

CHARTER TOWNSHIP OF GARFIELD

RESOLUTION 2022-24-T

**REGARDING TAX ABATEMENT AND PAYMENT
TO BE MADE IN LIEU OF TAXES**

Board member, _____, supported by Board member, _____, made a motion to adopt the following amended Resolution:

RESOLUTION DESIGNATING THE MSHDA SUPPORTED HOUSING COMPONENT OF THE PROPOSED APPROXIMATELY 80 UNIT AFFORDABLE/WORKFORCE MULTIFAMILY HOUSING DEVELOPMENT TENTATIVELY TO BE KNOWN AS THE HAMMOND ROAD APARTMENTS, LOCATED NEAR THE INTERSECTION OF W HAMMOND AND GARFIELD RDS ON PARCEL #28-05-023-042-60, TRAVERSE CITY, MI 49686, GARFIELD TOWNSHIP, MICHIGAN, (legally described as: Part of the South half of the Southeast Quarter, Section 23, Town 27 North, Range 11 West, more fully described as commencing at the Southeast corner of said section 23; thence North 88 degrees 13 minutes 41 seconds West, along the South line of said section and the centerline of Hammond Road, 495.0 feet to the point of beginning; thence continuing along said South line, North 88 degrees 13 minutes 41 seconds West, 342.22 feet; thence North 00 degrees 52 minutes 52 seconds West, 113.71 feet; thence North 09 degrees 37 minutes 17 seconds West, 536.64 feet; thence South 89 degrees 12 minutes 14 seconds East, 104.27; thence North 57 degrees 30 minutes 46 seconds East, 512.86 feet; thence North 82 degrees 34 minutes 42 seconds East, 409.62 feet, to the centerline of Garfield Road; thence South 01 degrees 03 minutes 09 seconds West, 762.76 feet, along said centerline; thence North 88 degrees 13 minutes 41 seconds West, 495.0 feet; thence South 01 degrees 03 minutes 09 seconds West, 233.0 feet to the place of beginning) AS A “QUALIFIED PROJECT” UNDER THE CHARTER TOWNSHIP OF GARFIELD’S ORDINANCE NO. 18, AS AMENDED.

WHEREAS, the Township Board, pursuant to MCL 125.1401 *et seq.*, has received a request from Hammond LDHALP (the “Developers”), the Developers plan to construct a new, \$13 million, approximately 80 unit housing project (the “Development”), to be recognized as a “Qualified Project” exempt from payment of *ad valorem* property taxes and subject to the requirement that a service charge be paid to the Charter Township of Garfield in lieu of *ad valorem* property taxes in accordance with MCL 125.1415 through an eighteen (18) year term if there is no MSHDA mortgage, or up to a forty (40) year term if there is a MSHDA mortgage ; and

WHEREAS, the Township Board previously determined that the Development is a “Qualified Project” (Resolution 2022-11-T), as defined by Charter Township of Garfield’s Ordinance No. 18, as amended. The Township Board has determined that the project is eligible for payment of a service charge in lieu of *ad valorem* property taxes in accordance with such Ordinance No. 18, as

amended, and as otherwise provided by MCL 125.1415 *et seq.*;

NOW, THEREFORE, BE IT RESOLVED THAT:

The Development is determined to be a “Qualified Project” as defined by Charter Township of Garfield Amended and Restated Ordinance No.18 and shall pay to the Charter Township of Garfield a service charge in lieu of *ad valorem* property taxes in an amount equal to four percent (4.0%) of Annual Shelter Rents, along with a Municipal Services Assessment, as provided by said Amended and Restated Ordinance No. 18 for the term of the agreement, so long as the Qualified Project remains subject to the Authority Mortgage and remains affordable with a recorded Regulatory Agreement.

BE IT FURTHER RESOLVED THAT:

By virtue of the adoption of this Resolution, subject to the conditions and limitations imposed under Ordinance No. 18, as amended, a contract is deemed to exist between the Charter Township of Garfield and the Developers of the Development, with the Michigan State Housing Development Authority as third party beneficiary under such contract. It shall be deemed a default under Ordinance No. 18, as amended, if the Development fails to meet the terms of a “Qualified Project” under Ordinance No. 18, as amended, because the Development is no longer subject to the Authority Mortgage, fails to remain affordable with a recorded Regulatory Agreement, or fails to comply with Ordinance No. 18, as amended, for any other reason prior to the expiration of the agreement.

Upon roll call vote, the following voted:

Yeas:

Nays:

Abstain:

Absent and Excused:

The Chairman declared the motion carried, and Resolution 2022-24-T duly adopted.

Lanie McManus, Township Clerk

CERTIFICATE

I, Lanie McManus, the duly appointed Township Clerk, hereby certify that the foregoing constitutes a true copy of a Resolution of the Township Board for the Charter Township of Garfield, adopted during a meeting of the Charter Township of Garfield Township Board, Grand Traverse County, Michigan, held on October 11, 2022, at which meeting (6) six members were present as indicated in said Minutes and voted as therein set forth and that all signatures affixed thereto are the genuine signatures of those so indicated, and that each signatory was duly authorized to affix his or her signature, that said meeting was held in accordance with the Open Meetings Act of the State of Michigan, and that due and proper notice of the meeting as required by law was given to the members of the Township Board, and that the Minutes of said Meeting were kept and will be and have been available as required by said Act.

Date: _____

Lanie McManus, Township Clerk

MUNICIPAL SERVICES AGREEMENT

This Municipal Services Agreement is entered into on _____ by and between Hammond Limited Dividend Housing Association Limited Partnership (Hammond LDHA LP), a Michigan partnership, whose address is 7551 Geddes Road, Saginaw, MI 48609 ("LaFranier Woods"), and the Charter Township of Garfield a Michigan municipal corporation, whose address is 3848 Veterans Dr, Traverse City, MI 49684 ("Township").

RECITALS

A. Hammond LDHA LP intends to construct an 80-unit affordable/workforce Multifamily Housing Development, tentatively to be known as the Hammond Road Apartments ("Project").

B. The Township has adopted a Low-Income Housing Tax Exemption Ordinance, effective February 13, 2018, that exempts the Project from property taxes in lieu of a service charge, commonly referred to as "Payment in Lieu of Taxes" ("PILOT").

C. Hammond LDHA LP has agreed to pay to the Township a municipal services fee annually to defray the Township's costs of providing police, fire and EMS services.

D. The municipal services that will be provided to the Project during the term of the PILOT ordinance include police, fire and EMS services, as set forth below.

E. The Township and Hammond LDHA LP wish to set forth the understandings with respect to the imposition and payment of a municipal services fee to defray the cost of the Township providing police, fire and EMS services to the Project.

Now therefore, for good and valuable consideration, the parties agree as follows:

1. *Garfield Township PILOT Ordinance No. 18, as restated and amended.* The attached Low Income Housing Tax Exemption Ordinance ("PILOT Ordinance") is incorporated by reference and shall become effective following execution by all parties and upon filing this Municipal Services Agreement with the Clerk's office.

2. *Services.* The Township shall provide police, fire and EMS services to the Project consistent with services then provided to similar multiple family residential housing developments within the Township. The nature, extent and delivery of such services shall be in the final, sole and absolute discretion of the Township. This Agreement shall not be construed to impose any additional obligations upon the Township to provide such services than otherwise required by law.

3. *Payment for Services.* The payment amount shall be based on an initial project market value of \$13,000,000 (or a "Taxable Value" of \$6,500,000) at 4.75 mills, with an annual increase of the CPI, as determined by the STC. This value is NOT for Ad Valorem tax purposes, and therefore cannot be appealed to the Michigan Tax Tribunal (MTT) as it is only the formula for calculation of this payment amount. Using this calculation, Hammond LDHA LP shall pay the sum of \$30,875 to the Township for police, fire, and EMS services commencing in the calendar year in which the PILOT Ordinance is effective for the first year, and continuing annually on or before July 1 of each year.

4. *Applicability.* This Agreement only applies to the Project and to Hammond LDHA LP, its successors and assigns.

5. *Duration.* This Agreement shall remain in effect and shall not terminate so long as the PILOT Ordinance is in effect.

6. *Non-Payment.* If Hammond LDHA LP does not pay the municipal service charge by September 1st of the year in which it was due, such service charge shall be considered in arrears and should such charge remain unpaid until September 1st of the year following the date the service charge was due, then the Township is entitled to all rights and means to collect the arrearage, subject to the PILOT Ordinance, this Agreement, and applicable law. At any time prior to September 1st of the year following the date the municipal service charge was due, Hammond LDHA LP may pay or cause to be paid the outstanding charge and such payment shall cause this Agreement and the tax exemption under the PILOT ordinance to remain in full force and effect.

7. *Maintenance.* The Property shall be maintained in accordance with all Township municipal codes.

8. *Amendments.* The terms of this Agreement may not be varied or modified in any manner, except in a subsequent writing executed by an authorized representative of both parties.

9. *Notice.* All notices and other communications required or permitted under this Agreement shall be in writing and shall be deemed given when delivered personally or by registered or certified mail or by overnight courier with tracking capability addressed as follows (or any other address that is specified in writing by either party):

If to the Township: Garfield Charter Township
ATTN: Chuck Korn, Supervisor
3848 Veterans Dr
Traverse City, MI 49684

If to the Village: Hammond LDHA LP
Attn: Brian Stadler
7551 Geddes Rd
Saginaw, MI 48609

10. *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed an original Agreement, but all of which shall be considered one instrument and shall become a binding agreement when one or more counterparts have been signed by each of the parties and delivered to the other.

11. *Default.* A default with respect to performance of any obligation owed by Hammond LDHA LP to the Township under the PILOT Ordinance shall constitute a default under the terms of this Agreement, entitling the Township to take any enforcement action authorized by law.

12. *Binding Agreement.* This Agreement shall be binding upon the successors, assigns and subsequent transfers of the Property.

13. *Severability.* The various sections and provisions of this Agreement shall be deemed to be severable, and should any section or provision of this Agreement be declared by any court of competent jurisdiction to be unconstitutional or invalid the same shall not affect the validity of the Agreement as a whole or any section or provision of this Agreement other than the section or provision so declared to be unconstitutional or invalid.

This Municipal Services Agreement is executed as of the day and year first written above.

By: Hammond Limited Dividend Housing
Association Limited Partnership, a
Michigan partnership
Its: Member

By: _____
Brian Stadler

STATE OF MICHIGAN)
) ss.
COUNTY OF)

This Agreement was acknowledged before me in _____ County,
on _____, by Brian Stadler, Member of Hammond Limited Divided Housing
Association Limited Partnership.

), Notary Public
 County, Michigan
 Acting in County
My Commission expires:

and

TOWNSHIP OF Garfield,
a Michigan municipal corporation

By: _____
Chuck Korn

Its: Supervisor

STATE OF MICHIGAN)
) ss.
COUNTY OF GRAND TRAVERSE)

This Agreement was acknowledged before me in Grand Traverse County, on _____, by Chuck Korn, Supervisor of Garfield Township.

 , Notary Public
 County, Michigan
 Acting in Grand Traverse County
 My Commission expires: