



Legislation Text

File #: 18-1193, **Version:** 1

Resolution Setting a Public Hearing on September 17, 2018, to Receive Public Comment on the Proposed Commercial Rehabilitation District No. 2018-001

Attached please find for Council action the necessary resolution to set a public hearing on the request from Barbara Herzig on behalf Graham Hotel Systems ("Graham") to establish a Commercial Rehabilitation District in the area identified in Attachment 1 ("Proposed District"). Graham owns the Kensington Hotel and the Holiday Inn Express on South State Street; the Proposed District would include those properties as well as a proposed conference and training facility (and related parking garage), which Graham plans to build.

Public Act 210 of 2005, the Commercial Rehabilitation Act ("CRA"), allows the creation of Commercial Rehabilitation Districts, in accordance with the CRA. The State of Michigan's Department of Treasury's website describes the CRA as follows:

The Commercial Rehabilitation Act, PA 210 of 2005, as amended, affords a tax incentive for the rehabilitation of commercial property for the primary purpose and use of a commercial business or multi-family residential facility. The property must be located within an established Commercial Rehabilitation District. Exemptions are approved for a term of 1-10 years, as determined by the local unit of government. The property taxes are based upon the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the certificate. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division. The State Tax Commission (STC) is responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC.

(Source [here <https://www.michigan.gov/taxes/0,4676,7-238-43535_53197-213167--,00.html>](https://www.michigan.gov/taxes/0,4676,7-238-43535_53197-213167--,00.html)).

Before a Commercial Rehabilitation Exemption Certificate can be granted to an eligible commercial property owner, the City by resolution of its legislative body, must establish a Commercial Rehabilitation District.

State law requires that a public hearing be scheduled (and notice of the same be given) on receipt of a written request by the owner to establish a Commercial Rehabilitation District.

Prepared by: Michael Gonzales, Interim Assessor
Reviewed by: Tom Crawford, Financial Services Area Administrator and CFO
Approved by: Howard S. Lazarus, City Administrator

Whereas, Pursuant to Public Act 210 of 2005 ("the Act"), as amended, the City Council has the authority to establish "Commercial Rehabilitation District" within the City of Ann Arbor, subject to the

requirements in the Act;

Whereas, Section 3(2) of the Act provides that the City Council “may establish a commercial rehabilitation district ... upon a written request filed by the owner or owners of property comprising at least 50% of all taxable value of the property located within a proposed commercial rehabilitation district”;

Whereas, The Act requires that such request must be filed with the City clerk;

Whereas, On August 16, 2018, Barbara Herzig’s written request was filed (on behalf of Graham Hotel Systems, Inc.) (collectively the “Applicant”) with the Clerk of the City of Ann Arbor requesting the establishment of the Commercial Rehabilitation District for an area in the vicinity of 3500 South State Street located in the City of Ann Arbor, which is more particularly described in Attachment 1 (“Proposed District”);

Whereas, Based on a search of Washtenaw County Register of Deeds, Barbara Herzig appears as the owner of all the real property in the Proposed District (see attached deed);

Whereas, Section 3(3) of the Act provides that before the City may adopt a resolution establishing a commercial rehabilitation district, the City Council “... shall give written notice by certified mail to the county in which the proposed district is to be located and the owners of all real property within the proposed commercial rehabilitation district and shall afford an opportunity for a hearing on the establishment of the commercial rehabilitation district at which any of those owners and any other resident or taxpayer of the [City] may appear and be heard. The [City Council] shall give public notice of the hearing not less than 10 days or more than 30 days before the date of the hearing”; and

Whereas, The City must now hold a hearing on the establishment of the Proposed District and give notice in accordance with such Section 3(3) of the Act;

RESOLVED, That the City Council of the City of Ann Arbor hereby sets a public hearing for September 17, 2018, at 7:00 p.m. or as soon thereafter as it may be convened in the City Council Chambers, 2nd floor, Guy Larcom Municipal Building, 301 E. Huron St., Ann Arbor, Michigan, where Applicant, any other property owners within the Proposed District, the County, and any other resident or taxpayer of the City may appear and be heard; and

RESOLVED, That the City Clerk be directed to publish notice of such public hearing in a publication of general circulation in the City and mail notice to all owners of real property located within the Proposed District as indicated by the records of the City Assessor and to Washtenaw County, in accordance with the Act. Such notices shall be given not less than 10 days before the hearing.

Sponsored by: Councilmember Grand