

MEMORANDUM



TO: MAYOR FISCHER AND CITY COUNCIL MEMBERS
FROM: JAN ZIOZIOS, CITY ASSESSOR
SUBJECT: REDWOOD-ERC NOVI, LLC (FOX RUN) AND PRINCIPAL RESIDENCE EXEMPTION
DATE: JULY 3, 2025

This memo is to inform you that Fox Run (Redwood-ERC Novi, LLC, parcel 22-01-300-013) has filed a Principal Residence Exemption Affidavit for the entire facility, under the Continuing Care Community Disclosure Act, 2014 PA 448, MCL 554.901-993. Fox Run Village, Inc is registered with the Michigan Department of Licensing and Regulatory Affairs under the ACT. The registration is current as of June 1, 2025. It appears they have been registered since at least June 1, 2019; however, this is the first year they have claimed exemption.

MCL 211.7dd(a), ix defines "owner" as it pertains to the Principal Residence Exemption (PRE) under the ACT as follows: **(ix) A facility as defined by former 1976 PA 440 and registered under the continuing care community disclosure act, 2014 PA 448, MCL 554.901 to 554.993.**

Based on the statute noted above, review of the information attached with this memo and discussion with a representative of the Michigan Department of Treasury's PRE division (who does not provide legal advice, only guidance), I've determined that the facility qualifies for the exemption.

The Principal Residence Exemption will exempt Fox Run from the School Operating Tax. For the 2025 tax year, the property will save \$1,280,799 because of the exemption. The 2025 March Board Taxable Value was \$72,608,520; however, Redwood-ERC Novi LLC appealed their 2025 assessed and taxable values, and I settled the case with only a 2 percent reduction to taxable value. The taxpayer's attorney filed the Principal Residence exemption 50 days after settlement.

As part of due diligence, I spoke to the manager of the State of Michigan's Manager of Accounting and Auditing who confirmed that an in-formula district like Novi Community Schools would be "made whole" via the state's guaranteed per-pupil funding formula. **There is no impact on city tax dollars.**

The following document excerpts are attached to this memo for informational review:

1. Order of Registration Amendment for Continuing Care Community
2. Ownership tree of Erickson Living Holdings, LLC, which flows to Redwood-ERC Novi, LLC. The VP of Finance/Treasurer of Erickson Living Holdings LLC signed the PRE Affidavit for Redwood-ERC Novi, LLC.

3. List of Continuing Care Disclosure Act Registrants in Michigan as of June 1, 2025 (from state website).
4. Excerpts from Michigan Department of Treasury PRE Guidelines, issued August 2022. Note especially section ix of MCL 211.7dd(a) and item#22 of the guide.
5. Excerpt of MCL 211.7dd and Excerpt of MCL 544.993 and the Continuing Care Community Disclosure Act.

As additional information, there are 31 facilities currently registered with the state under the act, two of which are in Oakland County (Novi's Fox Run, and Waterford's Fox Manor).

Feel free to reach out if additional information is desired.