

## EXAMPLES OF EXPERIENCE WITH TAX INCENTIVE PROGRAMS & PROJECT DEVELOPMENT

### **Project: Tim Hortons Restaurant Development, 3556 Oakwood Melvindale, Michigan**



Incentives Used: Brownfield Redevelopment Plan

Value of Incentives: Approximately \$270,000 to Developer and \$185,000 to the City of Melvindale and its Brownfield Redevelopment Authority

Prepared a Brownfield Redevelopment Plan that will reimburse the developer for more than \$265,000 in development expenses, including environmental investigations, building demolition, site preparation, public infrastructure improvements, and project financing.

Reference/Contact:

Al Rice, Member  
Oakwood Project, LLC  
13684 Cranbook Ct.  
Plymouth, Michigan 48170  
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### **Project: Wyandotte Municipal Services (WMS) Electrical Substation Project, Wyandotte, MI**

Incentives Used: Brownfield Redevelopment Plan

Value of Incentives: Approximately \$2 million to WMS (the developer) and \$100,000 to the City of Wyandotte and its Brownfield Redevelopment Authority



Prepared a Brownfield Redevelopment Plan for WMS to assist with the construction of a \$4.5 million electrical substation at Alkali and Clark Streets necessary to service the \$150 million BASF Joncryl Polymers Plant Expansion at 1609 Biddle and other commercial and residential uses in the area. WMS will receive more than \$2 million in Brownfield tax increment financing, with the Wyandotte Brownfield Redevelopment Authority receiving approximately \$100,000. Preparing the Plan required working closely with WMS, City staff and BASF to prepare a Plan that complies with the Brownfield Redevelopment Financing Act, incorporates existing tax incentives, and allows for future expansions of the plant and additional tax incentives.

Reference/Contact:

Melanie McCoy, General Manager  
Wyandotte Municipal Services  
3005 Biddle Ave.  
Wyandotte, MI 48192  
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e-mail: mmccoy@wyan.org

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**Project: Walgreens and Strip Center Retail Development  
Fort and Eureka, Wyandotte, MI**



Incentives Used: Brownfield Redevelopment Plan and  
Development Reimbursement Agreement

Value of Incentives: \$250,000 to Developer; \$500,000 to City and Brownfield Redevelopment Authority

Coordinated development incentives with the developer's consultant to facilitate the construction of a 31,000 s.f. retail development with a value of more than \$3.9 million. Through a Brownfield Redevelopment Plan approved by the City of Wyandotte and its Brownfield Redevelopment Authority, the developer was reimbursed for more than \$250,000 in development expenses, including environmental remediation, building demolition, soil removal and site preparation. Via the creative use of a Development Reimbursement Agreement between the developer and the City, the developer was fully reimbursed for all expenses upon the City issuing a certificate of occupancy for the project, instead of being reimbursed over many years from annual taxes captured on the project. The Brownfield Plan also provided for more than \$500,000 in incentives to the City and BRA, including the construction of a decorative "Welcome to Wyandotte" sign, funding for Brownfield Authority staff and a City-wide environmental remediation fund, and project financing.

Reference/Contact:

Joseph S. Daly, President  
Daly Merritt Properties, Inc.  
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**Project: Merrill Lynch Renovation Project at 2912 Biddle  
Wyandotte, MI**



Incentives Used: Obsolete Property Rehabilitation  
Exemption (OPRE) Certificate

Value of Incentives: Approximately \$145,000 in property tax savings to the Developer over 12 years (approximately \$12,000 annually or a reduction of 60%)

Obtained an OPRE Certificate for a 12-year tax exemption to facilitate a complete rehabilitation of a 6,500 s.f. historic structure at a cost of approximately \$2 million. *SMOOTH Development* also prepared additional documentation that allowed the developer to receive a supplemental tax exemption for six years from the State Treasurer's office.

Reference/Contact:

Dave Ryder  
Co-owner of the Merrill Lynch building at 2912 Biddle (Wyandotte Commercial Properties)  
Wyandotte, MI 48192  
Phone: (734) 516-8324

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**Project: Aldi's Food Market and Retail/Office Development  
Fort and Oak, Wyandotte, MI**



Incentives Used: Brownfield Redevelopment Plan, Development Reimbursement Agreement, and Single Business Tax (SBT) Credit (now known as the Michigan Business Tax (MBT) Credit

Value of Incentives: \$475,000 to Developer (Brownfield Tax Increment Financing of \$275,000 and SBT Credit of \$200,000); \$650,000 in Brownfield Tax Increment Financing to the City and Brownfield Redevelopment Authority over a 30-year period

Coordinated development incentives with the developer's consultant to facilitate the construction of - 20,000 s.f. of retail and office development with a value of more than \$2.3 million. Through a Brownfield Redevelopment Plan approved by the City of Wyandotte and its Brownfield Redevelopment Authority (BRA), the developer will be reimbursed for more than \$275,000 in development expenses, including environmental remediation, building demolition, soil removal, site preparation and public infrastructure improvements. The Brownfield Plan also provided for more than \$650,000 in tax increment financing to the City and BRA, including the construction of underground utilities, decorative historic-style lighting, right-of-way and public infrastructure improvements, BRA expenses, City-wide environmental remediation fund, and project financing.

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**Project: BASF Joncryl Polymers Plant Expansion  
1609 Biddle, Wyandotte, MI**



Incentives Used: Brownfield Redevelopment Plan, Michigan Single Business/Brownfield Tax (SBT) Credit, Industrial Facilities Exemption Certificate, and 100% Personal Property Exemption (Public Act 328)

Value of Incentives: Approximately \$60 million in tax savings and credits to BASF

Coordinated development incentives with the Michigan Economic Development Corporation (MEDC) and BASF staff to facilitate the construction of a \$150 million expansion, resulting in more than 100 new permanent jobs at the site. BASF received a \$15 million SBT Credit, and more than \$45 million in real, personal and income tax savings. The incentive package assembled by SMOOTH personnel, the City and the MEDC was responsible for BASF locating the plant in Wyandotte instead of another state with lower property taxes, labor expenses and utility costs.

Reference/Contact:

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BASF Corporation  
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**Project: Vinewood Village Condominium Project at Vinewood and 6<sup>th</sup> Street, Wyandotte, MI**

Incentives: Neighborhood Enterprise Zone (NEZ) Exemption Certificate

Value of Incentives: An NEZ certificate reduces residential property taxes for each homeowner by approximately 55% annually for nine (9) years. For a typical unit with a sales price of \$165,000, annual taxes would be reduced from \$4,000 to \$1,800, resulting in an annual savings of \$2,200 and more than \$20,000 over the duration of the certificate.

The development consists of 10 attached townhouse units in Phase 1, with eight (8) additional units proposed in Phase 2, with a total value of approximately \$3 million. *SMOOTH* personnel prepared all material necessary to allow the retroactive inclusion of the project into an NEZ, including drafting language for consideration by the Michigan Legislature, preparing NEZ tax impact studies, and documents necessary to establish and NEZ under Michigan Public Act 147 of 1992, as amended. The NEZ incentive was also provided to four other projects in Wyandotte to assist the developers with selling homes in a challenging economic environment.

Reference/Contact:

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