



Item Number: 12



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: December 17, 2024

TO: Mark Washington, City Manager

COMMITTEE: Community Development Committee

LIAISON: Mary Kate Berens, Deputy City Manager

FROM: Sarah Rainero, Economic Development Director
Economic Development

SUBJECT: **Resolution scheduling a public hearing for January 14, 2025, to consider an application for a ten-year Obsolete Property Rehabilitation Exemption Certificate, pursuant to PA 146 of 2000, for CGFH 955 GODFREY LLC at 945 Godfrey Avenue, SW**

Attached is a resolution setting January 14, 2025, at 2:00 p.m. as the date and time when the City Commission will hold a public hearing to consider an application for a ten-year Obsolete Property Rehabilitation (OPRA) Exemption Certificate, pursuant to Public Act 146 of 2000, for CGFH 955 GODFREY LLC (the "Applicant"), for the property located at 945 Godfrey Avenue, SW. The Applicant has also submitted an application for an OPRA Exemption Certificate for 1101 Godfrey Avenue SW, which is included as part of the overall project proposed by the Applicant (945 and 1101 Godfrey Ave SW, collectively referred to as the "Properties").

The Applicant is the current owner of the Properties and plans to rehabilitate and redevelop the obsolete properties into an employment center and community hub. The building at 945 Godfrey Avenue SW is currently housing several small business tenants and was previously used as a foundry and metal plating facility for Keeler Brass. 1101 Godfrey Avenue SW is currently vacant but was the original site of the Johnson Furniture Company. The City Assessor inspected the building on October 22, 2024, and determined that it meets the definition of "functionally obsolete," as defined by Public Act 146 of 2000, and will require significant investment and rehabilitation prior to future use.

The Properties total approximately 568,000 square feet. The plan for rehabilitation includes the redevelopment of the existing site into a walkable employment center that will continue to serve and operate as an industrial facility and a creative-hub for artists, not-for-profits, makers, and minority and women owned small businesses. The intent of the rehab is to upgrade the space to allow the continued occupancy and growth of these businesses with the creation of 125 new jobs. Investment by the Applicant in the rehabilitation is currently estimated to be approximately \$14.2 million.

The Applicant has not yet selected a general contractor but has outlined an overall achievable goal for subcontractor participation in connection with the project for both hard and soft costs for Micro-Local Business Enterprises (MLBEs), Women-Owned Business Enterprises (WBE), and Minority-Owned Business Enterprises (MBE) during construction. These commitments include, 15% or \$2.1 million of the \$14.2 million of hard construction costs, and 15% or \$299,768 of the \$2 million of soft costs.

The project qualifies for the base ten-year OPRA term, pursuant to City Commission Policy 900-42 (the "Policy"), adopted on February 23, 2016.

The project meets multiple objectives of the City's Strategic Plan and Equitable Economic Development and Mobility Strategic Plan, including:

- Prioritization of real estate development in the Neighborhoods of Focus,
- Support the creation, retention, and growth of businesses, and
- Increase the number and diversity of business owners, property owners, and developers participating in economic development incentive programs.

The Applicant intends to retain the existing building tenants and approximately 90 jobs that currently exist across the two buildings. Additionally, the Applicant intends to recruit additional tenants and expects that another 190 jobs will be created by future tenants as a result of the project with average wages of \$27.00 per hour. The subsequent agenda item contains a resolution scheduling a public hearing to consider an application for an OPRA Exemption Certificate for the other property associated with the overall project, 1101 Godfrey Avenue SW.

Project Projections – 945 & 1101 Godfrey Avenue SW		
	Total Amount	City of Grand Rapids Portion
Investment - Real Property	\$14.2 million	
Retained Jobs - FTE	90	
New Jobs - FTE	190	
Average Hourly Wages (new FTE jobs)	\$27.00	
Total New Taxes Generated (1 year)	\$294,406	\$51,342
Taxes Paid (1 year)	\$68,805	-
Taxes Abated (1 year)	\$225,600	\$51,342
New City Income Taxes (1 year)	-	\$104,728

Attachment

SLR/JS/mm

Your COMMUNITY DEVELOPMENT COMMITTEE recommends the adoption of the following resolution scheduling a public hearing for January 14, 2025, to consider an application for a ten-year Obsolete Property Rehabilitation Exemption Certificate, pursuant to PA 146 of 2000, for CGFH 955 GODFREY LLC at 945 Godfrey Avenue, SW.

RESOLVED:

1. That the application of CGFH 955 GODFREY LLC for an Obsolete Property Rehabilitation Exemption Certificate for property located at 945 Godfrey Avenue SW, pursuant to PA 146 of 2000, shall remain on file for inspection by the public in the Economic Development Department; and
2. That a public hearing be held on Tuesday, January 14, 2025, at 2:00 p.m., in the City Commission Chambers, on the 9th Floor of City Hall, 300 Monroe Avenue NW, in the City of Grand Rapids, to consider a ten-year Obsolete Property Rehabilitation Exemption Certificate for property located at 945 Godfrey Avenue, SW (PPN 41-13-36-306-003), pursuant to PA 146 of 2000, at which time and place the City Commission shall afford the applicant, the City Assessor, and a representative of each of the taxing units an opportunity to be heard; and
3. That the City Clerk shall notify in writing the City Assessor and the legislative body of each taxing unit which levies ad valorem property taxes in the City of the receipt of the application and the date, time, and location at which the City Commission shall afford the applicant, the Assessor, and a representative of each affected taxing unit an opportunity for a hearing.

CORRECT IN FORM


DEPARTMENT OF LAW