

## AGENDA

WORK SESSION OF THE WEST BRANCH CITY COUNCIL TO BE HELD IN PERSON AT WEST BRANCH CITY HALL, 121 N FOURTH ST. ON MONDAY, FEBRUARY 20, 2023, BEGINNING AT 5:30 P.M.

PLEASE NOTE: All guests and parties in attendance are asked to sign in if they will be making any comments during meetings, so that the City Clerk may properly record your name in the minutes. Public comments are limited to 3 minutes in length while matters from the floor are limited to 10 minutes. All in attendance are asked to silence all cell phones and other electronic devices. Accommodations are available upon request to those who require alternately formatted materials or auxiliary aids to ensure effective communication and access to City meetings or hearings. All request for accommodations should be made with as much advance notice as possible, typically at least 10 business days in advance by contacting City Clerk Lori Ann Clover at (989) 345-0500. [DISCLAIMER: Views or opinions expressed by City Council Members or employees during meetings are those of the individuals speaking and do not represent the views or opinions of the City Council or the City as a whole.] [NOTICE: Audio and/or video may be recorded at public meetings of the City Council.]

- I. Call to order
- II. Roll call
- III. Public Comment
- IV. New Business
  - A. City Building Inspector
  - B. OPRA Plan
- V. Adjournment

# WORK SESSION MEETING NOTICE

To comply with the Michigan Open Meetings Act (MCL 15.265):

The City of West Branch, 121 N. Fourth St. West Branch, MI 48661; phone: (989) 345-0500; email: [cityhall@westbranch.com](mailto:cityhall@westbranch.com)

Internet where meeting notices are posted: [www.westbranch.com](http://www.westbranch.com) (click on "CALENDAR OF EVENTS AND NOTICE OF MEETINGS" or go directly to <http://www.westbranch.com/calendar.php>)

NOTICE IS HEREBY GIVEN, that the City Council of West Branch will hold a work session on the following date, time and place:

DATE: Monday, February 20, 2023

TIME: 5:30 p.m.

PLACE: West Branch City Hall Council Chambers  
121 N. Fourth St.  
West Branch MI 48661

AGENDA: To purpose of the work session is to discuss the necessary steps for implementing the City Building Inspector and an OPRA Plan

Accommodations and necessary reasonable auxiliary aids and services are available upon request to persons with disabilities, as well as the hearing impaired, who require alternately formatted materials or auxiliary aids to ensure effective communication and access to meetings or hearings. All requests for accommodation should be made with as much advance notice as possible by contacting City Clerk Lori Ann Clover at (989) 345-0500; 121 N. 4<sup>th</sup> St., West Branch, MI 48661; email: [cityhall@westbranch.com](mailto:cityhall@westbranch.com).

This notice was posted by Lori Ann Clover to comply with Sections 4 and 5 of Michigan Open Meetings Act (MCL 15.265)



**Checklist for Obsolete Property Rehabilitation Exemption Certificate Application**

The following must be filed by property owner requesting an Obsolete Property Rehabilitation Exemption Certificate.

- \_\_\_\_\_ State Tax Commission Application Form.
- \_\_\_\_\_ Description of the obsolete facility.
- \_\_\_\_\_ Description of proposed use of the rehabilitated facility.
- \_\_\_\_\_ Nature and extent of the rehabilitation to be undertaken.
- \_\_\_\_\_ A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility.
- \_\_\_\_\_ Time Schedule for undertaking and completing the project.
- \_\_\_\_\_ A statement of the economic advantages expected from the exemption.
- \_\_\_\_\_ Total cost of rehabilitation including any copies of bid or contractor approved estimates.

\_\_\_\_\_ Number of jobs to be retained or created as a result of rehabilitating the facility.

\_\_\_\_\_ Number of housing units to be created as a result of rehabilitating the facility.

\_\_\_\_\_ If property was tax exempt prior to exemption certificate application, Assessor shall determine taxable value of property.

\_\_\_\_\_ Statement that rehabilitation did not occur before the establishment of the obsolete property rehabilitation district.

\_\_\_\_\_ Completed project will result in a rehabilitated facility in an obsolete rehabilitation district.

\_\_\_\_\_ Rehabilitated facility will 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 situate.

\_\_\_\_\_ Statement by applicant that his rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.

\_\_\_\_\_ Statement the applicant is not delinquent in the payment of any taxes related to the facility.

## **OBSOLETE PROPERTY REHABILITATION ACT**

### **1) APPLICATIONS FOR EXEMPTION CERTIFICATE**

a) Filed with City Clerk

b) Shall consist of:

- Application Form provided by State Tax Commission
- General description of the obsolete facility
- General description of proposed use of the rehabilitated facility
- General nature and extent of the rehabilitation to be undertaken
- A descriptive list of the fixed building equipment that will be a part of the rehabilitated facility
- Time schedule for undertaking and completing the rehabilitation
- A statement of the economic advantages expected from the exemption
- Total cost for the rehabilitation of the facility
- Number of full-time jobs to be retained or created as a result of rehabilitating the facility
- Number of housing units added as a result of rehabilitating the facility
- If property was tax exempt prior to exemption certificate application, Assessor shall determine taxable value of property.
- Statement that rehabilitation did not occur before the establishment of the obsolete property rehabilitation district.
- Completed project will result in a rehabilitated facility in an obsolete rehabilitatee district.
- Rehabilitated facility will 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 situate.

- Statement by applicant that his rehabilitation of the facility would not be undertaken without the applicant's receipt of the exemption certificate.
- Statement the applicant is not delinquent in the payment of any taxes related to the facility.

c) **Public Hearing on Exemption Application**

- Clerk notifies assessor and legislative body of each taxing unit that receive ad valorem property taxes of receipt of application and public hearing.
- Legal Notice given to public in the form of a public hearing notice published in the local paper not less than 10 days before the hearing but no longer 30 days before the hearing. Also notify applicant by certified mail.

**2) WHAT CONSTITUTES REHABILITATION**

Major renovation and modification including, but not limited to:

- Improvements of floor loads
- Correction of deficient or excessive height
- New or improved fixed building equipment (heating, ventilation, lighting)
- Reducing number of stories
- Improved structural support
- Improved roof structure or cover
- Floor replacement
- Improved wall placement
- Improved exterior and interior appearance of buildings
- Physical changes to restore or change the obsolete property to an economically efficient condition
- Rehabilitation must be 10%, or more, of true cash value of the property at commencing of the rehabilitation of the obsolete property

### **3) COMMISSION ACTION ON EXEMPTION APPLICATION**

- Within 60 days of receipt of application the City Commission approve or disapprove by resolution
- Resolution shall contain the number of years for which the property will receive the exemption
- Clerk retains original application and resolution
- Copy of application and resolution sent to the State Tax Commission.
- If disapproved, reasons are to be included in the resolution. A copy of the resolution is sent by certified mail to the applicant and assessor.
- If exempted taxable value exceeds 5% of local governmental unit's taxable value – the resolution must include statement that exceeding that amount will not affect operations of local government
- The resolution is not effective unless approved by the State Tax Commission

### **4) STATE TAX COMMISSION APPROVAL**

- Within 60 days of receiving application, the State Tax Commission shall approve or disapprove.
- If approved, the Tax Commission will issue an Obsolete Property Rehabilitation Exemption Certificate.
- Effective date of certificate - December 31 immediately following the date of issuance of certificate.
- The State Tax Commission will file an approved exemption with the City Clerk

### **5) REVOCATION OF CERTIFICATE**

- City may revoke if:

- Rehabilitation of facility did not occur within the time authorized in the exemption certificate or by an extension
- Property owner did not proceed in good faith

#### **6) TRANSFER OF CERTIFICATE**

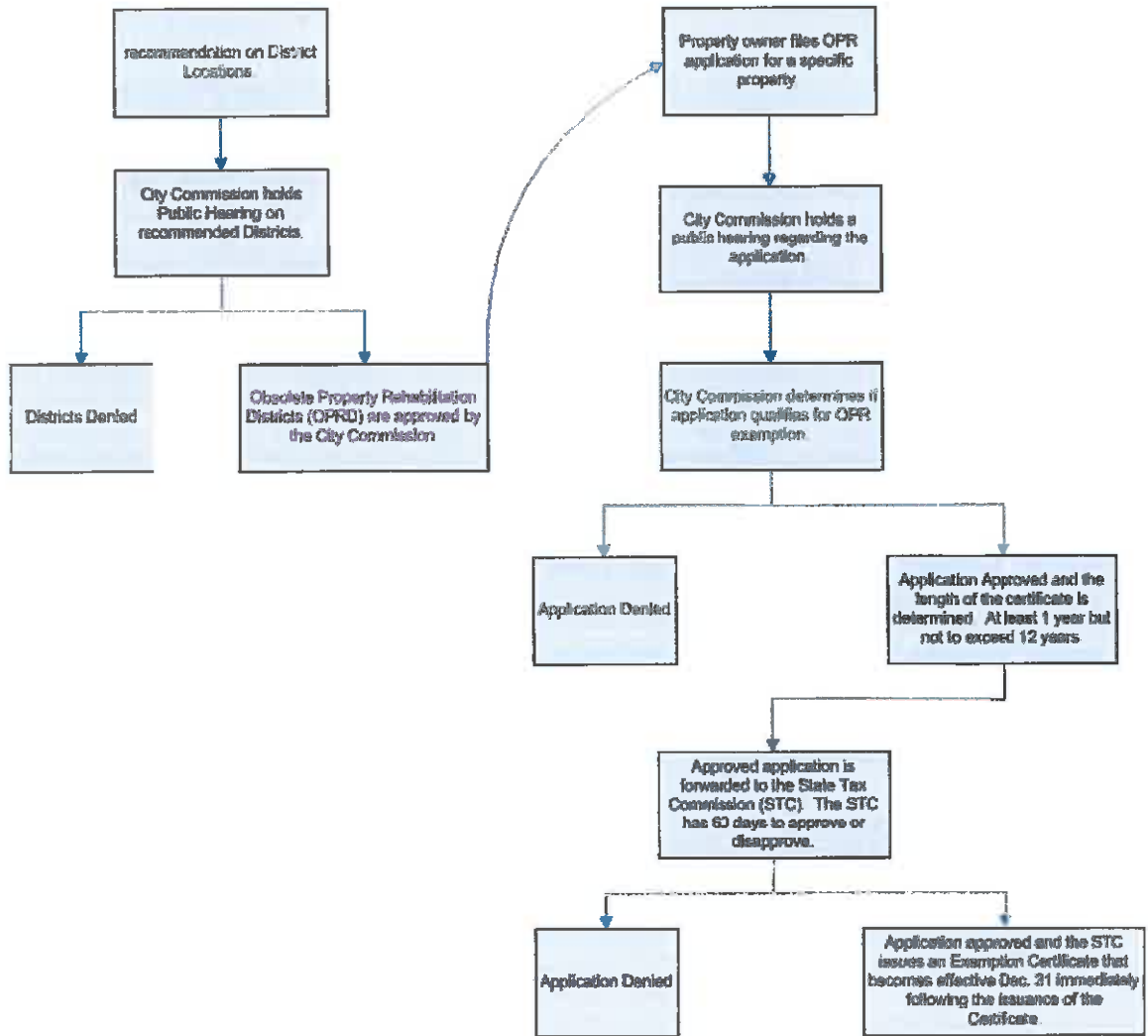
- New owner must apply for transfer
- City Commission must approve

#### **7) LENGTH OF OBSOLETE PROPERTY CONDITIONS**

- Investment of \$250,000 or less will be awarded six years.
- One additional year awarded for every \$25,000 of additional investment.
- One additional year awarded for every full-time job retained.
- Two additional years awarded for every additional full-time job added.
- One additional year awarded for every housing unit created.
- A maximum 12-year can be awarded with no extensions allowed



## Obsolete Property Rehabilitation Districts/Exemption Process



- This is not a tax abatement.
- The Exemption does not apply to the land on which the building is located or personal property other than a building on leased land.
- Can be transferred if application from the new owner is approved by the City Commission. A transfer does not have to be approved by the STC.
- City Commission may revoke the Certificate if the rehabilitation is not completed on time or given an extension or if the property owner has not proceeded with the rehabilitation in good faith and in a manner consistent with the Act.
- If these Districts are created this will not exclude other properties within the City from being eligible. Establishing these districts is identifying target areas for the program.

# OPRD

What property can qualify?

Commercial Property

Commercial Housing Property (Example – Former industrial building that is being converted to housing)

That is **OBSOLETE**

What does obsolete mean?

Property declared a public nuisance (Condemned)

Contaminated Site

Functionally Obsolete

“Property that is unable to be used to adequately perform the function for which it was intended due to a substantial loss in value resulting from factors such as overcapacity, changes in technology, deficiencies or super adequacies in design, or other similar factors that affect the property itself or the property’s relationship with other surrounding property”

Examples:

A floor plan which is inappropriate for the use of the property.

Inadequate mechanical systems.

## Obsolete Property Rehabilitation Criteria

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

1. Completion of Obsolete Property Rehabilitation Application.
2. Completion of the rehabilitated facility must 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 applicant 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 of the surrounding area.
6. General site improvements such as paving, parking areas, increases in landscaping ground vegetation, and signage improvements.
7. The history of the applicant in payment of taxes, water bills, or any other obligations to the City. "Applicant," for this purpose, shall include any entity controlled by the principal officers or owners of the entity signing the present application. The City shall not issue a certificate or approve a district in cases where the "applicant" as here defined, is delinquent in any tax, water bill, or obligation to the City.
8. The impact on property values in the general area of the project.
9. The consistency of the project with adopted codes, ordinances and plans.
10. Other considerations considered unique or of benefit to the community.

The following guidelines are for determining the length of the obsolete property rehabilitation exemption. The City Commission reserves the right to adjust the length of any tax exemption or add or subtract any conditions placed on a tax exemption.

- Six years awarded for any investment of \$250,000 or less
  - One additional year awarded for every additional \$25,000 in investments
  - One additional year awarded for every full-time job retained
  - Two additional years awarded for ever full-time job created
  - One additional year awarded for every housing unit created
- A maximum of 12 years can be awarded with no extensions allowed.