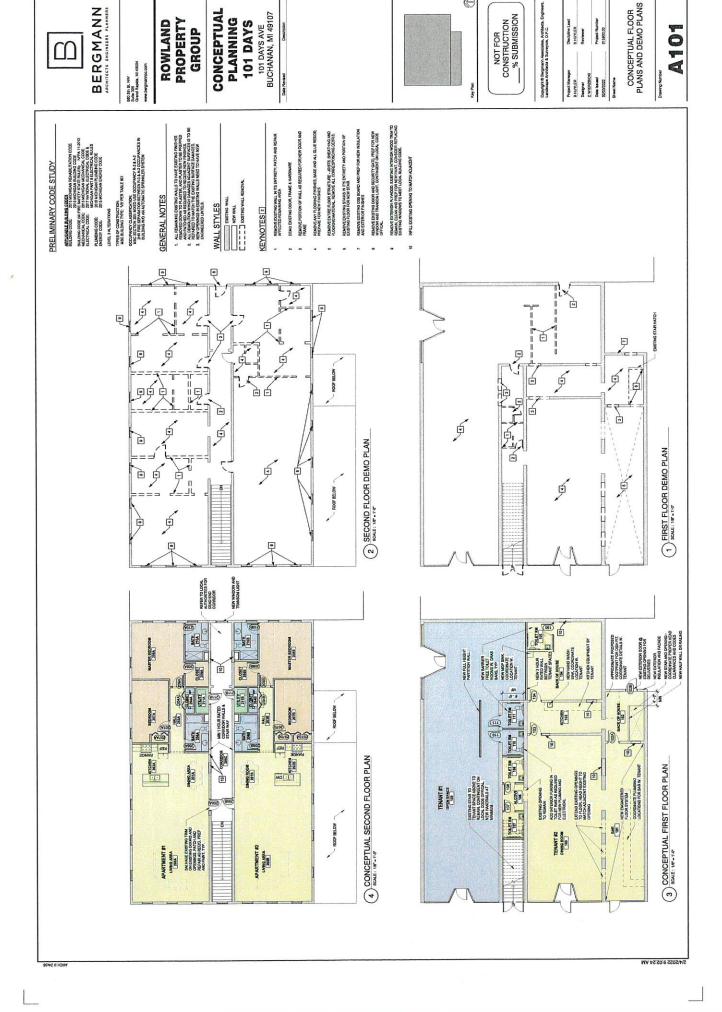
	The second second

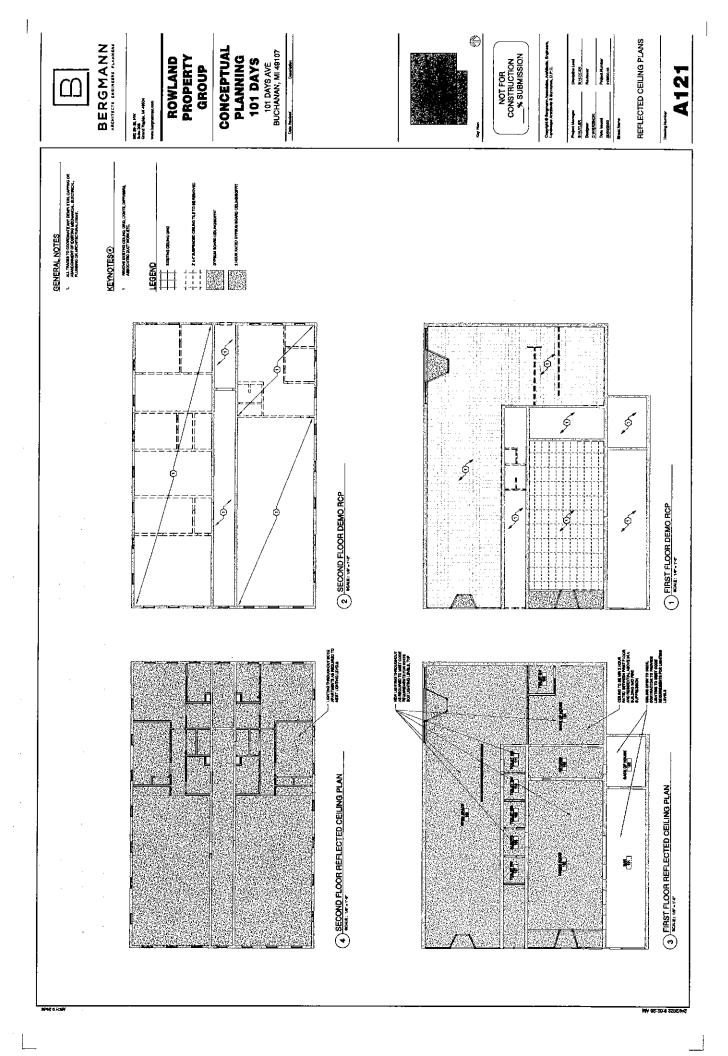
ROWLAND PROPERTY GROUP

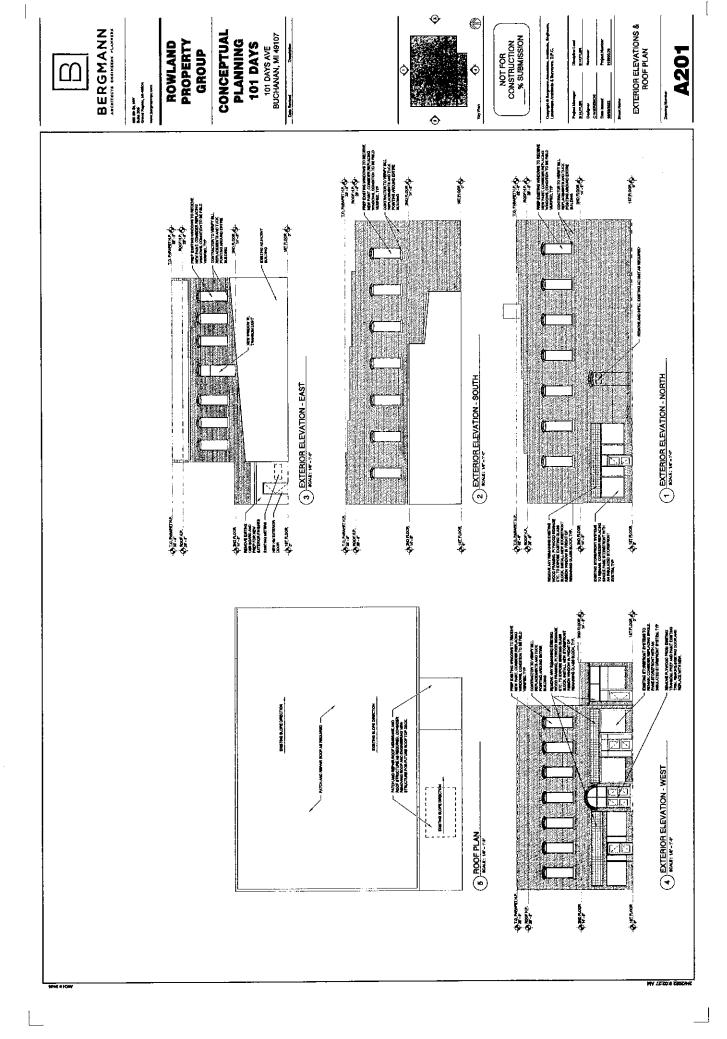
CONCEPTUAL PLANNING 101 DAYS MIXED USE

101 Days Avenue Buchanan, MI 49107 February 3, 2022









L	Ц
Ξ	
Ē	
è	_
ŀ	-
(7
ì	j
4	Í
Ć	3
-	=
3	
Ē	3
_	_

SWORN STATEMENT

٠.	
\sim	ä
TEL	

2.23.22

OWNER: RPG, LLC

COMPANY NAME: RMC Construction PERSON SUBMITTING: Raiph McDonald LENDER: Honor CU

ADDRESS OF State of: Michigan

)ss. IMPROVEMENTS: 101/103 Days Ave County of: Berrien The undersigned President or Owner of the company identified above (the "Contractor", the builder or general contractor for the construction of certain improvements at the property described herein, heret that the following is a list of each professional, subcontractor, supplier and laborer that Contractor has retained in connection with such improvements and that opposite each such name is a correct and full or material to be provided by such party, the amount of the original contractor or bid, the revised contract amount, if any, the aggregate amount of previous payments to such party, the current amount due s set forth above, and the remaining amount required to complete the particular item of work, as follows:

SUBCONTRACTOR/SUPPLIER	DESCRIPTION OF WORK OR	ORIGINAL CONTRACT	Change	ADJUSTED	PREVIOUS PAYMENTS
OR LABORER	MATERIAL	AMOUNT	Orders	CONTRACT AMOUNT	AND/OR DRAWS
Wolverine Electric	Electric	60,000.00			
2 TBD	Plumbing	28,000.00			
ТВD	HVAC	85,000.00			
3 Abandoned Relic	Windows	24,600.00			
4 RMC Construction	Flooring Repairs & Finish	40,000.00			-
s RMC Construction	Bathrooms - Residential	30,000.00			
e RMC Construction	Kitchens - Residential	35,000.00			
7 RMC Construction	Roof Repairs	10,000.00			
RMC Construction	Drywall/Paint	40,000.00			
9 RPG, LLC	Demo	15,000.00			
10 City of Buchanan	Permits	5,000.00			
11 TBD	Masonry	5,000.00			
12 RMC Construction	Framing	20,000.00			
13 RMC Construction	Commercial Kitchen	20,000.00			
14 RMC Construction	Commercial Restrooms	15,000.00			
15 TBD	Contingency (15%)	56,640.00			
33		,	-		•
TOTAL PAGE 1:		\$ 489,240.00 \$	-	-	\$

~	SWORN STATEMENT (PAGE 2)					
	SUBCONTRACTOR SUPPLIER	DESCRIPTION OF WORK OR	ORIGINAL CONTRACT	CHANGE ORDERS	ADJUSTED	PREVIOUS PAYMENTS
	OR LABORER	MATERIAL.	AMOUNT	(IF ANY)	CONTRACT AMOUNT	AND/OR DRAWS
ਨੋ					•	•
35					•	
8					•	
37					-	
8					1	
39					•	
\$					•	
4			-	•	•	•
4			-	•	-	•
₹			•	-	•	•
4			-	1	•	
\$			-	•	•	ľ
8			• `		-	•
47					_	1
&			-	•	ı	•
8				-	-	1
କ୍ଷ					ŀ	1
20				_	1	r .
52				-	-	•
53						(
35				-	-	1
92				-	-	•
8				-	-	•
57				4	•	•
8				-	-	•
	TOTAL PAGE 2:	Action of the second second second second	\$	- \$ -	- \$	· ₩
	GRAND TOTAL	1972	\$ 489,240.00	\$ 00	S	\$
-						

WARNING TO DEPONENT: A PERSON, WHO WITH INTENT TO DEFRAUD, GIVES A FALSE SWORN STATEMENT IS SUBJECT TO CRIMINAL PENALTIES AS PROVIDED IN SECTION 110 OF THE CONSTRUCTION LIEN ACT, ACT NO. 497 OF THE PUBLIC ACTS OF 1980, AS AMENDED, BEING SECTION 570.1110 OF THE MICHIGAN COMPLIED LAWS.

TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER WHO HAS PROVIDED A NOTICE OF FURNISHING UNDER SECTION 109 OR, IF A NOTICE OF FURNISHING IS EXCUSED UNDER SE ON RECEIPT OF THIS SWORN STATEMENT, THE OWNER OR LESSEE, OR THE OWNER'S OR LESSEE'S DESIGNEE, MUST GIVE NOTICE OF ITS RECEIPT, EITHER IN WRITING, OR TELEPH TO EACH SUBCONTRACTOR, SUPPLIER, AND LABORER NAMED IN THE SWORN STATEMENT, IF A SUBCONTRACTOR, SUPPLIER, OR LABORER WHO HAS PROVIDED A NOTICE OF FURN