



CITY OF SOUTHFIELD

APPLICATION FOR PAYMENT IN LIEU OF TAX

This application must be completed by the applicant to initiate project review by the City of Southfield Incentives Committee and, if advanced, consideration by the Southfield City Council via Legislative Committee to Southfield City Council Committee of the Whole for recommendation to City Council Action. City Submission of an application does not constitute approval of a Payment in Lieu of Tax agreement, waiver of taxes, waiver of fees, or authorization to begin work. All requests are subject to legal review, financial review, public notice requirements, and all approvals required by law.

Supplemental materials should be submitted digitally in one email to the City of Southfield Assessing Department at Justin Prybski at JPrybski@cityofsouthfield.com with the subject line: "PILOT APPLICATION - [project name/address]."

1. Applicant and Project Information

Applicant / Organization Legal Name	
Contact Person and Title	
Mailing Address	
Telephone Number	
Email Address	
Property Owner Legal Name, if different	
Property Owner Contact Person and Title	
Property Owner Mailing Address	
Property Owner Telephone / Email	
Project Name	
Project Address	
Parcel Identification Number(s)	
Project Type	☐ New construction ☐ Rehabilitation ☐ Adaptive reuse ☐ Expansion ☐ Other: _____
Requested Incentive / Agreement Type	☐ Payment in Lieu of Tax ☐ Cost recovery for advertising/public notice ☐ Other: _____

2. Certification and Authorization

The applicant must certify that the information contained in this application and all supplemental materials is true, complete, and accurate to the best of the applicant's knowledge. The applicant must also authorize the City to review project information, request additional materials, and share information with relevant reviewing agencies and taxing jurisdictions as appropriate.

Authorized Applicant Signature	
Printed Name and Title	
Date	
Property Owner Signature, if different	
Printed Name and Title	
Date	

3. Project Description

Provide a clear narrative description of the proposed project, including existing site conditions, proposed use, total investment, development timeline, number and type of units or square footage, ownership structure, and the reason a Payment in Lieu of Tax is being requested.

Project Description Narrative including:

Project Metric	Applicant Response
Total estimated private investment	\$
Total estimated public investment requested	\$
Estimated construction start date	
Estimated construction completion date	
Estimated certificate of occupancy / opening date	
Existing building square footage / acreage	
Proposed building square footage / acreage	
Number of residential units, if applicable	
Number of jobs created / retained, if applicable	
Expected users, residents, clients, or beneficiaries served annually	

3. Public Benefit and Target Population

Provide a clear narrative description of the public benefit and how the project will advance a public purpose and serve a defined target population. The response should describe who will benefit, the scale of benefit, and how the benefit will be measured and maintained during the term of the agreement.

Public Benefit and Target Population Narrative including:

- Creates or preserves housing, services, facilities, or amenities serving a defined public need.
- Supports redevelopment, adaptive reuse, reinvestment, or elimination of vacancy, blight, contamination, or functional obsolescence.
- Provides measurable community benefits such as affordability, workforce access, public services, public space, accessibility, sustainability, or job creation.
- Advances City planning, economic development, redevelopment, housing, sustainability, or quality-of-life goals.
- Provides a fiscal benefit or long-term community benefit that justifies the requested PILOT arrangement.

4. Alignment with City Plans and Economic Development Objectives

Provide a narrative demonstrating that the applicant considered all applicable aspects of the City of Southfield Master Plan and identifying the specific goals, policies, or provisions advanced by the project. Include references to any applicable redevelopment, corridor, housing, sustainability, or economic development goals.

5. Basis for Eligibility and Legal Authority

Identify the legal basis for the requested PILOT and cost recovery arrangement. Attach a memorandum or letter from the applicant's counsel, if applicable, identifying the proposed authority, required approvals, and any limitations. The City may require review by the City Attorney or outside counsel at the applicant's cost.

Proposed legal authority for PILOT	
Applicant entity type	☐ Nonprofit ☐ For-profit ☐ Public/private partnership ☐ Other: _____
Current property tax status	☐ Taxable ☐ Exempt ☐ Partially exempt ☐ Unknown
Requested agreement term	_____ years
Requested effective tax year	
Required local approvals anticipated	☐ Incentives Committee ☐ City Council ☐ Other: _____
State, county, or other approvals anticipated	

6. Description of Payment in Lieu of Tax

Describe the proposed payment structure, including the anticipated annual amount, payment formula, escalation factor, payment timing, agreement term, reporting requirements, and proposed methodology for allocating or sharing the annual payment with all applicable taxing jurisdictions. Attach a detailed tax impact schedule using current millage rates and the proposed PILOT methodology. It is our intention that Southfield City Council will not approve a PILOT past the life of the financing of the project or population intended to be served.

Narrative Description of Proposed PILOT Payment

Proposed Annual PILOT Payment Summary

Payment Item	Applicant Response
Proposed annual PILOT amount - Year 1	\$
Proposed payment formula, if not fixed amount	
Annual escalation / adjustment factor	
First payment due date	
Annual payment due date	
Proposed agreement term	_____ years
Estimated total payments over term	\$
Security for payment, if any	
Reporting to be provided with each annual payment	

Proposed Allocation to Taxing Jurisdictions

Complete this schedule using the most current applicable millage rates. Add or delete taxing jurisdictions as needed based on the property location, school district, and applicable authorities. If a pro rata method is proposed, state the percentage share and anticipated dollar amount for each jurisdiction.

Taxing Jurisdiction	Current Millage / Basis	Proposed % Share	Estimated Annual Share	Notes / Restrictions
City of Southfield			\$	
Parks & Recreation			\$	
Southfield Public Library			\$	
Applicable local school district			\$	
Oakland Schools / ISD			\$	
Oakland County			\$	
Oakland Community College			\$	
Huron-Clinton Metropolitan Authority			\$	
Detroit Zoo Authority, if applicable			\$	
SMART / transit authority, if applicable			\$	
Other applicable taxing jurisdiction			\$	
TOTAL		100%	\$	

7. Cost Recovery for Advertising, Public Notice, and Administrative Review

The applicant shall be responsible for reimbursing the City for direct costs associated with required advertising, publication, mailed notices, public hearing notices, legal notices, recording, legal review, third-party financial review, fiscal analysis, and other administrative costs related to processing the request. The City may require an initial deposit before scheduling public hearings or publishing notices. An initial fee of \$2,500 payable to the City of Southfield, will be due upon application submittal.

Applicant agrees to reimburse City costs	☐ Yes ☐ No
Requested treatment of cost recovery	☐ Reimbursement after invoice ☐ Deposit/escrow ☐ Other: _____
Proposed initial deposit amount	\$ _____
Billing contact for reimbursement invoices	_____
Billing email address	_____
Purchase order number, if applicable	_____

Cost Recovery Acknowledgment

By signing below, the applicant acknowledges that City review costs and legally required notice/advertising costs may be due regardless of whether the requested PILOT is ultimately approved.

Authorized Signature	_____
Printed Name and Title	_____
Date	_____

8. Potential Negative Externalities and Mitigation Plan

Identify potential negative externalities associated with the project and describe how the applicant will mitigate them. Examples may include traffic, parking, public safety, school or service impacts, displacement, environmental conditions, stormwater, noise, construction disruption, fiscal impacts, long-term maintenance, code compliance, and neighborhood compatibility.

Potential Externality / Impact	Mitigation Commitment	Responsible Party	Timing / Milestone
Traffic and circulation			
Parking and access management			
Public safety and emergency services			
Environmental conditions / due care			
Stormwater, utilities, and infrastructure			
Construction impacts: noise, dust, hours, staging			
Neighborhood compatibility and site design			
Displacement or affordability impacts, if applicable			
Fiscal impact on taxing jurisdictions			
Long-term operations, maintenance, and compliance			
Other			

Additional Mitigation Narrative

9. Fiscal Impact and Financial Need

Provide a clear explanation of the financial need for the PILOT and how the proposed payment amount was calculated. Attach a twenty-year financial analysis, including project internal rate of return with and without the requested PILOT, and include assumptions for property taxes, operating revenues, operating expenses, capital costs, debt, equity, reserves, and replacement costs.

Fiscal / Financial Item	Applicant Response
Estimated taxable value without PILOT	\$
Estimated annual property taxes without PILOT	\$
Estimated annual PILOT payment	\$
Estimated annual difference between taxes and PILOT	\$
Twenty-year IRR without PILOT	%
Twenty-year IRR with PILOT	%
Debt financing source and amount	\$
Equity contribution	\$
Other incentives requested	\$
Gap or feasibility issue addressed by PILOT	

10. Other Incentives Requested

List all incentives, grants, abatements, exemptions, loans, tax credits, fee waivers, brownfield reimbursements, or other public support requested or received from local, county, state, federal, philanthropic, or other sources for this project.

Incentive / Funding Source	Amount / Estimated Value	Status	Approving Agency	Notes
	\$	☐ Requested ☐ Approved ☐ Pending		
	\$	☐ Requested ☐ Approved ☐ Pending		
	\$	☐ Requested ☐ Approved ☐ Pending		
	\$	☐ Requested ☐ Approved ☐ Pending		

11. Community Engagement, Reporting, and City Compliance

Provide an overview of community engagement completed or planned, including outreach to residents, businesses, neighborhood groups, service providers, target population representatives, or impacted stakeholders. Identify annual reporting commitments to demonstrate ongoing public benefit and agreement compliance. Include a City Compliance statement confirming that the applicant, property owner, and affiliated project entities will be in good standing with the City financially and administratively as a condition of review, approval, and continued agreement compliance.

City Compliance Statement

The applicant shall certify that, as of the date of application and throughout the City review process and any approved agreement term, the applicant, property owner, and affiliated project entities will be in good standing with the City of Southfield financially and administratively.
☐ Applicant is current on all taxes, assessments, utilities, invoices, fees, fines, penalties, cost-recovery charges, and other amounts owed to the City.
☐ Applicant is current on all applicable City licenses, permits, approvals, agreements, reporting obligations, and administrative requirements.
☐ Applicant agrees to disclose any outstanding City compliance matters and resolve them before final agreement approval or as otherwise directed by the City.
☐ Applicant acknowledges that failure to remain in good standing may delay review, prevent approval, constitute default, or result in other remedies provided in the agreement.

12. Required Attachments

Applications may be deemed incomplete until all applicable attachments are provided. The City may request additional information during review.

- ☐ Cover letter summarizing the request, requested term, proposed annual PILOT amount, and public benefit.
- ☐ Provide narratives addressing project description; public benefit; target population; alignment with city Plans and economic development objectives; negative externalities; and mitigation plan.
- ☐ Proof of ownership, purchase agreement, option, lease, or other evidence of site control.
- ☐ Legal description, parcel identification numbers, boundary map, and site location map.
- ☐ Site plan, floor plans, renderings, development program, or building plans, as applicable.
- ☐ Construction budget, sources and uses, operating pro forma, and twenty-year IRR analysis with and without the PILOT.
- ☐ Tax impact analysis and narrative showing estimated taxes without PILOT, proposed annual PILOT amount, and proposed allocation to all applicable taxing jurisdictions.
- ☐ Draft PILOT agreement or term sheet, including payment formula, term, compliance requirements, default provisions, and reporting requirements.
- ☐ Applicant counsel memorandum identifying proposed legal authority and required approvals, if available.
- ☐ Description of all other local, county, state, federal, philanthropic, or other incentives requested or received.
- ☐ Evidence of nonprofit status or other eligibility documentation, if applicable.
- ☐ Environmental reports, due care plan, brownfield plan, traffic study, parking analysis, or infrastructure impact materials, if applicable.
- ☐ Community engagement summary; proposed annual public-benefit reporting metrics; and verification of city compliance.
- ☐ Cost recovery acknowledgment for advertising, public notice, legal, fiscal, and administrative review costs.

13. Review Process and City Use

For City use only. This section may be completed by Business & Economic Development, Finance, Assessing, Planning, the City Attorney, the Incentives Committee, or other reviewing departments.

Review Item	Status / Notes
Date application received	
Application deemed complete	☐ Yes ☐ No Date: _____
Reviewing departments / agencies	
Additional information requested	
Cost recovery deposit requested	\$
Public notice / advertising required	☐ Yes ☐ No
Public hearing required	☐ Yes ☐ No
Taxing jurisdiction coordination required	☐ Yes ☐ No
Incentives Committee recommendation	☐ Recommend approval ☐ Recommend denial ☐ Recommend revision
City Council action	☐ Approved ☐ Denied ☐ Tabled ☐ Referred
Agreement execution date	
Annual compliance reporting due date	

14. Applicant Final Certification

The undersigned certifies that the information contained in this application and all attachments is true and complete to the best of the undersigned's knowledge. The undersigned acknowledges that the City may require additional information, that the request is subject to all required approvals, and that the applicant is responsible for reimbursing applicable City costs associated with advertising, public notice, publication, legal review, fiscal review, and administrative processing of this request.

Authorized Signature	
Printed Name and Title	
Applicant / Organization	
Date	