



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
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Legislative File No: 2005-0259

TO: Mayor and City Council Members
FROM: Ed Anzek, Planning & Development Department, ext. 2572
DATE: July 14, 2005
SUBJECT: Danish Village Tax Exemption Ordinance

REQUEST:

It is City Council's prerogative to consider the proposed ordinance amendment for first reading.

BACKGROUND:

Danish Village, an affordable housing facility for seniors, is tax exempt pursuant to Section 211.7d of the General Property Tax Law, Act 206 of 1893, as amended. The exempted taxes are reimbursed to the City by the State Department of Management and Budget under this provision. At the Regular Meeting of April 6, 2005, Council passed a Resolution, File Number 2005-0259, authorizing the City Attorney to draft an Ordinance Amendment, adding new section 30-32 of Section 30, Community Development, of the Code of Ordinances of the City of Rochester Hills.

Lutheran Social Services of Michigan owns Danish Village and is seeking MSHDA financing in order to conduct significant renovations to the facility. It is seeking the exemption and the new Ordinance provides for a 4% payment in lieu of taxes (PILOT) for a 45-year period. By granting this PILOT, the City will lose its reimbursement from the State. The PILOT is expected to generate \$26,000-\$30,000 per year for the first 10 years, and increasing based on a gradual increase in rents during the next 35 years.

RECOMMENDATION:

Acceptance for First Reading and Adoption.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		

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