



**CITY OF NOVI CITY COUNCIL  
OCTOBER 28, 2024**

**SUBJECT:** Consideration of a Resolution Approving a Request for a Two-Year Extension of the PA 210 Commercial Rehabilitation Exemption Certificate for the Sakura development at Grand River and Town Center Drive, extending it through 2031, and a corresponding Amendment to the existing Commercial Rehabilitation Agreement

**SUBMITTING DEPARTMENT:** City Manager

**KEY HIGHLIGHTS:**

- Sakura Novi Residential, LLC, and Sakura Novi, LLC, are requesting a two-year extension of their Commercial Rehabilitation Exemption Certificate, extending the expiration from 2029 to 2031, along with an amendment to the Agreement that accompanies/governs the abatement.
- The original eight-year abatement was approved for approximately \$2.5 million; this extension would increase the total abated value to around \$2.9 million.
- The applicants state that challenges from Covid-19 and with wetland mitigation, brownfield remediation, and other environmental factors, combined with the mixed-use nature of the development, have made this a longer-term project than typical developments.
- The applicants also indicate that the discovery of peat on the site has further complicated the project and added between \$700,000 to \$1 million in additional costs, which impacts the relief originally provided by the eight-year abatement.
- The City Council originally approved an eight-year abatement in 2021 after being asked for a full 10-year abatement.

**BACKGROUND INFORMATION:**

In July 2021, City Council approved the establishment of a Commercial Rehabilitation District (CRD) for Sakura Novi Land Development, LLC. In July of last year, the City Council was presented with a memo outlining several significant challenges that the Sakura developers (Sakura Novi Residential for the residential portion and Sakura Novi for the commercial portion) had encountered in preparing the land for development. Among the most impactful issues was the discovery of peat in the soil, which required filling in the pond and resulted in considerable delays and added costs for the project. According to the applicants, these factors, combined with the challenges from the Covid-19 pandemic as well as the mixed-use

nature of the development and the necessary wetland mitigation, brownfield cleanup, and other environmental remediation efforts, have extended the project timeline beyond a typical 9-12 month development. As a result, City Council is now being asked to consider a two-year extension of the original abatement.

Originally, the Sakura developer (the Sakura Land Development, LLC) sought a full 10-year abatement, but after extensive discussions with the City Council in 2021, a compromise was reached, and an eight-year abatement was granted. The Council's approval resolution indicated that no extension would be granted. The initial abatement provided approximately \$2.5 million in tax relief. The Sakura developers contend that the recent discovery of peat, which had some associated costs, as well as the cost of the development generally justifies the extension, which would bring the total requested relief to around \$2.9 million.

A public hearing for this action was held earlier on this agenda. The extension will cover the same four parcels included in the current abatement.

As a reminder, the Commercial Rehabilitation tax abatement freezes the taxable value (TV) of the parcels in the district for up to 10 years. Taxes on Novi School's operating millage and the State Education Tax will continue to be levied on new investments, while all other local millages (City, County, and a portion of Novi School's millages) remain frozen during the abatement period.

Attached, you will find:

- An updated spreadsheet showing the total PA 210 Incentive;
- The referenced July 2023 memo;
- The original application for a Commercial Rehabilitation Exemption;
- The amended application for a Commercial Rehabilitation Exemption approved by the State Tax Commission in December 2023;
- A draft Resolution Approving the Extension of Commercial Rehabilitation Exemption Certificate for the Sakura development; and
- The Agreement Concerning Act 210 Commercial Rehabilitation Abatement.
- A draft Agreement to Extend a previously approved Act 210 Abatement.

**RECOMMENDED ACTION:** Consideration of Resolution Approving Extension of Commercial Rehabilitation Exemption Certificate for the Sakura Mixed-Use Commercial and Multi-Family development at the northeast corner of Grand River Avenue and Towns Center Drive, and approval of a related Agreement to Extend a previously approved Act 210 Commercial Rehabilitation Abatement, subject to final review and approval of both by the City Manager and the City Attorney's office.



Even through the house and car wash were demolished in Nov. 2022, the improvements remain on the record until the certificate expires.  
 Upon expiration, the demo'd improvements can be removed when the new improvements are moved back to the ad valorem parcels.

**2022 TY**

**Taxable Value**

**Sakura Novi LLC**

50-CR-21-200-017	\$90,520	CR parcel reflects TV of improvements (car wash, house, pavement) adjusted by frozen value
50-CF-21-200-017	\$60,260	Frozen TV of 22-23-126-018

**2023 TY**

**Sakura Novi LLC**

50-CR-21-200-017	\$95,040	CR value adjusts annually with inflation and also additions, if applicable
50-CF-21-200-017	\$60,260	This will remain frozen for life of certificate

**2024 TY**

**Sakura Novi LLC**

50-CR-21-200-017	retired	
50-CF-21-200-017	retired	
50-CR-21-300-017	\$0	This will increase when improvements are added
50-CR-21-400-017	\$99,790	CR value adjusts annually with inflation and also additions, if applicable
50-CR-21-500-017	\$0	This will increase when improvements are added
50-CF-21-300-017	\$0	This will always be zero.
50-CF-21-400-017	\$60,260	This will remain frozen for life of certificate
50-CF-21-500-017	\$0	This will always be zero.

**Sakura Novi Residential LLC**

50-CR-21-600-017	\$0	This will increase when improvements are added
50-CR-21-700-017	\$0	This will increase when improvements are added
50-CF-21-600-017	\$0	This will always be zero.
50-CF-21-700-017	\$0	This will always be zero.

**2025 TY - To be determined**

**Sakura Novi LLC**

50-CR-21-300-017	?	
50-CR-21-400-017	?	
50-CR-21-500-017	?	
50-CF-21-300-017	\$0	This will always be zero.
50-CF-21-400-017	\$60,260	This will remain frozen for life of certificate
50-CF-21-500-017	\$0	This will always be zero.

**Sakura Novi Residential LLC**

50-CR-21-600-017	?	
50-CR-21-700-017	?	
50-CF-21-600-017	\$0	This will always be zero.
50-CF-21-700-017	\$0	This will always be zero.

**Sakura Novi**  
**PA 210 Current Estimates**  
**As of June 15, 2021**

Estimated Frozen Commercial Rehab Value			\$ 1,500,000	\$10,000,000	\$ 17,570,939	\$ 17,570,939	\$ 17,574,187	\$ 17,716,079	\$ 17,861,376	
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	
	Mileage	2022	2023	2024	2025	2026	2027	2028	2029	
Novi - General City	4.7505	\$ -	\$ 7,126	\$ 47,505	\$ 83,471	\$ 83,471	\$ 83,486	\$ 84,160	\$ 84,850	\$ 474,069
Novi - Streets	1.4197	\$ -	\$ 2,130	\$ 14,197	\$ 24,945	\$ 24,945	\$ 24,950	\$ 25,152	\$ 25,358	\$ 141,677
Novi - Police/Fire	1.3518	\$ -	\$ 2,028	\$ 13,518	\$ 23,752	\$ 23,752	\$ 23,757	\$ 23,949	\$ 24,145	\$ 134,901
Novi - Capital Improvement	0.9514	\$ -	\$ 1,427	\$ 9,514	\$ 16,717	\$ 16,717	\$ 16,720	\$ 16,855	\$ 16,993	\$ 94,944
Novi - Library	0.7303	\$ -	\$ 1,095	\$ 7,303	\$ 12,832	\$ 12,832	\$ 12,834	\$ 12,938	\$ 13,044	\$ 72,879
Novi - Drains	0.6101	\$ -	\$ 915	\$ 6,101	\$ 10,720	\$ 10,720	\$ 10,722	\$ 10,809	\$ 10,897	\$ 60,884
Novi - Parks & Rec	0.3648	\$ -	\$ 547	\$ 3,648	\$ 6,410	\$ 6,410	\$ 6,411	\$ 6,463	\$ 6,516	\$ 36,405
Novi - Library Debt	0.3471	\$ -	\$ 521	\$ 3,471	\$ 6,099	\$ 6,099	\$ 6,100	\$ 6,149	\$ 6,200	\$ 34,638
Novi - PA359 Econ Dvlp	0.0119	\$ -	\$ 18	\$ 119	\$ 209	\$ 209	\$ 209	\$ 211	\$ 213	\$ 1,188
Oak County HCMA	0.2104	\$ -	\$ 316	\$ 2,104	\$ 3,697	\$ 3,697	\$ 3,698	\$ 3,727	\$ 3,758	\$ 20,997
Oak ISD Voted	3.0110	\$ -	\$ 4,517	\$ 30,110	\$ 52,906	\$ 52,906	\$ 52,916	\$ 53,343	\$ 53,781	\$ 300,478
Oak ISD Alloc	0.1902	\$ -	\$ 285	\$ 1,902	\$ 3,342	\$ 3,342	\$ 3,343	\$ 3,370	\$ 3,397	\$ 18,981
Oak County PK & RC	0.3470	\$ -	\$ 521	\$ 3,470	\$ 6,097	\$ 6,097	\$ 6,098	\$ 6,147	\$ 6,198	\$ 34,628
Oak County Operating	0.4013	\$ -	\$ 602	\$ 4,013	\$ 7,052	\$ 7,052	\$ 7,053	\$ 7,110	\$ 7,168	\$ 40,049
Oak Comm College	1.5057	\$ -	\$ 2,259	\$ 15,057	\$ 26,457	\$ 26,457	\$ 26,461	\$ 26,675	\$ 26,894	\$ 150,259
Novi - School Sink	0.4713	\$ -	\$ 707	\$ 4,713	\$ 8,281	\$ 8,281	\$ 8,283	\$ 8,350	\$ 8,418	\$ 47,033
Novi - School Debt	6.5000	\$ -	\$ 9,750	\$ 65,000	\$ 114,211	\$ 114,211	\$ 114,232	\$ 115,155	\$ 116,099	\$ 648,658
Novi - School Recreation	0.9365	\$ -	\$ 1,405	\$ 9,365	\$ 16,455	\$ 16,455	\$ 16,458	\$ 16,591	\$ 16,727	\$ 93,457
Novi - Oak County Zoo	0.0965	\$ -	\$ 145	\$ 965	\$ 1,696	\$ 1,696	\$ 1,696	\$ 1,710	\$ 1,724	\$ 9,630
Novi - Oak County Art	0.1913	\$ -	\$ 287	\$ 1,913	\$ 3,361	\$ 3,361	\$ 3,362	\$ 3,389	\$ 3,417	\$ 19,091
	<b>24.3988</b>									
<b>Estimated Total Developer PA 210 Incentive</b>		\$ -	\$ 36,598	\$ 243,988	\$ 428,710	\$ 428,710	\$ 428,789	\$ 432,251	\$ 435,797	#####

# MEMORANDUM



**TO:** MAYOR AND COUNCIL MEMBERS  
**FROM:** VICTOR CARDENAS, CITY MANAGER  
**SUBJECT:** SAKURA WAY – ABATEMENT EXTENSION  
**DATE:** JULY 27, 2023

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Attached are timelines and issues that the developers of Sakura have provided to the City as they continue to prepare the land for construction. They have been struggling with peat\* in the soil, eventually filling the pond. The issues they have encountered have drastically set their timeline back. They now request that the City Council consider adding two years to their Commercial Rehabilitation District (abatement via PA 210) to the maximum of 10 years.

An issue that Tom has noted deals with the city's agreement with Sakura for the abatement that specifically says, "There is no contemplation by the Parties that the eight (8) year period will be extended." That specific language relates to the language in the law that :

(3) If the number of years determined by the legislative body of the qualified local governmental unit for the period a certificate remains in force is less than 10 years, the review of the certificate for the purpose of determining an extension shall be based upon factors, criteria, and objectives that shall be placed in writing, determined and approved at the time the certificate is approved by resolution of the legislative body of the qualified local governmental unit and sent, by certified mail, to the applicant, the assessor of the local tax collecting unit in which the qualified facility is located, and the commission.

So the agreement didn't include the sorts of factors or criteria for an extension that the statute says it should include. It is probably still possible that there is an avenue to accomplish that; however, if the Council determines (with appropriate findings) that it wants to do so.

I foresee Sakura coming before City Council in August to make this request.

*\*Peat is the surface organic layer of a soil that consists of partially decomposed organic matter, derived mostly from plant material, which has accumulated under conditions of waterlogging, oxygen deficiency, high acidity and nutrient deficiency.*

## Sakura Novi Approval Timeline

### 2020

4/1/20 - Submittal to EGLE for wetland permit  
10/5/20 – Draft EGLE wetland permit received

### 2021

6/20/21 – **City of Novi** approval of Establishment of CRD District  
7/6/21 – Application for CRD Certificate to **City of Novi**  
7/26/21 – **City of Novi** Approval of CRD Certificate  
7/26/21 – **City of Novi** Approval of Revised Brownfield Plan  
8/20/21 – Purchase of Property from **City of Novi**/ECCO Tool  
9/21/21 – Submission of CRD Certificate to State  
11/9/21 – Completion of Act 381 Work Plan  
12/14/21 – State approval of CRD Certificate  
12/15/21 – Oakland County Approval of Brownfield Reimbursement Agreement

### 2022

3/7/22 – Preliminary Site Plan submitted  
3/25/22 – Comments received on PSP  
5/25/22 – revised PSP submitted  
6/16/22 – Comments received on rPSP  
7/13/22 – Public hearing on PSP, Planning Commission recommends approval  
8/8/22 – City Council approves PSP, and 1<sup>st</sup> Addendum to PRO Agreement  
8/31/22 – Final Revised Act 381 Work Plan (Modified due to multiple meetings w/ EGLE)  
9/6/22 – Submission of Final Revised Act 381 Work Plan to EGLE  
9/13/22 - Date of submission of LIP application  
9/22/22 – EGLE wetland permit credits purchased (fewer credits purchased than specified in the PRO Agreement)

9/22/22 – EGLE Approval of Act 381 Work Plan  
9/28/22 - Permit applied for LIP Soil Erosion  
10/5/22 – Commencement of Demolition  
10/19/22 - Date of 1<sup>st</sup> submission of final site/engineering plans  
10/21/22 - Final EGLE wetland permit received  
10/24/22 - Date of receipt of comments on LIP application (Engineering and Wetland denied due to missing information)  
10/27/22 - LIP resubmission resubmitted (applicant did not provide the necessary information to address wetland comments from previous review)  
11/14/22 – 2<sup>nd</sup> Addendum to PRO Agreement to City Council to allow applicant to buy fewer wetland credits than specified in the PRO Agreement  
11/20/22 – Completion of Demolition  
11/29/22 - SESC Approval (City of Novi)  
11/30/22 - LIP comments received from City Staff  
12/19/22- LIP resubmitted (Electronic plans – grading plans do not match SESC plans submitted) 12/21/22 - Date of receipt of 1<sup>st</sup> final site/engineering plan submission comments from City Staff

## 2023

1/31/23 - Oakland County Road Commission  
1/11/23 – LIP comments received from City Staff  
1/17/23 – LIP Stamping Sets submitted  
1/26/23 – Commencement of Environmental Remediation  
2/14/23 - Permit received for LIP Soil Erosion (Permit for remainder of site work - received comments on 6/26/23 and will be issued as part of full pre-con with payment of fees)  
2/14/23 – NPDES Permit applied for LIP  
2/7/23 – LIP approved by the City  
2/15/23 – Special LIP pre-con held  
2/23/23 - Final site/engineering plan resubmitted (Applicant did not include a response letter until 3/20/23, so the plans were not processed until that was received)  
2/23/23 – NPDES Permit received for LIP (Permit for remainder of work to be issued prior to full pre-con)  
2/26/23 – Completion of Environmental Remediation



2/27/23 – Issuance of Excavation Summary Report from ERG for remediation activities  
3/1/23 - Submitted EGLE water main  
3/1/23 – Submitted EGLE sanitary sewer  
3/25/23 – Commencement of Clearing Site  
4/12/23 - Final site/engineering plan comments sent by City staff  
5/5/23 - Final site/engineering plan resubmitted (Applicant did not include an application – received 5/9)  
5/10/23 – Completion of Clearing Site  
5/15/23 – Oakland County Road Commission approved  
6/2/23 - Final site/engineering plan comments received  
6/8/23 – Commencement of Mass Grading Site  
6/20/23 - Final site/engineering plan Electronic Stamping Set resubmitted (No architectural sheets included – received 6/27)  
6/26/23 – EGLE sanitary sewer approved  
7/17/23 - Final site/engineering plan comments received (Revisions required by Traffic, Landscape, Fire)  
7/20/23 - EGLE water main approved

## Sakura Novi



Darian Neubecker <dneubecker@robertsonhomes.com>

To Cardenas, Victor; McCready, Mike

Cc Tim Loughrin; Jim Clarke; Scott Aikens - Robert B. Aikens & Associates, LLC (gscott@rbaikens.com); Phil Kim [kisrg.com]



Sun 7/23/2023 8:18 AM

You replied to this message on 7/24/2023 11:33 AM.



Victor attached is a timeline of activities essentially from our closing in August of 2021 until today. This is just a list of milestones as this project has a lot going on as we all know. There were more meetings that I could count with various stakeholders that occurred in the background and not listed here. Robertson has been hosting weekly development meetings for nearly two years now to keep this site on track best we can. In general:

- 1) Spent late fall/winter 2021 working through local/county reviews of brownfield/CRD
- 2) Once brownfield/CRD local/state approvals were in place we then went to state for approvals of CRD/Brownfield in Nov/Dec 2021
- 3) Received our CRD approval late in 2021 and then had numerous meetings with EGLE on brownfield starting in early 2022 and through mid 2022
- 4) Finally got thumbs up from State in August 2022 on Act 381 plan (state version of brownfield plan) and received formal approval in September 2022
- 5) Received our final EGLE approvals for Wetland Mitigation in September 2022 and purchased wetland credits
- 6) Commenced demolition in October 2022 and completed in November 2022
- 7) Commenced environmental remediation in late January 2023 and completed in late February 2023
- 8) Applied for LIP (land improvement permit) permit in late September 2022. Received three rounds of comments from Novi and resubmitted three times and approved in late February 2023
- 9) Applied for final site plan/engineering in late December 2022. Received three rounds of comments from Novi and resubmitted three times and should have our approvals this week
- 10) Commenced Clearing the site in late March 2023 and completed in early May 2023
- 11) Commenced Mass Grading the site in early June 2023 and are about 2 weeks away from completion and then will commence underground utilities with plans to be paving in late September/early October

The mixed-use nature of the site in combination with wetland mitigation/brownfield/CRD/demolition/environmental remediation makes this not a typical 9 to 12 months from land closing to paving development. We have tried to move quickly through the process but this site is complex and has many challenges. When we put this project together what made this viable was some lift from the CRD and we wanted 10 years but understood the concern the City had so we settled on 8 years and we thought that was a fair compromise from all parties. We would just ask in light of that and the scale of the peat mess we are dealing with now which will likely be in range of 700,000 to 1,000,000 when all said and done that we can get an actual 8 years of benefit from CRD.

I did speak with Eric Helzer (Advanced Redevelopment Solutions) and there is a straightforward process to address this situation if there is support. We would just ask for some help here if possible. Victor if you could call me to discuss next week that would be great. Thanks again Victor.

Darian



**Darian L. Neubecker | Chief Operating Officer**

Robertson Brothers Homes | [6905 Telegraph Road, Suite 200 | Bloomfield Hills, MI 48301](https://www.robertsonhomes.com)

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**AGREEMENT CONCERNING  
ACT 210 COMMERCIAL REHABILITATION ABATEMENT  
(SAKURA NOVI)**

The City of Novi ("City"), located at 45175 W. Ten Mile Road, Novi, MI 48375, and Sakura Novi Land Development, LLC, a Michigan Limited Liability Company ("Company"), located at 350 North Old Woodward Ave. Ste 300, Birmingham, MI 48009 ("the Parties"), agree as follows:

**Recitals**

- A. After due notice and deliberation, and taking into consideration the statements received by the City Council at a hearing held on June 21, 2021, the City Council adopted a Resolution creating a Commercial Rehabilitation District (the "District") pursuant to Act 210 of the Public Acts of 2005, as amended (the "Act 210"), for the property described on the Legal Description attached and made a part of this Agreement (the "Property"), located approximately at 42750 Grand River Avenue, Novi, Michigan.
- B. The Company submitted an application ("Application") for issuance of a Commercial Rehabilitation Exemption Certificate ("Certificate") for the Property, as provided for in Act 210. The Application was formally received by the City on June \_\_\_\_, 2021. The Application is incorporated as part of this Agreement by reference.
- C. The Company represented in its application that it will construct a mixed-use commercial and multiple-family residential development as approved by the City, and only as approved by the City, on the Property (the "Building Investment") and that (1) the Property is Commercial Property as defined in Act 210, and (2) the mixed-use commercial and multi-family residential development is a Qualified Facility as defined in Act 210.
- D. The City and the Company desire to enter into this Agreement for the purpose of setting forth the terms and conditions under which the Certificate shall be approved and issued by the State Tax Commission for the Property proposed to be exempt from *ad valorem* real property taxes.

**NOW THEREFORE**, in consideration of the foregoing, the Parties now enter into this Agreement.

## Terms and Conditions

1. Subject to and in accordance with the Recitals set forth above, on July 26, 2021 the City Council adopted a Resolution approving the Company's Application for an abatement of real property taxes related to the Building Investment under Act 210 (the "Resolution") for a period not to exceed eight (8) years, subject to the Recitations in the approval Resolution and the provisions of this Agreement. A copy of the Resolution is attached and is incorporated into this Agreement. At the end of the eight (8) year abatement period the Property shall be subject to full *ad valorem* taxation. There is no contemplation by the Parties that the eight (8) year period will be extended.
  
2. In consideration of an eight (8) year abatement of real property taxes, for the 2022 through 2029 tax years (imposed based upon taxable values as of December 31, 2021 through December 31, 2028) (the "Abatement Period"), the Company represents and warrants that it will build and maintain the Building Investment for the entire Abatement Period, subject to the assignment provisions below. The Company further agrees as follows with respect to the Building Investment:
  - a. That the Building Investment shall be in accordance with and at all times in material compliance with the Planned Rezoning Overlay (PRO) Plan and Agreement conditionally approved by the City Council on May 24, 2021, subject to any amendments approved by the City Council, and with all other applicable City ordinance requirements.
  
  - b. That the cost of the construction of the Building Investment is estimated to be in the range of \$40,000,000 to \$50,000,000, and that the design elevations, materials, and quality of tenant/occupant will be and remain of such quality or greater and as proposed and depicted in the Company's application materials and more particularly the approved PRO Plan and PRO Agreement approved by the City; provided, however, that while such amount is the estimated minimum amount of investment in the mixed-use commercial and multi-family residential development, the Parties acknowledge that it will not be determinative of value for purposes of the commercial rehabilitation tax, which shall be established by applicable valuation methods as provided by law and subject to challenge by the Company in accordance with the law.
  
  - c. That property taxes for the Building Investment will be timely paid and that there will be no outstanding fines or liens by the Company with regard to the property at issue during the Abatement Period (subject to a reasonable notice and cure period).

- d. That the Building Investment and/or Property will bear its appropriate share, if any, for any existing or future payback or special assessments, as determined by the City.
- e. That the use of the Building Investment will not change during the Abatement Period.

Collectively, these representations (a) – (d) shall be referred to as the “Undertakings.”

- 3. At the end of each calendar year from December 31, 2022 through December 31, 2029, the City shall evaluate the Building Investment to determine whether the Company has materially defaulted on any obligations under Act 210 or under this Agreement, including any of the Undertakings set forth in Paragraph 2 above. The City Council retains all rights to revoke the Certificate by resolution as set forth in Section 12 of Act 210, if it finds that:
  - a. The Company continues to be in default, after a reasonable notice and cure period, of any provisions of this Agreement, including of the Undertakings set forth in Paragraph 2; or
  - b. The Company has not fully and completely complied with PRO Plan and/or PRO Agreement, including, but not limited to, the time periods therein relating to commencement and completion of the work and improvements described therein, and has failed to cure such default after reasonable notice and opportunity to cure.

If any such default is found by the City to exist, other than due to the enactment of laws, regulations, or ordinances by the City that materially impair the Company's ability to operate at the Property, then upon written demand the Company shall pay the City a sum equal to the amount of real property taxes abated for the entire period that the Certificate was in effect (i.e., from the effective date of the Certificate) and the City shall revoke the Certificate. Following receipt of such a written demand from the City, the Company may petition (“Petition”) the City Council to conduct a public hearing to determine if the Company should be excused from all or any default for such reasons as may be presented by the Company to the City and if revocation should not occur. The City Council shall conduct a public hearing within sixty (60) days from the date that the Petition is filed with the City Clerk. The Company's obligation to make any required payment shall be suspended until the City Council has conducted such public hearing regarding the Petition and decided whether to waive some or all of Company's default or the resulting payment obligation.

4. Any all modifications or amendments to this Agreement must be made in writing and approved by the City Council and the Company.
5. The covenants and provisions set forth herein shall bind the successors and assigns of the parties. This Agreement is assignable and transferable by either party, provided that such assignment and transfer by the Company shall be subject to the approval of the City, which shall not be unreasonably withheld. Assignment in whole or in part, to Sakura Novi LLC and/or Sakura Novi Residential LLC (the "Permitted Assignees") shall be considered to be approved by the City, without further action by either party.
6. The Agreement will be interpreted, construed, and enforced in all respects in accordance with the laws of the state of Michigan.
7. The Agreement constitutes the entire understanding of the Parties regarding the abatement of real property taxes in the District and supersedes any other prior writings, agreements, contracts, or understandings between the City and the Company regarding the abatement of real property taxes in the District.
8. The Parties acknowledge that each of them has consulted with attorneys and counselors regarding this Agreement and that the City and the Company have equally participated in the drafting of this Agreement. The Company acknowledge that the terms, conditions, requirements, and obligations of the Certificate and this Agreement are lawful and are reasonable in consideration for the benefits the Company has determined that it will achieve by issuance of the Certificate, and the Company agrees that it shall not be permitted to claim that the City is not authorized by law and/or equity to enforce any provision of this Agreement.
9. The Parties each represent that the undersigned individuals are authorized to execute this Agreement on behalf of the City and the Company.
10. In the event that any portion or provision of this Agreement is deemed to be unlawful or unenforceable, the unlawful or unenforceable provision shall be stricken and the remaining portions and provisions shall be fully enforced.
11. This Agreement shall become effective upon issuance by the Michigan State Tax Commission of a Certificate to the Company with respect to the Property and shall be null and void and of no force and effect whatsoever if no Certificate is issued by the Michigan State Tax Commission. A duly executed copy of this Agreement shall be filed with the Michigan Department of Treasurer. If not otherwise terminated, this Agreement shall expire on January 1, 2030.

12. The Company affirmatively states that it would not proceed with the construction of the Building Investment if this abatement were not granted. The Parties have executed this Agreement as of the date of the last signature below (the "Effective Date").

IN WITNESS WHEREOF, the parties hereto have executed this Agreement Regarding Act 210 Commercial Rehabilitation Abatement.

SAKURA NOVI LAND DEVELOPMENT, LLC,  
a Michigan limited liability company

By: \_\_\_\_\_  
Geoffrey Scott Aikens, Trustee of  
the Geoffrey Scott Aikens Trust  
u/a/d December 10, 2011

CITY OF NOVI, MICHIGAN,  
a Michigan municipal corporation

By: \_\_\_\_\_  
Robert J. Gatt, Mayor

By: \_\_\_\_\_  
Courtney Hanson, City Clerk

**FAUSONE BOHN, LLP**

ATTORNEYS AT LAW

PAUL F. BOHN

DIRECT (248) 380-9988

PBOHN@FB-FIRM.COM

July 6, 2021

Cortney Hanson, City Clerk  
City of Novi  
45175 West Ten Mile Road  
Novi, MI 48375

RE: Application for Commercial Rehabilitation Exemption Certificate

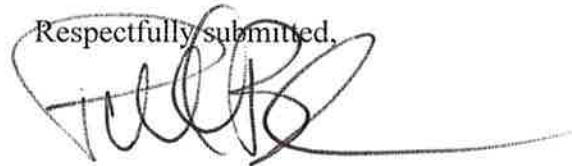
Dear Ms. Hanson:

On behalf of Sakura Novi Land Development, LLC, a Michigan Limited Liability Company, please find enclosed an Application for Commercial Rehabilitation Exemption Certificate regarding certain property located within the City of Novi, County of Oakland, State of Michigan, which parcels have the following parcel identification numbers:

Parcel Number 1: Tax ID Number 22-23-126-006  
Parcel Number 2: Tax ID Number 22-23-226-008  
Parcel Number 3: Tax ID Number 22-23-126-011  
Parcel Number 4: Tax ID Number 22-23-226-007

As you may be aware, these parcels were recently included within a commercial rehabilitation district via Novi City Council resolution. If you have any questions regarding this request or wish additional information, please do not hesitate to contact this office.

Respectfully submitted,



Paul F. Bohn

PFB/emf  
Enclosures

cc: Darian Neubecker (via email only – [dneubecker@robertsonhomes.com](mailto:dneubecker@robertsonhomes.com))  
Scott Aikens (via email only – [gscott@rbaikens.com](mailto:gscott@rbaikens.com))  
Victor Cardenas (via email only – [vcardenas@cityofnovi.org](mailto:vcardenas@cityofnovi.org))  
Peter Auger (via email only – [pauger@cityofnovi.org](mailto:pauger@cityofnovi.org))

2021 JUL - 8 P 2: 06  
CITY OF NOVI  
CITY CLERK'S OFFICE



# Application for Commercial Rehabilitation Exemption Certificate

Issued under authority of Public Act 210 of 2005, as amended.

LOCAL GOVERNMENT UNIT USE ONLY	
Application No.	Date Received
STATE USE ONLY	
Application No.	Date Received

Read the instructions page before completing the form. This application should be filed after the commercial rehabilitation district is established. The applicant must complete Parts 1, 2 and 3 and file the application form (with required attachments) with the clerk of the local governmental unit (LGU). Attach the legal description of property on a separate sheet. This project will not receive tax benefits until approved by the State Tax Commission (STC). Applications received after October 31 may not be acted upon in the current year. This application is subject to audit by the STC.

## PART 1: OWNER / APPLICANT INFORMATION (applicant must complete all fields)

Applicant (Company) Name (applicant must be the owner of the facility) Sakura Novi Land Development, LLC - a Michigan Limited Liability Company		NAICS or SIC Code 6531	
Facility's Street Address 42750 Grand River Avenue	City Novi	State MI	ZIP Code 48375
Name of City, Township or Village (taxing authority) Novi	County Oakland	School District Where Facility is Located Novi	
<input checked="" type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village			
Date of Rehabilitation Commencement (mm/dd/yyyy) 10/01/2021	Planned Date of Rehabilitation Completion (mm/dd/yyyy) 06/01/2025		
Estimated Cost of Rehabilitation approx. \$46,494,988.00	Number of Years Exemption Requested (1-10) 8		
Expected Project Outcomes (check all that apply)			
<input checked="" type="checkbox"/> Increase Commercial Activity <input type="checkbox"/> Retain Employment <input type="checkbox"/> Revitalize Urban Areas <input checked="" type="checkbox"/> Create Employment <input type="checkbox"/> Prevent Loss of Employment <input checked="" type="checkbox"/> Increase Number of Residents in Facility's Community			
No. of jobs to be created due to facility's rehabilitation 110-170	No. of jobs to be retained due to facility's rehabilitation 0	No. of construction jobs to be created during rehabilitation 600	

## PART 2: APPLICATION DOCUMENTS

Prepare and attach the following items:


<input checked="" type="checkbox"/> General description of the facility (year built, original use, most recent use, number of stories, square footage)	<input checked="" type="checkbox"/> Statement of the economic advantages expected from the exemption
<input checked="" type="checkbox"/> Description of the qualified facility's proposed use	<input checked="" type="checkbox"/> Legal description
<input checked="" type="checkbox"/> Description of the general nature and extent of the rehabilitation to be undertaken	<input type="checkbox"/> Description of the "underserved area" (Qualified Retail Food Establishments only)
<input checked="" type="checkbox"/> Descriptive list of the fixed building equipment that will be a part of the qualified facility	<input type="checkbox"/> Commercial Rehabilitation Exemption Certificate for Qualified Retail Food Establishments (Form 4753) (Qualified Retail Food Establishments only)
<input checked="" type="checkbox"/> Time schedule for undertaking and completing the facility's rehabilitation	

## PART 3: APPLICANT CERTIFICATION

Name of Authorized Company Officer (no authorized agents) Scott Aikens	Telephone Number (248) 283-1071		
Fax Number (248) 283-1150	E-mail Address gscott@rbalkens.com		
Street Address 350 North Woodward Avenue, Suite 300	City Birmingham	State MI	ZIP Code 48009

I certify that, to the best of my knowledge, the information contained herein and in the attachments is truly descriptive of the property for which this application is being submitted. Further, I am familiar with the provisions of Public Act 210 of 2005, as amended, and to the best of my knowledge the company has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local governmental unit and the issuance of a Commercial Rehabilitation Exemption Certificate by the State Tax Commission.

I further certify that this rehabilitation program, when completed, will constitute a rehabilitated facility, as defined by Public Act 210 of 2005, as amended, and that the rehabilitation of this facility would not have been undertaken without my receipt of the exemption certificate.

Signature of Authorized Company Officer (no authorized agents) 	Title Principal	Date 06/28/2021
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<b>PART 4: ASSESSOR RECOMMENDATIONS</b> (assessor of LGU must complete Part 4)			
Provide the Taxable Value and State Equalized Value of Commercial Property, as provided in Public Act 210 of 2005, as amended, for the tax year immediately preceding the effective date of the certificate (December 31 of the year approved by the STC).			
	Taxable Value	State Equalized Value (SEV)	
Land			
Building(s)			
The property to be covered by this exemption may not be included on any other specific tax roll while receiving the Commercial Rehabilitation Exemption. For example, property on the Eligible Tax Reverted Property (Land Bank) specific tax roll cannot be granted a Commercial Rehabilitation Exemption that would also put the same property on the Commercial Rehabilitation specific tax roll.			
<input type="checkbox"/> By checking this box I certify that, if approved, the property to be covered by this exemption will be on the Commercial Rehabilitation Exemption specific tax roll and not on any other specific tax roll.			
Name of Local Government Body			
Name of Assessor (first and last name)		Telephone Number	
Fax Number		E-mail Address	
<i>I certify that, to the best of my knowledge, the information contained in Part 4 of this application is complete and accurate.</i>			
Assessor's Signature			Date
<b>PART 5: LOCAL GOVERNMENT ACTION</b> (clerk of LGU must complete Part 5)			
Action Taken By LGU (attach a certified copy of the resolution):			
<input type="checkbox"/> Exemption approved for _____ years, ending December 30, _____ (not to exceed 10 years)			
<input type="checkbox"/> Exemption Denied			
Date District Established (attach resolution for district)	Local Unit Classification Identification (LUCI) Code	School Code	
<b>PART 6: LOCAL GOVERNMENT CLERK CERTIFICATION</b> (clerk of LGU must complete Part 6)			
Clerk's Name (first and last)		Telephone Number	
Fax Number		E-mail Address	
Mailing Address	City	State	ZIP Code
LGU Contact Person for Additional Information	LGU Contact Person Telephone Number	Fax Number	
<i>I certify that, to the best of my knowledge, the information contained in this application and attachments is complete and accurate and hereby request the State Tax Commission issue a Commercial Rehabilitation Exemption Certificate, as provided by Public Act 210 of 2005, as amended.</i>			
Clerk's Signature			Date

For faster service, the LGU should email the completed application and required documents to [PTE@michigan.gov](mailto:PTE@michigan.gov).

An additional submission option is to mail the completed application and required documents to:

Michigan Department of Treasury, State Tax Commission  
 P.O. Box 30471  
 Lansing, MI 48909

## Instructions for Completing Form 4507

### Application for Commercial Rehabilitation Exemption Certificate

The Commercial Rehabilitation Exemption Certificate was created by Public Act 210 of 2005, as amended. The application is initially filed, reviewed, and approved by the LGU and then reviewed and approved by the State Tax Commission. According to Section 3 of Public Act 210 of 2005, as amended, the LGU must establish a Commercial Rehabilitation District. **Rehabilitation may commence after establishment of the Commercial Rehabilitation District.**

#### Owner / Applicant Instructions

1. Complete Parts 1, 2 and 3 of application
2. Prepare and attach all documents required under Part 2 of the application:
  - a. General description of the facility (year built, original use, most recent use, number of stories, square footage)
  - b. Description of the qualified facility's proposed use
  - c. Description of the general nature and extent of the rehabilitation to be undertaken
  - d. Descriptive list of the fixed building equipment that will be a part of the qualified facility
  - e. Time schedule for undertaking and completing the facility's rehabilitation
  - f. Statement of the economic advantages expected from the exemption
  - g. Legal description of the facility
  - h. Description of the "underserved area" (Qualified Retail Food Establishments only)
3. Qualified Retail Food Establishments:
  - a. Complete Part 1 of the *Commercial Rehabilitation Exemption Certification for Qualified Retail Food Establishments* (Form 4753). Submit to LGU clerk along with application.
  - b. Describe the "underserved area" and provide supporting documentation to show how the project area meets one or more of the following requirements:
    - i. An area that contains a low to moderate income census tract(s) which, based on per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars) and a below average supermarket density
    - ii. An area that has a supermarket customer base with more than 50% living in a low income census tract(s) which based on the per capita income, are tracts below the 66.67 percentile (\$23,643 in 1999 dollars)
    - iii. An area that has demonstrated significant access limitations due to travel distance and has no Qualified Retail Food Establishments within two miles of the geo-center for an urban area or has no Qualified Retail Food Establishments within nine miles of the geo-center for a rural area.

For assistance in determining the project area's eligibility, visit [www.michigan.gov/propertytaxexemptions](http://www.michigan.gov/propertytaxexemptions) and click on Commercial Rehabilitation Act.
4. Submit the application and all attachments to the clerk of the LGU where the property is located.

#### LGU Assessor Instructions

Complete and sign Part 4 of the application.

#### LGU Clerk Instructions

1. After LGU action, complete Part 5 of the application.
2. After reviewing the application for complete and accurate information, complete Part 6 and sign the application to certify the application meets the requirements as outlined by Public Act 210 of 2005, as amended.
3. Assemble the following for a complete application:
  - a. Completed *Application for Commercial Rehabilitation Exemption Certificate* (Form 4507)
  - b. All required attachments listed under Part 2
  - c. A copy of the resolution by the LGU establishing the district
  - d. A certified copy of the resolution by the LGU approving the application
  - e. Complete Form 4753 (Qualified Retail Food Establishments only)
4. **For faster service, email the completed application and additional required documentation to [PTE@michigan.gov](mailto:PTE@michigan.gov).** An additional submission option is to mail the completed application and required documents to: Michigan Department of Treasury, State Tax Commission, P.O. Box 30471, Lansing, MI 48909

#### Application Deadline

The State Tax Commission must receive complete applications on or before October 31 to ensure processing and certificate issuance for the following tax year. Applications received after October 31 may not be processed in time for certificate issuance for the following tax year.

If you have questions or need additional information or sample documents, visit [www.michigan.gov/propertytaxexemptions](http://www.michigan.gov/propertytaxexemptions) or call 517-335-7491.

## **SUPPLEMENTAL RESPONSES**

### **General Description of the Facility**

The property is comprised of four parcels totaling approximately fourteen acres, one parcel is currently zoned Office Service District, the other three parcels are currently zoned Light Industrial, and have had historic uses including a car wash and a landscaping company. Earliest available records indicate the car wash began in the 1960's and the landscaping company in the mid 1970's. The property is currently vacant and the remaining buildings either decrepit and/or unoccupied.

### **Description of the Qualified Facility's Proposed Use**

The proposed use is complete redevelopment of the parcels into a mixed-use commercial development, currently dubbed Sakura Novi, which will include for the purposes of this Commercial Rehabilitation Exemption Certificate (CREC), an approximately 14,500 square foot building including approximately 12,000 square feet of professional office space and 2,500 square feet of restaurant space, an approximately 13,000 square foot building including approximately 8,000 square feet in restaurant space and 5,000 square feet in non-restaurant retail space, an approximately 15,000 square foot building including approximately 6,000 square feet in restaurant space and 9,000 square feet in non-restaurant retail space, and a building between approximately 3,000 to 4,500 square feet for a single restaurant. This multi-use commercial component will complement the adjacent residential component, which is comprised of 118 townhome styled, for rent, multi-family units totaling approximately 168,000 square feet.

### **Description of the General Nature and Extent of the Rehabilitation to be Undertaken**

The property on which the redevelopment will take place is qualified as a "brownfield" pursuant to historic uses that left some residual environmental contamination. That contamination will be addressed, as well as the demolition and removal of the abandoned and decrepit structures on the property.

### **Descriptive List of the Fixed Building Equipment That Will be Part of the Qualified Facility and Itemized List of Project Costs**

See attached.

### **Time Schedule for Undertaking and Completing the Facility's Rehabilitation**

The Applicant is prepared to proceed beginning in October 2021 with the necessary environmental remediation activities, followed by land balancing, site clearing and the demolition of existing structures. Presuming availability of labor and materials, vertical construction is expected to commence in first quarter 2022, and be completed approximately thirty-six to forty-eight months thereafter.

### **Statement of the Economic Advantages Expected from the Exemption**

The exemption will assist the Applicant in recovering some of its extraordinary costs incurred (1) because of the site's conditions (unstable and/or unsuitable soils as a result of prior historic filling by the landscaping company; (2) to offset some of the costs of land, materials and labor to create the generous public spaces and amenities required by the City as a part of the Zoning approvals process, not typically borne by a project of this scale.

### **Legal Description of Parcels**

#### **PARCEL 1**

ID Number: 22-23-126-006

A parcel of land located in and being part of the east 1/2 of the northwest 1/4 of Section 23, T.1N., R.8E., City of Novi, Oakland County, Michigan, being more particularly described as follows:

Commencing at the North 1/4 corner of said Section 23, thence proceeding South 89 Degrees 34 Minutes 00 Seconds West 290.50 feet along the North line of said Section 23 and the centerline of Eleven Mile Road to the point of beginning; thence South 00 Degrees 26 Minutes 00 Seconds East 891.67 feet (recorded as South 00 Degree 17 Minutes 20 Seconds East 891.25 feet) to a point on the centerline of Grand River Avenue (US-16); thence North 71 Degrees 44 Minutes 00 Seconds West 652.02 feet (recorded as 650.70 feet) along said centerline of Grand River Avenue (North half 50 feet wide); thence North 682.64 feet (recorded as 682.62 feet) to a point on the North line of said Section 23, said point being located North 89 Degree 34 Minutes 00 Seconds East 433.84 feet (recorded as 419.90 feet and assessed as 433.70 feet) from the 1/16 corner located at the Northwest corner of the East 1/2 of the Northwest 1/4 of said Section 23; thence continuing North 89 Degrees 34 Minute 00 Seconds East 612.44 feet (recorded as 613.40 feet) along said North line of Section 23 and centerline of Eleven Mile Road (South half 33 feet wide) to the point of beginning.

#### **PARCEL 2**

ID Number: 22-23-226-008

Land situated in the City of Novi in the County of Oakland in the State of MI. Part of the Northeast 1/4 of Section 23, Town 1 North, Range 8 East, described as:

Beginning at a point distant North 89 degrees 00 minutes East, 99.53 feet from the North 1/4 corner of Section 23, thence North 89 degrees 00 minutes East, 165.14 feet; thence South 0 degrees 49 minutes 20 seconds East, 527.55 feet; thence South 89 degrees 00 minutes West, 165.14 feet; thence North 0 degrees 49 minutes 20 seconds West, 527.55 feet to the point of beginning.

**PARCEL 3**

ID Number: 22-23-126-011

Part of the Northwest 1/4 of Section 23, Town 01 North, Range 08 East , Novi Township (now city of Novi), Oakland County, MI described as: Beginning at a point distant South 89 degrees 00 minutes 00 seconds West 65.61 feet from North 1/4 corner of Section 23; thence South 00 degrees 44 minutes 20 seconds East 527.55 feet; thence South 89 degrees 00 minutes 00 seconds West 61.82 feet; thence North 71 degrees 53 minutes 30 seconds West 170.00 feet; thence North 01 degrees 00 minutes 00 seconds West 471.87 feet; thence North 89 degrees 00 minutes 00 seconds East 224.89 feet to the point of beginning.

**PARCEL 4**

ID Number: 22-23-226-007

Part of the Northwest 1/4 of Section 23, Town 01N, R, 08E., Novi Township (now City of Novi) Oakland County, Michigan. Described as beginning at the North 1/4 corner of Section 23, thence North 89 degrees 00 minutes 00 seconds East 99.53 feet; thence South 00 degrees 44 minutes 20 seconds East 527.55 feet; thence South 89 degrees 00 minutes 00 seconds West 165.14 feet; thence North 00 degrees 44 minutes 20 seconds West 527.55 feet; thence North 89 degrees 00 minutes 00 seconds East 65.51 feet to the point of beginning.

**Descriptive List of Fixed Building Equipment and Project Costs**

	<b>Start/Complete</b>	<b>Total</b>
Site Improvements	08/01/21-06/01/25	\$ 10,099,110.00
Construction Indirect	08/01/21-06/01/25	\$ 2,175,000.00
Management Fee	08/01/21-06/01/25	\$ 1,000,000.00
Permits/Fees	08/01/21-06/01/25	\$ 1,714,135.00
Foundations	04/01/22-06/01/24	\$ 3,892,868.00
Framing	06/01/22-10/01/24	\$ 5,593,661.00
Mechanical/Engineering/Plumbing	08/01/22-12/01/24	\$ 3,819,248.00
Roofing	08/01/22-12/01/24	\$ 2,494,027.00
Façade	08/01/22-12/01/24	\$ 3,498,475.00
Windows/Doors	08/01/22-02/01/25	\$ 1,820,206.00
Drywall/Insulation/Paint	08/01/22-02/01/25	\$ 1,751,472.00
Cabinets/Counters	08/01/22-02/01/25	\$ 1,106,289.00
Flooring/Finishes	10/01/22-02/01/25	\$ 2,587,003.00
Appliances	10/01/22-02/01/25	\$ 895,494.00
Tenant Construction	10/01/22-02/01/25	\$ 2,598,000.00
GC Fees	08/01/21-06/01/25	\$ 975,000.00
Tap Fees	03/01/22-10/01/24	\$ 475,000.00
<b>Total</b>	<b>08/01/21-06/01/25</b>	<b>\$ 46,494,988.00</b>

\* All figures shown herein are estimates. The assessed value of actual construction will be determined by the municipality's assessor subsequent to completion. The above estimated costs do not include land or personal property.



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

December 19, 2023

Scott Aikens  
Sakura Novi, LLC  
350 North Woodward Avenue, Suite 300  
Birmingham, MI 48009

Dear Sir or Madam:

The State Tax Commission at their December 19, 2023 meeting amended your commercial rehabilitation exemption certificate C2021-017, in accordance with Public Act 210 of 2005, as amended. Enclosed is a copy of the amended certificate issued to Sakura Novi, LLC for 42750 Grand River Avenue, Units 1,2, and 3, located in the City of Novi, Oakland County. **Specifically, Units 4 and 5 were removed from the original certificate and transferred to Sakura Novi Residential, LLC while Units 1, 2 and 3 will remain under Sakura Novi, LLC with an investment amount of \$18,038,000 and a frozen taxable value of \$60,260. In addition, parcel 22-23-126-016 was removed as part of the project effective December 31, 2021.**

A party aggrieved by the issuance, refusal to issue, revocation, transfer or modification of an exemption may appeal a final decision of the State Tax Commission by filing a petition with the Michigan Tax Tribunal, [www.michigan.gov/taxtrib](http://www.michigan.gov/taxtrib), within 35 days. MCL 205.735a (6).

If you have any questions regarding this exemption, please contact the Community Services Division at (517) 335-7491 or by email at [pte@michigan.gov](mailto:pte@michigan.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "David A. Buick".

David A. Buick, Executive Director  
State Tax Commission

Enclosure  
By Certified Mail  
cc: Micheal R. Lohmeier, Oakland County Equalization  
Jan C. Ziozios, Assessor, City of Novi  
Clerk, City of Novi





## Commercial Rehabilitation Exemption Certificate

Certificate No. **C2021-017** Amended

Pursuant to the provisions of Public Act 210 of 2005, as amended, the State Tax Commission hereby issues a Commercial Rehabilitation Exemption Certificate for the qualified facility, as described in the approved application, owned by **Sakura Novi, LLC**, and located at **42750 Grand River Avenue, Units 1, 2, and 3, City of Novi**, County of Oakland, Michigan.

This certificate provides the authority for the assessor to exempt the qualified facility for which this Commercial Rehabilitation Exemption Certificate is in effect, but not the land on which the rehabilitated facility is located or the personal property, from ad valorem taxation. This certificate further provides the authority to levy a specific tax known as the Commercial Rehabilitation Tax.

This certificate, unless revoked as provided by Public Act 210 of 2005, as amended, shall remain in force for a period of **8** year(s):

**Beginning December 31, 2021, and ending December 30, 2029.**

The real property investment amount for this obsolete facility is **\$18,038,000**

The frozen taxable value of the real property related to this certificate is **\$60,260**.

This Commercial Rehabilitation Exemption Certificate is issued on **November 16, 2021**.

This amended Commercial Rehabilitation Exemption Certificate is issued on **December 19, 2023** and supersedes all previously issued certificates.



Handwritten signature of Peggy L. Nolde in cursive.

Peggy L. Nolde, Chairperson  
State Tax Commission

A TRUE COPY  
ATTEST:

Handwritten signature of Patrick Huber in cursive.  
Patrick Huber  
Michigan Department of Treasury

**CITY OF NOVI**  
**COUNTY OF OAKLAND, MICHIGAN**

**RESOLUTION APPROVING EXTENSION OF**  
**COMMERCIAL REHABILITATION EXEMPTION CERTIFICATE**

**(SAKURA NOVI)**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall in said City on October 28, 2024, at 7:00 o'clock P.M. Prevailing Eastern Time.

PRESENT: Councilmembers \_\_\_\_\_

ABSENT: Councilmembers \_\_\_\_\_

The following preamble and Resolution were offered by Councilmember \_\_\_\_\_ and supported by Councilmember \_\_\_\_\_.

**WHEREAS**, the City of Novi approved a Resolution on or about July 26, 2021, for a Commercial Rehabilitation Exemption Certificate under PA 210 of 2005 (Act 210) for a mixed-use, commercial and multiple-family development for the property located approximately at 42750 Grand River Avenue, Novi, Michigan, which was then assigned the single Parcel I.D. No. 22-23-126-018, but is being developed as a 5-unit condominium known as Sakura Novi, which is recorded at Liber 58700, Pages 112 through 175 of the Oakland County Records. Each of the 5 units have since received its own, separate Parcel I.D. No.; and

**WHEREAS**, the City and Sakura Land Development, LLC also entered into an "Agreement Concerning Act 210 Commercial Rehabilitation Abatement" on or about August 21, 2021 (CRA Agreement) describing the terms and conditions of the City's approval under Act 210; and

**WHEREAS**, on September 9, 2021, Sakura Land Development assigned the CRA Agreement and its Application for the Exemption Certificate to Sakura Novi, LLC, as to the entire property affected; that is, current Parcel I.D. No. 22-23-126-018, all five units of the Sakura Novi Condominiums; and

**WHEREAS**, on January 10, 2024 Sakura Novi, LLC, assigned the CRA Amendment and Exemption Certificate as to a portion of the Property, being Units 4 and 5 (Parcel I.D. Nos. 22-23-127-004 and 22-23-124-005, respectively) of the Sakura Novi Condominium to Sakura Novi Residential, LLC, which is a listed party in the CRA Agreement; and

**WHEREAS**, Sakura Novi LLC, a Michigan limited liability company, and Sakura Novi Residential LLC, a Michigan limited liability company, have submitted a request to the City of Novi for the extension of a CRA Agreement through 2031; and

**WHEREAS**, the City Council of the City of Novi has determined that the extension of the CRA Agreement and its exemption certificate to December 30, 2031 is agreeable.

**NOW, THEREFORE, BE IT RESOLVED** that the request to extend Commercial Rehabilitation Exemption Certificate, ending on December 30, 2031, is approved.

**NOW BE IT FURTHER RESOLVED** that the approval of the extension of the Commercial Rehabilitation Exemption Certificate is conditioned upon both Sakura Novi Residential, LLC and Sakura Novi, LLC entering into an amended CRA Agreement, or executing other appropriate documentation, in a form acceptable to the City's Attorney, wherein both Sakura Novi Residential, LLC and Sakura Novi, LLC, and their assigns and/or successors in interest hold the City harmless in the event that the Commercial Rehabilitation Exemption Certificate, or any portion of it, is revoked due to the failure of either Sakura Novi Residential, LLC and Sakura Novi, LLC, and their assigns and/or successors in interest, to comply with the terms of the CRA Agreement, or any other failure or act of either entity and their assigns and/or successors in interest, which results in the revocation. This approval is also subject to State Tax Commission approval.

**AYES:**

**NAYS:**

RESOLUTION DECLARED ADOPTED.

---

Cortney Hanson, City Clerk

**CERTIFICATION**

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi, County of Oakland, and State of Michigan, at a regular meeting held this 28h day of October, 2024, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

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Cortney Hanson, City Clerk  
City of Novi

**AGREEMENT TO EXTEND A PREVIOUSLY-APPROVED  
ACT 210 COMMERCIAL REHABILITATION ABATEMENT**

**(SAKURA NOVI)**

The City of Novi ("City"), located at 45175 W. Ten Mile Road, Novi, MI 48375, and Sakura Novi, LLC, whose address is 350 North Old Woodward Ave. Ste 300, Birmingham, MI 48009 ("Sakura Novi") and Sakura Novi Residential, LLC, whose address is 6905 Telegraph Road Suite 200, Bloomfield Hills, MI 48301 ("Sakura Residential"), both as successors and assigns of Sakura Novi Land Development, LLC, a Michigan Limited Liability Company, agree as follows:

**Recitals**

- A. The City of Novi approved a Resolution on or about July 26, 2021, for a Commercial Rehabilitation Exemption Certificate under PA 210 of 2005 (Act 210) for a mixed-use, commercial and multiple-family development for the property located approximately at 42750 Grand River Avenue, Novi, Michigan, and the City and Sakura Land Development, LLC entered into an "Agreement Concerning Act 210 Commercial Rehabilitation Abatement" on or about August 21, 2021 (CRA Agreement) describing the terms and conditions of the City's approval under Act 210.
- B. The CRA Agreement allows the assignment of the CRA Agreement to other entities, including specifically, Sakura Novi LLC and/or Sakura Novi Residential, LLC.
- C. On September 9, 2021, Sakura Land Development assigned the CRA Agreement and its Application for the Exemption Certificate to Sakura Novi, LLC, as to the entire property affected; that is, current Parcel I.D. No. 22-23-126-018, all five units of the Sakura Novi Condominiums
- D. Sakura Novi, LLC, then assigned the Agreement and Exemption Certificate as to a **portion** of the Property, being Units 4 and 5 (Parcel I.D. Nos. 22-23-127-004 and 22-23-124-005, respectively) of the Sakura Novi Condominium to Sakura Novi Residential, LLC, which is a listed party in the CRA Agreement.
- E. The City's Resolution and the CRA Agreement both provided for an eight (8) year term of abatement. The parties have now agreed to extend that term to ten (10) years as allowed under Section 7 of Act 210, with all the remaining terms and conditions of the CRA remaining unchanged and in full force and effect, subject to approval of such extension by the State Tax Commission.

F. The City has adopted a Resolution Extending Abatement dated October \_\_\_\_\_, 2024 approving the extension from eight (8) to ten (10) years, subject to and conditioned upon the approval of the State Tax Commission.

G. The Parties wish to memorialize the extension and the ratification of the remainder of the CRA Agreement as extended.

**NOW, THEREFORE,** in consideration of the covenants and conditions set forth herein and in the CRA Agreement, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby covenant, promise and agree that the CRA Agreement is amended as follows:

1. **Defined Terms.** Capitalized terms used but not defined herein have the same meaning ascribed to such terms in the Agreement.

2. **Extension of Abatement.** Consistent with and as a result of the City's Resolution Extending Abatement:

a. The last two sentences of Section 1 shall be deleted and replaced with the following:

"On October \_\_, 2024, the City passed a Resolution Extending Abatement that extended the eight (8) year period to a ten (10) year period, after which the Property shall be subject to full *ad valorem* taxation. A copy of that Resolution is attached and incorporated into this Agreement. The ten (10) year period will NOT be extended."

b. The first sentence of Section 2 shall be deleted and replaced with the following:

"In consideration of a ten (10) year abatement of real property taxes, for the 2022 through 2031 tax years (imposed based upon taxable values as of December 31, 2021 through December 31, 2030) (the "Abatement Period"), the Company represents and warrants that it will build and maintain the Building Investment for the entire Abatement Period, subject to the assignment provisions below.

c. The first sentence of Section 3 of the Agreement shall be deleted and replaced with the following:

"At the end of each calendar year from December 31, 2022 through December 31, 2031, the City shall evaluate the Building Investment to determine whether the Company has materially defaulted on any obligations under Act 210 or under this Agreement, including any of the Undertakings set forth in Paragraph 2 above.

d. The last sentence of Section 11 shall be deleted and replaced with the following:

"If not otherwise terminated, this Agreement shall expire on January 1, 2032."

3. **Ratification.** Except as expressly amended by this Amendment, the Agreement is hereby ratified and confirmed and shall remain in full force and effect in all other respects. In the event of any conflict between the provisions of this Amendment and the terms of the Agreement, the provisions of this Amendment shall control.

4. **Binding Obligations on Successors and Assigns.** All of the rights and obligations set forth herein shall inure to the benefit of, and be a binding obligation on, any and all successors and permitted assigns of Seller and Purchaser.

5. **Counterparts.** This Amendment may be executed in multiple counterparts (including by facsimile or electronic mail), each of which shall be deemed an original and all of which, together, shall constitute one fully executed agreement. The signature of any party to any counterpart shall be deemed to be a signature to, and may be appended to, any other counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement Regarding Act 210 Commercial Rehabilitation Abatement.

SAKURA NOVI, LLC,  
a Michigan limited liability company

By: \_\_\_\_\_  
G. Scott Aikens, Manager

SAKURA NOVI RESIDENTIAL, LLC, a Michigan  
limited liability company

By: Robertson Brothers Co., a Michigan  
corporation, Manager

By: \_\_\_\_\_  
Darian L. Neubecker, President

AND BY: Aikens Sakura Residential, LLC, a Michigan limited liability company, Member

By: \_\_\_\_\_

G. Scott Aikens, Authorized Signatory

CITY OF NOVI, MICHIGAN,  
a Michigan municipal corporation

By: \_\_\_\_\_

Justin P. Fischer, Mayor

By: \_\_\_\_\_

Cortney Hanson, City Clerk

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