OBSOLETE PROPERTY REHABILITATION DISTRICT
ACT NO. 146
PUBLIC ACTS OF 2000
Adopted 3/2/21

1.0 STRATEGIC PLANNING PROCESS

The City Council, on March 2, 2021 determined that the following policy is necessary, in order to implement the Obsolete Property Rehabilitation Districts, for these reasons:

- The legislation available with OPRA will benefit the City of White Cloud, particularly our commercial area.
- Implementation will encourage the development of commercial areas that have experienced little or no redevelopment in recent years.
- To ensure that the redevelopment that does take place is appropriate for the districts identified.

2.0 PURPOSE

The City of White Cloud is a strong advocate of economic development activities, programs, and structures designed to create and promote employment opportunities and expand the local tax base. In the past, the available incentives for commercial businesses have been minimal. The State of Michigan is now creating incentives that can be used on a local level to spark business development and building rehabilitation. The purpose of this policy is to stimulate business growth and improve commercial areas of the City where certain properties have become obsolete. The City Council believes that it should be an active participant and a leader where appropriate in the economic development of the City.

The City of White Cloud supports the establishment of policies,

programs, and facilities, permitted by law, which will carry out this policy. For the City to accomplish these purposes in an orderly fashion, it must be assured that the use of abatements for commercial rehabilitation is judicious, fair, and responsibly accomplished. The City adopts this policy, not only to encourage the use of tax abatements for commercial rehabilitation, but also to articulate the reasonable expectations of performance by those directly benefiting from the policy.

3.0 POLICY

A. It is the policy of the City of White Cloud to provide obsolete property rehabilitation exemption certificates to qualifying applicants under certain State laws. The policy will increase the tax base of the community, attract new business, housing, and industry, and will result in the expansion, modernization, and rehabilitation of existing businesses.

B. Multiple certificates by the same applicant are permitted, if authorized by State law, based upon previous performance and compliance with projections and conditions of previous applications.

C. It is the intent of the City of White Cloud that each application be reviewed against this policy, and procedures to determine on acase-by-case basis that the application meets the goals and objectives of the City.

3.1 Obsolete Property Rehabilitation Criteria

The criteria to be considered by the City Council in approval of applications, including applications for the establishment of districts, as well as the issuance of certificates, are the following:

1. Compliance with the Obsolete Property Rehabilitation Policy as adopted by the City Council.

2. Completion of the rehabilitated facility must be 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, or increase the number of residents in the community in which the facility is situated.

3. Will increase the tax base.

4. Compliance of the petitioner in meeting previous obsolete property rehabilitation requirements, and employment goals and investment projections (if relevant).
5. The impacts on public right of way and general circulation patterns.

6. General site improvements such as paving, parking areas, increasing landscaping, and signage improvements.

7. The value of the rehabilitation must include improvements aggregating 10% or more of the true cash value of the property at the commencement of the rehabilitation of the obsolete property.

8. The consistency of the project with adopted codes, ordinances, and plans.

9. Other considerations considered unique or of benefit to the community.

3.2 Administration & Monitoring Procedures

The City of White Cloud Planning Commission shall review and make a recommendation to the White Cloud City Council to approve or deny the Application.

3.3 Application Procedures

The following procedures are intended to implement the foregoing policy and provide complete applications upon which to base a decision for approval or denial. It is intended that the administration of this procedure and the application process be efficient and flexible so as to meet the applicant's needs while complying with the policy as adopted.

1. Application

    a. Application form M3674, OPRA Checklist, OPRA FAQ and owner responsibilities of documents needed will be given to the applicant upon request. The City Treasurer will

distribute these forms and be there to assist the applicant with necessary documents and questions.

b. All fees shall be paid with the application. The Clerk will not process any application without the payment of all required fees.

c. A letter of obsolescence must be provided by the City's Assessor following an inspection provided by the City to the applicant at the proposed business. This must be completed and turned into the City Treasurer before this application can be accepted by the Clerk and handed to the Planning Commission for processing.

2. Processing of Applications; Schedule. The application will be processed on the following schedule.

a. Application form provided by the City Treasurer shall be filled out completely and additional required documents shall be attached when submitted to the City Clerk for processing.

b. Properly completed application for obsolete property rehabilitation certificates, as well as all required documents will be submitted to the City Clerk upon completion. Copies will be forwarded to the Planning Commission and other appropriate person(s). The Clerk &/or Treasurer will also notify in writing the City Assessor and the legislative body of each taxing unit that levies ad valorem property taxes in the City of White Cloud.

c. The City Treasurer will go over the application and be in communication with the applicant about any missing documentation.

d. A public hearing notice prepared by Planning Commission will be forwarded to the City Clerk for publication in the Times Indicator. Public notice of the hearing shall not be less than 10 days or more than 30 days before the date of the hearing.

e. Certified mailing to property owners and taxing authorities with notification of application and public hearing date prepared and executed (if applicable).

f. Time requirements set forth in any applicable statue or

regulation shall be observed. This includes 60 days for the City Council to approve or disapprove the certificate and resolution authorizing the certificate, after the completed application is received by the City Clerk, and 60 days for the State Tax Commission ("commission") to approve or disapprove the resolution, after the commission receives the application and resolution adopted by the City Council.

g. After approval by the City Council, the City Treasurer & City Clerk will review the application and attachments for completeness, then sign the application and send copies to the appropriate persons. A copy of the completed application will be forwarded to the property owner and the original application to the City Treasurer for permanent file. The resolution is not effective unless approved by the City Council.

3.4 Establishing Obsolete Property Rehabilitation Districts & Approving Obsolete Property Rehabilitation Certificates

The City Council on its own initiative, chose to establish an Obsolete Property Rehabilitation District within the downtown on 10/13/2020. (Res. 2020-39) They may also establish 1 or more districts that may consist of 1 or more parcels or tracts of land or a portion of a parcel or tract of land. It is also possible for the City Council to establish a district if a written request is filed by the owner. The written request must be filed with the City Clerk. The resolution creating the Obsolete Property Rehabilitation District will note all terms and conditions to be met by both the applicant and the community, if any. The District shall be approved by resolution.

A Certificate for Obsolete Property Rehabilitation Exemption shall be approved only after the creation of the District. The Certificate shall be approved by resolution of the City Council to include the boundaries of the Obsolete Property Rehabilitation District, the length of the abatement(1-12 years), and any conditions the City Council deems appropriate for the issuance of the Certificate.

3.5 Filing Fee

The applicant shall pay the filing at the time the application is made. No applications shall be submitted to City's Planning Commission for approval prior to the payment of this fee. This fee covers publication, public hearing, and direct city costs associated with the state requirements for this exemption. The fee will

be $200.00.

CITY OF WHITE CLOUD
OBSOLETE PROPERTY REHABILITATION GUIDELINES

The following guidelines are intended to provide direction for determining the length of all obsolete property rehabilitation exemptions as well as other potential components of a tax exemption such as employment generation/retention and site/facility requirements. The City Council reserves the right to adjust the length of any tax exemption or add or subtract any conditions placed on a tax exemption based upon other community benefits including but not limited to capital investment, jobs retained, and facility/site improvements.

The following section represents the number of years to be granted for projects:

Abatement length:	Investment:
3 years	$25,000.00
5 years	$75,000.00
7 years	$150,000.00
9 years	$225,000.00
12 years	$300,000.00

For more information, please contact April Storms, City Manager/Treasurer (x404 or citymanager@cityofwhitecloud.org)