

The City of Westland

Guide to Development



The City of Westland
William R. Wild, Mayor
Department of Economic Development
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Westland, MI 48185
734-713-3888

Introduction

This guide provides a general overview of the City of Westland's development approval process. Its intent is to help residents/developers/investors understand the review and approval process for any size project from concept through occupancy. The guide is written from an investor's viewpoint, whether a single-family homeowner or a professional developer. Contact information is prevalent throughout. The final section summarizes the economic incentive programs used by the municipality.

This guide is general and does not remove the responsibility of an investor to speak with staff or retain professional guidance. Each case is unique and may require modification of the general process. The City of Westland's website is available to provide accessible forms and documents, program descriptions and links to outside sources that an applicant would find helpful.

The guide is separated into sections on General Information; Land Use Applications; Construction Permits; and Incentive Tools.

Contents

Contact Information 3

Boards and Commissions 4

Master Plan 5

Zoning Ordinance..... 5

 Zoning Table of Uses 6

Notification Procedures 7

Land Use Applications..... 7

 Zoning Compliance 8

 Site Plan Review and Special Land Use 8

 Rezoning..... 8

 Land Division..... 8

 Application Fee Schedule..... 9

Steps to Obtain Land Use Application Approval 9

 Site Plan Approval..... 9

 Variance Request Approval 10

 Land Use and Variance Request Approval Process Flowchart 12

Building Process..... 13

 Building Process Flowchart 14

Business Licenses..... 15

Liquor Licenses 15

Development Incentive Tools 16

 Incentives for Developers 16

 Incentives for Residents 17

 Brownfield Redevelopment Authority (BRA)..... 17

 Plant Rehabilitation and Industrial Development Exemption..... 19

 Commercial Redevelopment District 21

 Commercial Rehabilitation District 23

 Obsolete Property Rehabilitation Act..... 26

Contact Information

The beginning step in the decision to invest in a community is to speak with key staff members. The staff person may vary from project to project or during the course of a project. For example, planning and zoning staff have experience with site plan review; building administration staff with permitting; clerk with business licenses; and DPW for utilities and roads. The following is a list of key staff members in the development process and their contact information.

Aubrey Berman

Director of Economic Development and Chief Business Development Officer
Facilitates the attraction and retention of business opportunities in the City of Westland
Chief Officer of the Tax Increment Finance Authority (TIFA), Downtown Development Authority (DDA), Local Development Finance Authority (LDFA), and Brownfield Redevelopment Authority (BRA).

Phone: (734) 793-9300

E-mail: aberman@cityofwestland.com

Fax: (734) 422-1218

Mohamed Ayoub

Director of Planning

Coordinates and administers the intake review process for site plan review, special land use, rezoning, land division and combinations, PUD's, and other land development projects in the City of Westland.

Chief Officer of the Planning Commission and the Zoning Board of Appeals

Phone: (734) 467-3219

E-mail: mayoub@cityofwestland.com

Fax: (734) 422-1218

Ralph Welton

Building Director

Coordinates and administers building and construction ordinances while designating compliance with the City of Westland.

Phone: (734) 467-3218

E-mail: building@cityofwestland.com

Fax: (734) 422-1218

Boards and Commissions

The Zoning Ordinance specifies the procedures for development applications. However, depending on the nature and location of the project, more than one (1) board or commission may review the project.

The duty of Boards and Commissions is solely to provide recommendation for projects that are subject to final review and approval by City Council.

Planning Commission

Reviews and recommends to City Council all requests to amend the Zoning Ordinance or zoning map, applications for special land uses, site plan approvals, planned unit developments, land division and combinations, street and alley vacations, and other land use applications.

The Planning Commission meets the first Tuesday of every Month at 6:30 p.m., at City Hall, 36300 Warren Rd., unless this date falls on a Federal Holiday or Election Day, in which case the meeting will be moved to Wednesday.

Chairman: Ken Sharp

Zoning Board of Appeals (ZBA)

Interprets the official Zoning map and City zoning ordinance to grant variances for requests to deviate from both. Also resolves disputes regarding decisions made by the Zoning Official/City Planner.

The Zoning Board of Appeals meets the third Wednesday of every month at City Hall, 36300 Warren Rd.

Chairman: Dwayne Walker

Tax Increment Finance Authority (TIFA)

Promotes, facilitates and implements plans and projects within the TIFA boundaries that support economic and business development through programs and public improvement projects that create economic opportunity, provide entrepreneurial support and preserve property values.

The Tax Increment Finance Authority meets the second Tuesday of every month at City Hall, 36300 Warren Rd.

Chairman: William Ziemba

Downtown Development Authority (DDA)

Promotes and facilitates plans that result in continued development, redevelopment, revitalization and/or reuse of properties within the DDA district boundaries.

The Downtown Development Authority meets the fourth Thursday of every month at City Hall, 36300 Warren Rd.

Chairman: Robert Kelly

Local Development Finance Authority (LDFA)

Encourages local development to prevent conditions of unemployment and to promote economic growth.

The Local Development Finance Authority meets the third Friday of March, June, September, and December every year at City Hall, 36300 Warren Rd.

Chairman: Robert Farsakian

Brownfield Redevelopment Authority (BRA)

The Brownfield Authority promotes and facilitates the revitalization, redevelopment and reuse of obsolete properties. The Brownfield Authority is comprised of the members of the TIFA/EDC.

The Brownfield Redevelopment Authority meets following the submission of a Brownfield Redevelopment Plan and will be posted pursuant to the Open Meetings Act.

Chairman: William Ziemba

Master Plan

The Master Plan is the primary tool for making decisions that affect the future land use of the community. It is a broad based policy document for the physical, economic and social development as it relates to land use and has a long-range vision providing a coordinated approach to making important decisions.

Prospective developers should review the Master Plan to understand if their proposed project fulfills the goals of the Plan. The Master Plan document is available for download using the following link:

Master Plan: <http://www.cityofwestland.com/Home/ShowDocument?id=10582>

Future Land Use Map:

<http://www.cityofwestland.com/home/showdocument?id=893>

Zoning Ordinance

The Zoning Ordinance is the most common and often used way of regulating use of land. In general, land use type, building size and location, parking area size and location, screening, landscaping, access, design standards and signage are described.

The purpose of the Zoning Ordinance is to carry out the land use vision of the municipality's Master Plan. Consulting the Zoning Ordinance and Zoning Map should be

the first step in development/redevelopment of any property, and may be part of the initial contact with municipal staff. The Zoning Ordinance and Zoning District Map can be accessed using the following links:

Zoning Ordinance:

https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO

Zoning Map: <http://www.cityofwestland.com/home/showdocument?id=546>

Zoning Table of Uses:

Zoning	General Use	Link to Ordinance
R-1	Single Family Residential	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTVIISIMITMIREDI_S110-7.2PELAUSTHSIMIREDI
R-2	Single Family Residential	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTVIISIMITMIREDI_S110-7.2PELAUSTHSIMIREDI
R-5	Single Family Residential	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTVIISIMITMIREDI_S110-7.2PELAUSTHSIMIREDI
R-6	Two Family Residential	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTVIISIMITMIREDI_S110-7.3PELAUSTMIREDI
CB-1	Low Intensity Commercial Business	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTIXBUDI_S110-9.4LOINCOBUDI
CB-2	Shopping Center Commercial Business	Any use permitted in OB and CB-1
CB-3	General Commercial Business	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTIXBUDI_S110-9.6GECOBUDI
CB-4	Vehicle Service	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTIXBUDI_S110-9.7VESEDI
OB	Office Business	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTIXBUDI_S110-9.3OBOFBUDI
I-1	Light Industrial	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTXINDI_S110-10.3LIINDI
I-2	General Industrial	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTXINDI_S110-10.4GEINDI

GAR	Garden Apartment Residential	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTVIIIITOTHGAAPGAMSEMRMOHOMHREDI_S110-8.4GAGAAPREDI
THR	Townhouse Residential	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTVIIIITOTHGAAPGAMSEMRMOHOMHREDI_S110-8.3THTOREDI
MRR	Mid-Rise Residential	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTVIIIITOTHGAAPGAMSEMRMOHOMHREDI_S110-8.5MRMSEREDI
MHR	Mobile Home Residential	https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTVIIIITOTHGAAPGAMSEMRMOHOMHREDI_S110-8.6MHMOHOREDI

Notification Procedures

For those development review processes that require public hearings, the following notification requirements are outlined by the Michigan Zoning Enabling Act (P.A. 110 of 2008, as amended).

The city shall publish a notice in a newspaper of general circulation and mailed or hand delivered to all persons owning property and occupants of property within 300 feet of the boundary of the property proposed for which approval is requested at least fifteen (15) days before the hearing.

The notice shall:

- Describe the nature of the request.
- Identify any property that is the subject of the request, including all street addresses contained upon the property, or other means of parcel identification.
- State when and where the request will be considered.
- Indicate when and where written comments will be received concerning this request.

Michigan Zoning Enabling Act:

[http://www.legislature.mi.gov/\(x3eqqx2ix0ez34nsk1zysl45\)/documents/mcl/pdf/mcl-Act-110-of-2006.pdf](http://www.legislature.mi.gov/(x3eqqx2ix0ez34nsk1zysl45)/documents/mcl/pdf/mcl-Act-110-of-2006.pdf)

Land Use Applications

This section is designed to provide an overview of each type of land use application. It should be recognized that this overview does not preempt or supersede any part of the City of Westland Zoning Ordinance.

All Land Use Applications are subject to final approval by City Council.

Zoning Compliance

The purpose and intent of a zoning compliance or determination is to ensure that the proposed use, building, structure, and lot all conform to the requirements of the zoning ordinance before occupancy or reoccupancy.

Obtain a Zoning Compliance Certificate to determine next steps to take.

Submit application to Planning Department

Zoning Compliance Link:

<http://www.cityofwestland.com/home/showdocument?id=153>

Site Plan Review and Special Land Use

Developers review the "Table of Uses" and meet with the Planning Director to identify potential issues before submitting application.

Special Land Use Requirements are listed specifically in the ordinance linked below

Application Requirements: Two copies of application, Six complete sets of proposed development plans, Pdf copy of all plans, Minimum fee of \$650 + \$25 per acre.

Site Plan Review Application:

<http://www.cityofwestland.com/home/showdocument?id=877>

Special Land Use Ordinance:

https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH110ZO_ARTXIIISPLAUSPRST

Rezoning

Rezoning is utilized when a developer wishes to use land in a way that is not currently permitted by the City.

Application Requirements: Three copies of application, Sixteen copies of the site plan, Pdf copies of site plan, Rezoning fee of \$650 for up to one acre or \$850 for more than one acre.

Rezoning Link:

<http://www.cityofwestland.com/home/showdocument?id=221>

Land Division

To be filed when a property owner or developer wishes to divide parcels of land.

Application Requirements: Four copies of the application and a fee of \$550, Relevant documentation relating to the lot in question.

Link to Land Division Application:

<http://www.cityofwestland.com/home/showdocument?id=217>

Application Fee Schedule

Application	Fee
Site Plan	\$650 + \$25/acre
Special Land Use	\$650 + \$25/acre
Rezoning	\$650 for one acre or less \$850 - greater than one acre
Land Division	\$550

Steps to Obtain Land Use Application Approval

Site Plan Approval

Step 1 – Conceptual Meeting (As early as 48 hours):

Developers are to draw up conceptual site plans or verbally express their proposed use of land for initial review.

Developers are then encouraged to schedule a meeting with the Planning Director as a preliminary review. This is to discuss zoning and site plan issues that are readily visible. This offers the developer a chance to fix said issues before continuing through the Development Process.

Planning Director will reaffirm the Development Process' tentative schedule and procedure at this preliminary meeting.

Step 2 – Administrative Development Review (1 Week):

Following the preliminary review by the Planning Director, the proposal will be reviewed by the Administrative Development Review Committee (ADRC). The ADRC consists of the Mayor, Planning Director, Chief Business Development Officer, and the Building Director. The goal of the ADRC is to discuss possible administrative issues and whether the proposed development meets the desires of the Administration

Step 3 – Applications (Made by Applicant):

Following administrative review, applications must be submitted to the Planning Department.

Required Materials:

- Completed Applications with original signatures
- Required fee as designated by City Council
- 8 (eight) copies of site plan

Request for Variance Applications are filed with the City Clerk

Step 4 – Joint Site Plan Review (Varies):

Submitted site plans will be distributed to administrative departments for further review to the following departments.

- Assessing Department

- Building Department
- Department of Public Service
- Fire Department
- Police Department
- Engineering
- Planning Department

Departments submit approval or grievances with the proposal in writing to the Planning Department

A meeting may be scheduled to discuss grievances with the site plan

Planning Department will submit site for review by the Planning Commission

Step 5 – Planning Commission Review (Meets Once per Month):

Planning Director provides a detailed analysis that includes the characteristics and zoning of the property and the surrounding area, previous case files (for the conformance to Ordinance and Department requirements), as well as any other specific requirements under the Zoning Ordinance.

The Planning Commission reviews the proposal, takes public comment and formulates a recommendation to the City Council. The Planning Commission may forward the site plan with a recommendation for approval, a recommendation for approval with conditions, a recommendation for denial (with reasons) or may request postponement for additional review or information. The Planning Department prepares a letter for each case and forwards the Planning Commission's recommendation with all information to the City Council for the next available meeting.

Special Meetings are able to be arranged when needed. Subject to quorum availability and pursuant to the Michigan Public Meetings Act.

Step 6 – City Council Review (1 – 3 Weeks):

The City Council, as the City's legislative body, is charged with making final determinations regarding all cases that are forwarded from the Planning Commission. The City Council may approve a site plan as submitted, may approve a site plan with conditions or deny the site plan. In cases that involve a request other than site plan approval, the City Council must make a determination based upon specific criteria for review set forth by the Zoning Ordinance.

Variance Request Approval

Step 1 – Need for Variance identified during Site Plan Review

Step 2 – Administrative Development Review (As Little as One Week):

Following the preliminary review by the Planning Director, the proposal will be reviewed by the Administrative Development Review Committee (ADRC). The

ADRC consists of the Mayor, Planning Director, Chief Business Development Officer, and the Building Director. The goal of the ADRC is to discuss possible administrative issues and whether the proposed development has a place in the City limits.

Step 3 – Applications (Made by Applicant):

Following administrative review, applications must be submitted to the Planning Department.

Required Materials:

- Completed Applications with original signatures
- Required fee as designated by City Council
- 8 (eight) copies of site plan

Request for Variance Applications are filed with the City Clerk

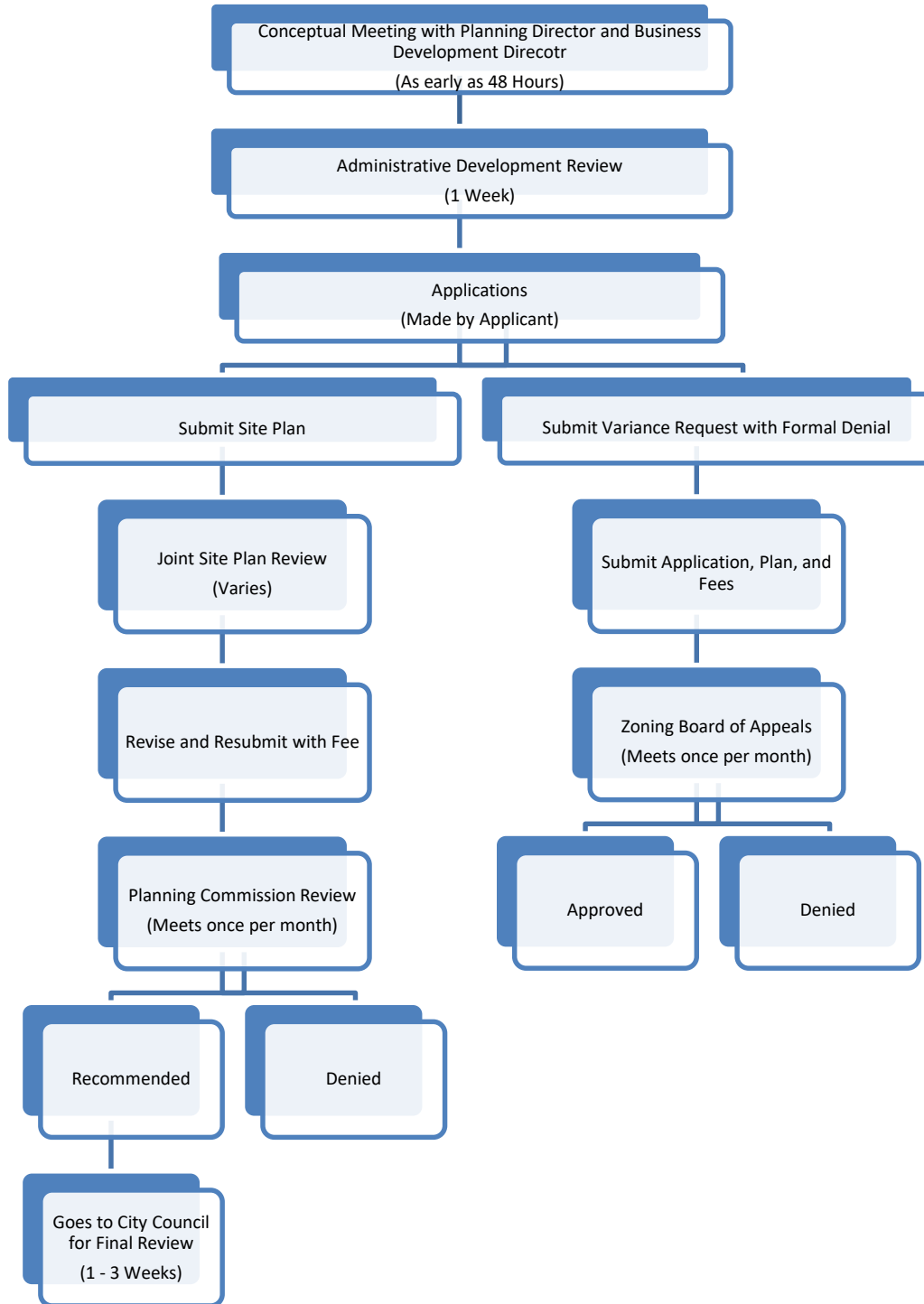
Step 4 – Zoning Board of Appeals Review (Meets Once per Month):

The Zoning Board of Appeals will review the application with a formal briefing on the site provided by the Planning Director.

Board will either approve or deny the request determined by the prevalence of undue hardship to the property owner.

Land Use and Variance Request Approval Process Flowchart

Estimated Process Length: 6 Weeks



Building Process

Step 1 – Submit Construction Documents and Applications

Necessary construction documents with scope of the work to be performed must be submitted to the Building Department for review prior to submission of applications

Necessary applications must be submitted to the Building Department for review.

Following the finding of a fault in the applications, applicants must revise and resubmit

Applications can be found at:

<http://www.cityofwestland.com/departments/building-department>

Step 2 – Inspections

Upon receipt of application and payment the initial inspection is scheduled to have the city inspect all structural, electrical, mechanical, and plumbing for code compliance.

Inspection Checklist:

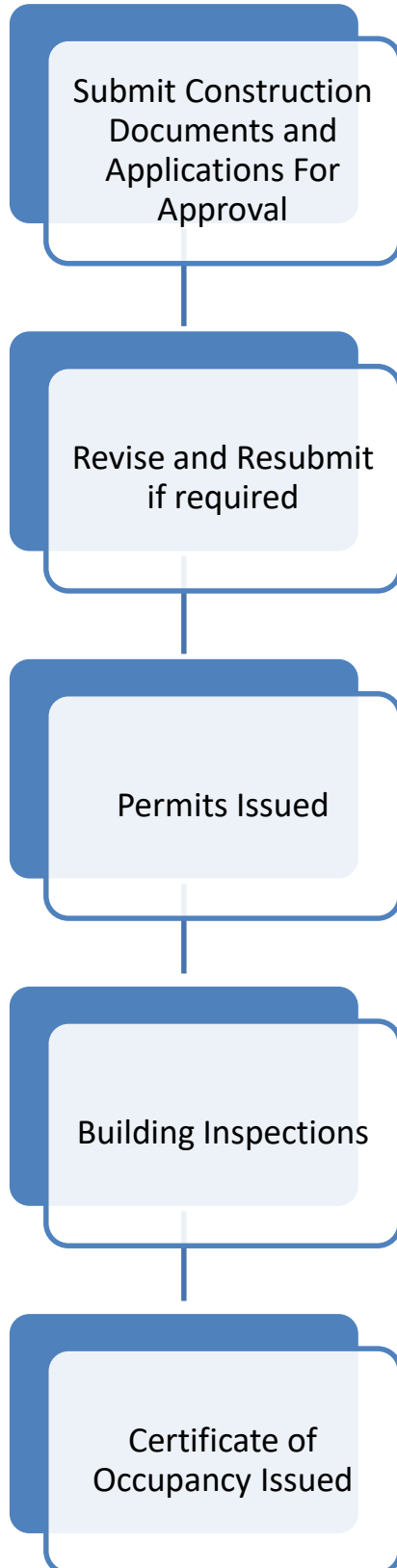
<http://www.cityofwestland.com/Home/ShowDocument?id=413>

Step 3 – Certificate of Occupancy

Following the completion of a successful building inspection, a Certificate of Occupancy will be issued.

Building Process Flowchart

Estimated Process Length: 1 – 2 Days for Residential; 2 for Commercial



Business Licenses

The following business activities require a license issued by the City Clerk or Police Department.

- Animal Businesses – Kennels and Pet Stores
- Christmas Tree Sales
- Collision Bump and Paint Shop
- Going Out of Business
- Junkyards
- Massage Parlor – RENEWAL ONLY due to a temporary moratorium
- Massage Parlor Employee, Practitioner, Instructor, Apprentice
- Mechanical and Electronic Amusement
- Pool and Billiard Rooms
- Precious Metals and Gems Sales (Police Department)
- Public Entertainment
- Secondhand Dealer (Police Department)
- Soliciting, Canvassing, Peddling
- Street Vendor
- Temporary Sales/Temporary Structures
- Used Car Dealer

Liquor Licenses

Businesses must be approved for a liquor license with both the Michigan Liquor Control Commission and the City of Westland to sell alcoholic beverages. More information about the application process and licensing can be found through the following sources:

State of Michigan:

https://www.michigan.gov/lara/0,4601,7-154-89334_10570---,00.html

City of Westland:

[https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH10
ALLI](https://library.municode.com/mi/westland/codes/code_of_ordinances?nodeId=PTIICOOR_CH10_ALLI)

Development Incentive Tools

Incentives for Developers

Brownfield Development Funding

Brownfield properties are those in which the redevelopment or reuse of the property may be complicated by the presence or perception of contamination. Revitalizing and redeveloping these properties protects the environment, reuses existing infrastructure, minimizes urban sprawl and creates economic opportunities.

In order to successfully accomplish the redevelopment of a Brownfield Site, grant money is made available to see the revitalization of these sites.

Contact: Aubrey Berman (734) 793-9300; aberman@cityofwestland.com

TIF Districts

- Brownfield Redevelopment Authority
- Downtown Development Authority
- Local Development Finance Authority
- Tax Increment Finance Authority

Tax revenue collected from properties located in these districts are reinvested back into the district to stimulate **economic opportunity**

Contact: Aubrey Berman (734) 793-9300; aberman@cityofwestland.com

Tax Exemptions and Abatements

- Plant Rehabilitation Exemption
- Commercial Redevelopment Districts
- Commercial Rehabilitation Districts
- Obsolete Property Rehabilitation Act (OPRA)
- Neighborhood Enterprise Zones (NEZ)

Municipal Assistance

- Site Location Assistance
- Interactive GIS Mapping
- Development Data
- Regional Economic Development Resources
- Marketing and Exposure Assistance
- Administrative Fast Track Team

Incentives for Residents

For information regarding financial incentives as they pertain to residential properties contact Joanne Campbell, Director of Housing and Community Development:

32150 Dorsey Street

Westland, MI 48186-4755

E-mail:

[*jcampbell@cityofwestland.com*](mailto:jcampbell@cityofwestland.com)

Phone: 734.713.3711

Fax: 734.595.1680

Brownfield Redevelopment Authority (BRA)

PA 381 OF 1996

A BRA provides a municipality with the opportunity to create a local Brownfield financing resource in order to enhance local economic development capacities and market difficult sites based on the private investment incentives and enhance tax base. It encourages redevelopment of contaminated, functionally obsolete and blighted property by providing financial and tax incentives for cleanup and due diligence activities.

The Brownfield Redevelopment Authority reviews and recommends approval of an application and reimbursement requests. The legislative body provides final approval. The State Tax Commission and other state agency approvals are also necessary.

INVESTOR INCENTIVE:

Tax Increment Finance (TIF) Funds will reimburse a developer for the eligible costs pursuant to a Brownfield Redevelopment Plan and as approved by the Authority and legislative body. The length of tax capture will not exceed the number of years required to pay the costs of eligible activities as allowed under the Brownfield Redevelopment Financing Act.

ELIGIBLE USES:

- Remediation of environmental contamination
- Structure demolition
- Lead or asbestos abatement
- Infrastructure improvements including but not limited to utilities and parking,
- Site preparation that is not a response activity
- Obsolescence

APPLICATION PROCESS:

The BRA reviews proposals for the redevelopment of eligible property and determines what incentives are necessary to assist the redevelopment of the site. The Authority prepares a plan that identifies the brownfield projects. Each project section of the plan includes the description of the eligible property the eligible activities, the TIF approach to be taken and other issues related to the subject parcels. The Authority then recommends to the legislative body that the decision-making body holds a public hearing regarding the plan and subsequently acts to approve with modifications or deny the plan.

- Step 1.** The developer of a proposed brownfield project should contact the Economic & Community Development Department to introduce the proposed project and request financing assistance. The developer has the ability to work with an Environmental/Engineering consultant to draft the Brownfield Redevelopment Plan, also known as the Act 381 Work Plan, and complete the other steps required by state agencies.
- Step 2.** Required site plan and special use approvals are received from local authority.
- Step 3.** The Brownfield Redevelopment Authority reviews and recommends approval of the development plan and reimbursement agreement to the legislative body. A public hearing is conducted according to provisions of PA 381 of 1996.
- Step 4.** The legislative body will consider the request from the Authority. A public hearing may be conducted in accordance PA 381 of 1996 provisions. A resolution for approval is issued for the development plan and reimbursement agreement.
- Step 5.** The Brownfield Redevelopment Authority enters into a Brownfield Reimbursement Agreement that specifies the terms and conditions associated with the reimbursement of costs associated with the eligible activities.
- Step 6.** The approved agreement is forwarded to the State of Michigan Tax Commission for approval.

Note: If captured school taxes were used to reimburse the cost of certain environmental response activities or any non-environmental activities, approval of a PA 381 work plan by the MDEQ and/or Michigan Strategic Fund is necessary. The applicant will submit the work plan to the appropriate State agency together with the approved Brownfield Redevelopment Plan, a copy of the City of Westland resolution approving the plan, and a transmittal letter from the BRA.

Pertinent Links to MEDC BRA Information:

PLANT REHABILITATION AND INDUSTRIAL DEVELOPMENT EXEMPTION

PA 198 OF 1974

The City of Westland may provide tax abatements to eligible manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Industrial property tax abatements provide incentives for eligible businesses to make new investments in Michigan.

Industrial property is defined as land improvements, buildings, structures, and other real property and machinery, equipment, furniture, and fixtures or any part or accessory whether completed or in the process of construction comprising an integrated whole. Tax abatement requests are approved or denied at the City's discretion

An Industrial Facilities Tax Exemption (IFE) can be granted in an Industrial Development District (IDD) and a Plant Rehabilitation District (PRD). The IDD is applied in areas for new construction. A PRD is applied in areas for rehabilitation of obsolete facilities. . The governing body will consider the merits of each individual project and the overall benefits that result from granting the exemption.

INVESTOR INCENTIVE:

An Industrial Facilities Tax Exemption certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of up to 12 years as determined by the governing body. The City of Westland will determine the number of years granted for an exemption request. After the Industrial Facilities Tax Exemption Certificate (198 abatement) is granted, the City of Westland is required to enter into a contract memorializing the terms of the abatement.

Notes:

1. Any buildings and equipment that existed prior to construction of a new facility are not exempt.
2. If the project is for rehabilitation, the value of any pre-existing obsolete property is exempt from ad valorem property taxes, but will be used as the base for the IFT.
3. Similarly, any structures or equipment added after completion of the project are fully taxable.
4. Land is specifically excluded from the benefits of the act and is fully taxable.

ELIGIBLE PROJECTS:

- Industrial plants that primarily manufacture or process goods or materials by physical or chemical change.
- Related facilities of Michigan manufacturers such as offices, engineering, research and development, warehousing or parts distribution.
- Research and development laboratories, high-tech facilities and large communications centers can qualify throughout Michigan.
- The facility must be located within an established Industrial Development or Plant Rehabilitation District.
- The applicant is a qualifying business as outlined in MCL 207.552.
- The application must be filed within six months of the commencement of the improvements.
- [IF APPLICABLE] Facilities used for warehousing, distribution or logistics purposes can be eligible if they locate in specific border counties.

APPLICATION PROCESS:

A Plant Rehabilitation or Industrial Development District must be created prior to initiating a project.

- Step 1.** The application is filed with the municipal clerk.
- Step 2.** The governing body reviews and approves the application within 60 days of the clerk's date of receiving the completed application. A public hearing is conducted as part of the review process.
- Step 3.** The application, resolution of approval and executed contract are forwarded to the State Tax Commission for final approval and issuance of certificates. The exemptions are not effective until approved by the State Tax Commission.

Note: The following criteria are used to evaluate the merits of an application:

1. That the exemption does not have the effect of substantially impeding the operation of the City of Westland,
2. The exemption does not have the effect of impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Westland;
3. The applicant is not delinquent on any taxes related to the facility, including taxes owed on existing property. As well as special levies (i.e. water bills, grass cuttings, false alarms, etc...)
4. The exemption of property will have the effect of increased employment in the City of Westland and

5. The aggregate State Equalized Value (SEV) of real and personal property exempt from ad valorem taxes within the City of Westland, after granting this certificate, will not exceed 5% of the SEV.

COMMERCIAL REDEVELOPMENT DISTRICT

PA 255 OF 1978 / 227 OF 2008

The governing body encourages replacement, restoration and new construction of commercial property by abating the property taxes generated from new investment for a period up to 12 years. As defined, commercial property means land improvements whether completed or in the process of construction, the primary purpose and use of which is the operation of a commercial business enterprise, including office, engineering, research and development, warehousing parts distribution, retail sales, hotel or motel development, and other commercial facilities. Land and personal property are not eligible for abatement under this act.

INVESTOR INCENTIVE:

A private investor may receive property tax abatement for up to 12 years on investment. The property owner pays a Commercial Facilities Tax rather than the normal property tax. A certificate will be issued for a period between one year and 12 years.

For a restored facility: The taxable value of the building freezes its value prior to restoration. The school operating tax and the State Education Tax (SET) are also frozen.

For a new or replacement facility: A 50 percent reduction in the number of mills levied as ad valorem taxes, excluding the State Education Tax (SET), is provided. Within 60 days after the granting of a new Commercial Facilities Exemption Certificate, the State Treasurer may exempt 50 percent of the SET mills for a period not to exceed six years. The State Treasurer will not grant more than 25 of these SET exclusions each year.

ELIGIBLE PROJECTS:

- Commercial property including research and development, office and warehousing parts distribution.
- Mixed use, including high-density residential, buildings.
- Obsolete commercial property or cleared or vacant land which is part of an existing, developed commercial or industrial zone which has been zoned commercial or industrial for 3 years before June 21, 1978, and the area is or was

characterized by obsolete commercial property and a decline in commercial activity.

- Land which has been cleared or is to be cleared as a result of major fire damage, or cleared or to be cleared as a blighted area under Act No. 344 of the Public Acts of 1945.
- Property which was owned by a local governmental unit on June 21, 1978, and subsequently conveyed to a private owner and zoned commercial.
- Building must be completed or in process of construction.
- Does not include a casino and associated parking lot, hotel, motel, or retail store owned or operated by a casino, an affiliate, or an affiliated company.
- Land and personal property are not eligible for abatement under this act.

Note 1:

“Replacement facility” means commercial property to be acquired, constructed, altered, or installed for the purpose of being substituted for obsolete commercial property. Property impaired due to changes in design, construction, technology, or improved production processes, or damage due to fire, natural disaster, or general neglect shall be considered obsolete. All other new commercial property is considered a “new facility.” For purposes of granting the tax abatement, the replacement or new facility must meet all of the following conditions.

Note 2:

A “restored facility” means changes to obsolete commercial property as may be required to restore the property to an economically efficient condition. Restoration must result in improvements aggregating to more than 10 percent of the true cash value of the property at commencement of the restoration. Restoration includes major renovation including, but not limited to, the improvement of floor loads, correction of deficient or excessive height, new or improved fixed building equipment, including heating, ventilation, and lighting, reducing multistory facilities to one or two stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, and other physical changes.

APPLICATION PROCESS:

Before the Commercial Redevelopment Exemption Certificate (i.e. property tax abatement) can be granted for the Facility,

1. The legislative body establishes a Commercial Redevelopment District by resolution. A public hearing is conducted prior to approving the resolution for approval.
2. A property owner files an application with the local clerk for a Commercial Facilities Exemption Certificate. *Note: Applications are available from the Michigan Department of Treasury.*
3. The legislative body conducts a public hearing on the application. The application must be approved or disapproved not more than 60 days after its date of receipt.
4. An approved application is sent to the State Tax Commission for filing purposes.

WEBSITE LINKS:

[State of Michigan Commercial Redevelopment District Fact Sheet](#)

Insert Link to LDFA Plan, Support Documents, Public Act 197 of 1975 and the MEDC Summary

COMMERCIAL REHABILITATION DISTRICT

PA 210 OF 2005

The Commercial Rehabilitation District encourages rehabilitation of commercial property by abating the property taxes generated from new investment for a period up to 10 years.

INVESTOR INCENTIVE:

A private investor may receive property tax abatement for up to 10 years on investment. The property owner pays a Commercial Facilities Tax rather than the normal property tax. A certificate will be issued for a period between one year and 10 years.

The property owner must pay a Commercial Rehabilitation Tax rather than the normal property tax. The certificate must be issued for a period of at least one year, but cannot exceed 10 years.

The Commercial Rehabilitation Tax freezes the taxable value of the building and exempts the new investment from local taxes. The school operating tax and the State Education Tax (SET) are still levied on the new investment. Land and personal property cannot be abated under this act.

The criteria for extensions must be included in the resolution approving the abatement.

ELIGIBILITY:

- Construction cannot have started six months prior to filing an application.
- Multiple-family housing or commercial buildings 15 years or older and at least three acres in area.
- Vacant property or other commercial property that was commercial property within the immediately preceding 15 years.
- Office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities.
- Commercial properties allocated new market tax credits are also considered a qualified facility.
- Qualified retail food establishments including a retail supermarket, grocery store, produce market, or delicatessen that offer unprocessed USDA-inspected meat and poultry products or meat products that carry the USDA organic seal, fresh fruits and vegetables, and dairy products for sale to the public.
- Commercial property does not include property that is to be used as a professional sports stadium or a casino.
- Land and personal property are not eligible for abatement under this act.

Note:

Rehabilitation is defined as changes that are required to restore or modify the property, together with all appurtenances, to an economically efficient condition. The new investment in the rehabbed property must result in improvements aggregating to more than 10 percent of the true cash value of the property at commencement of the rehabilitation of the qualified facility. Rehabilitation includes the following:

- Improvement of floor loads, correction of deficient or excessive height, new or improved fixed building
- Equipment including heating, ventilation, and lighting,
- Reducing multistory facilities to one or two stories, improved structural support including foundations,
- Improved roof structure and cover, floor replacement, improved wall placement, improved exterior and
- Interior appearance of buildings, and other physical changes required to restore or change the property to an economically efficient condition. Rehabilitation also includes new construction on vacant property from which a previous structure has been demolished and if the new construction is an economic benefit to the local community as determined by the qualified local governmental unit.

Rehabilitation for a qualified retail food establishment also includes new construction.

Note:

Commercial property is a qualified facility that includes a building or group of contiguous buildings of commercial property that is 15 years or older, of which the primary purpose is the operation of a commercial business enterprise or multifamily residential use. Multifamily residential is housing that consists of five or more units.

APPLICATION PROCESS:

1. The legislative body establishes a Commercial Rehabilitation District by resolution. A public hearing is conducted prior to approving the resolution for approval.
2. The resolution is provided to the county where the district is established. Within 28 days, the county may accept or reject the establishment of the district.
3. A property owner files an application with the local clerk for a Commercial Rehabilitation Exemption Certificate. Note: Applications are available from the Michigan Department of Treasury.
4. The legislative body conducts a public hearing on the application. The application must be approved or disapproved not more than 60 days after its date of receipt.
5. An approved application is sent to the State Tax Commission for approval. A resolution is not effective unless approved by the State Tax Commission.
6. Upon approval by the State Tax Commission, a Commercial Rehabilitation Certificate is issued.

Note:

The application shall contain or be accompanied by a general description of the qualified facility, a general description of the proposed use of the qualified facility, the 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 qualified facility, a time schedule for undertaking and completing the rehabilitation of the qualified facility, a statement of the economic advantages expected from the exemption, including the number of jobs to be retained or created as a result of rehabilitating the qualified facility, including expected construction employment.

WEBSITE LINKS:

[State of Michigan Commercial Rehabilitation District Fact Sheet](#)

Insert Link to LDFA Plan, Support Documents, Public Act 197 of 1975 and the MEDC Summary

OBSOLETE PROPERTY REHABILITATION ACT

PA 146 OF 2000

The City of Dearborn in promotion of public interest, has enacted the Obsolete Property Rehabilitation Act (OPRA) and provides tax incentives to encourage the redevelopment of obsolete and older buildings into vibrant commercial and mixed-use projects. The tax incentive is designed to assist in the redevelopment of older buildings in which a facility is contaminated, blighted or functionally obsolete. In many cases, this could be an abandoned, multi-story industrial building that is now more suited for commercial or residential rental units.

INVESTOR INCENTIVE:

The advantage to the developer is savings on property taxes. The tax incentives freeze local property taxes for up to 12 years. In addition, the State Treasurer has the ability to exempt one-half of the school millage for up to six years on 25 projects per year.

ELIGIBLE PROJECTS:

- Commercial Building
- Mixed-Use Residential Building

Note:

Commercial Housing Property is defined as the portion of real property not occupied by an owner of that real property that is classified as residential real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c, is a multiple-unit dwelling, or is a dwelling unit in a multiple-purpose structure used for residential purposes. Commercial housing property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to a multiple-unit dwelling or dwelling unit in a multiple-purpose structure, used for residential purposes.

Commercial Property is defined as land improvements classified for general ad valorem tax purposes as real property including buildings and improvements assessable as real property pursuant to sections 8(d) and 14(6) of the general property tax act, 1893 PA 206, MCL 211.8 and 211.14, the primary purpose and use of which is the operation of a commercial business enterprise. Commercial property shall also include facilities related to a commercial business enterprise under the same ownership at that location, including, but not limited to, office, engineering, research and development, warehousing, parts distribution, retail sales, and other commercial activities. Commercial property also includes a building or group of contiguous buildings previously used for industrial purposes that will be converted to the operation of a

commercial business enterprise or a multiple-unit dwelling or a dwelling unit in a multiple-purpose structure, used for residential purposes. Commercial property does not include land or public utility property.

APPLICATION PROCESS:

1. An owner of an obsolete property within the district files an application for an OPRA certificate with the clerk of the local government that includes the details of the project.
2. The clerk notifies the assessor and each taxing unit that levies property taxes.
3. The governing body holds a public hearing prior to acting on the resolution regarding the certificate.
4. Within 60 days of receipt of application, the governing body approves or disapproves the application and sets the number of years for the tax freeze by resolution. The decision is completed within 60 days of the municipality receiving the application.
5. An approved application and resolution is sent to the State Tax Commission (STC). The STC has 60 days to approve or disapprove the request. To apply for the abatement of school millage, the developer must make note of this on the application form. The STC is responsible for final approval and issuance of all OPRA certificates.

Link: [State of Michigan Obsolete Property Rehabilitation Act Fact Sheet](#)