

FAUSONE BOHN, LLP

ATTORNEYS AT LAW

PAUL F. BOHN

DIRECT (248) 380-9988

PBOHN@FB-FIRM.COM

July 6, 2021

Cortney Hanson, City Clerk
City of Novi
45175 West Ten Mile Road
Novi, MI 48375

RE: Application for Commercial Rehabilitation Exemption Certificate

Dear Ms. Hanson:

On behalf of Sakura Novi Land Development, LLC, a Michigan Limited Liability Company, please find enclosed an Application for Commercial Rehabilitation Exemption Certificate regarding certain property located within the City of Novi, County of Oakland, State of Michigan, which parcels have the following parcel identification numbers:

Parcel Number 1: Tax ID Number 22-23-126-006

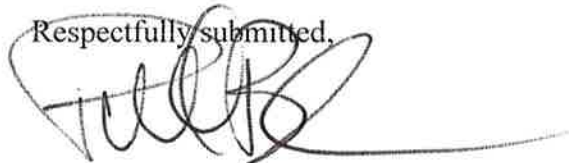
Parcel Number 2: Tax ID Number 22-23-226-008

Parcel Number 3: Tax ID Number 22-23-126-011

Parcel Number 4: Tax ID Number 22-23-226-007

As you may be aware, these parcels were recently included within a commercial rehabilitation district via Novi City Council resolution. If you have any questions regarding this request or wish additional information, please do not hesitate to contact this office.

Respectfully submitted,



Paul F. Bohn

PFB/emf
Enclosures

cc: Darian Neubecker (via email only – dneubecker@robertsonhomes.com)
Scott Aikens (via email only – gscott@rbaikens.com)
Victor Cardenas (via email only – vcardenas@cityofnovi.org)
Peter Auger (via email only – pauger@cityofnovi.org)

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CITY OF NOVI
CITY CLERK'S OFFICE

Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

LOCAL GOVERNMENT UNIT USE ONLY	
Application No.	Date Received

STATE USE ONLY	
Application No.	Date Received

Read the instructions page before completing the form. This application should be filed after the commercial rehabilitation district is established. The applicant must complete Parts 1, 2 and 3 and file the application form (with required attachments) with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)			
Applicant (Company) Name (applicant must be the owner of the facility) Sakura Novi Land Development, LLC - a Michigan Limited Liability Company		NAICS or SIC Code 6531	
Facility's Street Address 42750 Grand River Avenue	City Novi	State MI	ZIP Code 48375
Name of City, Township or Village (taxing authority) Novi	County Oakland	School District Where Facility is Located Novi	
☒ City ☐ Township ☐ Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 10/01/2021		Planned Date of Rehabilitation Completion (mm/dd/yyyy) 06/01/2025	
Estimated Cost of Rehabilitation approx. \$46,494,988.00		Number of Years Exemption Requested (1-10) 8	
Expected Project Outcomes (check all that apply)			
☒ Increase Commercial Activity ☐ Retain Employment ☐ Revitalize Urban Areas			
☒ Create Employment ☐ Prevent Loss of Employment ☒ Increase Number of Residents in Facility's Community			
No. of jobs to be created due to facility's rehabilitation 110-170	No. of jobs to be retained due to facility's rehabilitation 0	No. of construction jobs to be created during rehabilitation 600	
PART 2: APPLICATION DOCUMENTS			
Prepare and attach the following items:			
☒ General description of the facility (year built, original use, most recent use, number of stories, square footage)		☒ Statement of the economic advantages expected from the exemption	
☒ Description of the qualified facility's proposed use		☒ Legal description	
☒ Description of the general nature and extent of the rehabilitation to be undertaken		☐ Description of the "underserved area" (Qualified Retail Food Establishments only)	
☒ Descriptive list of the fixed building equipment that will be a part of the qualified facility		☐ Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only)	
☒ Time schedule for undertaking and completing the facility's rehabilitation			
PART 3: APPLICANT CERTIFICATION			
Name of Authorized Company Officer (no authorized agents) Scott Aikens		Telephone Number (248) 283-1071	
Fax Number (248) 283-1150		E-mail Address gscott@rbalkens.com	
Street Address 350 North Woodward Avenue, Suite 300	City Birmingham	State MI	ZIP Code 48009
I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.			
I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.			
Signature of Authorized Company Officer (no authorized agents) 		Title Principal	Date 06/28/2021

PART 4: ASSESSOR RECOMMENDATIONS (assessor of LGU must complete Part 4)			
Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).			
	Taxable Value	State Equalized Value (SEV)	
Land			
Building(s)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.			
☐ By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.			
Name of Local Government Body			
Name of Assessor (first and last name)		Telephone Number	
Fax Number		E-mail Address	
I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.			
Assessor's Signature			Date
PART 5: LOCAL GOVERNMENT ACTION (clerk of LGU must complete Part 5)			
Action Taken By LGU (attach a certified copy of the resolution):			
☐ Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)			
☐ Exemption Denied			
Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code	
PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION (clerk of LGU must complete Part 6)			
Clerk's Name (first and last)		Telephone Number	
Fax Number		E-mail Address	
Mailing Address	City	State	ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number	
I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.			
Clerk's Signature			Date

For faster service, the LGU should email the completed application and required documents to PTE@michigan.gov.

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission
P.O. Box 30471
Lansing, MI 48909

Instructions for Completing Form 4507

Application for Commercial Rehabilitation Exemption Certificate

The Commercial Rehabilitation Exemption Certificate was created by Public Act 210 of 2005, as amended. The application is initially filed, reviewed, and approved by the LGU and then reviewed and approved by the State Tax Commission. According to Section 3 of Public Act 210 of 2005, as amended, the LGU must establish a Commercial Rehabilitation District. **Rehabilitation may commence after establishment of the Commercial Rehabilitation District.**

Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of application
2. Prepare and attach all documents required under Part 2 of the application:
 - a. General description of the facility (year built, original use, most recent use, number of stories, square footage)
 - b. Description of the qualified facility's proposed use
 - c. Description of the general nature and extent of the rehabilitation to be undertaken
 - d. Descriptive list of the fixed building equipment that will be a part of the qualified facility
 - e. Time schedule for undertaking and completing the facility's rehabilitation
 - f. Statement of the economic advantages expected from the exemption
 - g. Legal description of the facility
 - h. Description of the "underserved area" (Qualified Retail Food Establishments only)
3. Qualified Retail Food Establishments:
 - a. Complete Part 1 of the *Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments* (Form 4753). Submit to LGU clerk along with application.
 - b. Describe the "underserved area" and provide supporting documentation to show how the project area meets one or more of the following requirements:
 - i. An area that contains a low to moderate income census tract(s) which, based on per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars) and a below average supermarket density
 - ii. An area that has a supermarket customer base with more than 50% living in a low income census tract(s) which based on the per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars)
 - iii. An area that has demonstrated significant access limitations due to travel distance and has no Qualified Retail Food Establishments within two miles of the geo-center for an urban area or has no Qualified Retail Food Establishments within nine miles of the geo-center for a rural area.

For assistance in determining the project area's eligibility, visit www.michigan.gov/propertytaxexemptions and click on Commercial Rehabilitation Act.
4. Submit the application and all attachments to the clerk of the LGU where the property is located.

LGU Assessor Instructions

Complete and sign Part 4 of the application.

LGU Clerk Instructions

1. After LGU action, complete Part 5 of the application.
2. After reviewing the application for complete and accurate information, complete Part 6 and sign the application to certify the application meets the requirements as outlined by Public Act 210 of 2005, as amended.
3. Assemble the following for a complete application:
 - a. Completed *Application for Commercial Rehabilitation Exemption Certificate* (Form 4507)
 - b. All required attachments listed under Part 2
 - c. A copy of the resolution by the LGU establishing the district
 - d. A certified copy of the resolution by the LGU approving the application
 - e. Complete Form 4753 (Qualified Retail Food Establishments only)
4. For faster service, email the completed application and additional required documentation to PTE@michigan.gov. An additional submission option is to mail the completed application and required documents to: Michigan Department of Treasury, State Tax Commission, P.O. Box 30471, Lansing, MI 48909

Application Deadline

The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

If you have questions or need additional information or sample documents, visit www.michigan.gov/propertytaxexemptions or call 517-335-7491.

SUPPLEMENTAL RESPONSES

General Description of the Facility

The property is comprised of four parcels totaling approximately fourteen acres, one parcel is currently zoned Office Service District, the other three parcels are currently zoned Light Industrial, and have had historic uses including a car wash and a landscaping company. Earliest available records indicate the car wash began in the 1960's and the landscaping company in the mid 1970's. The property is currently vacant and the remaining buildings either decrepit and/or unoccupied.

Description of the Qualified Facility's Proposed Use

The proposed use is complete redevelopment of the parcels into a mixed-use commercial development, currently dubbed Sakura Novi, which will include for the purposes of this Commercial Rehabilitation Exemption Certificate (CREC), an approximately 14,500 square foot building including approximately 12,000 square feet of professional office space and 2,500 square feet of restaurant space, an approximately 13,000 square foot building including approximately 8,000 square feet in restaurant space and 5,000 square feet in non-restaurant retail space, an approximately 15,000 square foot building including approximately 6,000 square feet in restaurant space and 9,000 square feet in non-restaurant retail space, and a building between approximately 3,000 to 4,500 square feet for a single restaurant. This multi-use commercial component will complement the adjacent residential component, which is comprised of 118 townhome styled, for rent, multi-family units totaling approximately 168,000 square feet.

Description of the General Nature and Extent of the Rehabilitation to be Undertaken

The property on which the redevelopment will take place is qualified as a "brownfield" pursuant to historic uses that left some residual environmental contamination. That contamination will be addressed, as well as the demolition and removal of the abandoned and decrepit structures on the property.

Descriptive List of the Fixed Building Equipment That Will be Part of the Qualified Facility and Itemized List of Project Costs

See attached.

Time Schedule for Undertaking and Completing the Facility's Rehabilitation

The Applicant is prepared to proceed beginning in October 2021 with the necessary environmental remediation activities, followed by land balancing, site clearing and the demolition of existing structures. Presuming availability of labor and materials, vertical construction is expected to commence in first quarter 2022, and be completed approximately thirty-six to forty-eight months thereafter.

Statement of the Economic Advantages Expected from the Exemption

The exemption will assist the Applicant in recovering some of its extraordinary costs incurred (1) because of the site's conditions (unstable and/or unsuitable soils as a result of prior historic filling by the landscaping company; (2) to offset some of the costs of land, materials and labor to create the generous public spaces and amenities required by the City as a part of the Zoning approvals process, not typically borne by a project of this scale.

Legal Description of Parcels

PARCEL 1

ID Number: 22-23-126-006

A parcel of land located in and being part of the east 1/2 of the northwest 1/4 of Section 23, T.1N., R.8E., City of Novi, Oakland County, Michigan, being more particularly described as follows:

Commencing at the North 1/4 corner of said Section 23, thence proceeding South 89 Degrees 34 Minutes 00 Seconds West 290.50 feet along the North line of said Section 23 and the centerline of Eleven Mile Road to the point of beginning; thence South 00 Degrees 26 Minutes 00 Seconds East 891.67 feet (recorded as South 00 Degree 17 Minutes 20 Seconds East 891.25 feet) to a point on the centerline of Grand River Avenue (US-16); thence North 71 Degrees 44 Minutes 00 Seconds West 652.02 feet (recorded as 650.70 feet) along said centerline of Grand River Avenue (North half 50 feet wide); thence North 682.64 feet (recorded as 682.62 feet) to a point on the North line of said Section 23, said point being located North 89 Degree 34 Minutes 00 Seconds East 433.84 feet (recorded as 419.90 feet and assessed as 433.70 feet) from the 1/16 corner located at the Northwest corner of the East 1/2 of the Northwest 1/4 of said Section 23; thence continuing North 89 Degrees 34 Minute 00 Seconds East 612.44 feet (recorded as 613.40 feet) along said North line of Section 23 and centerline of Eleven Mile Road (South half 33 feet wide) to the point of beginning.

PARCEL 2

ID Number: 22-23-226-008

Land situated in the City of Novi in the County of Oakland in the State of MI. Part of the Northeast 1/4 of Section 23, Town 1 North, Range 8 East, described as:

Beginning at a point distant North 89 degrees 00 minutes East, 99.53 feet from the North 1/4 corner of Section 23, thence North 89 degrees 00 minutes East, 165.14 feet; thence South 0 degrees 49 minutes 20 seconds East, 527.55 feet; thence South 89 degrees 00 minutes West, 165.14 feet; thence North 0 degrees 49 minutes 20 seconds West, 527.55 feet to the point of beginning.

PARCEL 3

ID Number: 22-23-126-011

Part of the Northwest 1/4 of Section 23, Town 01 North, Range 08 East , Novi Township (now city of Novi), Oakland County, MI described as: Beginning at a point distant South 89 degrees 00 minutes 00 seconds West 65.61 feet from North 1/4 corner of Section 23; thence South 00 degrees 44 minutes 20 seconds East 527.55 feet; thence South 89 degrees 00 minutes 00 seconds West 61.82 feet; thence North 71 degrees 53 minutes 30 seconds West 170.00 feet; thence North 01 degrees 00 minutes 00 seconds West 471.87 feet; thence North 89 degrees 00 minutes 00 seconds East 224.89 feet to the point of beginning.

PARCEL 4

ID Number: 22-23-226-007

Part of the Northwest 1/4 of Section 23, Town 01N, R, 08E., Novi Township (now City of Novi) Oakland County, Michigan. Described as beginning at the North 1/4 corner of Section 23, thence North 89 degrees 00 minutes 00 seconds East 99.53 feet; thence South 00 degrees 44 minutes 20 seconds East 527.55 feet; thence South 89 degrees 00 minutes 00 seconds West 165.14 feet; thence North 00 degrees 44 minutes 20 seconds West 527.55 feet; thence North 89 degrees 00 minutes 00 seconds East 65.51 feet to the point of beginning.

Descriptive List of Fixed Building Equipment and Project Costs

	Start/Complete	Total
Site Improvements	08/01/21-06/01/25	\$ 10,099,110.00
Construction Indirect	08/01/21-06/01/25	\$ 2,175,000.00
Management Fee	08/01/21-06/01/25	\$ 1,000,000.00
Permits/Fees	08/01/21-06/01/25	\$ 1,714,135.00
Foundations	04/01/22-06/01/24	\$ 3,892,868.00
Framing	06/01/22-10/01/24	\$ 5,593,661.00
Mechanical/Engineering/Plumbing	08/01/22-12/01/24	\$ 3,819,248.00
Roofing	08/01/22-12/01/24	\$ 2,494,027.00
Façade	08/01/22-12/01/24	\$ 3,498,475.00
Windows/Doors	08/01/22-02/01/25	\$ 1,820,206.00
Drywall/Insulation/Paint	08/01/22-02/01/25	\$ 1,751,472.00
Cabinets/Counters	08/01/22-02/01/25	\$ 1,106,289.00
Flooring/Finishes	10/01/22-02/01/25	\$ 2,587,003.00
Appliances	10/01/22-02/01/25	\$ 895,494.00
Tenant Construction	10/01/22-02/01/25	\$ 2,598,000.00
GC Fees	08/01/21-06/01/25	\$ 975,000.00
Tap Fees	03/01/22-10/01/24	\$ 475,000.00
Total	08/01/21-06/01/25	\$ 46,494,988.00

* All figures shown herein are estimates. The assessed value of actual construction will be determined by the municipality's assessor subsequent to completion. The above estimated costs do not include land or personal property.