

PUBLIC HEARING AGENDA OF THE LIVONIA CITY COUNCIL

Monday, August 31, 2026

6:00 p.m. - City Hall Auditorium

33000 Civic Center Drive

Livonia, Michigan

AGENDA ITEM(S)

1. Appeal of the denial of the Planning Commission regarding Petition 2026-06-02-15: submitted by Sasa Head Spa requesting waiver use approval under Section 3.10 and Section 6.37 of the Livonia Zoning Ordinance, as amended, to operate a massage establishment, at 33600 Seven Mile Road, located on the north side of Seven Mile Road between Farmington Road and Norwich Street in the Southeast 1/4 of Section 4.
2. Application for Industrial Facilities Exemption Certificate: Katrina DeMoss, Beaver Aerospace & Defense, Inc., re: to expand all operations in support of the aerospace and defense industry, creating more than 20 qualified jobs for individuals, located at 36555 Amrhein Road, Livonia, MI 48150. (Industrial Development Overlay District #110)

LORI L. MILLER, CITY CLERK

NOTICE(S)

In accordance with Title II of the American with Disabilities Act as it pertains to access to Public Meetings, the City Clerk's Office of the City of Livonia, upon adequate notice, will make reasonable accommodations for persons with disabilities. Please call (734) 466-2236 or email clerk@livonia.gov if you need assistance. Council agendas are available on the City's website – www.livonia.gov - under Your Government, City Council, Agendas & Minutes.



LETTER TO THE LIVONIA CITY COUNCIL FROM THE PLANNING DEPARTMENT

1.

MEETING DATE

PRESENTED BY

Mark Taormina, Planning and Economic
Development Director

AGENDA ITEM

Appeal of the denial of the Planning Commission regarding Petition 2026-06-02-15: submitted by Sasa Head Spa requesting waiver use approval under Section 3.10 and Section 6.37 of the Livonia Zoning Ordinance, as amended, to operate a massage establishment, at 33600 Seven Mile Road, located on the north side of Seven Mile Road between Farmington Road and Norwich Street in the Southeast 1/4 of Section 4.

BACKGROUND DETAILS

July 24, 2026

Honorable Members of the City Council
City of Livonia, Michigan

Re: Petition 2026-06-02-15 - Sasa Head Spa

Dear Council Members:

At the 1,247th Meeting held by the Livonia City Planning Commission on July 14, 2026, the following resolution was adopted:

PREFERRED COUNCIL RECOMMENDATION/RESOLUTION (Please complete this field. Attachments are not to be used in lieu of the recommendation)

#07-42-2026 RESOLVED, That pursuant to a Public Hearing having been held by the City Planning Commission on July 14, 2026, on Petition 2026-06-02-15 submitted by Sasa Head Spa requesting waiver use approval under Sections 3.10 and Section 6.37 of the Livonia Zoning Ordinance, as amended, to operate a massage establishment, at 33600 Seven Mile Road, located on the north side of Seven Mile Road between Farmington Road and Norwich Street in the Southeast ¼ of Section 4, the Planning Commission does hereby deny Petition 2026-06-02-15 for the following reasons:

1. The petitioner has failed to comply with all general standards and requirements outlined in Sections 1.02 and 13.13 of the Livonia Zoning Ordinance.

2. The petitioner has not adequately established a need for the proposed use in the immediate area.

3. The petitioner has not sufficiently demonstrated that the proposed use would be compatible with and in harmony with the surrounding uses in the area; and

4. The proposed use is contrary to the goals and objectives of the Zoning Ordinance, which, among other things, are intended to ensure the suitability and appropriateness of uses.

FURTHER RESOLVED, That notice of the above hearing was given in accordance with the provisions of Section 13.13 of the Livonia Zoning Ordinance, as amended.

SPECIFIC NAME OF PRODUCT AND NUMBER TO BE PURCHASED (if more than one)

CONTRACT: Amount and/or purchase price and length of contract (with dates if applicable)

DETAILED WORK BEING PERFORMED

August 31, 2026

FISCAL CONSIDERATIONS (Amount requested and Account(s) used. If applicable, Grant Funding information)

ACCEPTANCE OF BID (Please detail the following: Why accepted, why not lowest bidder, company name, contact person, full address)

REASON TO WAIVE BID PROCESS (Emergency, Professional services, No advantage to City and why, Consortium package, etc):

ATTACHMENTS

1. 2026-06-02-15_E-COUNCIL Pkt
2. 2026-06-02-15_Appeal letter

APPROVED BY



Mark Taormina, Planning and Economic Development Director

Date: August 11, 2026



Date: August 13, 2026

Maureen Miller Brosnan, Mayor

**CITY OF LIVONIA, MICHIGAN
APPLICATION FOR WAIVER USE APPROVAL**

All applications must be presented in triplicate to the City Clerk, 33000 Civic Center Drive, Livonia, MI 48154-3097. Applications **must** include property owner's name, address and notarized signature.

For filing fee see below for computation

Date Filed: 6/2/26 Petition 2026-06-02-15
Site Address: 33600 W 7 Mile Rd Sidwell 016 99 0025 000 Zoning of Property C 1
Requesting Approval To operate spa
Applicant: Zhi Hong Liu Business/Company: Spa
Applicant's Address: 41480 Alleghany City: Canton State: MI Zip Code: 48188
Applicant's Phone # 707 480 3971 Applicant's Email zleo_us@yahoo.com
Contact Person: Zhi Hong Liu Business/Company: Sasa Head Spa, LLC
Contact's Address: 3846 Shannon Dr City: Warren State: MI Zip Code: 48081
Contact's Phone # 707 480 3971 Contact's Email zleo_us@yahoo.com

Please provide the following information:

- 1) **Site Plan** showing:
 - property dimensions, including road right-of-way & building setback lines
 - foot print of building(s), including dimensions & square footage
 - all easements, protective walls, sidewalks & existing trees
 - any significant topographic features (existing or proposed)
 - parking layout, including type of surface material, sizes of spaces & aisles
 - method used in calculating parking requirement
 - location of light standards servicing parking lot & cutout showing type & height
 - location of trash receptacle, including description of screening
 - location of signs
- 2) **Detailed Landscape Plan** including:
 - listing or labeling of all planted materials as to type and size
 - areas to be fully irrigated
 - percentage of landscaping provided (15% of total site required)
- 3) **Building Elevation Plan** depicting:
 - architectural quality
 - wall section & detail plan - exterior building materials must be labeled (i.e. brick, thin brick, E.F.I.S.)
 - all visible rooftop mechanical equipment and how they will be screened
- 4) **General Floor Plan** showing:
 - floor layout
 - entrances & exits
 - restaurants are required to illustrate seating arrangement & capacity
- 5) **One (1) set of reduced plans** (i.e. site, landscape, elevation, floor), a maximum 11" x 17" in size, or digital file in a .pdf format either on CD or emailed to planning@livonia.gov
- 6) **Legal Description** of the property to be considered (Clearly Printed)
- 7) Two (3) completed application forms & **three (3)** sets of full-size drawings

**CITY OF LIVONIA
PLANNING DEPARTMENT
JUN 02 2026
RECEIVED**

**AVOID SCAMS! PLEASE BE AWARE
THAT THE CITY OF LIVONIA
PLANNING COMMISSION DOES NOT
SEND INVOICES EITHER BY
REGULAR MAIL OR EMAIL. WHEN
YOU APPLY, YOU WILL BE REQUIRED
TO PAY IN FULL AT THAT TIME. IF
YOU RECEIVE AN INVOICE, PLEASE
CONTACT US IMMEDIATELY.**

You are invited and encouraged to review your proposal with the Planning Department staff. Only one set of preliminary drawings will be necessary for this analysis.

FEE COMPUTATION	\$700.00 (\$400 publication fee plus \$300 base review fee) plus
_____ sq. ft. of new construction x \$20.00 per 1,000 sq. ft. or \$30 per lot or unit for residential construction.	
Total Amount Due \$ _____	(To avoid scams, please see note above regarding invoices)

Owner of Property: DOMINIC SOAVE
Owner's Address: 33521 SEVEN MILE City: LIVONIA State: MI Zip Code: 48152
Owner's Phone # 248 240 2891 Owner's Email DomSoave1@gmail.com
Signature of Owner: Dom Soave Print Name: DOMINIC SOAVE
Subscribed and sworn to before me, a Notary Public in and for the County of Wayne State of MI
on this First day of June 20 26
Signature of Notary: [Signature] My commission expires 12/05/2029
Acting in the County of Wayne

**DENNIS ELLEDGE
NOTARY PUBLIC, STATE OF MI
COUNTY OF WAYNE
MY COMMISSION EXPIRES Dec 5, 2029
ACTING IN COUNTY OF**

Wayne

Section 1

RECEIVED
OFFICE OF THE CITY CLERK
2026 JUL 24 PM 1:50

Appeal Letter

July 22, 2026

From:

Zhi Hong
3846 Shannon Dr.
Warren, MI

To:

City of Livonia Zoning Board of Appeals
c/o City of Livonia Inspection Department
33000 Civic Center Drive
Livonia, MI 48154

**RE: Appeal of Planning Commission Denial — Petition No. 2026-06-02-15 —
Application for Special Use Permit — SaSa Head SPA — 33600 Seven Mile Road,
Livonia, MI 48152**

Dear Members of the Zoning Board of Appeals:

I, Zhi Hong, respectfully submit this formal appeal of the City of Livonia Planning Commission's denial of Petition No. 2026-06-02-15, my application for a Special Use Permit to operate SaSa Head SPA at 33600 Seven Mile Road, Livonia, MI 48152. I respectfully request that the Zoning Board of Appeals reverse the Planning Commission's denial and grant approval of the Special Use Permit, subject to the conditions proposed herein. This appeal is filed pursuant to the applicable provisions of the City of Livonia Zoning Ordinance governing appeals to the Zoning Board of Appeals.

I. Business Description

SaSa Head SPA is a scalp-focused personal care service business offering dry scalp massage, scalp treatments, and hair and scalp health consultations. All services are performed by trained technicians utilizing specialized reclining head spa stations designed specifically for scalp wellness services. The business offers no chemical treatments of any kind — no hair dye, no bleach, no perms, no relaxers. Service stations do not require water plumbing connections, as all scalp treatments are dry or utilize minimal topical products applied by hand, without rinsing at the station. No traditional shampoo bowls are used or required. The services performed — scalp and head massage — do not require a massage therapy license under Michigan law, as the scope is limited to the head and scalp region; however, SaSa Head SPA will fully comply with all applicable Michigan Department of Licensing and Regulatory Affairs (LARA) cosmetology establishment licensing requirements. In its operations, service profile, and physical layout, SaSa Head SPA is most closely analogous to a specialty hair salon or barber shop — a use that is already established and permitted throughout the Seven Mile Road commercial corridor.

II. Response to Denial Ground No. 1 — Section 1.02 (Purpose Clause)

The Planning Commission's determination that SaSa Head SPA is not consistent with the public health, safety, and general welfare under Section 1.02 of the Livonia Zoning Ordinance is respectfully without merit. A head spa is, by its nature and design, a health and wellness service business. Scalp massage and scalp treatments have well-documented benefits for stress reduction, circulation, and scalp health — outcomes that directly promote the physical and mental well-being of Livonia residents. Far from conflicting with public health, the proposed use affirmatively advances it. Furthermore, Section 1.02's purpose clause broadly encompasses uses that promote the comfort, convenience, and amenity of the community. The Seven Mile Road corridor currently lacks any comparable specialty scalp care service, creating a gap in the range of personal care amenities available to Livonia residents. Approval of SaSa Head SPA directly serves the stated purposes of the Ordinance by introducing a beneficial, health-promoting personal care service to an underserved commercial corridor. The proposed use is consistent with, and indeed furthers, the purposes articulated in Section 1.02.

III. Response to Denial Ground No. 2 — Section 13.13 (Special Use Permit Standards)

The applicant respectfully submits that SaSa Head SPA fully satisfies the special use permit standards of Section 13.13, and that any concerns the Planning Commission may have had regarding the nature of the use are directly addressed by the open-concept facility design described herein. Specifically: (a) The open-

concept floor plan eliminates all enclosed private service rooms; all service stations will be separated only by decorative half-partitions not exceeding 48 inches in height, with no doors, curtains, or ceiling enclosures; (b) All operations are conducted in full view of the public, of reception staff, and of any inspecting official at all times; (c) Hours of operation will be limited to standard business hours — 10:00 AM to 9:00 PM, seven days per week — consistent with adjacent commercial uses; (d) The facility will obtain and maintain all required Michigan LARA cosmetology establishment licenses prior to opening and throughout its operation; and (e) Service stations are aesthetically designed with decorative half-partitions consistent in profile and function with station dividers used in licensed nail salons and hair salons throughout Livonia. The operational and physical characteristics of SaSa Head SPA are indistinguishable in material respects from those of salons already operating under valid permits in the vicinity. Approval is warranted under Section 13.13.

IV. Response to Denial Ground No. 3 — Insufficient Demonstrated Need

The applicant respectfully disagrees with the Planning Commission's finding that insufficient need was demonstrated for this use. The head spa industry represents one of the most rapidly growing segments of the personal care and wellness sector in the United States, driven by consumer demand for specialized scalp health services and wellness-focused personal care. The Seven Mile Road commercial corridor does not presently include any business offering specialized scalp care or head spa services, leaving a genuine and documentable service gap for Livonia residents. Prior to submitting this application, the applicant collected expressions of interest and sign-up inquiries from prospective clients in the Livonia area, demonstrating concrete, documented demand from the community the business would serve. This client interest documentation is submitted as Exhibit C to this appeal packet. The absence of a directly comparable existing business is itself evidence of unmet need; the Board is respectfully requested to find that demonstrated need has been sufficiently established by the combination of industry trend data, geographic service gap, and documented client interest.

V. Response to Denial Ground No. 4 — Insufficient Compatibility with Surrounding Uses

SaSa Head SPA is entirely and demonstrably compatible with the existing character of the Seven Mile Road commercial corridor and its surrounding uses. The corridor on which 33600 Seven Mile Road is located is home to hair salons, nail salons, medical spas, medical offices, and general retail — all of which are personal care or commercial service uses comparable to or more intensive than the proposed head spa in terms of chemical use, noise, odor, parking demand, and service duration. The open-concept design,

standard commercial business hours, absence of chemical treatments, absence of water infrastructure at service stations, low noise generation, and absence of odors or hazardous materials collectively render SaSa Head SPA among the least intensive personal care uses that could occupy the subject commercial space. There is no outdoor storage, no mechanized equipment generating noise, no ventilation-intensive chemical processes, and no late-night operations. The use is entirely interior, entirely contained, and entirely consistent with the profile of its neighbors. Compatibility has been fully demonstrated.

VI. Response to Denial Ground No. 5 — Contrary to Zoning Goals

The applicant respectfully submits that SaSa Head SPA is not contrary to the City of Livonia's zoning goals — it actively advances them. The approval of this Special Use Permit would: (1) activate and productively utilize a commercial space on the Seven Mile Road corridor, reducing vacancy and supporting the economic vitality of the commercial district; (2) add a new, locally-owned small business to the City's commercial and tax base; (3) provide a neighborhood-serving personal care amenity for Livonia residents that does not currently exist on the corridor; (4) contribute to the retail and service mix that makes commercial corridors economically sustainable; and (5) bring new employment to the City. These outcomes are consistent with the long-term planning goals of municipalities like Livonia that seek to maintain and strengthen their commercial corridors. Denial of this permit would leave a commercial space vacant and deny Livonia residents access to a growing category of health-focused personal care services. Approval is consistent with, and in furtherance of, the City's zoning objectives.

VII. Open-Concept Design Commitment

In direct and specific response to any concerns regarding the nature of the proposed use, the applicant formally commits to the following design requirements as a condition of any Special Use Permit granted by the Zoning Board of Appeals: All individual service room doors will be permanently removed and will not be reinstalled; service stations will be separated exclusively by decorative half-partitions with a maximum height of 48 inches (4 feet); no curtains, drapes, or other privacy enclosures will be installed at service stations; full line-of-sight will be maintained throughout the entire service floor from the reception desk and from the public entry at all times; and lighting throughout the facility will be full commercial-grade LED illumination at or exceeding 50 foot-candles at each service station, consistent with Michigan cosmetology facility requirements. These commitments are incorporated into the Proposed Conditions of Approval set forth in Section 6 of this appeal packet and are offered as enforceable permit conditions.

VIII. Conclusion and Request

For all of the foregoing reasons, the applicant respectfully requests that the Zoning Board of Appeals reverse the Planning Commission's denial of Petition No. 2026-06-02-15 and grant a Special Use Permit to operate SaSa Head SPA at 33600 Seven Mile Road, Livonia, MI 48152, subject to the Proposed Conditions of Approval set forth in Section 6 of this appeal packet. The applicant is available and willing to attend and present at the Board's scheduled hearing on this matter, to answer any questions, and to provide any additional information the Board may require. This appeal packet has been prepared in good faith and submitted within the applicable appeal period.

Respectfully submitted,

Zhi Hong

Applicant — Petition No. 2026-06-02-15

3846 Shannon Dr., Warren, MI

Date: July 22, 2026

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 2

Zoning Compliance Analysis

Petition No. 2026-06-02-15 | SaSa Head SPA | 33600 Seven Mile Road, Livonia, MI 48152

The following table addresses each of the five grounds cited by the Planning Commission in its denial of Petition No. 2026-06-02-15 and provides the applicant's substantive response and the specific design or operational remedy proposed to address each concern.

Denial Reason	Ordinance Section	City's Concern	Applicant's Response	Design / Operational Remedy
Noncompliance	Section 1.02 — Purpose Clause	Use not consistent with public health, safety, and general welfare	Head spa is a personal care wellness service that directly promotes scalp health, stress relief, and community well-being; consistent with Section 1.02 purposes	Open-concept layout; full LARA-compliant operations; standard business hours; no chemicals; no hazardous materials
Noncompliance	Section 13.13 — Special Use Permit Standards	Use did not satisfy special use permit criteria as applied	Business operates identically in profile to a specialty hair salon or barber shop; no enclosed rooms; all operations in full public view; LARA-licensed establishment	Permanent removal of all service room doors; maximum 4-ft decorative half-partitions only; full line-of-sight maintained; commercial-grade lighting throughout
Insufficient Need	Market Demand (General Standards)	Board found no demonstrated community need for the proposed use	Head spa is a rapidly growing personal care industry segment; Seven Mile corridor has no comparable specialty scalp care service; applicant has documented pre-opening client interest	Exhibit C: Client interest sign-up list and inquiry documentation; Exhibit A: head spa industry growth context; geographic service gap analysis
Incompatibility	Surrounding Uses (General Standards)	Use deemed incompatible with neighboring businesses and corridor character	Seven Mile corridor includes hair salons, nail salons, and medical spas — all comparable personal care uses; head spa is less intensive in chemical use, noise, and infrastructure than most permitted neighbors	Similar operating profile to adjacent salons; low parking demand; no noise generation; no odors; no hazardous materials; no outdoor operations
Contrary to Zoning Goals	General Zoning Plan	Use conflicts with City's long-term zoning vision and goals for the corridor	Approval activates commercial space, adds to tax base, provides neighborhood-serving personal care amenity, creates employment, and promotes economic vitality on Seven Mile corridor	New business employment; commercial space activation; addition to City tax base; neighborhood-serving use consistent with commercial corridor goals

Summary:

All five grounds cited in the Planning Commission's denial are substantively addressable through the applicant's open-concept design commitment and proposed operational conditions. The open-concept layout directly eliminates any enclosure-related concerns; LARA compliance directly addresses regulatory concerns; documented client interest and industry data address the need finding; and the corridor use comparison demonstrates compatibility. The record supports approval of the Special Use Permit with enforceable conditions as set forth in Section 6 of this packet. The applicant respectfully submits that approval with conditions is the appropriate disposition and is fully supported by the evidence presented.

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 3

Open-Concept Facility Layout Description

SaSa Head SPA | 33600 Seven Mile Road, Livonia, MI 48152

3.1 Design Philosophy

The open-concept facility layout for SaSa Head SPA was specifically developed in direct and comprehensive response to the concerns expressed by the City of Livonia Planning Commission regarding the use of enclosed private service rooms. The applicant has fundamentally redesigned the proposed

facility to eliminate all enclosed service rooms and replace the traditional room-based layout with a transparent, salon-style open floor plan. This design philosophy is rooted in the principle that all client services at SaSa Head SPA shall be conducted in an open, visible, publicly observable environment — consistent with how licensed nail salons and hair salons operate throughout Livonia and the broader metropolitan area. The elimination of enclosed rooms not only addresses the Planning Commission's specific concerns but also reflects current industry best practices for head spa facilities seeking to operate in mixed commercial districts. The design prioritizes transparency, accessibility, and operational consistency with established permitted personal care uses.

3.2 Layout Description

The following is a detailed written description of the proposed facility layout at 33600 Seven Mile Road. The layout is organized from front to rear of the unit as follows:

Entry and Reception Area

The front portion of the unit, immediately upon entry from the public sidewalk or parking area, is designated as the entry and reception zone. This area features an open reception desk staffed by a front-desk technician or receptionist. A waiting area is provided adjacent to the reception desk with seating for four to six clients. The reception desk provides clear, unobstructed sightlines to the entirety of the service floor. No barriers, partitions, or dividers separate the reception area from the service floor. Clients are greeted, checked in, and escorted to their assigned service station from this area.

Service Floor — Open Main Area

The primary service floor occupies the central and largest portion of the unit. The service floor accommodates six head spa reclining stations, arranged in two parallel rows of three stations each. The rows are oriented to allow technicians to access each station from either side and from the head. Each station is separated from adjacent stations by decorative half-height partitions — described in detail in Subsection 3.3 below — which provide aesthetic separation only. No enclosures of any kind surround any service station. All six stations are simultaneously visible from the reception desk and from the public entry point. Each service station consists of: a specialized zero-gravity or fully-reclining adjustable chair or bed; an adjustable headrest; armrests; overhead commercial-grade lighting directed at the station; and a small side cart for product and tool storage. No water plumbing is present at or near the service stations. All service areas are fully illuminated at commercial standards throughout operating hours.

Staff Area and Break Room

The rear of the unit contains a staff-only area providing a break room and storage for supplies and equipment. This area is separated from the service floor by a standard interior door and is not accessible to clients. The staff area does not constitute a client service area and is exempt from the open-concept requirements applicable to service stations.

Restroom

A single ADA-compliant restroom is provided, accessed from the service floor. The restroom has a standard lockable door as required by building and accessibility codes. The restroom is available to both clients and staff and is not used for any service purpose.

3.3 Partition Specifications

The decorative half-partitions separating individual service stations shall conform to the following specifications:

- **Material:** Frosted acrylic panels, wood-slat decorative panels, or equivalent decorative material — consistent in aesthetic character with station dividers found in licensed nail salons and hair salons operating in Livonia.
- **Height:** Maximum 48 inches (4 feet) above finished floor level. No partition shall exceed this height under any circumstances.
- **Purpose:** Aesthetic privacy and spatial delineation only, functionally identical to station dividers used in nail salons. Partitions do not create enclosed rooms, enclosed spaces, or areas not visible from the service floor.
- **Prohibited Features:** No ceilings or overhead enclosures on any partition; no curtains, drapes, or fabric panels; no doors or locking mechanisms of any kind at service stations; no extensions exceeding 48 inches in height at any point.
- **Sight Lines:** At all times during operating hours, a person standing at the reception desk or at the public entry shall have an unobstructed line of sight to all six service stations at the height above the partition tops.

3.4 Lighting

Commercial-grade LED lighting shall be installed and maintained throughout the service floor. Illumination at each service station shall meet a minimum threshold of 50 foot-candles, consistent with the Michigan cosmetology facility illumination requirements under Michigan Administrative Code. Lighting shall be uniformly distributed across the service floor to ensure that no area is dimmed, shadowed, or subject to reduced lighting during operating hours. Lighting controls shall not permit individual station lighting to be dimmed or deactivated while clients are being served. The overall lighting environment shall be consistent with that of a licensed hair salon or medical spa.

3.5 Compliance Note

The facility layout described in this Section is specifically designed to conform to the requirements for a licensed cosmetology establishment under Michigan Administrative Code R 338.2161 et seq., including applicable provisions governing square footage per station, minimum illumination, ventilation, and sanitation. The layout has been designed with reference to LARA cosmetology establishment standards and will be submitted for LARA pre-inspection review prior to commencing operations. All enclosure-related concerns identified in the Planning Commission's denial have been structurally addressed by this open-concept design. The applicant commits to maintaining this layout as a condition of the Special Use Permit and agrees that any future modification to the layout that would introduce enclosures at service stations shall require prior approval from the Zoning Board of Appeals or its designee.

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 4

Head Spa Service Description and Equipment Overview

4.1 What Is a Head Spa?

A head spa — also referred to as a scalp spa or scalp treatment service — is a specialized category of personal care service that focuses on the health, condition, and wellness of the scalp and hair. The head spa concept originated in Japan and has grown into a recognized global personal care service category, with a rapidly expanding presence in the United States driven by consumer interest in scalp health and wellness-oriented self-care. Services typically offered in a head spa setting include dry scalp massage using manual techniques, scalp condition analysis, application of scalp treatments or serums by hand, and stress-relief massage of the head and upper neck region. At SaSa Head SPA specifically, all services are dry — no water immersion, no rinsing stations, and no water plumbing connections at service stations are required or used. There is no chemical processing of any kind: no hair dye, no bleach, no perming agents, no relaxers, and no heat-activated chemical treatments. Because services are limited to scalp and head massage, a massage therapy license is not required under Michigan law for this scope of practice; however, SaSa Head SPA will fully comply with all applicable Michigan LARA cosmetology establishment licensing requirements and will operate as a licensed cosmetology establishment.

4.2 Equipment Description — Head Spa Reclining Station

Each of the six service stations at SaSa Head SPA consists of a specialized head spa reclining chair or bed designed specifically for scalp treatment services. The following description provides a detailed profile of this equipment for the Board's reference:



Figure 1 – SaSa Head SPA Reclining Station with Integrated Sink (salon-grade head spa bed proposed for use at 33600 Seven Mile Road, Livonia, MI)

- **Configuration:** A zero-gravity or fully-reclining adjustable chair or bed, similar in profile to a dental treatment chair, an aesthetic facial treatment chair, or a barber chair in reclined position. The client lies back or is fully reclined to allow the technician access to the scalp from above.
- **Dimensions:** Approximately 25–30 inches in width; 60–72 inches in length when fully reclined; 18–24 inches in seat height when upright. The chair is mechanically adjustable and designed for ergonomic technician access.

- **Features:** Adjustable headrest, padded armrests, and full-length body support. No integrated water bowls, plumbing connections, or drainage features are present at the station.
- **Plumbing:** None required at the station. This distinguishes the head spa station from a traditional salon shampoo bowl, which requires hot and cold water supply and drain connections.
- **Ancillary Equipment:** Each station includes a small side cart used to store products, tools (such as scalp brushes and massage instruments), and supplies. The cart is compact and contained entirely within the station footprint.
- **Footprint:** Each station, including operating clearance for the technician on all sides, occupies approximately 35–40 square feet of floor area. The six-station layout is consistent with the available square footage of the subject commercial unit.
- **Appearance:** Clean, spa-like, and professional — comparable in appearance to a facial treatment bed or massage table arranged in a chair configuration. The stations present an aesthetic consistent with licensed medical spas and upscale salon environments.

4.3 Service Process Overview

The client service process at SaSa Head SPA follows a straightforward, orderly sequence that is fully observable from the reception area at all times:

1. Client arrives and checks in at the reception desk; appointment time and service selection are confirmed.
2. Client is escorted by a technician to the assigned service station on the open service floor.
3. Technician performs a scalp consultation — visual and tactile assessment of scalp condition — lasting approximately 5 to 10 minutes.
4. Technician performs the scalp massage and treatment service, lasting approximately 30 to 60 minutes depending on the service selected.
5. Client returns to the upright position; technician provides any product recommendations; client departs through the reception area.

No chemicals are applied during any stage of the service process. No heat tools or loud mechanical equipment are used. A typical session, including consultation and service, lasts between 45 and 90 minutes. Each station is staffed by one technician per client; no double-booking of a single station occurs. The process is quiet, orderly, and of low intensity relative to chemical salon services.

4.4 Comparison to Existing Permitted Uses

The following table compares SaSa Head SPA's operational characteristics to those of nail salons and hair salons, both of which operate as permitted or special-use personal care businesses in the Seven Mile Road corridor and throughout Livonia:

Feature	Head Spa (SaSa Head SPA)	Nail Salon (Typical)	Hair Salon (Typical)
Enclosed service rooms	No	No	Sometimes
Chemical use	None	Yes — acetone, nail polish, acrylic monomers	Yes — dye, bleach, perm/relaxer chemicals
Noise level	Low	Moderate (fans, drills)	Moderate (dryers, music)
Chemical odors	None	Moderate to strong	Moderate
Water plumbing at station	No	Yes (pedicure bowls)	Yes (shampoo bowls)
LARA license required	Yes — cosmetology establishment	Yes	Yes
Parking demand	Low to Moderate	Moderate	Moderate

Key Finding:

A head spa is demonstrably less intensive than most already-permitted personal care uses on the Seven Mile Road corridor in terms of chemical use, chemical odors, noise generation, and required infrastructure. SaSa Head SPA presents a lower operational impact profile than nail salons or hair salons while providing a comparable personal care service to Livonia residents. The Board is respectfully

requested to consider this comparative analysis in its evaluation of the compatibility and Section 13.13 grounds of the appeal.

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 5

Supporting Evidence and Attachments

The following exhibits are submitted with this appeal packet in support of Petition No. 2026-06-02-15. Each exhibit addresses one or more of the grounds cited in the Planning Commission's denial. Applicants are instructed to ensure all exhibits are physically attached to printed copies of this packet and uploaded in digital form to the ZBA file-sharing platform no later than two business days prior to the scheduled hearing.

Exhibit A — Michigan Head Spa Industry Context

The head spa industry in the United States has experienced significant and well-documented growth over the past several years, driven by broader consumer wellness trends and heightened interest in scalp health as a component of personal care. Head spa businesses have successfully obtained permits and commenced operations in comparable Michigan municipalities, including the cities of Troy, Ann Arbor, and Sterling Heights, among others, where they operate as licensed cosmetology establishments in commercial districts. The use is well-established as a recognized personal care service category in commercial corridors nationwide and is not novel, experimental, or outside the scope of uses contemplated by personal care licensing frameworks at the state level. The Michigan LARA cosmetology establishment licensing framework expressly accommodates scalp treatment services as a regulated

personal care use. *[Applicant instruction: Supplement this exhibit with any available market research reports, IBIS World or Statista data on the head spa / scalp spa industry, or news articles documenting growth of the sector in Michigan and nationally.]*

Exhibit B — Seven Mile Road Corridor Context

The subject property at 33600 Seven Mile Road, Livonia, MI 48152, is located within a mixed commercial strip corridor that is home to a range of personal care, health-related, and retail commercial uses. Comparable personal care businesses operating in proximity to the subject property include hair salons, nail salons, medical spas, and medical or professional offices. The proposed head spa use is consistent with and complementary to the existing character of surrounding commercial uses in this corridor. The subject property's commercial context supports the compatibility of the proposed use as argued in the Appeal Letter (Section 1) and Zoning Compliance Analysis (Section 2) of this packet. *[Applicant instruction: Attach a corridor map or aerial photograph — Google Maps satellite view or similar — showing the subject property and all neighboring businesses within a 300-foot radius, with business names and use types labeled. This exhibit is important to the compatibility analysis.]*

Exhibit C — Client Interest Documentation

Prior to filing this application and appeal, the applicant actively solicited and collected expressions of interest from prospective clients in the Livonia and surrounding area communities. This outreach demonstrated concrete, documented consumer demand for a head spa service on the Seven Mile Road corridor. The client interest documentation submitted with this exhibit reflects genuine, verifiable pre-opening demand and supports the applicant's contention that a demonstrated community need for the proposed use exists. *[Applicant instruction: Attach an anonymized sign-up list or a summary table of client inquiries, showing number of prospective clients, zip codes of residence, and services of interest, but omitting full names or personally identifying information per applicable privacy considerations. If electronic inquiries were collected via social media or a website form, a screenshot or printout summary is appropriate.]*

Exhibit D — Michigan LARA Compliance Plan

SaSa Head SPA will operate in full compliance with the Michigan Department of Licensing and Regulatory Affairs (LARA) requirements applicable to licensed cosmetology establishments. The proposed facility design meets or exceeds all applicable requirements under Michigan Administrative Code R 338.2161 et seq., including minimum square footage per service station, lighting levels, ventilation standards, and sanitation requirements. The open-concept floor plan described in Section 3 of this packet has been designed with reference to LARA cosmetology establishment standards, and the applicant commits to obtaining all required LARA establishment licenses and completing LARA's pre-inspection process prior to commencing any client services. *[Applicant instruction: Attach the LARA cosmetology establishment pre-inspection checklist (available from LARA's website), a completed cosmetology establishment floor plan prepared in accordance with LARA's submission requirements, and any LARA correspondence confirming pre-application review of the proposed facility layout.]*

Exhibit E — Comparable Business Precedents

Head spa businesses operating as licensed cosmetology establishments have received special use permit approvals or by-right approvals in comparable southeastern Michigan commercial districts. The existence of such precedents supports the conclusion that the proposed use is a recognized, approvable personal care business category in Michigan's regulatory and municipal zoning environment, and that Livonia would not be acting without precedent in approving this use. *[Applicant instruction: Research and attach any available public records of special use permit approvals or zoning board decisions from municipalities such as Troy, Sterling Heights, Ann Arbor, Royal Oak, or Dearborn authorizing the operation of head spa or scalp spa businesses. Contact those municipalities' planning or zoning departments for public records if needed. If no formal approval records are available, attach Google Maps or business directory documentation showing head spa businesses operating in comparable commercial districts in those municipalities.]*

Exhibit F — Proposed Lease or Property Owner Authorization

To confirm the applicant's legal authority to occupy and operate at 33600 Seven Mile Road, Livonia, MI 48152, and to establish the property owner's consent to the proposed use, a copy of the applicable lease agreement or a property owner authorization letter is submitted with this appeal packet. *[Applicant instruction: Attach a copy of the executed lease agreement for 33600 Seven Mile Road, or, if a lease is not yet fully executed, a letter signed by the property owner expressly authorizing the applicant to apply for and pursue the Special Use Permit for the head spa use at this address. The letter should include the property owner's name, address, signature, and date.]*

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Section 6

Proposed Conditions of Approval

In order to facilitate approval of the Special Use Permit and to provide the Zoning Board of Appeals with clear, enforceable operating parameters, the applicant voluntarily proposes that the following conditions be attached to any Special Use Permit granted for the operation of SaSa Head SPA at 33600 Seven Mile Road, Livonia, MI 48152. The applicant accepts each of these conditions as binding obligations and agrees that any violation shall constitute grounds for revocation of the Special Use Permit following appropriate notice and hearing.

6. **Condition 1 — Open-Concept Layout Required.** All client service stations shall be separated exclusively by decorative half-height partitions not exceeding 48 inches (4 feet) in height above the finished floor. No enclosed rooms, no locking doors, no curtains or drapes, and no overhead enclosures shall be installed at or adjacent to any client service station. This condition is a material and fundamental requirement of permit approval and shall run with the permit.
7. **Condition 2 — Maximum Six Service Stations.** The facility shall operate no more than six (6) head spa reclining service stations within the approved premises at 33600 Seven Mile Road. Any

expansion of the number of service stations beyond six shall require prior amendment of the Special Use Permit by the Zoning Board of Appeals.

8. **Condition 3 — Hours of Operation.** The business shall operate no earlier than 10:00 AM and no later than 9:00 PM, seven days per week. No client services shall be conducted outside of these approved hours of operation. Any proposed change to approved hours shall require prior Board approval.
9. **Condition 4 — Michigan LARA Cosmetology Establishment License.** The facility shall obtain and maintain, in good standing, all required Michigan Department of Licensing and Regulatory Affairs (LARA) cosmetology establishment licenses prior to commencing any client services, and at all times during the period of operation under the Special Use Permit. Copies of all current LARA licenses shall be maintained on the premises and made available for inspection upon request.
10. **Condition 5 — No Chemical Hair Processing.** No chemical hair or scalp treatments shall be offered, performed, or permitted on the premises, including but not limited to hair dye, bleach, perming agents, relaxers, or any heat-activated chemical treatment. Services shall be limited to dry scalp massage, scalp analysis, and the manual application of non-chemical topical scalp serums or conditioning products.
11. **Condition 6 — Maximum Client Occupancy.** Client occupancy of the premises shall not exceed twelve (12) persons at any time — consisting of no more than six (6) clients actively receiving services and no more than six (6) additional persons in the waiting and reception area — consistent with applicable fire code occupancy limitations and the capacity of the approved service stations.
12. **Condition 7 — Signage Compliance.** All exterior signage for SaSa Head SPA shall comply in all respects with the City of Livonia Sign Ordinance. All required sign permits shall be obtained from the City of Livonia Inspection Department prior to the installation or display of any exterior signage. No temporary, unpermitted, or nonconforming signage shall be displayed.
13. **Condition 8 — Annual Compliance Review.** The applicant agrees to participate in an annual review of business operations conducted by the City of Livonia Inspection Department for the first two (2) full years of operation under the Special Use Permit. The purpose of the annual

review is to confirm ongoing compliance with all permit conditions, including but not limited to open-concept layout requirements, occupancy limits, hours of operation, LARA licensure, and the prohibition on chemical processing. The applicant shall cooperate fully with inspectors and provide access to the premises during business hours for purposes of this review.

Applicant's Statement:

The applicant, Zhi Hong, accepts all eight (8) conditions set forth above and offers them as binding, enforceable obligations to be incorporated into any Special Use Permit granted by the Zoning Board of Appeals. These conditions collectively address every substantive concern raised in the Planning Commission's denial and provide the Board with a clear, verifiable compliance framework for the ongoing operation of SaSa Head SPA.

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Section 7

Appeal Packet Submission Checklist

Use this checklist to confirm that all required materials are included and complete before submitting this appeal packet to the City of Livonia Inspection Department. Complete each item and check the corresponding box prior to submission. Retain a completed copy of this checklist for your records.

#	Item	Status	Notes
1	Completed ZBA Appeal Application Form	[]	Obtain official form from City of Livonia Inspection Department, 33000 Civic Center Dr., Livonia, MI 48154. Form must be fully completed, signed, and dated.
2	Filing Fee Payment	[]	Confirm current filing fee amount with the Inspection Department. Fees vary by petition type. Payment by check, money order, or as otherwise accepted by the City.
3	This Appeal Packet (Sections 1–7)	[]	Print and submit five (5) copies to the Inspection Department. Retain one (1) copy for applicant's records. All sections must be present and paginated.
4	Exhibit A — Industry Context Statement	[]	One-page summary of head spa market growth and Michigan operational precedents. Attach to each copy of the packet.
5	Exhibit B — Corridor Map / Aerial Photo	[]	Map or aerial photograph showing the subject property and all neighboring businesses within a 300-foot radius, with use types labeled.
6	Exhibit C — Client Interest Documentation	[]	Anonymized sign-up list or inquiry summary demonstrating documented community demand. Do not include personally identifying information.
7	Exhibit D — LARA Compliance Plan / Floor Plan	[]	Cosmetology establishment floor plan prepared per LARA requirements; LARA pre-inspection checklist; any LARA correspondence regarding the proposed facility.
8	Exhibit E — Comparable Business Precedents	[]	Approval records, zoning decisions, or business directory documentation showing head spa operations in comparable SE Michigan municipalities, if available.
9	Exhibit F — Lease or Property Authorization	[]	Executed lease for 33600 Seven Mile Rd., or signed authorization letter from the property owner consenting to the Special Use Permit application.
10	Applicant Photo ID	[]	Driver's license or state-issued ID. Kept in ZBA file for identification purposes only. Excluded from public-facing materials per ZBA Rules. Not published or disclosed.
11	Proof of Mailing / Service (if self-noticing)	[]	Neighbor notification is typically handled by the City at least 15 calendar days before the hearing. Confirm with the Inspection Department whether any applicant self-noticing is required.
12	Digital Copy of Full Packet	[]	Upload complete digital copy (PDF) of the packet, including all exhibits, to the ZBA's file-sharing platform no later than two (2) business days before the scheduled hearing date.

#	Item	Status	Notes
13	Signed Appeal Letter (Section 1)	[]	The Appeal Letter in Section 1 must bear the original, wet signature of the applicant (Zhi Hong) or an authorized representative. Photocopies of the signature are not accepted in lieu of an original.

IMPORTANT DEADLINES AND CONTACT INFORMATION

- **Appeal Filing Period:** Appeals must be filed with the Inspection Department within the applicable appeal period following the Planning Commission's denial. Confirm the deadline with the Inspection Department immediately if not already confirmed.
- **Digital Submission Deadline:** All digital materials must be uploaded to the ZBA's file-sharing platform no later than two (2) business days before the scheduled hearing date.
- **Neighbor Notification:** Neighbor notification letters are sent by the City at least fifteen (15) calendar days before the hearing date. The applicant is not typically required to self-notice; confirm with the Inspection Department.
- **Hearing Attendance:** The applicant is strongly encouraged to appear in person at the ZBA hearing to present the appeal and respond to Board questions. Bring printed copies of all exhibits.
- **Contact:** City of Livonia Inspection Department | 33000 Civic Center Drive, Livonia, MI 48154
| Phone: (734) 466-2456

Reminder:

This checklist does not constitute a complete statement of all ZBA submission requirements. The applicant is responsible for confirming all current filing requirements, fees, and deadlines directly with the City of Livonia Inspection

Department prior to submission. Requirements are subject to change. When in doubt, contact the Inspection Department at (734) 466-2456.

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Certification of Applicant

Petition No. 2026-06-02-15 | SaSa Head SPA | 33600 Seven Mile Road, Livonia, MI 48152

I, Zhi Hong, hereby certify that the information contained in this Appeal Packet, including all attached exhibits, is true and accurate to the best of my knowledge and belief. I understand that any misrepresentation of material fact in this submission may constitute grounds for denial of the appeal or revocation of any permit issued. I agree to be bound by all Proposed Conditions of Approval set forth in Section 6 of this packet if a Special Use Permit is granted by the Zoning Board of Appeals.



Zhi Hong

Applicant | Petition No. 2026-06-02-15
3846 Shannon Dr., Warren, MI
Date: July 22, 2026

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

**MINUTES OF THE 1,247th PUBLIC HEARINGS AND REGULAR MEETING
HELD BY THE CITY PLANNING COMMISSION
OF THE CITY OF LIVONIA**

On Tuesday, July 14, 2026, the City Planning Commission of the City of Livonia held its 1,247th Public Hearing and Regular Meetings in the Livonia City Hall, 33000 Civic Center Drive, Livonia, Michigan.

Mr. Ian Wilshaw, Chairman, called the meeting to order at 7 p.m.

Members present: Wafa Dinaro Patrick Droze Peter Ventura
 Ian Wilshaw

Members absent: Dave Bongero Sam Caramagno

Mr. Jacob Uhazie, Assistant Planning Director, Kristoffer Canty, Planner IV, and Stephanie Reece, Program Supervisor, were also present.

Chairman Wilshaw informed the audience that if a petition on tonight's agenda involves a rezoning request, this Commission makes a recommendation to the City Council who, in turn, will hold its own public hearing and make the final determination as to whether a petition is approved or denied. The Planning Commission holds the only public hearing on a request for preliminary plat and/or vacating petition. The Commission's recommendation is forwarded to the City Council for the final determination as to whether a plat is accepted or rejected. If a petition requesting a waiver of use or site plan approval is denied tonight, the petitioner has ten days in which to appeal the decision, in writing, to the City Council. Resolutions adopted by the City Planning Commission become effective seven (7) days after the date of adoption. The Planning Commission and the professional staff have reviewed each of these petitions upon their filing. The staff has furnished the Commission with both approving and denying resolutions, which the Commission may, or may not, use depending on the outcome of the proceedings tonight.

ITEM #2 PETITION 2026-06-02-15

Sasa Head Spa

Ms. Dinaro, Acting Secretary, announced the first item on the agenda Petition 2026-06-02-15 submitted by Sasa Head Spa requesting waiver use approval under Sections 3.10 and Section 6.37 of the Livonia Zoning Ordinance, as amended, to operate a massage establishment, at 33600 Seven Mile Road, located on the north side of Seven Mile Road between Farmington Road and Norwich Street in the Southeast ¼ of Section 4.

Mr. Uhazie: Thank you, Mr. Chair. This is a request to operate a head massage establishment specializing in scalp and hair wellness

treatments. Services are expected to include scalp analysis, deep cleansing treatments, scalp massages, shampooing, conditioning, hydrating therapies, and other non-medical personal care services designed to promote scalp health and relaxation. The petition site is located on the north side of Seven Mile Road between Farmington and Norwich. The current zoning is C-1. There is residential to the north, zoned N2. To the east is the new Meijer Grocery Store. Across Seven Mile to the south is C-1, as well to the west is C-1 commercial. The reason we are here tonight is for waiver-use. Massage establishments are permitted with a waiver-use in the C-1 district under the provision set forth in Section 6.37 of the zoning ordinance. As this is a request for a head massage spa, the zoning ordinance does define massage establishments as any place where manipulated massage or manipulated exercises or practices for pay upon the human body by anyone using mechanical, therapeutic, or bathing devices. This is a multi-tenant commercial building approved in 1978. The petition site would be on the easternmost unit, located next to the China House Inn, and it is the site of the former Tai Chi Massage. The proposal would be specializing in scalp and hair wellness. The services are expected to, as I mentioned, include scalp analysis, deep cleaning treatments, scalp massage, shampoo and conditioning, hydration therapies, and non-medical personal care services. At the study, the petitioner did mention that they would offer some massage as well. The operation is similar in nature to a salon or spa and would serve clients by appointment and walk-in basis. The proposed massage establishment would have a lobby reception area in the front, shown here, with an open space for seating, and then three shampoo rooms that measure eight feet by 12 feet, and they're open to the waiting area. A blow-drying area and storage room is in the middle of the building, and in the rear is a washroom with washer and dryer, bathroom, and break room. The zoning ordinance does require a separation of 400 feet from any existing massage establishments and schools or churches. There are no other establishments of this nature within the 400-foot buffer that the city has sanctioned. Parking for massage use would require eight spaces. If you took the parking requirements for all this as a general commercial, it would require 46 parking spaces. The shopping center has 36, so there may be some parking deficiencies. With that, Mr. Chairman, I can read out the departmental correspondence.

Mr. Wilshaw: Yes, please.

Mr. Uhazie: The first item is from the Engineering Division, dated June 15, 2026, which reads as follows: *"In accordance with your request,*

the Engineering Division has reviewed the above referenced petition. We have no objections to the proposed waiver use at this time but would like to note the following items: 1. The subject parcel is assigned the address range of #33600 through 33612 Seven Mile Road, with the address of #33612 Seven Mile Road being assigned to the overall parcel. The existing parcel is currently serviced by public sanitary sewer and water main, as well as private storm sewer. There is no mention of utility revisions with the proposal, so we do not believe there will be any adverse effects on the existing systems. 3. Should revisions to the utility services to the building, or any work within the Seven-Mile Road right-of-way be required, the owner will need to submit drawings to This Department and the Wayne County Department of Public Services for permitting.” The letter is signed by David W. Lear, P.E., Assistant City Engineer. The next letter is from the Livonia Fire & Rescue Division, dated July 6, 2026, which reads as follows: *“This office has reviewed the site plan submitted in connection with a request to modify a commercial building on the property located at the above referenced address. We have no objections to this proposal. A further detailed plan review will take place when this division receives an official plan set.”* The letter is signed by Brian Kukla, Fire Marshal. The next letter is from the Division of Police, dated June 17, 2026, which reads as follows: *“I have reviewed the plans in connection with the petition. I have no objections to the proposal.”* The letter is signed by Brendan Adams, Sergeant, Traffic Bureau. The next letter is from the Inspection Department, dated June 30, 2026, which reads as follows: *“Pursuant to your request, the above-referenced Petition has been reviewed. This Department has no objections to this Petition.”* The letter is signed by Jerome Hanna, Director of Inspection. The next letter is from the Finance Department, dated May 13, 2026, which reads as follows: *“I have reviewed the addresses connected with the above noted petition. The following amounts are due to the City of Livonia: Unpaid water and sewer charges: (Customer name on record - Soave, Acct#: 031904400-001) \$ 1,028.22 - Unpaid water and sewer charges: \$ 363.32 (Customer name on record - Pine Ridge (Irrigation), Acct#: 050105350-001) Total Due City of Livonia \$ 1,391.54.”* The letter is signed by Ermon Sims, Chief Accountant. Next is an email, dated July 6, 2026, that states: *“My name is Michael Malecki, and I am the President and CEO and owner of Kneaded Relief Massage & Spa. In addition to our Livonia massage therapy business, I also own and direct M & M Home Care and AICM – Michigan. Our organizations collectively employ a substantial number of professionals throughout the Livonia community and serve residents across the region. I am writing to formally and strongly object to Petition 2026-06-02-15 submitted by Sasa*

Head Spa requesting waiver use approval under Sections 3.11 and 6.37 of the Livonia Zoning Ordinance to operate a massage establishment at 33600 Seven Mile Road. This petition should be denied. The proposed business appears to be, in practical effect, a continuation or rebranding of the existing Tai Chi Massage operation currently associated with this address and telephone number. The concerns surrounding the existing operation are serious, longstanding, and publicly visible. A simple public internet search of the business phone number associated with the location produces numerous advertisements featuring scantily dressed young women and language commonly associated with illicit massage operations, including repeated phrases such as "Best in Town" and "New Asian." The same business and location have also appeared on Rubmaps, an online directory and review platform widely known for facilitating discussions related to illicit massage businesses and the commercial sex trade. (See attached.) As business owners operating legitimately within the massage and wellness industry, we understand the severe reputational damage these types of establishments cause. Ethical massage therapists, estheticians, wellness providers, and healthcare-adjacent businesses spend years building credibility, complying with licensing requirements, maintaining professional standards, and creating safe environments for clients and staff. Operations associated with sexually suggestive advertising, escort-style marketing tactics, or websites linked to illicit sexual services undermine the integrity of the entire profession and negatively impact surrounding businesses and the broader community. This objection is not about limiting competition. Livonia is large enough to support many successful and ethical wellness businesses. Kneaded Relief Massage & Spa has always welcomed fair and lawful competition. However, we believe that the City has an obligation to distinguish between legitimate professional wellness establishments and businesses that raise substantial public concerns regarding inappropriate or potentially unlawful activity. The Planning Commission should carefully consider: The public online footprint associated with the current location and phone number. The appearance of the business on websites associated with illicit massage activity. The style and content of the advertising connected to the operation. The potential impact on nearby businesses, neighboring property owners, and the reputation of the City of Livonia. Whether approving this waiver use would genuinely serve the public health, safety, and welfare standards intended under the zoning ordinance. Livonia has worked hard to establish itself as a professional, family-oriented, and business-friendly community. Granting approval to what appears to be a continuation of a deeply concerning operation

sends the wrong message to residents, ethical business owners, and legitimate wellness professionals throughout the city. For these reasons, I respectfully urge the Planning Commission to reject Petition 2026-06-02-15 at the July 7, 2026, Study Meeting and any subsequent formal proceedings. Thank you for your consideration and for your continued service to the Livonia community." The letter is signed Michael Malecki, President/CEO, Kneaded Relief. That is the extent of the correspondence.

Mr. Wilshaw: Thank you, Mr. Uhazie. Any questions for staff?

Mr. Droze: Thank you, Mr. Chair. Mr. Uhazie, two questions as part of your report that you provided, and I think hopefully the applicants here maybe clarify these as well. But I think you mentioned in your discussion the nature of this type of business really seemed to be related to the scalp and hair and that sort of thing, but I think you mentioned that the applicant said that there could be massages as well, and so I'll be looking for the applicant to maybe clarify that statement because I don't necessarily remember that particularly from our study session. And then the other item was the you mentioned that there was no...I think you phrased it as sanctioned massage locations within 400 feet. Is that something that the city...Is there like a database on that, or is that...

Mr. Uhazie: We keep track of the ones that have gone through the planning commission? But there are, as we've experienced with some of the other massage establishments that have come through this commission, there are accessory uses that would not need to come in front of us. So, like, there may be signs that say like massage is offered, but it is not like something that the planning commission or planning department considers a massage use as a principal use.

Mr. Droze: Okay, so as an example would be, I think, across the street there is a place. That's one of the things they offer in addition to

Mr. Uhazie: But we consider it more of an accessory use as opposed to the prime.

Mr. Droze: Okay, thank you, Mr. Chair.

Mr. Wilshaw: Thank you, Mr. Uhazie. Yeah, examples of that would be like a yoga studio or perhaps a chiropractor offering those services as an accessory. Any other questions for staff?

Ms. Dinaro: Can you tell us a little bit about why this is coming to us? It sounds like more of a salon than an actual massage place. Can you just talk to that a little bit?

Mr. Uhazie: Yes. So, the definition within the zoning ordinance does specifically state that any sort of manual manipulation upon the human body is defined as a massage. So, any sort of massage, scalp massage, falls under that definition, thus requiring a waiver-use.

Ms. Dinaro: Thank you.

Mr. Wilshaw: Thank you, Ms. Dinaro. Any other questions for staff? Is the petitioner here in the audience? Feel free to come forward to our podium, sir. Good evening. We ask that you start with your name and address for our record.

Zhi Hong Liu, 3864 Shannon Drive, Warren, MI. But right now, I have used a mailing address because someone lived there, so I drive 41480 Allegheny, Canton, MI.

Mr. Wilshaw: Okay, and can I call you Mr. Liu? Is that how you...

Mr. Liu: Yeah.

Mr. Wilshaw: Okay, very good, Mr. Liu. What would you like to tell us about your business that you would like to open at this location?

Mr. Liu: Yeah, this business, I'm not sure about the previous one, but it's for me. It's brand new. I've been running the massage business in Fairlane mall since 2012, and it was successful. And hopefully this time we will make this one another new business going good for us.

Mr. Wilshaw: Okay. Any questions for the petitioner from my colleagues?

Mr. Droze: Mr. Uhazie read a letter to us, and I think there's there's one sentence in particular that I'd like your response to, and the sentence was, the proposed business appears to be in practical effect a continuation rebranding of the existing Tai Chi massage operations currently associated with address and telephone number. Is that true?

Mr. Liu: We have not started yet, no business phone number and internet established, and no advertisement yet. We are...it's brand new. We are just waiting for approval. Then we starting a business

plan, and we get the marketing going on, online booking appointment, telephone numbers installed. It's not started yet.

Mr. Droze: But to be clear, your business is not any sort of continuation of the past business that occupied this space because there were issues. I'm understanding...

Mr. Liu: We are going to...I think they have doors on the three rooms. We are going to remove those doors.

Mr. Droze: I think what's being alleged by this letter is that basically that business is being rebranded as your business. Is that true or not?

Mr. Liu: Not true because I don't even know the previous...because the reason we take this is seven mile and good location, Meijer next to it, and location is good. The vehicle traffic is good, and we don't have to do a lot of remodeling. That's the reason, major reason, right?

Mr. Droze: Thank you.

Mr. Wilshaw: Thank you, Mr. Droze. Any other questions?

Mr. Ventura: Thank you, Mr. Liu. I'm looking at a floor plan in our package of your proposed space, and I see that you have what appear to be massage beds. Is that true?

Mr. Liu: Yeah, there are massage beds. Well, you have to say same size. If you do head spa it is the same size of the bed.

Mr. Ventura: Well, a close family member of mine owns a salon where they do massages for the head. It's one of their services, just a sideline. And they're all done in chairs. I'm not familiar at all with this service being provided on a bed. What are you going to do in addition to these head massages? Are you going to do full body massages?

Mr. Liu: The massage will still be. We are still doing massage.

Mr. Ventura: I'm sorry. Say it again.

Mr. Liu: We are still doing some massage.

Mr. Ventura: Some full body massages. Is that a yes?

Mr. Liu: Yeah, like the original massage space. We are still doing massage. The head spa is more like you have shampoo and wash.

Mr. Ventura: I'm familiar with that part of it. Yes, thank you. Thank you, Mr. Wilshaw.

Mr. Wilshaw: Thank you, Mr. Ventura. Any other questions for the petitioner? No other questions from my colleagues. Is there anyone in the audience wishing to speak on this item? We have a couple of people coming forward. We welcome your comments. Again, we just ask you for your name and address. Good evening.

Denise Micah, Livonia, MI. My question was, do they have a cosmetology license because they'll be working with hair, and I looked it up. In Michigan, you're supposed to have a cosmetology license. So that wasn't mentioned. It was just a massage license in the application. So that was my question. Thank you.

Mr. Wilshaw: We'll see if we can get that answered for you. Thank you. Anyone else wishing to speak on this? Good evening, sir.

Michael Malecki, Kneaded Relief CEO.. I was the author of that. And Jacob, I'm sorry, it was such a long letter you had to read. In addition to those concerns I raised, I was unaware until just. Well, recently, it appears, and please correct me if I'm wrong, but back in 2017, the petitioner also appeared before council asking for waiver for the exact same address for Tomi Chinese Massage, which I believe that then became the Tai Chi Chinese Massage, which is the subject of my concern, and so I believe we're back here. And that Tomi Chinese Massage was at the exact same address that we're discussing today. This was 2017 when he asked for a waiver of that, saying he was now starting that spa. So, between now and then, it's become apparently Tai Chi, and now this request for this petition it raises some significant concerns, which I outlined in my letter. Thank you.

Mr. Wilshaw: I appreciate your comments, sir. Anyone else wishing to speak on this item from our audience? I don't see anyone else coming forward, Mr. Liu. The question was raised by one of the folks who came forward about a cosmetology license, and I think that's a very legitimate question. Do you have a cosmetology license?

Mr. Liu: Actually, I don't. We have massage license therapist.

Mr. Wilshaw: Okay, very good. Thank you for answering that. Is there anything else that you'd like to tell us before we make our decision?

Mr. Liu: That's basically what the business is going to be a new business, and with head spa is brand new. Actually, not many people are doing that, and combined with massage.

Mr. Wilshaw: Okay. Okay. Thank you for your comments. Thank you for coming. Let's. I'm going to close the public hearing if there's no other questions or comments. I'm going to go to my colleagues, and a motion would be in order.

On a motion by Ventura, seconded by Long, and adopted, it was

#07-42-2026 **RESOLVED**, That pursuant to a Public Hearing having been held by the City Planning Commission on July 14, 2026, on Petition 2026-06-02-15 submitted by Sasa Head Spa requesting waiver use approval under Sections 3.10 and Section 6.37 of the Livonia Zoning Ordinance, as amended, to operate a massage establishment, at 33600 Seven Mile Road, located on the north side of Seven Mile Road between Farmington Road and Norwich Street in the Southeast ¼ of Section 4, the Planning Commission does hereby deny Petition 2026-06-02-15 for the following reasons:

1. The petitioner has failed to comply with all general standards and requirements outlined in Sections 1.02 and 13.13 of the Livonia Zoning Ordinance.
2. The petitioner has not adequately established a need for the proposed use in the immediate area.
3. The petitioner has not sufficiently demonstrated that the proposed use would be compatible with and in harmony with the surrounding uses in the area; and
4. The proposed use is contrary to the goals and objectives of the Zoning Ordinance, which, among other things, are intended to ensure the suitability and appropriateness of uses.

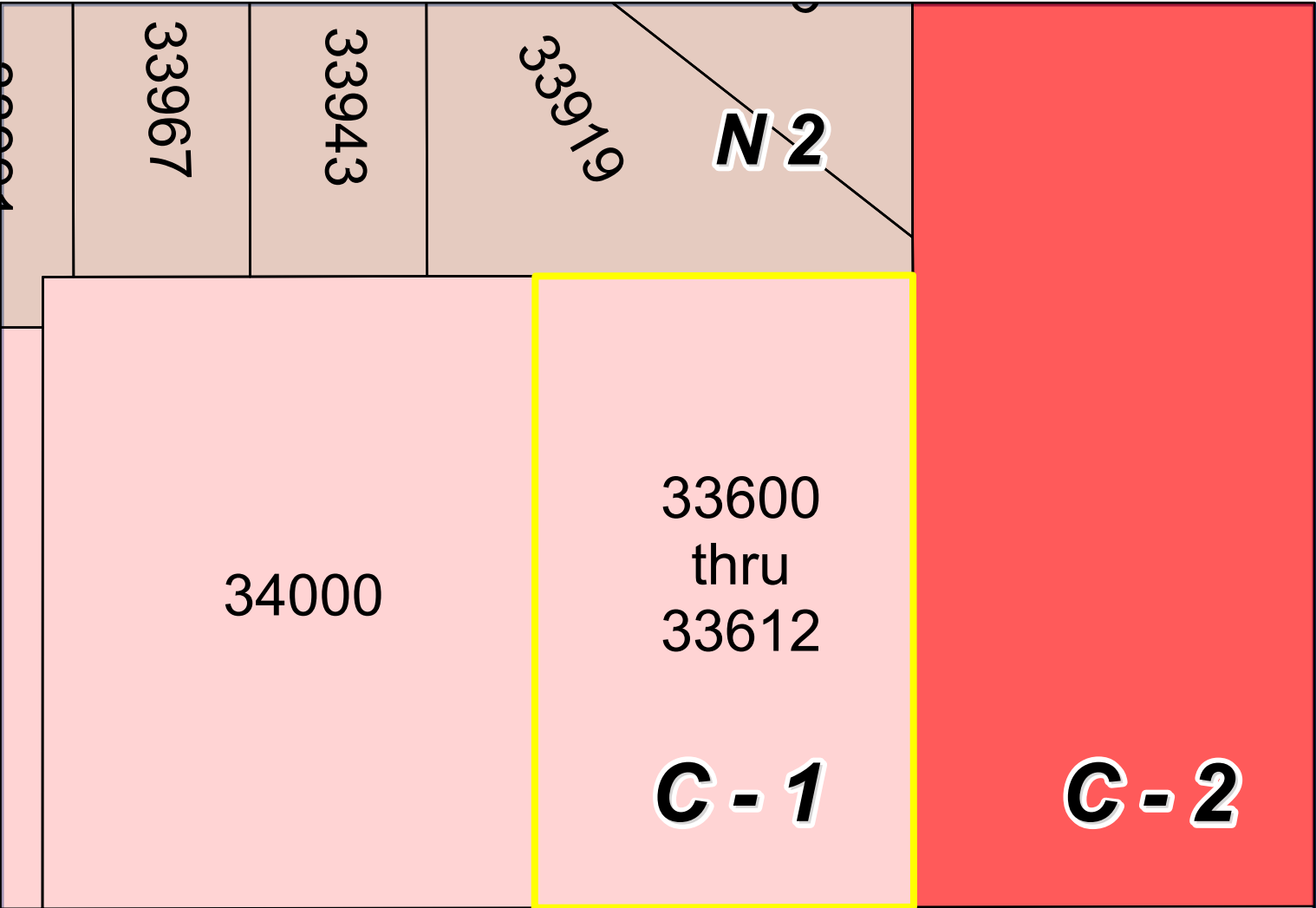
FURTHER RESOLVED, That notice of the above hearing was given in accordance with the provisions of Section 13.13 of the Livonia Zoning Ordinance, as amended.

Mr. Wilshaw: Is there any discussion?

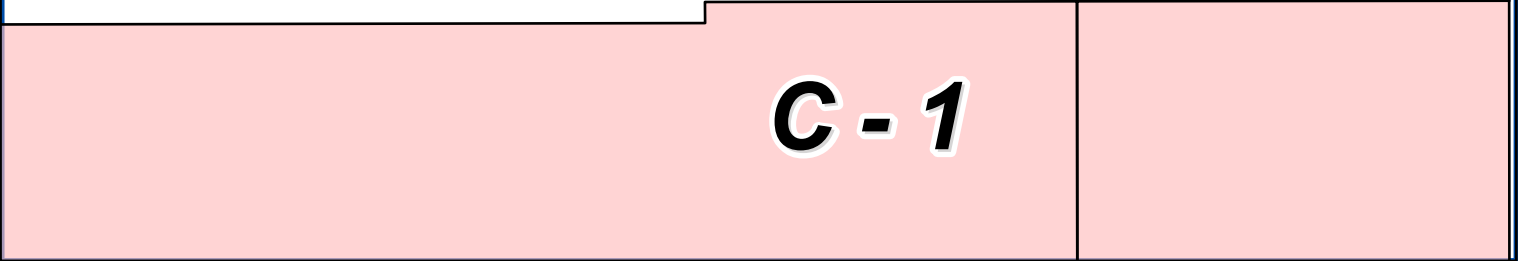
A roll call vote on the foregoing resolution resulted in the following:

AYES: Droze, Long, Ventura, Wilshaw
NAYS: Dinaro
ABSENT: Caramagno, Bongero
ABSTAIN: None

Mr. Wilshaw, Chairman, declared the motion is carried and the foregoing resolution adopted.

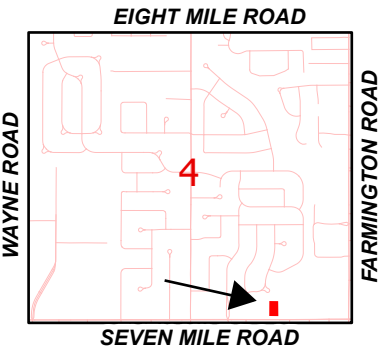


SEVEN MILE ROAD



Address & Zoning Map

Petition 2026-06-02-15
Sasa Head Spa
33600 Seven Mile Road



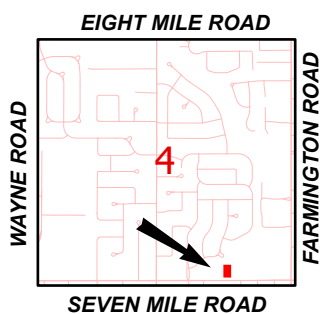
N

Not to Scale

City of Livonia
Planning Department



SEVEN MILE ROAD



Aerial Map

**Petition 2026-06-02-15
Sasa Head Spa
33600 Seven Mile Road**



Not to Scale



City of Livonia
Planning Department

PLANNING COMMISSION STAFF NOTES

PUBLIC HEARING

ITEM 2

Petition 2026-06-02-15 submitted by Sasa Head Spa requesting waiver use approval under Sections 3.10 and Section 6.37 of the Livonia Zoning Ordinance, as amended, to operate a massage establishment, at 33600 Seven Mile Road, located on the north side of Seven Mile Road between Farmington Road and Norwich Street in the Southeast ¼ of Section 4.

July 7, 2026, Study Meeting:

The petitioner proposes to occupy an existing tenant space within the commercial shopping center at 33600 Seven Mile Road with a head spa establishment (Sasa Head Spa) specializing in scalp and hair wellness treatments. Services are expected to include scalp analysis, deep cleansing treatments, scalp massages, shampooing, conditioning, hydration therapies, and other non-medical personal care services designed to promote scalp health and relaxation. The operation is similar in nature to a salon or spa and would serve clients by appointment and walk-in basis. The subject site was a former Massage establishment (Tai Chi Massage). The new head spa establishment will have no connection to the previous establishment.

Although the proposed use is service-oriented in nature and similar to a salon or wellness establishment, Section 2.01 defines message establishments as any place where manipulated massage or manipulated exercises are practiced for pay upon the human body by anyone using mechanical, therapeutic, or bathing devices or techniques.

The subject property is zoned C-1 (Local Business). To the North are residential properties zoned N-2 (Neighborhood). To the South, across Seven Mile Road are commercial properties also zoned C-1 (Local Business). To the east is a Meijer Grocery store, zoned C-2 (General Business) To the west is a commercial property also zoned C-1 (Local Business).

The zoning ordinance requires massage establishments be at least 400 feet from another massage establishment. The establishment must also be at least 400 feet from any school, place of worship, state-licensed daycare facility, public library, and playground. There are no schools, places of worship, state-licensed daycare facilities, public library, or playgrounds within 400 feet of the site. There are no other previously approved massage establishments within the 400-foot buffer.

According to the submitted floor plans received June 2, 2026, the proposed massage establishment would have a lobby/reception area in the front, with an open space for seating. There are three (3) shampoo rooms measuring eight (8) feet by twelve (12) feet, which are shown to be open to the waiting area on the

PUBLIC HEARING

ITEM 2 Petition 2026-06-02-15 – Sasa Head Spa

Page 2

floor plan. A blow-drying area and a storage room along are also shown. In the rear is a washroom with washer and dryer, bathroom, and a breakroom.

Parking for message establishments requires one (1) space for each 150 square feet of floor area. This 1248-square-foot massage establishment at this location would require eight (8) parking spots. According to the site plan submitted on June 2, 2026, the shopping center has a total of thirty-six (36) parking spaces. Based on the information submitted, the overall parking supply appears sufficient to accommodate the minimum parking requirement for the proposed use; however, the petitioner should confirm that the shopping center complies with the off-street parking requirements for all existing and proposed tenants.

The unit is allowed one wall sign based on the frontage of the unit. Daily hours of operation of any massage establishment shall be limited to the period from 8:00 a.m. to 10:00 p.m.

July 14, 2026, Public Hearing:

Approving Resolution: This request to operate a massage establishment at 33600 Seven Mile Road is hereby approved, subject to City Council approval and the following conditions:

1. This waiver is limited to this petitioner and can only be transferred to another user with approval by the City Council.
2. That all existing landscaped areas shall be cleaned up, re-managed and permanently maintained in a healthy condition.
3. Hours of operation shall be from 8:00 A.M. to 10:00 P.M.
4. The petitioner shall comply with all other special waiver use standards and requirements outlined in Section 6.37 of the Zoning Ordinance and Chapter 5.49 of the Livonia Code of Ordinances; and
5. The Petitioner shall not engage in any form of solicitation for business within the public right-of-way.

Denying Resolution: This request to operate a massage establishment at 33600 Seven Mile Road is denied for the following reasons:

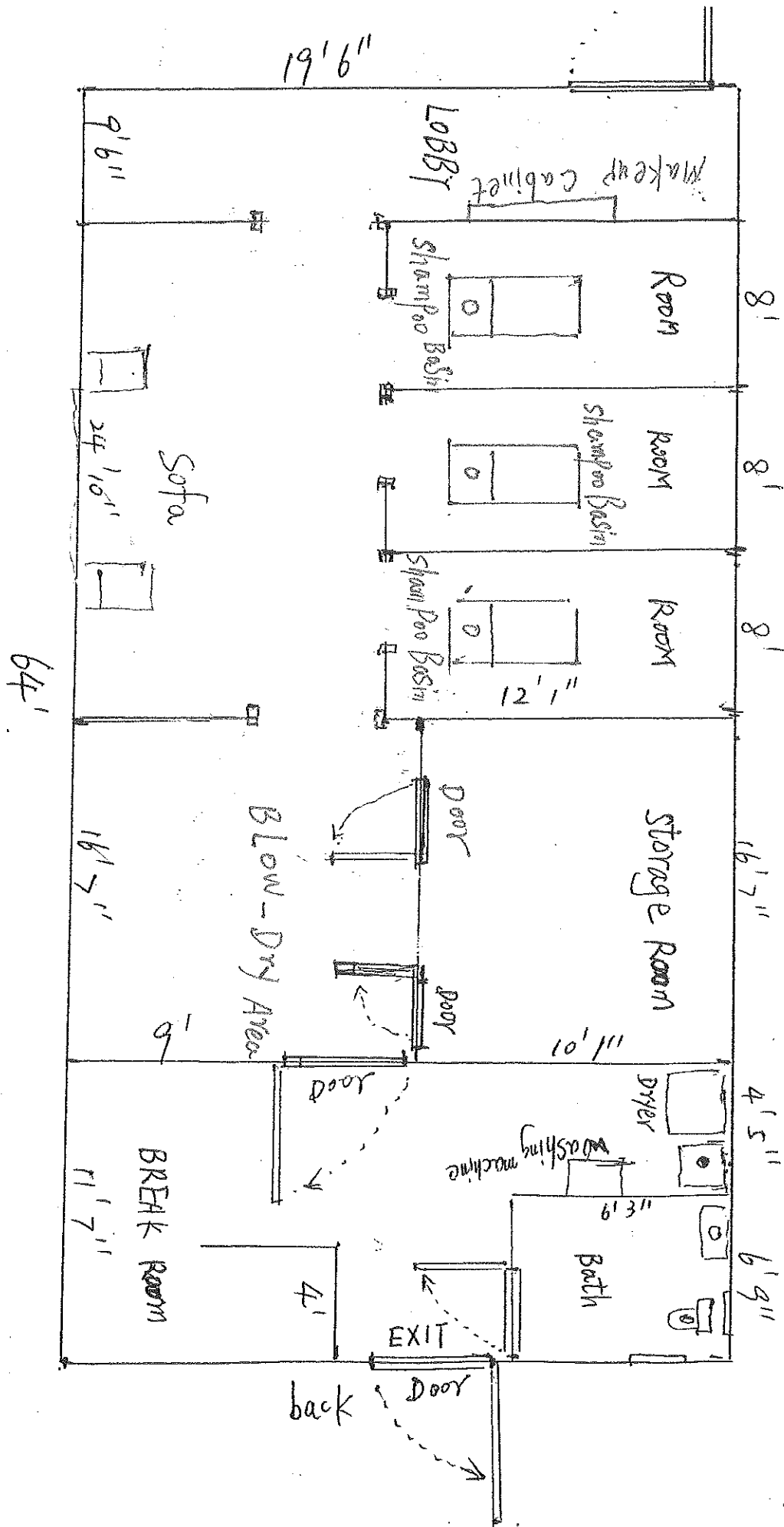
1. The petitioner has failed to comply with all general standards and requirements outlined in Sections 1.02 and 13.13 of the Livonia Zoning Ordinance.

PUBLIC HEARING

ITEM 2 Petition 2026-06-02-15 – Sasa Head Spa

Page 3

2. The petitioner has not adequately established a need for the proposed use in the immediate area.
3. The petitioner has not sufficiently demonstrated that the proposed use would be compatible with and in harmony with the surrounding uses in the area; and
4. The proposed use is contrary to the goals and objectives of the Zoning Ordinance, which, among other things, are intended to ensure the suitability and appropriateness of uses.



Size: 1254 sq

GRETCHEN WHITNER
GOVERNOR

R063683

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BOARD OF MASSAGE THERAPY
MASSAGE THERAPIST LICENSE

XIAOYUN OUYANG



LICENSE NO.
7501006673

EXPIRATION DATE
09/01/2027

24236040801

THIS DOCUMENT IS DULY
ISSUED UNDER THE LAWS OF
THE STATE OF MICHIGAN

DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF PROFESSIONAL LICENSING
P.O. BOX 30670
LANSING, MI 48909

7501014886APP22

STATE OF MICHIGAN - DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS

BOARD OF MASSAGE THERAPY
MASSAGE THERAPIST LICENSE

ZHIHONG LIU

LICENSE NO.	EXPIRATION DATE
7501014886	02/23/2028 2554070218

ZHIHONG LIU

COMPLAINT INFORMATION:

THE ISSUANCE OF THIS LICENSE SHOULD NOT BE CONSTRUED
AS A WAIVER, DISMISSAL OR ACQUIESCENCE TO ANY
COMPLAINTS OR VIOLATIONS PENDING AGAINST THE LICENSEE,
ITS AGENTS OR EMPLOYEES.

FUTURE CONTACTS:

YOU SHOULD DIRECT INQUIRIES REGARDING THIS LICENSE OR
ADDRESS CHANGES TO THE DEPARTMENT OF LICENSING AND
REGULATORY AFFAIRS BY EMAILING BPLHELP@MICHIGAN.GOV
OR CALL (517) 241-0199

YOUR LICENSE MUST BE DISPLAYED IN A PROMINENT PLACE.

GRETCHEN WHITNER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BOARD OF MASSAGE THERAPY
MASSAGE THERAPIST LICENSE

ZHIHONG LIU

LICENSE NO.
7501014886

EXPIRATION DATE
02/23/2028

2554070218

THIS DOCUMENT IS DULY
ISSUED UNDER THE LAWS OF
THE STATE OF MICHIGAN



Department Of the Treasury
Internal Revenue Service
Philadelphia, PA 19255-0023
Important Information - Please Read



IRS Notice CP575G

SASA HEAD SPA LLC
ZHIHONG O LIU SOLE MBR
% ZHIHONG O LIU SOLE MBR
41480 ALLEGHANY
CANTON, MI 48188

May 21, 2026

We assigned you an employer identification number (EIN)

Your EIN is **42-2703637**. The name control associated with this EIN is **SASA**.

What you need to do

- If you did **not** apply for this EIN, visit [IRS.gov/EINNotRequested](https://www.irs.gov/EINNotRequested).
- Use this EIN and your name exactly as they appear above when you fill out your tax returns. Otherwise, it may cause delays. Keep a copy of this notice for your records because we'll only send it to you once. You can share a copy with future officers of your organization or anyone asking for proof of your EIN. If your name or address is incorrect as shown, send the correct information to the address at the top of this notice.
- If a Limited Liability Company (LLC) elects to be classified as an association taxable as a corporation, the LLC must file Form 8832, Entity Classification Election. If an LLC wants to elect S corporation status and meets certain criteria, the LLC must timely file Form 2553, Election by a Small Business Corporation. In that instance, we'll treat the LLC as a corporation as of the effective date of the S corporation election and the LLC doesn't need to file Form 8832. Visit [IRS.gov/LLC](https://www.irs.gov/LLC) and refer to Publication 3402, Taxation of Limited Liability Companies, for more information.

Additional Information

- Refer to Publication 4557, Safeguarding Taxpayer Data: A Guide for Your Business, for tips on keeping your EIN safe.
- Find tax forms or publications by visiting [IRS.gov/Forms](https://www.irs.gov/Forms) or by calling 800-TAX-FORM (800-829-3676).
- Call us at 800-829-4933 if you can't find what you need online. If you prefer, you can write to the address at the top of this notice.



28571833

C0783-4750 05/19/2026 Received by Michigan Corporations Division

**STATE OF MICHIGAN
CSCL/CD- 700 - ARTICLES OF ORGANIZATION -
DOMESTIC LLC**

Corporations Division Administrator

FILED

Entity #: 900219457

Filed Date: 5/20/2026

Articles of Organization					
<i>Pursuant to the provisions of Act 23, Public Acts of 1993, the undersigned executes the following Articles:</i>					
Article I - Michigan Limited Liability Company Name					
Michigan Limited Liability Company Name	SASA HEAD SPA, LLC				
Article II					
The purpose or purposes for which the limited liability company is formed is to engage in any activity within the purposes for which a limited liability company may be formed under the Limited Liability Company Act of Michigan.					
Article III					
Duration of the Company	Perpetual / Ongoing				
Article IV					
The name of the resident agent at the registered office is:					
Agent Name	ZHIHONG LIU				
The street address of the location of the registered office is:					
Street Address	41480 ALLEGHENY CANTON, MI 48188				
☒ I certify the above individual/company has agreed to serve as the Resident Agent for service of process for this entity.					
Article V					
The Limited Liability Company will be managed by or under the authority of: Member(s)					
Article VI - (Optional, leave unchecked if not applicable)					
☐ Unless otherwise provided by law or in an operating agreement, a person who is a member or manager, or both, of a limited liability company is not liable for the acts, debts, or obligations of the limited liability company.					
☐ No member of a member-managed limited liability company and no manager of a manager-managed limited liability company shall have monetary liability to the limited liability company or its members for breach of any duty established in Section 404, except that this provision does not eliminate or limit the liability of a member or manager for any of the following: (a) the receipt of a financial benefit to which the member or manager is not entitled; (b) liability under Section 308; (c) a knowing violation of law; or, (d) an act or omission occurring before the date when this provision becomes effective.					
Optional Article(s)					
This space is intentionally left blank.					
Filing Effective Date					
The filing will be effective: when filed by the Corporations Division Administrator.					
Organizer(s)					
<table border="1"><thead><tr><th>Name of individual or organization</th><th>Party Title</th></tr></thead><tbody><tr><td>ZHIHONG LIU</td><td>Organizer</td></tr></tbody></table>		Name of individual or organization	Party Title	ZHIHONG LIU	Organizer
Name of individual or organization	Party Title				
ZHIHONG LIU	Organizer				
Self	zhihong liu	05/19/2026			
Signer's Capacity	ZHIHONG LIU	Date			

DEPARTMENT OF PUBLIC WORKS
ENGINEERING DIVISION

TODD J. ZILINCIK, P.E.
CITY ENGINEER

DAVID W. LEAR, P.E.
ASST. CITY ENGINEER



MAUREEN MILLER BROSNAN
MAYOR

DOUGLAS L. MOORE, MSA
INTERIM DIRECTOR OF PUBLIC
WORKS

12973 FARMINGTON ROAD
LIVONIA, MICHIGAN 48150
(734) 466-2655

June 15, 2026

Mr. Kristoffer Canty
Planner IV
City of Livonia

Re: Petition 2026-06-02-15 – #33600 Seven Mile Road (Sasa Head Spa)

Dear Mr. Canty:

In accordance with your request, the Engineering Division has reviewed the above referenced petition. We have no objections to the proposed waiver use at this time, but would like to note the following items:

1. The subject parcel is assigned the address range of #33600 thru #33612 Seven Mile Road, with the address of **#33612 Seven Mile Road** being assigned to the overall parcel.
2. The existing parcel is currently serviced by public sanitary sewer and water main, as well as private storm sewer. There is no mention of utility revisions with the proposal, so we do not believe there will be any adverse effects on the existing systems.
3. Should revisions to the utility services to the building, or any work within the Seven Mile Road right-of-way be required, the owner will need to submit drawings to This Department and the Wayne County Department of Public Services for permitting.

Should you have any additional questions on this matter, please feel free to contact myself at (734) 466-2608 or the City Engineer, Mr. Todd Zilincik at (734) 466-2561. If you would prefer, you can e-mail either of us at dlear@livonia.gov or tzilincik@livonia.gov.

Sincerely,

David W. Lear, P.E.
Assistant City Engineer

cc: 2026 Petition File

DEPARTMENT OF PUBLIC SAFETY
LIVONIA FIRE & RESCUE

ROBERT JENNISON
FIRE CHIEF



MAUREEN MILLER BROSNAN
MAYOR

14910 FARMINGTON ROAD
LIVONIA, MICHIGAN 48154-5419
734-466-2444
734-466-2082 fax

DATE: July 6, 2026
TO: Kristoffer Canty, Planner IV
FROM: Livonia Fire Prevention Division
SUBJECT: Petition # 2026-06-02-15 at 33600 seven Mile Rd. Sasa Head Spa.

This office has reviewed the site plan submitted in connection with a request to modify a commercial building on the property located at the above referenced address.

We have no objections to this proposal.

A further detailed plan review will take place when this division receives an official plan set.

Sincerely,

Brian R. Kukla

Brian R. Kukla
Fire Marshal

DEPARTMENT OF PUBLIC SAFETY
DIVISION OF POLICE

THOMAS GORALSKI
CHIEF OF POLICE



MAUREEN MILLER BROSNAN
MAYOR

15050 Farmington Road
Livonia, Michigan 48154-5499
(734) 466-2470
FAX: (734) 261-2265

June 17th, 2026

Mr. Kristoffer Canty
City of Livonia Planning Dept
33000 Civic Center Drive
Livonia, MI 48154

Re: Petition 2026-06-02-15 - 33600 Seven Mile Road

Mr. Canty,

I have reviewed the plans in connection with the petition. I have no objections to the proposals.

Please feel free to contact me, should you have any questions.

Sincerely,

FOR THE CHIEF OF POLICE,

Brendan Adams, Sergeant
Traffic Bureau
(734) 466-2107

INSPECTION DEPARTMENT

BUILDING
HEATING
PLUMBING
ELECTRICAL
ZONING
ENVIRONMENTAL PROTECTION
ORDINANCE ENFORCEMENT



MAUREEN MILLER BROSNAN
MAYOR

JEROME A. HANNA
DIRECTOR

33000 CIVIC CENTER DRIVE
LIVONIA, MICHIGAN 48154-3097
(734) 466-2580
FAX: (734) 466-2095

Date: June 30, 2026

To: Kristoffer Canty

From: Jerome Hanna

RE: Petition 2026-06-02-15 – 33600 Seven Mile Road

Pursuant to your request, the above-referenced Petition has been reviewed.

This Department has no objections to this Petition.

I trust this provides the requested information.

Jerome Hanna

Jerome Hanna
Director of Inspection

DEPARTMENT OF FINANCE

Benjamin N. Grier, JD, CPA
DIRECTOR OF FINANCE

Ermon Sims
CHIEF ACCOUNTANT



MAUREEN MILLER BROSNAN
MAYOR

33000 CIVIC CENTER DRIVE
LIVONIA, MICHIGAN 48154-3097
(734) 466-2260
FAX: (734) 421-1807

June 30, 2026

Kristoffer Canty
Planning Commission
33000 Civic Center Drive
Livonia, MI 48154

Petition 2026-06-02-15 – 33600 Seven Mile Road

Dear Kristoffer,

I have reviewed the addresses connected with the above noted petition. The following amounts are due to the City of Livonia:

Unpaid water and sewer charges: \$ 1,028.22
(Customer name on record – Soave, Acct#: 031904400-001)

Unpaid water and sewer charges: \$ 363.32
(Customer name on record – Pine Ridge (Irrigation), Acct#: 050105350-001)

Total Due City of Livonia **\$ 1,391.54**

Please contact me if you have any further questions.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Ermon Sims".

Ermon Sims
Chief Accountant

ES: lp

Transaction Statement

Service Address

33600 SEVEN MILE
LIVONIA, MI 48152

Mailing Address

SOAVE
33521 SEVEN MILE
LIVONIA, MI 48152

Account Number

031904400-001

Amount Due

\$1,028.22

Account Number

031904400-001

From - Through

12/30/2025 - 06/30/2026

Services

Water & Sewer - Metered

Service Address

33600 SEVEN MILE
LIVONIA, MI 48152

Beginning Balance

\$325.88

Date	Type	Amount	Description
01/14/2026	Penalty	\$32.59	
03/16/2026	Bill	\$273.17	Due Date 04/10/2026
04/16/2026	Penalty	\$63.17	
06/15/2026	Bill	\$333.41	Due Date 07/10/2026

Total Due

\$1,028.22

Transaction Statement

Account Number

031904400-001

Transaction Statement

Service Address

33600 SEVEN MILE
LIVONIA, MI 48152

Mailing Address

PINE RIDGE (IRRIG)
PO BOX 664
C/O DOMINIC SOAVE
KEEGO HARBOR, MI 48320-0664

Account Number

050105350-001

Amount Due

\$363.32

Account Number

050105350-001

From - Through

12/30/2025 - 06/30/2026

Services

Water Only - Metered

Service Address

33600 SEVEN MILE
LIVONIA, MI 48152

Beginning Balance

\$330.29

Date	Type	Amount	Description
02/10/2026	Penalty	\$33.03	

Total Due

\$363.32

Transaction Statement

Account Number

050105350-001

City of Livonia
33000 Civic Center Drive
Livonia, MI 48154

Date: 07/02/2026
Receipt: 2026-00087015
Cashier: Water Front Desk
Received From: SOAVE

WAT00000 1,029.00
Account No: 031904400-001
Account Balance
: -0.78

Receipt Total 1,029.00
Total Cash 1,040.00
Total Remitted 1,040.00
Change (11.00)
Total Received 1,029.00

City of Livonia
33000 Civic Center Drive
Livonia, MI 48154

Date: 07/02/2026
Receipt: 2026-00087021
Cashier: Water Front Desk
Received From: PINE RIDGE
(IRRIG)

WAT00000 364.00
Account No: 050105350-001
Account Balance
: -0.68

Receipt Total 364.00
Total Cash 400.00
Total Remitted 400.00
Change (36.00)
Total Received 364.00



"YOU KNEAD THIS"

July 6, 2026

City of Livonia Planning Commission
via email: Planning@livonia.gov

Attn:

Ian Wilshaw, Chair

Glen W. Long, Jr., Vice-Chair

Sam Caramagno, Secretary

David Bongero

Wafa Dinaro

Patrick Droze

Peter H. Ventura

Re: Opposition to Petition 2026-06-02-15 –

Sasa Head Spa 33600 Seven Mile Road Livonia, Michigan

Dear Members of the Planning Commission:

My name is Michael Malecki, and I am the President and CEO and owner of Kneaded Relief Massage & Spa. In addition to our Livonia massage therapy business, I also own and direct M & M Home Care and AICM – Michigan. Our organizations collectively employ a substantial number of professionals throughout the Livonia community and serve residents across the region.

I am writing to formally and strongly object to Petition 2026-06-02-15 submitted by Sasa Head Spa requesting waiver use approval under Sections 3.11 and 6.37 of the Livonia Zoning Ordinance to operate a massage establishment at 33600 Seven Mile Road.

This petition should be denied.

The proposed business appears to be, in practical effect, a continuation or rebranding of the existing Tai Chi Massage operation currently associated with this address and telephone number. The concerns surrounding the existing operation are serious, longstanding, and publicly visible.

A simple public internet search of the business phone number associated with the location produces numerous advertisements featuring scantily dressed young women and language commonly associated with illicit massage operations, including repeated phrases such as "Best in Town" and "New Asian." The same business and location have also appeared on Rubmaps, an online directory and review platform widely known for facilitating discussions related to illicit massage businesses and the commercial sex trade. (See attached.)

SOUTHGATE
13225 NORTHLINE RD
SOUTHGATE, MI 48195

LIVONIA
32003 PLYMOUTH RD
LIVONIA, MI 48150

SOUTH LYON
125 W. LAKE ST.
SOUTH LYON, MI 48178

TELEPHONE: 734.246.1466
FAX: 734.922.5670
WWW.KNEADEDRELIEFMASSAGE.COM

As business owners operating legitimately within the massage and wellness industry, we understand the severe reputational damage these types of establishments cause. Ethical massage therapists, estheticians, wellness providers, and healthcare-adjacent businesses spend years building credibility, complying with licensing requirements, maintaining professional standards, and creating safe environments for clients and staff. Operations associated with sexually suggestive advertising, escort-style marketing tactics, or websites linked to illicit sexual services undermine the integrity of the entire profession and negatively impact surrounding businesses and the broader community.

This objection is not about limiting competition. Livonia is large enough to support many successful and ethical wellness businesses. Kneaded Relief Massage & Spa has always welcomed fair and lawful competition. However, we believe that the City has an obligation to distinguish between legitimate professional wellness establishments and businesses that raise substantial public concerns regarding inappropriate or potentially unlawful activity.

The Planning Commission should carefully consider:

- The public online footprint associated with the current location and phone number.
- The appearance of the business on websites associated with illicit massage activity.
- The style and content of the advertising connected to the operation.
- The potential impact on nearby businesses, neighboring property owners, and the reputation of the City of Livonia.
- Whether approving this waiver use would genuinely serve the public health, safety, and welfare standards intended under the zoning ordinance.

Livonia has worked hard to establish itself as a professional, family-oriented, and business-friendly community. Granting approval to what appears to be a continuation of a deeply concerning operation sends the wrong message to residents, ethical business owners, and legitimate wellness professionals throughout the city.

For these reasons, I respectfully urge the Planning Commission to reject Petition 2026-06-02-15 at the July 7, 2026 Study Meeting and any subsequent formal proceedings.

Thank you for your consideration and for your continued service to the Livonia community.

Respectfully,

Michael Malecki, RN, FF/EMT
President/CEO

Google

248-880-9096

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All Images Shopping Maps Videos Forums More

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248-880-9096 | 🌐 📞 📧 📧 new...
Femdom Erotic Massage in Detroit...



Pretty 248-880-9096 new girls best in...
Detroit - Bedpage



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Femdom Erotic Massage in Detroit...



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Femdom Erotic Massage in Detroit...



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Detroit Escorts - TrystPage.com



248-880-9096 | 🌐 📞 📧 📧 new...
Femdom Erotic Massage in Detroit...



Tai Chi Massage | Massage Parlors in...
HOT.com Search



📞 📞 248-880-9096 📞 📞 new...
Detroit Escorts - TrystPage.com



2488809096new asian girls cal...
SecretHostess Escorts



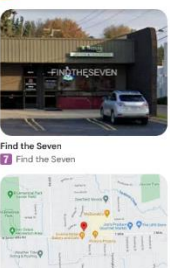
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SecretHostess Escorts



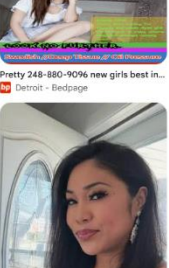
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SecretHostess Escorts



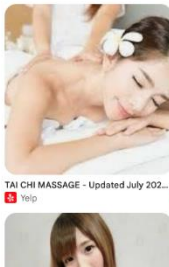
📞 📞 248-880-9096 📞 📞 new...
Detroit Escorts - TrystPage.com



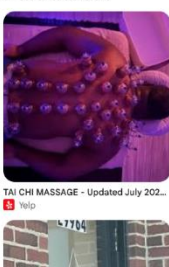
Find the Seven
Find the Seven



Pretty 248-880-9096 new girls best in...
Detroit - Bedpage



TAI CHI MASSAGE - Updated July 202...
Yelp



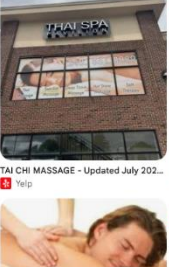
TAI CHI MASSAGE - Updated July 202...
Yelp



TAI CHI MASSAGE - Updated July 202...
Yelp



Driving directions to Tai chi Massage...
Waze



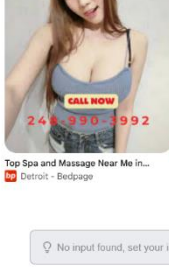
TAI CHI MASSAGE - Updated July 202...
Yelp



TAI CHI MASSAGE - Updated July 202...
Yelp



Kiyori | "A soothing touch" Posted on 1...
Detroit Escorts - TrystPage.com



Top Spa and Massage Near Me in...
Detroit - Bedpage



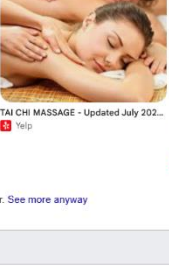
TAI CHI MASSAGE - Updated July 202...
Yelp



TAI CHI MASSAGE - Updated July 202...
Yelp



Chloe Santiago Milking Table |...
Detroit - bedpage.com



TAI CHI MASSAGE - Updated July 202...
Yelp



TAI CHI MASSAGE - Updated July 202...
Yelp



TAI CHI MASSAGE - Updated July 202...
Yelp

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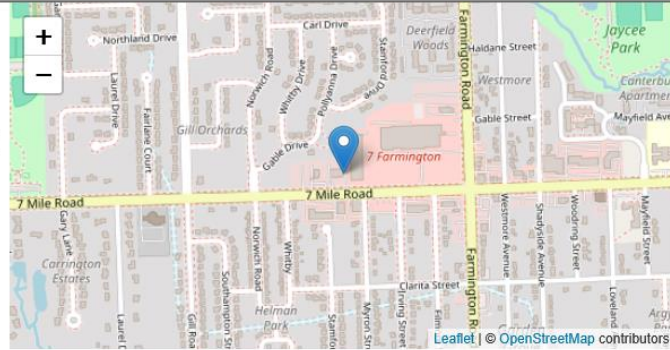
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TREASURER

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Appeal Letter

July 22, 2026

From:

Zhi Hong
3846 Shannon Dr.
Warren, MI

To:

City of Livonia Zoning Board of Appeals
c/o City of Livonia Inspection Department
33000 Civic Center Drive
Livonia, MI 48154

**RE: Appeal of Planning Commission Denial — Petition No. 2026-06-02-15 —
Application for Special Use Permit — SaSa Head SPA — 33600 Seven Mile Road,
Livonia, MI 48152**

Dear Members of the Zoning Board of Appeals:

I, Zhi Hong, respectfully submit this formal appeal of the City of Livonia Planning Commission's denial of Petition No. 2026-06-02-15, my application for a Special Use Permit to operate SaSa Head SPA at 33600 Seven Mile Road, Livonia, MI 48152. I respectfully request that the Zoning Board of Appeals reverse the Planning Commission's denial and grant approval of the Special Use Permit, subject to the conditions proposed herein. This appeal is filed pursuant to the applicable provisions of the City of Livonia Zoning Ordinance governing appeals to the Zoning Board of Appeals.

I. Business Description

SaSa Head SPA is a scalp-focused personal care service business offering dry scalp massage, scalp treatments, and hair and scalp health consultations. All services are performed by trained technicians utilizing specialized reclining head spa stations designed specifically for scalp wellness services. The business offers no chemical treatments of any kind — no hair dye, no bleach, no perms, no relaxers. Service stations do not require water plumbing connections, as all scalp treatments are dry or utilize minimal topical products applied by hand, without rinsing at the station. No traditional shampoo bowls are used or required. The services performed — scalp and head massage — do not require a massage therapy license under Michigan law, as the scope is limited to the head and scalp region; however, SaSa Head SPA will fully comply with all applicable Michigan Department of Licensing and Regulatory Affairs (LARA) cosmetology establishment licensing requirements. In its operations, service profile, and physical layout, SaSa Head SPA is most closely analogous to a specialty hair salon or barber shop — a use that is already established and permitted throughout the Seven Mile Road commercial corridor.

II. Response to Denial Ground No. 1 — Section 1.02 (Purpose Clause)

The Planning Commission's determination that SaSa Head SPA is not consistent with the public health, safety, and general welfare under Section 1.02 of the Livonia Zoning Ordinance is respectfully without merit. A head spa is, by its nature and design, a health and wellness service business. Scalp massage and scalp treatments have well-documented benefits for stress reduction, circulation, and scalp health — outcomes that directly promote the physical and mental well-being of Livonia residents. Far from conflicting with public health, the proposed use affirmatively advances it. Furthermore, Section 1.02's purpose clause broadly encompasses uses that promote the comfort, convenience, and amenity of the community. The Seven Mile Road corridor currently lacks any comparable specialty scalp care service, creating a gap in the range of personal care amenities available to Livonia residents. Approval of SaSa Head SPA directly serves the stated purposes of the Ordinance by introducing a beneficial, health-promoting personal care service to an underserved commercial corridor. The proposed use is consistent with, and indeed furthers, the purposes articulated in Section 1.02.

III. Response to Denial Ground No. 2 — Section 13.13 (Special Use Permit Standards)

The applicant respectfully submits that SaSa Head SPA fully satisfies the special use permit standards of Section 13.13, and that any concerns the Planning Commission may have had regarding the nature of the use are directly addressed by the open-concept facility design described herein. Specifically: (a) The open-

concept floor plan eliminates all enclosed private service rooms; all service stations will be separated only by decorative half-partitions not exceeding 48 inches in height, with no doors, curtains, or ceiling enclosures; (b) All operations are conducted in full view of the public, of reception staff, and of any inspecting official at all times; (c) Hours of operation will be limited to standard business hours — 10:00 AM to 9:00 PM, seven days per week — consistent with adjacent commercial uses; (d) The facility will obtain and maintain all required Michigan LARA cosmetology establishment licenses prior to opening and throughout its operation; and (e) Service stations are aesthetically designed with decorative half-partitions consistent in profile and function with station dividers used in licensed nail salons and hair salons throughout Livonia. The operational and physical characteristics of SaSa Head SPA are indistinguishable in material respects from those of salons already operating under valid permits in the vicinity. Approval is warranted under Section 13.13.

IV. Response to Denial Ground No. 3 — Insufficient Demonstrated Need

The applicant respectfully disagrees with the Planning Commission's finding that insufficient need was demonstrated for this use. The head spa industry represents one of the most rapidly growing segments of the personal care and wellness sector in the United States, driven by consumer demand for specialized scalp health services and wellness-focused personal care. The Seven Mile Road commercial corridor does not presently include any business offering specialized scalp care or head spa services, leaving a genuine and documentable service gap for Livonia residents. Prior to submitting this application, the applicant collected expressions of interest and sign-up inquiries from prospective clients in the Livonia area, demonstrating concrete, documented demand from the community the business would serve. This client interest documentation is submitted as Exhibit C to this appeal packet. The absence of a directly comparable existing business is itself evidence of unmet need; the Board is respectfully requested to find that demonstrated need has been sufficiently established by the combination of industry trend data, geographic service gap, and documented client interest.

V. Response to Denial Ground No. 4 — Insufficient Compatibility with Surrounding Uses

SaSa Head SPA is entirely and demonstrably compatible with the existing character of the Seven Mile Road commercial corridor and its surrounding uses. The corridor on which 33600 Seven Mile Road is located is home to hair salons, nail salons, medical spas, medical offices, and general retail — all of which are personal care or commercial service uses comparable to or more intensive than the proposed head spa in terms of chemical use, noise, odor, parking demand, and service duration. The open-concept design,

standard commercial business hours, absence of chemical treatments, absence of water infrastructure at service stations, low noise generation, and absence of odors or hazardous materials collectively render SaSa Head SPA among the least intensive personal care uses that could occupy the subject commercial space. There is no outdoor storage, no mechanized equipment generating noise, no ventilation-intensive chemical processes, and no late-night operations. The use is entirely interior, entirely contained, and entirely consistent with the profile of its neighbors. Compatibility has been fully demonstrated.

VI. Response to Denial Ground No. 5 — Contrary to Zoning Goals

The applicant respectfully submits that SaSa Head SPA is not contrary to the City of Livonia's zoning goals — it actively advances them. The approval of this Special Use Permit would: (1) activate and productively utilize a commercial space on the Seven Mile Road corridor, reducing vacancy and supporting the economic vitality of the commercial district; (2) add a new, locally-owned small business to the City's commercial and tax base; (3) provide a neighborhood-serving personal care amenity for Livonia residents that does not currently exist on the corridor; (4) contribute to the retail and service mix that makes commercial corridors economically sustainable; and (5) bring new employment to the City. These outcomes are consistent with the long-term planning goals of municipalities like Livonia that seek to maintain and strengthen their commercial corridors. Denial of this permit would leave a commercial space vacant and deny Livonia residents access to a growing category of health-focused personal care services. Approval is consistent with, and in furtherance of, the City's zoning objectives.

VII. Open-Concept Design Commitment

In direct and specific response to any concerns regarding the nature of the proposed use, the applicant formally commits to the following design requirements as a condition of any Special Use Permit granted by the Zoning Board of Appeals: All individual service room doors will be permanently removed and will not be reinstalled; service stations will be separated exclusively by decorative half-partitions with a maximum height of 48 inches (4 feet); no curtains, drapes, or other privacy enclosures will be installed at service stations; full line-of-sight will be maintained throughout the entire service floor from the reception desk and from the public entry at all times; and lighting throughout the facility will be full commercial-grade LED illumination at or exceeding 50 foot-candles at each service station, consistent with Michigan cosmetology facility requirements. These commitments are incorporated into the Proposed Conditions of Approval set forth in Section 6 of this appeal packet and are offered as enforceable permit conditions.

VIII. Conclusion and Request

For all of the foregoing reasons, the applicant respectfully requests that the Zoning Board of Appeals reverse the Planning Commission's denial of Petition No. 2026-06-02-15 and grant a Special Use Permit to operate SaSa Head SPA at 33600 Seven Mile Road, Livonia, MI 48152, subject to the Proposed Conditions of Approval set forth in Section 6 of this appeal packet. The applicant is available and willing to attend and present at the Board's scheduled hearing on this matter, to answer any questions, and to provide any additional information the Board may require. This appeal packet has been prepared in good faith and submitted within the applicable appeal period.

Respectfully submitted,

Zhi Hong

Applicant — Petition No. 2026-06-02-15

3846 Shannon Dr., Warren, MI

Date: July 22, 2026

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 2

Zoning Compliance Analysis

Petition No. 2026-06-02-15 | SaSa Head SPA | 33600 Seven Mile Road, Livonia, MI 48152

The following table addresses each of the five grounds cited by the Planning Commission in its denial of Petition No. 2026-06-02-15 and provides the applicant's substantive response and the specific design or operational remedy proposed to address each concern.

Denial Reason	Ordinance Section	City's Concern	Applicant's Response	Design / Operational Remedy
Noncompliance	Section 1.02 — Purpose Clause	Use not consistent with public health, safety, and general welfare	Head spa is a personal care wellness service that directly promotes scalp health, stress relief, and community well-being; consistent with Section 1.02 purposes	Open-concept layout; full LARA-compliant operations; standard business hours; no chemicals; no hazardous materials
Noncompliance	Section 13.13 — Special Use Permit Standards	Use did not satisfy special use permit criteria as applied	Business operates identically in profile to a specialty hair salon or barber shop; no enclosed rooms; all operations in full public view; LARA-licensed establishment	Permanent removal of all service room doors; maximum 4-ft decorative half-partitions only; full line-of-sight maintained; commercial-grade lighting throughout
Insufficient Need	Market Demand (General Standards)	Board found no demonstrated community need for the proposed use	Head spa is a rapidly growing personal care industry segment; Seven Mile corridor has no comparable specialty scalp care service; applicant has documented pre-opening client interest	Exhibit C: Client interest sign-up list and inquiry documentation; Exhibit A: head spa industry growth context; geographic service gap analysis
Incompatibility	Surrounding Uses (General Standards)	Use deemed incompatible with neighboring businesses and corridor character	Seven Mile corridor includes hair salons, nail salons, and medical spas — all comparable personal care uses; head spa is less intensive in chemical use, noise, and infrastructure than most permitted neighbors	Similar operating profile to adjacent salons; low parking demand; no noise generation; no odors; no hazardous materials; no outdoor operations
Contrary to Zoning Goals	General Zoning Plan	Use conflicts with City's long-term zoning vision and goals for the corridor	Approval activates commercial space, adds to tax base, provides neighborhood-serving personal care amenity, creates employment, and promotes economic vitality on Seven Mile corridor	New business employment; commercial space activation; addition to City tax base; neighborhood-serving use consistent with commercial corridor goals

Summary:

All five grounds cited in the Planning Commission's denial are substantively addressable through the applicant's open-concept design commitment and proposed operational conditions. The open-concept layout directly eliminates any enclosure-related concerns; LARA compliance directly addresses regulatory concerns; documented client interest and industry data address the need finding; and the corridor use comparison demonstrates compatibility. The record supports approval of the Special Use Permit with enforceable conditions as set forth in Section 6 of this packet. The applicant respectfully submits that approval with conditions is the appropriate disposition and is fully supported by the evidence presented.

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 3

Open-Concept Facility Layout Description

SaSa Head SPA | 33600 Seven Mile Road, Livonia, MI 48152

3.1 Design Philosophy

The open-concept facility layout for SaSa Head SPA was specifically developed in direct and comprehensive response to the concerns expressed by the City of Livonia Planning Commission regarding the use of enclosed private service rooms. The applicant has fundamentally redesigned the proposed

facility to eliminate all enclosed service rooms and replace the traditional room-based layout with a transparent, salon-style open floor plan. This design philosophy is rooted in the principle that all client services at SaSa Head SPA shall be conducted in an open, visible, publicly observable environment — consistent with how licensed nail salons and hair salons operate throughout Livonia and the broader metropolitan area. The elimination of enclosed rooms not only addresses the Planning Commission's specific concerns but also reflects current industry best practices for head spa facilities seeking to operate in mixed commercial districts. The design prioritizes transparency, accessibility, and operational consistency with established permitted personal care uses.

3.2 Layout Description

The following is a detailed written description of the proposed facility layout at 33600 Seven Mile Road. The layout is organized from front to rear of the unit as follows:

Entry and Reception Area

The front portion of the unit, immediately upon entry from the public sidewalk or parking area, is designated as the entry and reception zone. This area features an open reception desk staffed by a front-desk technician or receptionist. A waiting area is provided adjacent to the reception desk with seating for four to six clients. The reception desk provides clear, unobstructed sightlines to the entirety of the service floor. No barriers, partitions, or dividers separate the reception area from the service floor. Clients are greeted, checked in, and escorted to their assigned service station from this area.

Service Floor — Open Main Area

The primary service floor occupies the central and largest portion of the unit. The service floor accommodates six head spa reclining stations, arranged in two parallel rows of three stations each. The rows are oriented to allow technicians to access each station from either side and from the head. Each station is separated from adjacent stations by decorative half-height partitions — described in detail in Subsection 3.3 below — which provide aesthetic separation only. No enclosures of any kind surround any service station. All six stations are simultaneously visible from the reception desk and from the public entry point. Each service station consists of: a specialized zero-gravity or fully-reclining adjustable chair or bed; an adjustable headrest; armrests; overhead commercial-grade lighting directed at the station; and a small side cart for product and tool storage. No water plumbing is present at or near the service stations. All service areas are fully illuminated at commercial standards throughout operating hours.

Staff Area and Break Room

The rear of the unit contains a staff-only area providing a break room and storage for supplies and equipment. This area is separated from the service floor by a standard interior door and is not accessible to clients. The staff area does not constitute a client service area and is exempt from the open-concept requirements applicable to service stations.

Restroom

A single ADA-compliant restroom is provided, accessed from the service floor. The restroom has a standard lockable door as required by building and accessibility codes. The restroom is available to both clients and staff and is not used for any service purpose.

3.3 Partition Specifications

The decorative half-partitions separating individual service stations shall conform to the following specifications:

- **Material:** Frosted acrylic panels, wood-slat decorative panels, or equivalent decorative material — consistent in aesthetic character with station dividers found in licensed nail salons and hair salons operating in Livonia.
- **Height:** Maximum 48 inches (4 feet) above finished floor level. No partition shall exceed this height under any circumstances.
- **Purpose:** Aesthetic privacy and spatial delineation only, functionally identical to station dividers used in nail salons. Partitions do not create enclosed rooms, enclosed spaces, or areas not visible from the service floor.
- **Prohibited Features:** No ceilings or overhead enclosures on any partition; no curtains, drapes, or fabric panels; no doors or locking mechanisms of any kind at service stations; no extensions exceeding 48 inches in height at any point.
- **Sight Lines:** At all times during operating hours, a person standing at the reception desk or at the public entry shall have an unobstructed line of sight to all six service stations at the height above the partition tops.

3.4 Lighting

Commercial-grade LED lighting shall be installed and maintained throughout the service floor. Illumination at each service station shall meet a minimum threshold of 50 foot-candles, consistent with the Michigan cosmetology facility illumination requirements under Michigan Administrative Code. Lighting shall be uniformly distributed across the service floor to ensure that no area is dimmed, shadowed, or subject to reduced lighting during operating hours. Lighting controls shall not permit individual station lighting to be dimmed or deactivated while clients are being served. The overall lighting environment shall be consistent with that of a licensed hair salon or medical spa.

3.5 Compliance Note

The facility layout described in this Section is specifically designed to conform to the requirements for a licensed cosmetology establishment under Michigan Administrative Code R 338.2161 et seq., including applicable provisions governing square footage per station, minimum illumination, ventilation, and sanitation. The layout has been designed with reference to LARA cosmetology establishment standards and will be submitted for LARA pre-inspection review prior to commencing operations. All enclosure-related concerns identified in the Planning Commission's denial have been structurally addressed by this open-concept design. The applicant commits to maintaining this layout as a condition of the Special Use Permit and agrees that any future modification to the layout that would introduce enclosures at service stations shall require prior approval from the Zoning Board of Appeals or its designee.

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 4

Head Spa Service Description and Equipment Overview

4.1 What Is a Head Spa?

A head spa — also referred to as a scalp spa or scalp treatment service — is a specialized category of personal care service that focuses on the health, condition, and wellness of the scalp and hair. The head spa concept originated in Japan and has grown into a recognized global personal care service category, with a rapidly expanding presence in the United States driven by consumer interest in scalp health and wellness-oriented self-care. Services typically offered in a head spa setting include dry scalp massage using manual techniques, scalp condition analysis, application of scalp treatments or serums by hand, and stress-relief massage of the head and upper neck region. At SaSa Head SPA specifically, all services are dry — no water immersion, no rinsing stations, and no water plumbing connections at service stations are required or used. There is no chemical processing of any kind: no hair dye, no bleach, no perming agents, no relaxers, and no heat-activated chemical treatments. Because services are limited to scalp and head massage, a massage therapy license is not required under Michigan law for this scope of practice; however, SaSa Head SPA will fully comply with all applicable Michigan LARA cosmetology establishment licensing requirements and will operate as a licensed cosmetology establishment.

4.2 Equipment Description — Head Spa Reclining Station

Each of the six service stations at SaSa Head SPA consists of a specialized head spa reclining chair or bed designed specifically for scalp treatment services. The following description provides a detailed profile of this equipment for the Board's reference:



Figure 1 – SaSa Head SPA Reclining Station with Integrated Sink (salon-grade head spa bed proposed for use at 33600 Seven Mile Road, Livonia, MI)

- **Configuration:** A zero-gravity or fully-reclining adjustable chair or bed, similar in profile to a dental treatment chair, an aesthetic facial treatment chair, or a barber chair in reclined position. The client lies back or is fully reclined to allow the technician access to the scalp from above.
- **Dimensions:** Approximately 25–30 inches in width; 60–72 inches in length when fully reclined; 18–24 inches in seat height when upright. The chair is mechanically adjustable and designed for ergonomic technician access.

- **Features:** Adjustable headrest, padded armrests, and full-length body support. No integrated water bowls, plumbing connections, or drainage features are present at the station.
- **Plumbing:** None required at the station. This distinguishes the head spa station from a traditional salon shampoo bowl, which requires hot and cold water supply and drain connections.
- **Ancillary Equipment:** Each station includes a small side cart used to store products, tools (such as scalp brushes and massage instruments), and supplies. The cart is compact and contained entirely within the station footprint.
- **Footprint:** Each station, including operating clearance for the technician on all sides, occupies approximately 35–40 square feet of floor area. The six-station layout is consistent with the available square footage of the subject commercial unit.
- **Appearance:** Clean, spa-like, and professional — comparable in appearance to a facial treatment bed or massage table arranged in a chair configuration. The stations present an aesthetic consistent with licensed medical spas and upscale salon environments.

4.3 Service Process Overview

The client service process at SaSa Head SPA follows a straightforward, orderly sequence that is fully observable from the reception area at all times:

1. Client arrives and checks in at the reception desk; appointment time and service selection are confirmed.
2. Client is escorted by a technician to the assigned service station on the open service floor.
3. Technician performs a scalp consultation — visual and tactile assessment of scalp condition — lasting approximately 5 to 10 minutes.
4. Technician performs the scalp massage and treatment service, lasting approximately 30 to 60 minutes depending on the service selected.
5. Client returns to the upright position; technician provides any product recommendations; client departs through the reception area.

No chemicals are applied during any stage of the service process. No heat tools or loud mechanical equipment are used. A typical session, including consultation and service, lasts between 45 and 90 minutes. Each station is staffed by one technician per client; no double-booking of a single station occurs. The process is quiet, orderly, and of low intensity relative to chemical salon services.

4.4 Comparison to Existing Permitted Uses

The following table compares SaSa Head SPA's operational characteristics to those of nail salons and hair salons, both of which operate as permitted or special-use personal care businesses in the Seven Mile Road corridor and throughout Livonia:

Feature	Head Spa (SaSa Head SPA)	Nail Salon (Typical)	Hair Salon (Typical)
Enclosed service rooms	No	No	Sometimes
Chemical use	None	Yes — acetone, nail polish, acrylic monomers	Yes — dye, bleach, perm/relaxer chemicals
Noise level	Low	Moderate (fans, drills)	Moderate (dryers, music)
Chemical odors	None	Moderate to strong	Moderate
Water plumbing at station	No	Yes (pedicure bowls)	Yes (shampoo bowls)
LARA license required	Yes — cosmetology establishment	Yes	Yes
Parking demand	Low to Moderate	Moderate	Moderate

Key Finding:

A head spa is demonstrably less intensive than most already-permitted personal care uses on the Seven Mile Road corridor in terms of chemical use, chemical odors, noise generation, and required infrastructure. SaSa Head SPA presents a lower operational impact profile than nail salons or hair salons while providing a comparable personal care service to Livonia residents. The Board is respectfully

requested to consider this comparative analysis in its evaluation of the compatibility and Section 13.13 grounds of the appeal.

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 5

Supporting Evidence and Attachments

The following exhibits are submitted with this appeal packet in support of Petition No. 2026-06-02-15. Each exhibit addresses one or more of the grounds cited in the Planning Commission's denial. Applicants are instructed to ensure all exhibits are physically attached to printed copies of this packet and uploaded in digital form to the ZBA file-sharing platform no later than two business days prior to the scheduled hearing.

Exhibit A — Michigan Head Spa Industry Context

The head spa industry in the United States has experienced significant and well-documented growth over the past several years, driven by broader consumer wellness trends and heightened interest in scalp health as a component of personal care. Head spa businesses have successfully obtained permits and commenced operations in comparable Michigan municipalities, including the cities of Troy, Ann Arbor, and Sterling Heights, among others, where they operate as licensed cosmetology establishments in commercial districts. The use is well-established as a recognized personal care service category in commercial corridors nationwide and is not novel, experimental, or outside the scope of uses contemplated by personal care licensing frameworks at the state level. The Michigan LARA cosmetology establishment licensing framework expressly accommodates scalp treatment services as a regulated

personal care use. *[Applicant instruction: Supplement this exhibit with any available market research reports, IBIS World or Statista data on the head spa / scalp spa industry, or news articles documenting growth of the sector in Michigan and nationally.]*

Exhibit B — Seven Mile Road Corridor Context

The subject property at 33600 Seven Mile Road, Livonia, MI 48152, is located within a mixed commercial strip corridor that is home to a range of personal care, health-related, and retail commercial uses. Comparable personal care businesses operating in proximity to the subject property include hair salons, nail salons, medical spas, and medical or professional offices. The proposed head spa use is consistent with and complementary to the existing character of surrounding commercial uses in this corridor. The subject property's commercial context supports the compatibility of the proposed use as argued in the Appeal Letter (Section 1) and Zoning Compliance Analysis (Section 2) of this packet. *[Applicant instruction: Attach a corridor map or aerial photograph — Google Maps satellite view or similar — showing the subject property and all neighboring businesses within a 300-foot radius, with business names and use types labeled. This exhibit is important to the compatibility analysis.]*

Exhibit C — Client Interest Documentation

Prior to filing this application and appeal, the applicant actively solicited and collected expressions of interest from prospective clients in the Livonia and surrounding area communities. This outreach demonstrated concrete, documented consumer demand for a head spa service on the Seven Mile Road corridor. The client interest documentation submitted with this exhibit reflects genuine, verifiable pre-opening demand and supports the applicant's contention that a demonstrated community need for the proposed use exists. *[Applicant instruction: Attach an anonymized sign-up list or a summary table of client inquiries, showing number of prospective clients, zip codes of residence, and services of interest, but omitting full names or personally identifying information per applicable privacy considerations. If electronic inquiries were collected via social media or a website form, a screenshot or printout summary is appropriate.]*

Exhibit D — Michigan LARA Compliance Plan

SaSa Head SPA will operate in full compliance with the Michigan Department of Licensing and Regulatory Affairs (LARA) requirements applicable to licensed cosmetology establishments. The proposed facility design meets or exceeds all applicable requirements under Michigan Administrative Code R 338.2161 et seq., including minimum square footage per service station, lighting levels, ventilation standards, and sanitation requirements. The open-concept floor plan described in Section 3 of this packet has been designed with reference to LARA cosmetology establishment standards, and the applicant commits to obtaining all required LARA establishment licenses and completing LARA's pre-inspection process prior to commencing any client services. *[Applicant instruction: Attach the LARA cosmetology establishment pre-inspection checklist (available from LARA's website), a completed cosmetology establishment floor plan prepared in accordance with LARA's submission requirements, and any LARA correspondence confirming pre-application review of the proposed facility layout.]*

Exhibit E — Comparable Business Precedents

Head spa businesses operating as licensed cosmetology establishments have received special use permit approvals or by-right approvals in comparable southeastern Michigan commercial districts. The existence of such precedents supports the conclusion that the proposed use is a recognized, approvable personal care business category in Michigan's regulatory and municipal zoning environment, and that Livonia would not be acting without precedent in approving this use. *[Applicant instruction: Research and attach any available public records of special use permit approvals or zoning board decisions from municipalities such as Troy, Sterling Heights, Ann Arbor, Royal Oak, or Dearborn authorizing the operation of head spa or scalp spa businesses. Contact those municipalities' planning or zoning departments for public records if needed. If no formal approval records are available, attach Google Maps or business directory documentation showing head spa businesses operating in comparable commercial districts in those municipalities.]*

Exhibit F — Proposed Lease or Property Owner Authorization

To confirm the applicant's legal authority to occupy and operate at 33600 Seven Mile Road, Livonia, MI 48152, and to establish the property owner's consent to the proposed use, a copy of the applicable lease agreement or a property owner authorization letter is submitted with this appeal packet. *[Applicant instruction: Attach a copy of the executed lease agreement for 33600 Seven Mile Road, or, if a lease is not yet fully executed, a letter signed by the property owner expressly authorizing the applicant to apply for and pursue the Special Use Permit for the head spa use at this address. The letter should include the property owner's name, address, signature, and date.]*

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 6

Proposed Conditions of Approval

In order to facilitate approval of the Special Use Permit and to provide the Zoning Board of Appeals with clear, enforceable operating parameters, the applicant voluntarily proposes that the following conditions be attached to any Special Use Permit granted for the operation of SaSa Head SPA at 33600 Seven Mile Road, Livonia, MI 48152. The applicant accepts each of these conditions as binding obligations and agrees that any violation shall constitute grounds for revocation of the Special Use Permit following appropriate notice and hearing.

6. **Condition 1 — Open-Concept Layout Required.** All client service stations shall be separated exclusively by decorative half-height partitions not exceeding 48 inches (4 feet) in height above the finished floor. No enclosed rooms, no locking doors, no curtains or drapes, and no overhead enclosures shall be installed at or adjacent to any client service station. This condition is a material and fundamental requirement of permit approval and shall run with the permit.
7. **Condition 2 — Maximum Six Service Stations.** The facility shall operate no more than six (6) head spa reclining service stations within the approved premises at 33600 Seven Mile Road. Any

expansion of the number of service stations beyond six shall require prior amendment of the Special Use Permit by the Zoning Board of Appeals.

8. **Condition 3 — Hours of Operation.** The business shall operate no earlier than 10:00 AM and no later than 9:00 PM, seven days per week. No client services shall be conducted outside of these approved hours of operation. Any proposed change to approved hours shall require prior Board approval.
9. **Condition 4 — Michigan LARA Cosmetology Establishment License.** The facility shall obtain and maintain, in good standing, all required Michigan Department of Licensing and Regulatory Affairs (LARA) cosmetology establishment licenses prior to commencing any client services, and at all times during the period of operation under the Special Use Permit. Copies of all current LARA licenses shall be maintained on the premises and made available for inspection upon request.
10. **Condition 5 — No Chemical Hair Processing.** No chemical hair or scalp treatments shall be offered, performed, or permitted on the premises, including but not limited to hair dye, bleach, perming agents, relaxers, or any heat-activated chemical treatment. Services shall be limited to dry scalp massage, scalp analysis, and the manual application of non-chemical topical scalp serums or conditioning products.
11. **Condition 6 — Maximum Client Occupancy.** Client occupancy of the premises shall not exceed twelve (12) persons at any time — consisting of no more than six (6) clients actively receiving services and no more than six (6) additional persons in the waiting and reception area — consistent with applicable fire code occupancy limitations and the capacity of the approved service stations.
12. **Condition 7 — Signage Compliance.** All exterior signage for SaSa Head SPA shall comply in all respects with the City of Livonia Sign Ordinance. All required sign permits shall be obtained from the City of Livonia Inspection Department prior to the installation or display of any exterior signage. No temporary, unpermitted, or nonconforming signage shall be displayed.
13. **Condition 8 — Annual Compliance Review.** The applicant agrees to participate in an annual review of business operations conducted by the City of Livonia Inspection Department for the first two (2) full years of operation under the Special Use Permit. The purpose of the annual

review is to confirm ongoing compliance with all permit conditions, including but not limited to open-concept layout requirements, occupancy limits, hours of operation, LARA licensure, and the prohibition on chemical processing. The applicant shall cooperate fully with inspectors and provide access to the premises during business hours for purposes of this review.

Applicant's Statement:

The applicant, Zhi Hong, accepts all eight (8) conditions set forth above and offers them as binding, enforceable obligations to be incorporated into any Special Use Permit granted by the Zoning Board of Appeals. These conditions collectively address every substantive concern raised in the Planning Commission's denial and provide the Board with a clear, verifiable compliance framework for the ongoing operation of SaSa Head SPA.

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Section 7

Appeal Packet Submission Checklist

Use this checklist to confirm that all required materials are included and complete before submitting this appeal packet to the City of Livonia Inspection Department. Complete each item and check the corresponding box prior to submission. Retain a completed copy of this checklist for your records.

#	Item	Status	Notes
1	Completed ZBA Appeal Application Form	[]	Obtain official form from City of Livonia Inspection Department, 33000 Civic Center Dr., Livonia, MI 48154. Form must be fully completed, signed, and dated.
2	Filing Fee Payment	[]	Confirm current filing fee amount with the Inspection Department. Fees vary by petition type. Payment by check, money order, or as otherwise accepted by the City.
3	This Appeal Packet (Sections 1–7)	[]	Print and submit five (5) copies to the Inspection Department. Retain one (1) copy for applicant's records. All sections must be present and paginated.
4	Exhibit A — Industry Context Statement	[]	One-page summary of head spa market growth and Michigan operational precedents. Attach to each copy of the packet.
5	Exhibit B — Corridor Map / Aerial Photo	[]	Map or aerial photograph showing the subject property and all neighboring businesses within a 300-foot radius, with use types labeled.
6	Exhibit C — Client Interest Documentation	[]	Anonymized sign-up list or inquiry summary demonstrating documented community demand. Do not include personally identifying information.
7	Exhibit D — LARA Compliance Plan / Floor Plan	[]	Cosmetology establishment floor plan prepared per LARA requirements; LARA pre-inspection checklist; any LARA correspondence regarding the proposed facility.
8	Exhibit E — Comparable Business Precedents	[]	Approval records, zoning decisions, or business directory documentation showing head spa operations in comparable SE Michigan municipalities, if available.
9	Exhibit F — Lease or Property Authorization	[]	Executed lease for 33600 Seven Mile Rd., or signed authorization letter from the property owner consenting to the Special Use Permit application.
10	Applicant Photo ID	[]	Driver's license or state-issued ID. Kept in ZBA file for identification purposes only. Excluded from public-facing materials per ZBA Rules. Not published or disclosed.
11	Proof of Mailing / Service (if self-noticing)	[]	Neighbor notification is typically handled by the City at least 15 calendar days before the hearing. Confirm with the Inspection Department whether any applicant self-noticing is required.
12	Digital Copy of Full Packet	[]	Upload complete digital copy (PDF) of the packet, including all exhibits, to the ZBA's file-sharing platform no later than two (2) business days before the scheduled hearing date.

#	Item	Status	Notes
13	Signed Appeal Letter (Section 1)	[]	The Appeal Letter in Section 1 must bear the original, wet signature of the applicant (Zhi Hong) or an authorized representative. Photocopies of the signature are not accepted in lieu of an original.

IMPORTANT DEADLINES AND CONTACT INFORMATION

- **Appeal Filing Period:** Appeals must be filed with the Inspection Department within the applicable appeal period following the Planning Commission's denial. Confirm the deadline with the Inspection Department immediately if not already confirmed.
- **Digital Submission Deadline:** All digital materials must be uploaded to the ZBA's file-sharing platform no later than two (2) business days before the scheduled hearing date.
- **Neighbor Notification:** Neighbor notification letters are sent by the City at least fifteen (15) calendar days before the hearing date. The applicant is not typically required to self-notice; confirm with the Inspection Department.
- **Hearing Attendance:** The applicant is strongly encouraged to appear in person at the ZBA hearing to present the appeal and respond to Board questions. Bring printed copies of all exhibits.
- **Contact:** City of Livonia Inspection Department | 33000 Civic Center Drive, Livonia, MI 48154
| Phone: (734) 466-2456

Reminder:

This checklist does not constitute a complete statement of all ZBA submission requirements. The applicant is responsible for confirming all current filing requirements, fees, and deadlines directly with the City of Livonia Inspection

Department prior to submission. Requirements are subject to change. When in doubt, contact the Inspection Department at (734) 466-2456.

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission

Certification of Applicant

Petition No. 2026-06-02-15 | SaSa Head SPA | 33600 Seven Mile Road, Livonia, MI 48152

I, Zhi Hong, hereby certify that the information contained in this Appeal Packet, including all attached exhibits, is true and accurate to the best of my knowledge and belief. I understand that any misrepresentation of material fact in this submission may constitute grounds for denial of the appeal or revocation of any permit issued. I agree to be bound by all Proposed Conditions of Approval set forth in Section 6 of this packet if a Special Use Permit is granted by the Zoning Board of Appeals.



Zhi Hong

Applicant | Petition No. 2026-06-02-15
3846 Shannon Dr., Warren, MI
Date: July 22, 2026

SaSa Head SPA | Petition 2026-06-02-15 | Appeal Packet | July 22, 2026 | Confidential – For ZBA Submission



LETTER TO THE LIVONIA CITY COUNCIL FROM THE Planning Commission

2.

MEETING DATE

PRESENTED BY

Mark Taormina, Planning and Economic
Development Director

AGENDA ITEM

Application for Industrial Facilities Exemption Certificate: Katrina DeMoss, Beaver Aerospace & Defense, Inc., re: to expand all operations in support of the aerospace and defense industry, creating more than 20 qualified jobs for individuals, located at 36555 Amrhein Road, Livonia, MI 48150. (Industrial Development Overlay District #110)

BACKGROUND DETAILS

This request for an Industrial Facilities Tax Exemption Certificate (IFTEC) is from [Beaver Aerospace & Defense, Inc.](#), a Livonia-based company with its headquarters at 11850 Mayfield Avenue. Beaver Aerospace and Defense specializes in designing and manufacturing parts for the commercial and defense aerospace industries. The parts it produces include a variety of ball screws, splines, gears, and electromechanical actuation systems, all of which are designed, manufactured, tested, and repaired in Livonia. The company's current facilities total approximately 85,000 square feet.

Beaver Aerospace & Defense, Inc., is positioned to lease the property at 36555 Amrhein Road, located near the southwest corner of Levan Road and Amrhein Road within the city's industrial corridor. This M-1-zoned property covers roughly 11 acres and contains an approximate 139,000-square-foot building, including 14,000 square feet of office and 125,000 square feet of light manufacturing space. The building was constructed in 1968. Its most recent occupant was Contractors Steel. In 2025, the property was acquired by Louis 1884 Investments II, LLC for a reported \$7,844,893. Beaver Aerospace and Defense Inc. would lease the property. Per the lease agreement, the tenant is responsible for all property taxes and receives the benefit of all tax savings applicable to the premises arising from a tax abatement.

This proposed project represents a substantial expansion of the Company's manufacturing, assembly, engineering, testing, warehousing, and administrative operations. Beaver Aerospace and Defense, Inc., plans to invest approximately \$21 million over the next two to three years to expand its manufacturing capacity, modernize its operations, and position the Company for future growth. The projected capital investment at the new facility on Amrhein includes roughly \$10 million in Real Property costs and \$11 million in Personal Property costs.

The Real Property costs are mostly related to fixed items that can be broadly categorized as building improvements (i.e., HVAC, cranes, carpentry, drywall, plumbing, electrical, mill work, demolition, floors, suppression system, truck docks, roofing, siding, etc.) and site improvements (i.e., utilities, landscaping, asphalt, parking lot lighting, etc.).

The roughly \$11 million in Personal Property includes mostly machinery, equipment, furnishings, and fixtures. These costs, while shown on the Industrial Facilities Tax Exemption Certificate (IFTEC) application, are no longer taxable. Under the Michigan Eligible Manufacturing Personal Property exemption, qualifying manufacturers, like Beaver Aerospace & Defense, Inc., are exempt from paying ad valorem taxes on personal property. Instead, they pay an annual State Essential Services Assessment. Thus, the requested tax abatement applies only to the Company's new investment in Real Property improvements.

Beaver Aerospace and Defense, Inc.'s investment will create 20 new jobs and help retain 148 existing jobs. Approval of the IFTEC would effectively "freeze" the taxable value of the Real Property (excluding the value of the land) for the duration of the abatement (12 years). The value of the IFTEC is based on the tax year immediately preceding the certificate's effective date. In this case, the certificate would become effective in 2027, freezing the value at the 2026 (uncapped) roll total of \$2,629,500. With the land's taxable value of \$664,400 included, the property's overall 2026 taxable value is \$3,293,900.

The total taxes to be received from the property in 2026 will be about \$201,870, with the city's portion roughly \$45,170. If the abatement is approved, the company's property tax liability would remain relatively static for the next 12 years. Once the abatement expires, any increase in taxable value resulting from the investment would take effect, thereby raising the company's annual tax liability and generating more tax revenue for the various taxing authorities. The value of the tax abatement is the amount the company pays on the IFTEC, which is less than it would otherwise pay in ad valorem taxes. The exact amount of the savings to the company is difficult to compute because the investment's effect on the taxable value after 12 years is unknown. However, assuming that roughly 40% of the \$10 million investment is reflected in the future value of the real property after 12 years, and assuming also that the overall taxable value increases annually at a rate of about 1.5% and millage rates remain about the same as they are today, the total taxes the company would begin paying in 2039 are about \$387,206, of which approximately \$86,800 would be the city's portion.

Determination of the length of the abatement is guided by the city's Tax Exemption Duration Chart for Industrial Facilities (P.A. 198). For more than three decades, this chart has helped the City Council establish the time duration of tax abatements. The chart provides a recommendation on the length of the abatement based on a sliding scale comprised of two main factors: 1) the value of the capital investment, and 2) the number of new or retained jobs resulting from the investment. Statutorily, the maximum length of an IFTEC is 12 years, plus two (2) years for construction. Beaver Aerospace and Defense is requesting a 12-year abatement, for which it easily qualifies.

The submission also includes an agreement between the City and the Company, which outlines the duration of the abatement, provides guarantees on the number of jobs created or retained, provides a "claw back" provision if the company moves or does not meet its obligations, and restricts the holder of the IFTEC from appealing taxes.

The Planning and Economic Development Department supports granting a 12-year tax abatement to Beaver Aerospace and Defense, Inc.

PREFERRED COUNCIL RECOMMENDATION/RESOLUTION (Please complete this field. Attachments are not to be used in lieu of the recommendation)

To consider the approval of an Industrial Facilities Exemption Certificate to accommodate the project expansion at aerospace and defense manufacturing facility located at 36555 Amrhein Road, Livonia, MI 48150.

SPECIFIC NAME OF PRODUCT AND NUMBER TO BE PURCHASED (if more than one)

CONTRACT: Amount and/or purchase price and length of contract (with dates if applicable)

DETAILED WORK BEING PERFORMED

Public Hearing date: 083126

FISCAL CONSIDERATIONS (Amount requested and Account(s) used. If applicable, Grant Funding information)

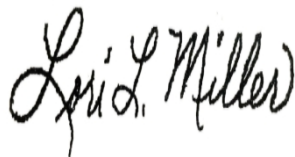
ACCEPTANCE OF BID (Please detail the following: Why accepted, why not lowest bidder, company name, contact person, full address)

REASON TO WAIVE BID PROCESS (Emergency, Professional services, No advantage to City and why, Consortium package, etc):

ATTACHMENTS

1. IFTEC Application_Beaver Aerospace & Defense
2. Lease showing taxes
3. Tax Exemption Duration Chart
4. Industrial Development Overlay District No. 110_CR476-07
5. PA198 of 1974_MEDC Fact Sheet
6. IFEC_FAQ

APPROVED BY



Lori Miller, MiPMC Level 2, CMC, City Clerk

Date: August 14, 2026



Mark Taormina, Planning and Economic Development Director

Date: August 14, 2026

Maureen Miller Brosnan

Date: August 14, 2026

Maureen Miller Brosnan, Mayor

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OFFICE OF THE CITY CLERK

2026 JUL 28 PM 4: 31

July 28, 2026

Dear, Honorable City Council,

Beaver Aerospace & Defense, Inc. respectfully submits the following description of the proposed facility, intended use, planned improvements, and equipment associated with our application for an Industrial Facilities Tax Exemption.

The proposed project consists of the acquisition and renovation of an existing industrial facility located in or around Livonia, Michigan. The facility will be utilized to expand Beaver Aerospace & Defense's manufacturing, assembly, engineering, testing, warehouse, and administrative operations in support of the aerospace and defense industry. This expansion is necessary to accommodate continued business growth, increase production capacity, improve operational efficiency, and support new and existing customer programs while creating and retaining high-quality jobs within the City of Livonia.

The project represents an anticipated capital investment of approximately \$20 million over the next two to three years, reflecting Beaver Aerospace & Defense's long-term commitment to the City of Livonia. This investment will support the expansion of manufacturing capacity, modernization of operations, and positioning of the company for future growth in the aerospace and defense sector. As a direct result of this expansion, the company anticipates creating more than 20 new full-time, skilled positions during this period, further strengthening Livonia's manufacturing workforce and contributing to the local economy.

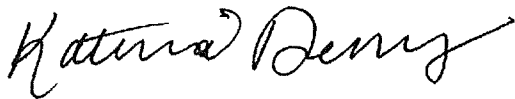
The project will include the restoration and modernization of the facility to meet the operational requirements of a precision aerospace manufacturing environment. Planned improvements include building renovations, office and production area improvements, mechanical, electrical, and plumbing upgrades, infrastructure improvements, enhanced safety and security systems, information technology and communications infrastructure, production workflow enhancements, and other related improvements necessary to prepare the facility for manufacturing operations. The scope of work may also include site improvements, utility upgrades, and modifications required to support current and future production capabilities.

The facility will be equipped with manufacturing and support equipment necessary for the production of aerospace and defense components. Equipment expected to be installed includes, but is not limited to, CNC machining centers, precision grinding equipment, assembly workstations, inspection and quality assurance equipment, coordinate measuring machines (CMMs), testing equipment, material handling equipment, cranes and lifting devices, racking and storage systems, production tooling and fixtures,

compressed air systems, manufacturing support equipment, computer hardware, servers, networking equipment, and other machinery and equipment required to support manufacturing, engineering, quality, warehouse, and administrative functions.

This investment represents Beaver Aerospace & Defense's continued commitment to growing its operations in the City of Livonia. The proposed expansion will not only preserve the company's existing presence in the community but also generate meaningful economic benefits through significant capital investment, the creation of new high-paying skilled manufacturing jobs, increased tax base, and expanded opportunities to support critical aerospace and defense programs. Beaver Aerospace & Defense appreciates the City Council's consideration of this application and looks forward to continuing its long-standing partnership with the City of Livonia as it invests in the community's future.

Regards,

A handwritten signature in black ink, appearing to read "Katrina DeMoss". The signature is fluid and cursive, with the first name "Katrina" written in a larger, more prominent script than the last name "DeMoss".

Katrina DeMoss

Financial Controller

Katrina.DeMoss@herouxdevtek.com

Cell: (734) 596-0810

Desk: (734) 838 -5036

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the completed application and the required attachments with the clerk of the local government unit. If you have any questions regarding the completion of this form, call 517-335-7460.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date Received by Local Unit
STC Use Only	
Date Received by Application Number	Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) Beaver Aerospace and Defense, INC		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 336413	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 36555 Amrhein Road		1d. City/Township/Village (indicate which) Livonia	1e. County Wayne
2. Type of Approval Requested ☐ New (Sec. 2(5)) ☐ Speculative Building (Sec. 3(8)) ☐ Research and Development (Sec. 2(10)) ☐ Transfer ☒ Rehabilitation (Sec. 3(6)) ☐ Increase/Amendment		3a. School District where facility is located Livonia Public Schools 3b. School Code 82095	
		4. Amount of years requested for exemption (1-12 Years) 12	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

See "General Description of Facility and Proposed Improvements" attached

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	9,954,219 Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	10,855,114 Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	20,809,333 Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements	08/01/2026	03/31/2027	☐ Owned ☒ Leased
Personal Property Improvements	04/01/2027	08/31/2028	☐ Owned ☒ Leased

8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. ☐ Yes ☒ No

9. No. of existing jobs at this facility that will be retained as a result of this project. 148
10. No. of new jobs at this facility expected to create within 2 years of completion. 20

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

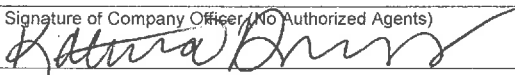
a. TV of Real Property (excluding land)	
b. TV of Personal Property (excluding inventory)	
c. Total TV	

12a. Check the type of District the facility is located in: ☒ Industrial Development District ☐ Plant Rehabilitation District	
12b. Date district was established by local government unit (contact local unit) 09/01/2007	12c. Is this application for a speculative building (Sec. 3(8))? ☐ Yes ☒ No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he 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 unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name Katrina DeMoss	13b. Telephone Number (734) 596-0810	13c. Fax Number	13d. E-mail Address katrina.demoss@herouxdevtex.com
14a. Name of Contact Person Katrina DeMoss	14b. Telephone Number (734) 596-0810	14c. Fax Number	14d. E-mail Address " "
▶ 15a. Name of Company Officer (No Authorized Agents) Katrina DeMoss			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number	15d. Date 8/18/26
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 11850 Mayfield Livonia, Mi 48150		15f. Telephone Number (734) 812-3444	15g. E-mail Address " "

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit ☐ Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion ☐ Yes ☐ No ☐ Denied (Include Resolution Denying)		16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable ☐ 1. Original Application plus attachments, and one complete copy ☐ 2. Resolution establishing district ☐ 3. Resolution approving/denying application. ☐ 4. Letter of Agreement (Signed by local unit and applicant) ☐ 5. Affidavit of Fees (Signed by local unit and applicant) ☐ 6. Building Permit for real improvements if project has already begun ☐ 7. Equipment List with dates of beginning of installation ☐ 8. Form 3222 (if applicable) ☐ 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable ☐ 1. Notice to the public prior to hearing establishing a district. ☐ 2. Notice to taxing authorities of opportunity for a hearing. ☐ 3. List of taxing authorities notified for district and application action. ☐ 4. Lease Agreement showing applicants tax liability.		
16c. School Code		
17. Name of Local Government Body		▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

19a. Signature of Clerk	19b. Name of Clerk	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

For faster service, email the completed application and additional required documentation to PTE@michigan.gov.

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

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

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CITY OF LIVONIA
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT

WHEREAS, the City of Livonia is a Home Rule Michigan Municipal Corporation and a local governmental unit within the meaning of Act 198 of the Public Acts of 1974 as amended; and

WHEREAS, Act 198 as amended provides for the consideration by a local governmental unit of an application for an Industrial Facilities Exemption Certificate; and

WHEREAS, effective April 1, 1994, Act 198 has been amended and said amendment requires a written agreement between the local governmental unit and the owner of an industrial facility which is to be filed with the Department of Treasury; and

WHEREAS, BEAVER AEROSPACE & DEFENSE, INC is an industrial facility, or wishes to become an industrial facility, within an established plant rehabilitation district or industrial development district within the City of Livonia; and

WHEREAS, all conditions precedent as required by Act 198 as amended have been met; and

WHEREAS, BEAVER AEROSPACE & DEFENSE, INC has filed an application for an Industrial Facilities Exemption Certificate with the City Clerk within an established district.

NOW THEREFORE, it is mutually agreed and understood as follows:

1. The application for an Industrial Facilities Exemption Certificate is approved for a period of 12 years ending on December 30, 2038.
2. The approval of the City of Livonia is based upon a legislative finding that the granting of the Industrial Facilities Exemption Certificate considered with the aggregate amount of previously granted Industrial Facilities Exemption Certificates does not have the effect of substantially impeding the operation of the City of Livonia or impairing the financial soundness of a taxing unit that levies an ad valorem property tax within the City of Livonia.
3. In the event the applicant, BEAVER AEROSPACE & DEFENSE, INC, ceases doing business or lays off more than 50 percent of its work force for a period of six months or more prior to the expiration of the Industrial Facilities Exemption Certificate, the remaining term of years shall be null and void and all ad valorem taxes abated as a result of the issuance of the Industrial Facilities Exemption Certificate shall immediately become due and payable upon demand by the City. Furthermore, failure by BEAVER AEROSPACE & DEFENSE, INC to pay said abated taxes within 30 days shall result in the City placing a lien upon all properties covered by the Industrial

CITY OF LIVONIA INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT

WHEREAS, the City of Livonia is a Home Rule Michigan Municipal Corporation and a local governmental unit within the meaning of Act 198 of the Public Acts of 1974 as amended; and

WHEREAS, Act 198 as amended provides for the consideration by a local governmental unit of an application for an Industrial Facilities Exemption Certificate; and

WHEREAS, effective April 1, 1994, Act 198 has been amended and said amendment requires a written agreement between the local governmental unit and the owner of an industrial facility which is to be filed with the Department of Treasury; and

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WHEREAS, all conditions precedent as required by Act 198 as amended have been met; and

WHEREAS, BEAVER AEROSPACE & DEFENSE, INC has filed an application for an Industrial Facilities Exemption Certificate with the City Clerk within an established district.

NOW THEREFORE, it is mutually agreed and understood as follows:

1. The application for an Industrial Facilities Exemption Certificate is approved for a period of 12 years ending on December 30, 2039.
2. The approval of the City of Livonia is based upon a legislative finding that the granting of the Industrial Facilities Exemption Certificate considered with the aggregate amount of previously granted Industrial Facilities Exemption Certificates does not have the effect of substantially impeding the operation of the City of Livonia or impairing the financial soundness of a taxing unit that levies an ad valorem property tax within the City of Livonia.
3. In the event the applicant, BEAVER AEROSPACE & DEFENSE, INC, ceases doing business or lays off more than 50 percent of its work force for a period of six months or more prior to the expiration of the Industrial Facilities Exemption Certificate, the remaining term of years shall be null and void and all ad valorem taxes abated as a result of the issuance of the Industrial Facilities Exemption Certificate shall immediately become due and payable upon demand by the City. Furthermore, failure by BEAVER AEROSPACE & DEFENSE, INC to pay said abated taxes within 30 days shall result in the City placing a lien upon all properties covered by the Industrial

Facilities Exemption Certificate on the tax rolls of the City and/or County which lien may not be discharged until the payment thereof and which lien shall be treated in the same manner as delinquent taxes.

4. The provisions of Paragraph 3 shall be implemented pursuant to Act 198, Sections 13 and 15, since the purposes for the issuance of the certificate are no longer being fulfilled and there is no reasonable likelihood that employment will be created or retained.
5. The Company shall have the duty to notify the City of Livonia in writing within 24 hours of the date which the facility has been closed or more than 50 percent of its employees have been laid off. The failure to do so shall result in the addition of penalties, interest, and costs allowed by statute in the case of delinquent taxes to be levied on the abated taxes in addition to the principal amounts.
6. The Company has indicated that at least 10 jobs will be added/retained (choose one) to its workforce within twelve months.
The Company has indicated an investment of \$ 20,809,333 in the facility within twelve months of the date of this agreement. This investment shall include the cost of building improvements, machinery and equipment, as well as furniture and fixtures.
7. If, after twelve months from the date of this agreement, and any time subsequent thereto, BEAVER AEROSPACE & DEFENSE, INC has not employed the number of persons set forth in Paragraph 6, or has not made the investment specified in Paragraph 6, the City could request that the State Tax Commission review the number of years of the certificate.
8. No later than the 10th day of January immediately following the second year after the issuance of the Industrial Facilities Exemption Certificate (IFEC), and biannually thereafter the Company shall submit a letter to the City Assessor stating:
 - a. The number of new jobs identified in the IFEC application within a two year period and the actual number of new jobs;
 - b. If the IFEC was granted on the basis of job retention, the number of employees at the time of the application and the current number of employees;
 - c. If projection for creation or retention of jobs was not reached, give explanation.
 - d. The estimated project cost given in the application and the actual project cost.
 - e. If actual project costs differ substantially from projected cost, give explanation.

- f. Current number of employees and their communities of residence.
 - g. If the current number of employees is less than the number of projected in the application, an explanation for the reduced number shall be included.
9. The Company agrees to remain in the City of Livonia for the period of the Industrial Facilities Exemption Certificate in order to retain the benefits of the abated taxes unless permission for relocation is granted by the City Council. Failure to obtain permission for relocation prior to the end of the term of the Industrial Facilities Exemption Certificate shall result in the right of the City to recapture from BEAVER AEROSPACE & DEFENSE, INC all taxes abated plus interest at the rate of six (6) per cent per year compounded annually. Should the company relocate without said permission, the taxes and interest shall be a lien placed upon the tax rolls of the City and/or County and collected in the same manner set forth in Paragraph 3.
10. The Company agrees it will NOT seek further tax relief relative to the subject property and all property situated in the City of Livonia. The Company agrees to waive its appeal rights on the assessed, taxable and state equalized values as to all real and personal property situated in the City of Livonia, including but not limited to the subject property, in any and all forums, during the period of abatement and two (2) years thereafter.
11. The covenants herein shall bind the heirs, designees, legatees, assigns and successors of the respective parties. This contract shall be governed by the laws of the State of Michigan. In the event that any provision of this agreement shall be deemed to be unlawful or unenforceable, it shall be construed to be severed here from and not to affect the enforceability of any provision herein contained.
12. This agreement shall not be effective until approved by the City Council of the City of Livonia and signed by the Mayor and City Clerk of the City and the appropriate company representatives.

**CITY OF LIVONIA
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT**

WITNESSES:

CITY OF LIVONIA

By: _____
Maureen Miller-Brosnan, Mayor

Date: _____

By: _____
Lori Miller, City Clerk

Date: _____

Beaver Aerospace & Defense, Inc.
(Company Name)

By: Katrina DeMoss
(Name)

Its: Financial controller
(Title)

Date: 7/31/26

INDUSTRIAL FACILITIES EXEMPTION APPLICATION AFFIDAVIT OF FEES

In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the Local Unit and Applicant for Industrial Facilities Exemption Certificate do hereby swear and affirm that no payment of any kind, whether they be referred to as "fees," "payments in lieu of taxes," "donations," or by other like terms, such payments are contrary to the legislative intent of Act 198 that exemption certificates have the effect of abating all ad valorem property taxes levied by taxing units with the unit of local government which approves the certificate.

We do swear and affirm by our signatures below that "no payment of any kind in excess of the fee allowed, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of an exemption certificate application."

City/Twp/Village of _____

Signed _____

Print Name _____

Title _____

Dated _____

Applicant Beaver Aerospace & Defense, Inc.

Signed Katrina DeMoss

Print Name Katrina DeMoss

Title Financial Controller

Dated 7/9/26

ARTICLE VI REAL ESTATE TAXES

6.1. Tenant agrees that it shall timely pay to the taxing authority before delinquency, in addition to all other sums agreed to be paid by it in this Lease, all Real Estate Taxes against the real property and improvements constituting the Premises only, excluding any taxes or assessments attributable to the Adjoining Land or any other land, improvements or common facilities not included within the Premises, which fall due during the Lease Term and apply to the Lease Term, with all Real Estate Tax bills which cover periods of time before and after the Rent Commencement Date, or before and after the termination date of this Lease, to be prorated between Landlord and Tenant, as applicable, on a due date basis as if payable in advance. Notwithstanding the foregoing, if required by Landlord's lender, Tenant shall pay monthly installments of Real Estate Taxes to Landlord to be held in escrow and paid by Landlord's lender. The party in possession of the Premises on the applicable tax due date shall timely pay to the taxing authority before delinquency, all Real Estate Taxes for which such party is responsible, with such Real Estate Taxes to be so prorated and reconciled between Landlord and Tenant, with one party to pay to the other the amount necessary to reconcile the proration between them, and such obligation to make such reconciliation payment shall survive the expiration or termination of this Lease. Tenant shall not be responsible for any interest, penalties or late charges caused by Landlord's failure to timely pay any Real Estate Taxes from funds timely provided by Tenant. Tenant shall be solely responsible and shall pay for all personal property taxes on all personal property, inventory and fixtures owned by it or located in or about the Premises which accrue during the Lease Term. Upon payment of the Real Estate Taxes, Tenant shall provide copies of paid tax bills to Landlord. Landlord shall promptly forward to Tenant all tax bills received by Landlord during the Lease Term. During the Lease Term, to the extent permitted by Landlord's lender, Tenant may annually (or more often, if permitted under applicable law), at Tenant's sole cost and expense, protest the value of the Premises for Real Estate Taxes assessment purposes, on Landlord's behalf and, if necessary, in Landlord's name, and Landlord shall reasonably cooperate with Tenant in such process, at Tenant's sole cost and expense. Tenant shall receive the benefit of all savings arising from any such protests applicable to the Lease Term and shall also pay all expenses of such protests.

6.2. The term "Real Estate Taxes" shall mean and include all ad valorem real estate taxes, assessments, special or otherwise, county taxes, governmental fees or any governmental charge of a similar or dissimilar nature, whether general, special, ordinary or extraordinary, foreseen or unforeseen (including any additions to or substitutions therefor as the result of any change in the method of taxation prevailing on the date of this Lease), including any condominium or joint maintenance assessments, which may be levied or assessed upon or with respect to all or any part of the Premises. Real Estate Taxes shall not include (i) any income, franchise, estate, inheritance, transfer, mortgage, capital stock, gift, excess profits or similar tax of Landlord, (ii) penalties, interest, late charges, fees or costs caused by Landlord's failure to pay taxes timely after receipt of funds from Tenant, (iii) taxes or assessments attributable to the Adjoining Land or other property not included in the Premises, or (iv) charges payable by Landlord under this Lease. During any period in which the Premises is assets as part of a single tax parcel that includes the Adjoining Property or any other property, Tenant's share of Real Estate Taxes shall be allocated by Landlord using a commercially reasonable methodology consistently applied from year to year; however, to the extent that the applicable assessor specifically allocates value to the Building, the Premises, or the Adjoining Land, such assessor's valuations shall be used in such allocation.

6.3. Notwithstanding anything to the contrary contained in this Lease, Tenant shall be entitled to the full benefit of any and all abatements, exemptions, reductions, credits, rebates, refunds, incentives or other tax savings, whether now existing or hereafter enacted or made available, applicable to the Real Estate Taxes or other governmental charges payable by Tenant under this Article VI with respect to the Premises during attributable to the Lease Term. If any such abatement, exemption, reduction, credit, rebate, refund, incentive or other tax savings is paid or credited to Landlord, Landlord shall promptly remit or credit the same to Tenant, to the extent attributable to any period during the Lease Term for which Tenant paid or

is obligated to pay the applicable Real Estate Taxes or charges. Landlord shall reasonably cooperate with Tenant, at no out-of-pocket cost to Landlord, in applying for, maintaining, documenting or realizing the benefit of any such abatement, exemption, reduction, credit, rebate, refund, incentive or other tax savings. For the avoidance of doubt, Tenant shall receive the benefit of all tax savings applicable to the Premises ~~during~~attributable to the Lease Term, regardless of whether such savings arise from a protest, appeal, reassessment, governmental incentive program, abatement agreement, refund proceeding or other similar process.

PLEASE NOTE: The information in the following slides are proprietary information and should not be shared with anyone outside of the City of Livonia

Expansion Plan – Milestone Timing & Progress

KEY:		Milestone	Active Tasks	Sub Tasks	Completed	On Track	At Risk	Critical Date	DRAFT UPDATED JULY 9, 2026 V4														
2026									2027				2028				2029						
Task Name	Resource Names (contractor)	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
SIGN LOI & Indemnification Agreement	BD																						
Design Development & Budget Confirmation	BD, DS, KM, JBD																						
Sign Lease	BD, Legal & CW			8/07																			
JBD - Site & Building Renovations / Temp C of O	JBD, BD, DS, CW																						
Beaver Operations Ready to Occupy at Amthein	KM, SC, DS										3/31												
Beaver Booth Installation & Certification	SG, Supplier, DS											4/1											
Beaver Fit Out Work	DS, JBD, BD													5/31									
														6/30									
MILESTONE 1 (New Facility In Place)														/PH1		/PH2							
Procurement & Production Pull Ahead Plan	BB, SC													/PH1			/PH3						
Phase I Move (11825 & 11850)																							
Group A - Paint																							
Group B - Stock Room																							
Group C- Ball Screw Assembly																							
Group D- Small Actuator Build																							
Group E- Dirty Assembly																							
Group F - Lockheed																							
Group G - R&D																							
Group H - Test																							
Group I - J16/Patriot																							
Group J - Wire Harness																							
Group K - ESD																							
Group L - B-Plug Test																							
Group M - Quality Part 1																							
Group N - Support Staff Part 1																							
Phase II Move (11905)																							
Group A - Saw & Lathe																							
Group B - Mill																							
Group C - Gear																							
Group D - Quality Part 2																							
Group E - Support Staff Part 2																							
Phase III Move (11850)																							
Group A - OD/ID Ball Thread Grind																							
Group B - OD/ID Thread Grind																							
Group C - Debur, Bending																							
Group D - Quality Part 3 + MAG																							
Group E - Remaining Office Staff																							
MILESTONE 2 (exit of 11905)																							
List and Sell 11905																							
List and Sell 11850																							
MILESTONE 3 (sell of 11905 & 11825)																							

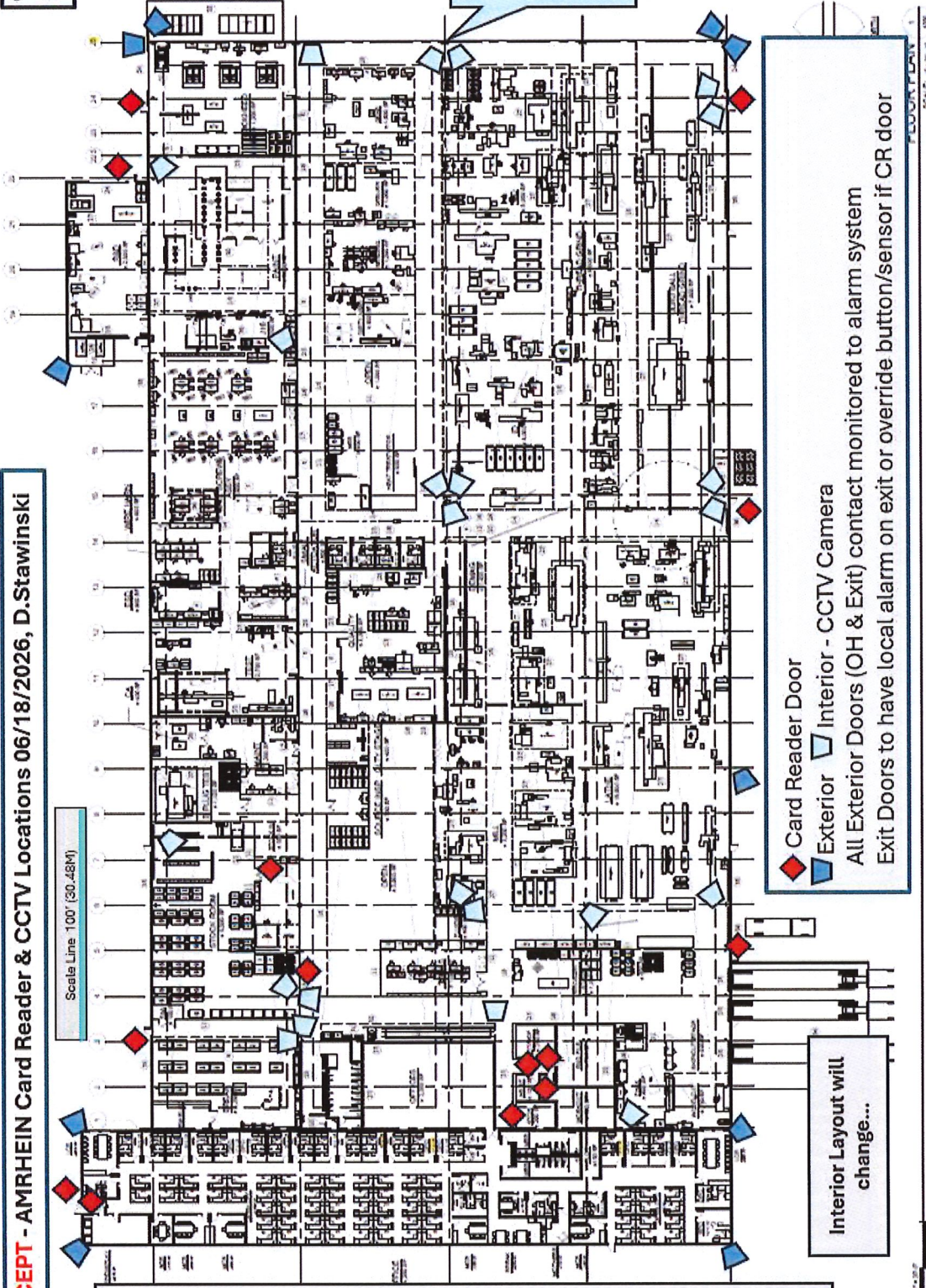
IDENTIFICATION OF MOVE GROUPS AND DEPENDENCIES

MILESTONE 1 (New Facility in Place)		Notes/Current Thoughts on Sequencing/TBC
Procurement & Production Pull Ahead Plan		Overall plan is to pull ahead where we can then follow the wave of work for the move. For example, saw and lathe would be the first operations, generally speaking, so we pull ahead work, get it through those machines, then move those machines during the hole in work behind it. Then we follow this wave across the shop. Doesn't work perfectly that way, but that is the general concept
	Phase I Move - Assembly and Stock Room	11850 and Patriot assy and paint are main drivers. We have some flexibility with 11825 other than we need to be exited before end of lease 6/30/2028, though we want to keep it fairly tight in c/d with stk rm move as they will need to pull parts for these areas as well
Group A - Paint		Work with LL and when can we get in the building to start installing. Floors have to be done which is likely one of the last things LL will do. We need to work with the paint booth contractor and perhaps get booth installed before exterior mat handling so we can paint samples and and qualified while the contractor finishes with the mat handling exterior to the booth. Not sure yet how much time this might save us.
Group B - Stock Room		Move assy first and initially pull kits from 11850 and truck to new building. Then focus on moving the Kardex because stock room will be wide-open so shelves from Kardex can be layed out. Removes shelves, place moving blankets on top of each shelf then shrink wrap so shelf is moved fully loaded. Layout shelves on floor of new stk rm, bring in Kardex to disassemble unit, move and reassemble. Then shelves can be loaded. Look at the shelf carts and make sure can pick shelf from floor with fork lift/walkie stacker and place on cart and remove forks. Then can move A-frames of material, totes and the other big stuff. The building will be mostly empty at this point so this could happen in parallel (while Kardex is being reassembled). Need to go through obsolete stock ahead of time and get rid of everything not needed so as to not move. Need the computer drops/computers located in this area so transactions can be completed.
Group C - Ball Screw Assembly		Based on paint booth schedule and Patriot demand at the time, will have to decide if we clear out the assembly room leaving Patriot with more room and the paint booth then only small parts have to be trucked back to 11850 for paint (though a lot of these are painted at the detail level and we could move small actuators which also uses paint later in the process. The thing we want to avoid is having to truck Patriot actuators from assy in the new bldg back to 11850 to paint.
Group D - Small Actuator Build		Coordinate with Lockheed move, or paint booth. Need to understand interaction with R&D equipment/test stands
Group E - Dirty Assembly		Moves with the 11850 assy area. Need to look at getting a downdraft table and mounting a sander like the one they currently have (ask everyone if that is the best way to do it). This is the highest use item in the dirty assy area and this way it could be located in the new assy room so people don't have to walk outside the room.
Group F - Lockheed		Need to coordinate with the move/installation of the TPS and TPY test stands. otherwise we should have some flexibility here. Need to c/d with the ESD. Electrical and maybe small actuator more as well
Group G - R&D		If move with assembly then how to handle location of Engineering. need thermal chamber for some ATP work
Group H - Test (QC)		11850 moves with 11850 assy as long as QC support to run does the same
Group I - J16/Patriot		See discussion above on Group C - Ball Screw Assy
Group J - Wire Harness		c/d with ESD and Lockheed
Group K - ESD		c/d with Lockheed and Electrical
Group L - B-Plug Test		have to plan around test stand usage, do we need USG permission/notification to move their property?, makes sense to move early on so with paint booth (Matt B),
Group M - Quality Part 1.		
Group N - Support Staff Part 1		Aaron,
Phase II Move (11905)		Welk-ko is interested in buying 11905 and its size/configuration is generally in greater demand so the strategy is to focus on clearing out 11905 to sell and get the cash. This also plays with the pull ahead plan and following the wave of work. Note - coordinate move of sand blaster with deburr?
Group A - Saw & Lathe		This moves first as the wave of work will clear these areas first, generally speaking. Within this we will need specific plans around Lesistritz peeler, Waldrich-Coburg peeler, Phillips deep hole. Need the plan now on moving all work from 40N to new Mazak and get rid of 40N which won't be moving

DRAFT CONCEPT - AMRHEIN Card Reader & CCTV Locations 06/18/2026, D.Stawinski

- This is a preliminary design concept, and subject to design development by the Security System & CCTV Suppliers.
- Exterior CCTV coverage to include the building perimeter, with focus on the employee parking lot, and S&R areas.
- Interior CCTV coverage to include aiseways & machining areas, with focus on the Stock Room, Paint booth, and S&R
- HR to review CCTV coverage plan.

Scale Line 100' (30.48M)



Note: All Interior Cameras need to be mounted below existing Crane Rails

Red Diamond = Card Reader Door
 Blue Square = Exterior - CCTV Camera
 Blue Square with diagonal line = Interior - CCTV Camera
 All Exterior Doors (OH & Exit) contact monitored to alarm system
 Exit Doors to have local alarm on exit or override button/sensor if CR door

Interior Layout will change...

@ out building

SCALE 1/8\"/>

Instruction for Completing Form 1012, *Industrial Facilities Tax Exemption (IFT) Application*

The completed original application form 1012 and all required attachments, **MUST** be filed with the clerk of the local unit of government where the facility is or will be located. Complete applications must be received by the State Tax Commission by October 31 to ensure processing and certification for the following tax year. Applications received after the October 31 deadline will be processed as expeditiously as possible.

Please note that attachments listed on the application in number 16a are to be retained by the local unit of government, and attachments listed in number 16b are to be included with the application when forwarding to the State Tax Commission (STC).

(Before commencement of a project the local unit of government must establish a district, or the applicant must request in writing a district be established, in order to qualify for an IFT abatement. Applications and attachments must be received by the local unit of government **within six months of commencement of project.**)

The following information is required on separate documents attached to form 1012 by the applicant and provided to the local unit of government (city, township or village). (Providing an accurate school district where the facility is located is vital.)

1. Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.
2. Personal Property Requirements: Complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, **beginning date of installation** or expected installation by **month/day/year**, and costs or expected costs (see sample). Detail listing of machinery and equipment **must match amount shown** on question 6b of the application. Personal property applications must have attached a certified statement/affidavit as proof of the beginning date of installation (see sample).
3. Real Property Requirements: Proof of date the construction started (groundbreaking). Applicant must include one of the following if the project has already begun; building permit, footings inspection report, or certified statement/affidavit from contractor indicating exact date of commencement.
4. Complete copy of lease agreement as executed, if applicable, verifying lessee (applicant) has direct ad

valorem real and/or personal property tax liability.

The applicant must have real and/or personal property tax liability to qualify for an IFT abatement on leased property. If applying for a real property tax exemption on leased property, the lease must run the full length of time the abatement is granted by the local unit of government. Tax liability for leased property should be determined before sending to the STC.

The following information is required of the local unit of government: [Please note that only items 2, 4, 5, 6, & 7 below are forwarded to the State Tax Commission with the application, along with items 2 & 3 from above. The original is required by the STC. The remaining items are to be retained at the local unit of government for future reference. **(The local unit must verify that the school district listed on all IFT applications is correct.)**]

1. A copy of the notice to the general public and the certified notice to the property owners concerning the establishment of the district.
2. Certified copy of the resolution establishing the Industrial Development District (IDD) or Plant Rehabilitation District (PRD), which includes a legal description of the district (see sample). If the district was not established prior to the commencement of construction, the local unit shall include a certified copy or date stamped copy of the written request to establish the district.
3. Copy of the notice and the certified letters to the taxing authorities regarding the hearing to approve the application.
4. Certified copy of the resolution approving the application. The resolution must include the number of years the local unit is granting the abatement and the statement "the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of (governmental unit), or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in (governmental unit – see sample).
5. Letter of Agreement (signed by the local unit of government and the applicant per P.A. 334 of 1993 (see sample)).
6. Affidavit of Fees (signed by the local unit of government and the applicant), (Bulletin 3, January 16, 1998). This statement may be

incorporated into the Letter of Agreement (see sample).

7. Treasury Form 3222 (if applicable - *Fiscal Statement for Tax Abatement Request.*)

The following information is required for rehabilitation applications in addition to the above requirements:

1. A listing of existing machinery, equipment, furniture and fixtures which will be replaced or renovated. This listing should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs.
2. A rehabilitation application must include a statement from the Assessor showing the taxable valuation of the plant rehabilitation district, separately stated for real property (EXCLUDING LAND) and personal property. Attach a statement from the assessor indicating the obsolescence of the property being rehabilitated.

The following information is required for speculative building applications in addition to the above requirements:

1. A certified copy of the resolution to establish a speculative building.
2. A statement of non-occupancy from the owner and the assessor.

Please refer to the following Web site for P.A. 198 of 1974: www.legislature.mi.gov/. For more information and Frequently Asked Questions, visit www.michigan.gov/propertytaxexemptions.

General Description of Facility and Proposed Improvements

Beaver Aerospace & Defense, Inc. respectfully submits the following description of the proposed facility, intended use, planned improvements, and equipment associated with our application for an Industrial Facilities Tax Exemption.

The proposed project consists of the acquisition and renovation of an existing industrial facility located in or around Livonia, Michigan. The facility will be utilized to expand Beaver Aerospace & Defense's manufacturing, assembly, engineering, testing, warehouse, and administrative operations in support of the aerospace and defense industry. This expansion is necessary to accommodate continued business growth, increase production capacity, improve operational efficiency, and support new and existing customer programs while creating and retaining high-quality jobs within the City of Livonia.

The project will include the restoration and modernization of the facility to meet the operational requirements of a precision aerospace manufacturing environment. Planned improvements include building renovations, office and production area improvements, mechanical, electrical, and plumbing upgrades, infrastructure improvements, enhanced safety and security systems, information technology and communications infrastructure, production workflow enhancements, and other related improvements necessary to prepare the facility for manufacturing operations. The scope of work may also include site improvements, utility upgrades, and modifications required to support current and future production capabilities.

The facility will be equipped with manufacturing and support equipment necessary for the production of aerospace and defense components. Equipment expected to be installed includes, but is not limited to, CNC machining centers, precision grinding equipment, assembly workstations, inspection and quality assurance equipment, coordinate measuring machines (CMMs), testing equipment, material handling equipment, cranes and lifting devices, racking and storage systems, production tooling and fixtures, compressed air systems, manufacturing support equipment, computer hardware, servers, networking equipment, and other machinery and equipment required to support manufacturing, engineering, quality, warehouse, and administrative functions.

This investment represents Beaver Aerospace & Defense's continued commitment to growing its operations in the City of Livonia. The project will enhance the company's manufacturing capabilities, strengthen its competitiveness within the aerospace and defense industry, support long-term business growth, and contribute to the local economy through capital investment and the creation and retention of skilled employment opportunities.

Beaver Investments Items	Costs
IT Infrastructure	500,000.00
Security System - CMMC compliant	300,000.00
Duplicate Air Compressors	125,000.00
Duplicate Henry Coolant System	450,000.00
Office Furniture	459,700.00
Work benches and storage	400,000.00
Plumbing of waste oil to outside tap	7,000.00
Signage - exterior	30,000.00
Cranes not accounted for	300,000.00
Machine pans/containment	100,000.00
Interior signage, door signs	20,000.00
A/V for office area, Board Room	25,000.00
Noise cancelling system in office area	25,000.00
Appliances	20,000.00
Duplicate iLobby or similar	10,000.00
Artwork - A&D based, shop and office, maybe Detroit as well	25,000.00
Banners, flags in shop	10,000.00
Flag poles out front	20,000.00
Upgrade wood shop dust collection system	15,000.00
Temporary forklifts - rent or buy	20,000.00
Tables/chairs for break area	15,000.00
Designated smoking areas/huts/shelter	40,000.00
Window coverings	25,000.00
Gym equipment	10,000.00
Eye wash stations, spill kits, drum storage etc.	50,000.00
Electrical distribution/bus ducts	1,371,760.00
New Paint Booth	1,000,000.00
Equipment moves	2,000,000.00
Assembly/Other Moves	400,000.00
Consulting fees	253,600.45
EH&S assessment	10,000.00
Real estate fees	296,250.00
Contingency	2,521,804.00
Total	10,855,114.45

CITY OF LIVONIA

Receipt: 00361713

08/05/26

33000 CIVIC CENTER DR
LIVONIA, MI 48154-3060
United States

Cashier: ddemarco

Received Of: **BEAVER AEROSPACE & DEFENSE
& DEFENSE
11905 MAYFIELD
LIVONIA MI 48150-1709**

The sum of: 1,000.00

CLK0099 101-000-678-000

1,000.00

101-000-678-000

1,000.00

Total

1,000.00

TENDERED:

CHECK

28370 /IFEC

1,000.00

Signed: _____

CITY OF LIVONIA

28370

DATE	DESCRIPTION	INV. #	AMOUNT	DISCOUNT	BALANCE
2026/07/31	P70	10017912	IFEC LIV TAX ABATEME	1,000.00	1,000.00
CHECK DATE	CHECK NO.	CURRENCY	TOTAL AMOUNT	TOTAL DISCOUNT	TOTAL
2026/07/31	28370	USD	1,000.00		1,000.00

Beaver Aerospace & Defense, Inc.	11850 Mayfield, Livonia, MI 48150 - 734.853.5003
----------------------------------	--



Beaver Aerospace & Defense, Inc.
Division of Heroux Devtek Inc.
11850 Mayfield, Livonia, MI 48150 - 734.853.5003

PAY

****ONE THOUSAND dollars and 00 cent****

This check bears security features - See reverse

National Bank of Canada

65 East 55th Street, 8th Fl
New York, NY 10022

CHECK NO.

28370 $\frac{01-548}{260}$

DATE 20260731
Y Y Y Y M M D D

\$ *****1,000.00

U.S. DOLLARS

Beaver Aerospace & Defense, Inc.

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

110002837011 102600548710 8078270011

Preliminary Construction and Project Budget					
		Property Name:	Beaver A&D		
		Street Address	36555 Amrhein Rd		
		City	Livonia		
		State			
		Zip code			
		Date:			
Building Size (SF):		141,496			
Total - General Cond. / Site / Building / Fee (\$/SF)		7 months	62.40		
Cost Code	Scope of Work	Original Bid Amount	5.15.26 Floorplan Revisions	Beaver Direct Costs	
010	General Conditions	\$ 566,600.00	\$ 607,400.00	\$ 40,800.00	
01-502	Telephone	2,500.00	2,500.00	-	
01-503	Misc Materials/Home Depot	10,000.00	10,000.00	-	
01-504	Printing Services	500.00	500.00	-	
01-507	Insurance (GL; Builder's	44,000.00	49,000.00	5,000.00	
01-509	Office Supplies	500.00	500.00	-	
01-510	Equipment Rental	7,000.00	7,000.00	-	
01-515	Equipment Fuel	2,500.00	2,500.00	-	
01-521	Temp Utilities	20,000.00	22,500.00	2,500.00	
01-523	Porta Johns	2,500.00	3,000.00	500.00	
01-580	Project Signs	600.00	600.00	-	
01-585	Administrative	6,000.00	7,000.00	1,000.00	
01-590	Project Manager	1/2 TIME	55,000.00	62,500.00	7,500.00
01-591	Project Superintendent	FULL TIME	80,000.00	92,000.00	12,000.00
01-592	Laborer		10,000.00	11,000.00	1,000.00
01-594	Permits/Bonds/Tap Fees	ALLOWANCE	100,000.00	100,000.00	-
01-598	Engineering Fees				-
01-597	Project Engineer		25,000.00	29,500.00	4,500.00
01-610	Pre-Development		15,000.00	17,500.00	2,500.00
01-719	Site Layout/Staking		25,000.00	25,000.00	-
01-720	Architectural		58,000.00	58,000.00	-
	Structural Engineer		25,000.00	25,000.00	-
01-720.1	Plumbing Design	Inc in Trade Quote			-
01-720.2	HVAC Design	Inc in Trade Quote			-
01-720.3	Electrical Design	Inc in Trade Quote			-
01-720.4	Fire Protection Design	Inc in Trade Quote			-
01-721	Site Engineering & Survey		28,000.00	28,000.00	-
01-730	Testing/Inspecting		24,500.00	26,000.00	1,500.00
01-741	Dumpsters		7,500.00	8,500.00	1,000.00
01-742	Final Cleaning		17,500.00	19,300.00	1,800.00
	Utility Fees (Gas/Electric/Phone)				-
					-
020	Existing Conditions	\$ 809,660.00	\$ 876,200.00	\$ 66,540.00	
02-220	Demolition	Offices, ext. canopy, gantry + RTUs/Efs	178,600.00	178,600.00	
	Add Truck Dock		120,260.00	120,260.00	
02-610	Storm Sewer	East side parking lot work - TW trench in exc #	63,000.00	63,000.00	
02-620	Sanitary Sewer	Tie into existing			
02-630	Water Main	Fire Suppression service	55,000.00	55,000.00	
02-740	Asphalt		304,800.00	304,800.00	
02-805	Fence and Gate	Landlord exterior fence work	28,000.00	28,000.00	
		Added Scope per 5/15 Plan - Interior Fencing		66,540.00	66,540.00
02-900	Landscaping	Allowance - Misc clean up + new @ office, islands, etc	60,000.00	60,000.00	
030	Concrete		\$ 926,870.00	\$ 986,530.00	\$ 38,400.00
03-050	Concrete Flatwork (Exterior)	Drivethru, new OHDs, sidewalk/demo	364,970.00	364,970.00	-
03-100	Site Curb & Gutter	Inc in asphalt			
03-210	Foundations (Cast in Place)	Inc in truck dock add - 02-315			
	Fire Pump Room		18,740.00	40,000.00	
03-400	Concrete Flatwork Interior	Added dump drain + isolation pads	316,160.00	354,560.00	38,400.00
	Floor Sealer	Diamond grind + densifier entire shop floor	227,000.00	227,000.00	
040	Masonry		\$ 258,500.00	\$ 299,100.00	\$ 40,600.00
04-100	Masonry - Block (Above grade)	(3) Additional OHD openings + Masonry Fill-in	258,500.00	299,100.00	40,600.00
050	Metals		\$ 340,500.00	\$ 436,370.00	\$ 30,870.00
05-100	Structural Steel Warehouse	(3) Added OHD openings	305,000.00	326,000.00	21,000.00
05-200	Steel Inspection		1,500.00	1,500.00	
	Crane Inspection	8-9 day inspection	8,500.00	8,500.00	
	Crane Repair + Crane Stops	Added Crane Repair Allowance & Stops		74,870.00	9,870.00
05-600	Truck dock Rail		25,500.00	25,500.00	
060	Wood and Plastics		\$ 753,500.00	\$ 915,955.00	\$ 162,455.00
06-100	Rough Carpentry	Added demising walls, drywall & wainscott	598,500.00	760,955.00	162,455.00
06-105	Drywall	Inc in rough framing			
06-220	Millwork		155,000.00	155,000.00	
070	Thermal & Moisture Protection		\$ 348,500.00	\$ 373,320.00	\$ 24,820.00
07-300	Roofing	New Roofing in Office + Warehouse Repairs + 5 skylites	256,400.00	256,400.00	
07-400	Caulking/Sealants	Misc.	12,000.00	15,630.00	3,630.00
07-401	Floor Joint Sealants				
07-300	Siding/Flashing/Trim	(3) OHD openings to be filled	22,100.00	43,290.00	21,190.00
	ACM Metal Panels	Parapet, ACM entrance panels + canopy	58,000.00	58,000.00	
080	Doors & Windows		\$ 688,050.00	\$ 753,220.00	\$ 65,170.00
08-100	Metal Doors		375,000.00	375,000.00	

ADD ALTERNATES

\$ 332,098.00

No current stock available at this time for 600amp refurbished aluminum buss duct

Upgrade to new 600amp Aluminum

\$ 339,175.00

Upgrade to new 600amp copper

\$ 393,716.00

\$ 424,551.00

Deduct for refurbished 800amp aluminum

\$ (101,245.00)

Deduct cost for new 800amp aluminum

\$ (9,080.00)

Upgrade to new 800amp copper

\$ 491,628.00

\$ 266,742.00

Cost Breakouts Included in Budget

ARTICLE VI REAL ESTATE TAXES

6.1. Tenant agrees that it shall timely pay to the taxing authority before delinquency, in addition to all other sums agreed to be paid by it in this Lease, all Real Estate Taxes against the real property and improvements constituting the Premises only, excluding any taxes or assessments attributable to the Adjoining Land or any other land, improvements or common facilities not included within the Premises, which fall due during the Lease Term and apply to the Lease Term, with all Real Estate Tax bills which cover periods of time before and after the Rent Commencement Date, or before and after the termination date of this Lease, to be prorated between Landlord and Tenant, as applicable, on a due date basis as if payable in advance. Notwithstanding the foregoing, if required by Landlord's lender, Tenant shall pay monthly installments of Real Estate Taxes to Landlord to be held in escrow and paid by Landlord's lender. The party in possession of the Premises on the applicable tax due date shall timely pay to the taxing authority before delinquency, all Real Estate Taxes for which such party is responsible, with such Real Estate Taxes to be so prorated and reconciled between Landlord and Tenant, with one party to pay to the other the amount necessary to reconcile the proration between them, and such obligation to make such reconciliation payment shall survive the expiration or termination of this Lease. Tenant shall not be responsible for any interest, penalties or late charges caused by Landlord's failure to timely pay any Real Estate Taxes from funds timely provided by Tenant. Tenant shall be solely responsible and shall pay for all personal property taxes on all personal property, inventory and fixtures owned by it or located in or about the Premises which accrue during the Lease Term. Upon payment of the Real Estate Taxes, Tenant shall provide copies of paid tax bills to Landlord. Landlord shall promptly forward to Tenant all tax bills received by Landlord during the Lease Term. During the Lease Term, to the extent permitted by Landlord's lender, Tenant may annually (or more often, if permitted under applicable law), at Tenant's sole cost and expense, protest the value of the Premises for Real Estate Taxes assessment purposes, on Landlord's behalf and, if necessary, in Landlord's name, and Landlord shall reasonably cooperate with Tenant in such process, at Tenant's sole cost and expense. Tenant shall receive the benefit of all savings arising from any such protests applicable to the Lease Term and shall also pay all expenses of such protests.

6.2. The term "Real Estate Taxes" shall mean and include all ad valorem real estate taxes, assessments, special or otherwise, county taxes, governmental fees or any governmental charge of a similar or dissimilar nature, whether general, special, ordinary or extraordinary, foreseen or unforeseen (including any additions to or substitutions therefor as the result of any change in the method of taxation prevailing on the date of this Lease), including any condominium or joint maintenance assessments, which may be levied or assessed upon or with respect to all or any part of the Premises. Real Estate Taxes shall not include (i) any income, franchise, estate, inheritance, transfer, mortgage, capital stock, gift, excess profits or similar tax of Landlord, (ii) penalties, interest, late charges, fees or costs caused by Landlord's failure to pay taxes timely after receipt of funds from Tenant, (iii) taxes or assessments attributable to the Adjoining Land or other property not included in the Premises, or (iv) charges payable by Landlord under this Lease. During any period in which the Premises is assets as part of a single tax parcel that includes the Adjoining Property or any other property, Tenant's share of Real Estate Taxes shall be allocated by Landlord using a commercially reasonable methodology consistently applied from year to year; however, to the extent that the applicable assessor specifically allocates value to the Building, the Premises, or the Adjoining Land, such assessor's valuations shall be used in such allocation.

6.3. Notwithstanding anything to the contrary contained in this Lease, Tenant shall be entitled to the full benefit of any and all abatements, exemptions, reductions, credits, rebates, refunds, incentives or other tax savings, whether now existing or hereafter enacted or made available, applicable to the Real Estate Taxes or other governmental charges payable by Tenant under this Article VI with respect to the Premises during attributable to the Lease Term. If any such abatement, exemption, reduction, credit, rebate, refund, incentive or other tax savings is paid or credited to Landlord, Landlord shall promptly remit or credit the same to Tenant, to the extent attributable to any period during the Lease Term for which Tenant paid or

is obligated to pay the applicable Real Estate Taxes or charges. Landlord shall reasonably cooperate with Tenant, at no out-of-pocket cost to Landlord, in applying for, maintaining, documenting or realizing the benefit of any such abatement, exemption, reduction, credit, rebate, refund, incentive or other tax savings. For the avoidance of doubt, Tenant shall receive the benefit of all tax savings applicable to the Premises duringattributable to the Lease Term, regardless of whether such savings arise from a protest, appeal, reassessment, governmental incentive program, abatement agreement, refund proceeding or other similar process.

TAX EXEMPTION DURATION CHART FOR INDUSTRIAL FACILITIES (P. A. 198)

Value of Capital Investment (<i>excluding</i> land)	NUMBER OF NEW AND/OR RETAINED JOBS RESULTING FROM CONSTRUCTION AND/OR MACHINERY AND EQUIPMENT EXPANSION								
	1- 3	4- 7	8- 12	13- 17	18- 25	26- 30	31- 35	36- 40	41+
(Minimum)	<u>Exemption Duration (Years)</u>								
\$500,000- \$550,000	4	5	6	7	8	9	10	11	12
\$550,001- \$1,000,000	5	6	7	8	9	10	11	12	
\$1,000,001- \$1,450,000	6	7	8	9	10	11	12		
\$1,450,001- \$1,725,000	7	8	9	10	11	12			
\$1,725,001- \$2,075,000	8	9	10	11	12				
\$2,075,001- \$2,350,000	9	10	11	12					
\$2,350,001- \$2,575,000	10	11	12						
\$2,575,001- \$3,000,000	11	12							
\$3,000,001+	12								

#476-07 WHEREAS, pursuant to Act No. 198 of the Public Acts of 1974, as amended, this Council has the authority to establish industrial development districts within the boundaries of the City of Livonia; and

WHEREAS, a proposal was made regarding the establishment of an industrial development overlay district encompassing all M-1/M-2 industrial zoned properties in Section 29, consisting of approximately 566 acres, more particularly described in Exhibit A, attached hereto and incorporated by referenced herein, which area is hereinafter referred to as "City of Livonia Industrial Development Overlay District No. 110"; and

WHEREAS, written notice has been given by certified mail to all owners of real property within the boundaries of City of Livonia Industrial Development Overlay District No. 110 regarding the Council's pending action on this resolution and of their right to a hearing on the establishment of proposed City of Livonia Industrial Development Overlay District No. 110; and

WHEREAS, notice has been given to all interested owners, residents and taxpayers in the Livonia area of a public hearing on the establishment of the proposed City of Livonia Industrial Development Overlay District No. 110; and

WHEREAS, on Wednesday, August 22, 2007, a public hearing was held on the establishment of proposed City of Livonia Industrial Development Overlay District No. 110, at which time owners, residents and taxpayers of the City of Livonia had an opportunity to be heard (a copy of the statements both written and oral made at such hearing being on file with this City Council);

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF LIVONIA, AS FOLLOWS:

1. An Industrial Development Overlay District is hereby established, such district to consist of the area described in Exhibit A, attached hereto.
2. Such Industrial Development Overlay District is hereby designated as the "City of Livonia Industrial Development Overlay District No. 110."

EXHIBIT A

Beginning at the Northeast corner of said section and proceeding thence S.02°32'48"E., 5,404.56 feet to the Southeast corner of said section; thence S.87°28'03"W., 5,295.73 feet to the Southwest corner of said section; thence N.02°42'15"W., 5,277.38 feet to the Northwest corner of said section; thence N.86°05'43"E., 5,311.77 feet to the point of beginning and the Northeast corner of said section excluding the following described area which is zoned residential

Lots 18 through 27 of the Woodlands Village Subdivision as recorded in Liber 69 of Plats on Page 3, WCR.

INDUSTRIAL PROPERTY TAX ABATEMENT (PA 198 of 1974, as amended)

Industrial property tax abatements provide incentives for eligible businesses to make new investments in Michigan. These abatements encourage Michigan manufacturers to build new plants, expand existing plants, renovate aging plants, or add new machinery and equipment. High technology operations are also eligible for the abatement.

High-technology activity is defined in the Michigan Economic Growth Authority (MEGA) Act as: advanced computing, advanced materials, biotechnology, electronic device technology, engineering or laboratory testing related to product research and development and advanced vehicles technology or technology that assists in the assessment or prevention of threats or damage to human health or the environment. Abatements under PA 198 can significantly reduce property taxes on new investment for eligible firms.

ESTABLISHING THE DISTRICT

Tax benefits are granted by the legislative body of the city, township or village in which the investment will be located. A public hearing is held and a resolution is adopted to approve the establishment of an Industrial Development District (for a new project) or a Plant Rehabilitation District (for a rehabilitation project). A written request to establish the district must be filed with the clerk of the local unit of government prior to commencement of construction, alteration or installation of equipment.

Once the district is established, the company may apply for an abatement on real and personal property taxes for up to 12 years.

APPLICATION PROCESS

Industrial property tax abatements must be approved at both the local and state levels. The eligible business files an application (Michigan Department of Treasury Form 1012) with the local clerk after the district has been established and no later than six months after commencement of the project. The local unit adopts a

resolution approving the application and determines the length of years for the abatement. After a local public hearing, the application is filed and reviewed by the State Tax Commission (STC) and the Michigan Economic Development CorporationSM (MEDC). The STC then grants final approval applications with required attachments must be received by the STC no later than October 31, in order to receive consideration and action by December 31.

Applications to the STC must include an agreement signed by the local unit and the operator of the facility outlining the conditions of the abatement. This shall include an affidavit that no payment of any kind in excess of the fee allowed under the act has been made or promised in exchange for favorable consideration of exemption application.

Once approved, the firm pays an Industrial Facilities Tax (IFT), instead of property tax, which reflects the abatement savings.

ELIGIBLE FACILITIES

Industrial plants eligible for tax abatement are those 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 are also eligible for exemption.

Research and development laboratories, high-tech facilities and large communication centers can qualify throughout Michigan.

Facilities used for warehousing, distribution or logistics purposes can be eligible if they locate in specific border counties. At least 90 percent of the property, excluding the surrounding green space, must be used for a warehouse, distribution, logistics or communication center and occupy a building or structure that is more than 100,000 square feet. Eligible border counties include

Berrien, Branch, Cass, Chippewa, Dickinson, Gogebic, Hillsdale, Iron, Lenawee, Menominee, Monroe, St. Clair, St. Joseph, and Wayne.

The exemption applies to buildings, building improvements, machinery, equipment, furniture and fixtures. Real and personal property are eligible whether owned or leased (provided the lessee is liable for payment of taxes on the property).

The exemption covers only the specific project that is the subject of the application. Any buildings and equipment that existed prior to construction of a new facility are not exempt. If the project is rehabilitation, the value of any pre-existing obsolete property is exempt from ad valorem property taxes, but will be used as the base for IFT. Similarly, any structures or equipment added after completion of the project are fully taxable.

TAX IMPACT

Real and Non-industrial

Personal Property IFT Treatment

The IFT on a new plant and non-industrial personal property, such as some high-tech personal property, is computed at half the local property tax mileage rate. This amounts to a reduction in property taxes of approximately 50 percent. In addition, the 6-mill SET may be abated 100 percent, 50 percent or not at all. Any SET abatement must be negotiated with the MEDC.

Rehabilitation of Real or

Personal Property IFT Treatment

For an obsolete plant or machinery that is being replaced or restored, the IFT is frozen at the assessed value of the plant prior to improvement. This results in a 100 percent exemption from property tax on the value of the improvements.

Speculative Building IFT Treatment

In order for a speculative building to qualify for abatement, the local unit must approve a resolution declaring it is a speculative building prior to identifying occupants. Initial construction and finishing costs would be eligible for a reduction in property taxes of approximately 50 percent.

Commercial Personal Property Tax Relief

Commercial personal property will receive an automatic reduction of 12 mills for local school on their property tax bill.

Extension Under Personal Property Tax Reform

Personal property abated under PA 198 and eligible in the future for the Personal Property Tax (PPT) exemption will automatically continue to be abated under PA 198 until that property may be claimed as exempt from the PPT in the current tax year. Businesses with IFT until the property becomes eligible for the PPT exemption.

For more information, contact the MEDC customer contact center at 517.373.9808 or visit our website at www.michiganbusiness.org.

Frequently Asked Questions (FAQ)
Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption)
(PA 198 of 1974, as amended)

The following frequently asked questions are being provided as a service to assessors and taxpayers to better inform them about the administration of Public Act 198 of 1974, MCL 207.551 et seq., as amended.

Note: The information contained in these frequently asked questions constitutes an analysis of one or more statutes and not legal advice. Since the analysis is limited to general statutory requirements, individual facts may result in different conclusions being reached. Therefore, individuals may wish to consult legal counsel.

1. What is an Industrial Facilities Exemption?

The Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption) PA 198 of 1974, as amended, provides a tax incentive to 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. An Industrial Development District (IDD) or a Plant Rehabilitation District (PRD) must be created prior to initiating a project so it is essential that you consult with your local assessor before commencing a project. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years as determined by the local unit of government. Applications are filed, reviewed and approved by the local unit of government, but are also subject to review at the State level by the Property Services Division and the Michigan Economic Development Corporation. The State Tax Commission (STC) is ultimately responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the STC.

2. What is the difference between an Industrial Development District and a Plant Rehabilitation District?

The main difference is that an Industrial Development District (IDD) covers only new facility projects and a Plant Rehabilitation District (PRD) is designed primarily for rehabilitation projects and requires a finding that 50% or more of the industrial property within the district is obsolete. (See MCL 207.554(5).) The 50% obsolescence requirement is measured by dividing the State Equalized Value (SEV) of the obsolete property by the SEV of all the properties in the district and multiplying the result by 100.

3. Should a Plant Rehabilitation District (PRD) include only the project that is currently being rehabilitated?

Yes. A PRD should only include the project that is currently being rehabilitated and requires at least 50% of the properties within the district to be obsolete. This allows future applicants the ability to apply for additional replacement facilities.

In the case of a district which was created many years ago and encompassed many separate buildings, several separate Industrial Facilities Exemption Certificates could have been issued over the years. The result is that when the assessor calculates whether

Frequently Asked Questions (FAQ)
Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption)
(PA 198 of 1974, as amended)

50% of the property in the district is obsolete, there may be so many new and rehabilitated properties that have returned to the ad valorem roll that the 50% obsolescence requirement cannot be met.

4. How do I identify the exact parameter of a project that will be placed within a Plant Rehabilitation District?

The following procedure has been utilized to assist in identifying the exact parameter of the project that is being replaced and the taxable value to be frozen:

- a. Designate a PRD with a legal description that specifically matches the description of the replacement portion or project to be rehabilitated in the application. The legal description of the district will encompass only the building or portion of the building or machinery and equipment that is being rehabilitated.

If the PRD includes more than the property currently being rehabilitated, an exemption certificate may be granted in the future to additional properties within the district even though the local unit objects to it.

- b. Request that the assessor provide the Taxable Value (TV) of all the real and/or personal property contained within the boundaries of the specifically described PRD. This figure becomes the frozen TV of the facility.

It has been the practice of the State Tax Commission (STC) to request that the SEV/TV of the entire PRD for a rehabilitation project be frozen. Many of the early applications involved projects in large established PRD districts where the SEVs of the entire PRD were later found to include additional buildings/personal property that were contained within the district and frozen but were not being rehabilitated at the time of the application. This was at times found to be detrimental to both the company and the local units. The detriment for companies was that there was no allowance on frozen assessments for the depreciation of buildings and equipment. In order to correct the frozen assessment, the company would have to request revocation of the certificate.

5. Can a request to establish an Industrial Development District or a Plant Rehabilitation District be denied?

Yes. A local governmental unit may approve or deny a request to establish a district.. Once a district is established, a local unit cannot stop an application within the established district from being submitted, acted upon and given the full right to the appeal process.

Frequently Asked Questions (FAQ)
Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption)
(PA 198 of 1974, as amended)

6. Is there a procedure for dissolving an Industrial Development District or a Plant Rehabilitation District?

Yes. Guidelines for the dissolving of a district can be found in MCL 207.554(8), which states the following:

“A local governmental unit, by resolution of its legislative body, may terminate a plant rehabilitation district or an industrial development district, if there are no industrial facility exemption certificates in effect in the plant rehabilitation district or the industrial development district on the date of the resolution to terminate.”

7. How do I apply for an Industrial Facilities Exemption Certificate?

An application for *Industrial Facilities Exemption Certificate* (Form 1012) can be found at the Michigan Department of Treasury website:

www.michigan.gov/propertytaxexemptions.

File two copies of the completed application and all attachments with the clerk of the local governmental unit where the facility is located. You must meet the following qualifications of the Act:

- a. The facility must be located within an established Industrial Development or Plant Rehabilitation District;
- b. The applicant is a qualifying business as outlined in MCL 207.552; and
- c. The application for the exemption can be prefiled but must be filed within six months of the commencement of the improvements.

8. Are there provisions in the application process that are time sensitive?

Yes. There are several provisions which cause the application process to be time-sensitive.

MCL 207.553(8)(b) provides that a speculative building must be one that is constructed before a specific user is identified.

MCL 207.554(3) requires that the request for the establishment of a proposed Plant Rehabilitation District (PRD) or Industrial Development District (IDD) must be made prior to the start of construction of the property for which exemption is being sought.

MCL 207.554(4) requires that before adopting a resolution establishing a PRD or IDD the legislative body shall give written notice by certified mail to the owners

Frequently Asked Questions (FAQ)
Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption)
(PA 198 of 1974, as amended)

of all real property within the proposed PRD or IDD, hold a public hearing on the proposed establishment, and grant a right to appear and be heard regarding same.

MCL 207.554(9) provides that *before* acting on a proposed resolution terminating a PRD or IDD, the local unit shall give at least 14 days written notice by certified mail to owners of all real property within the PRD or IDD and hold a hearing at which those owners have a right to appear and be heard.

MCL 207.555(2) requires that *before* acting upon an application, the legislative body of the local governmental unit shall afford the applicant, the assessor and a representative of the affected taxing units an opportunity for a hearing.

MCL 207.556 requires that no more than 60 days after the clerk's receipt of the application, the legislative body of the local governmental unit shall, by resolution, either approve or disapprove the application. Further, the clerk shall forward the approved application to the commission within 60 days of that approval or before October 31 of that year, whichever is first. In the case of a disapproval of the application, the applicant has 10 days after the date of the disapproval to appeal to the commission.

MCL 207.559(2) requires that the start of construction of the facility cannot occur more than 6 months before the filing of the application for the Industrial Facilities Exemption Certificate with the clerk of the local unit of government.

State Tax Commission Rule No. 57 states that a complete application (with all required attachments) received by the State Tax Commission on or before October 31 will be acted on by the Commission before December 31 of that year. Applications received after October 31 will be processed contingent upon staff availability.

9. Can an application for an Industrial Facilities exemption Certificate be denied?

Yes. An application can be denied by the local governmental unit or by the State Tax Commission if all the requirements are not met by the applicant.

10. Can a decision of the State Tax Commission regarding an industrial facilities Exemption Certificate be appealed?

Yes. MCL 207.570 states as follows:

“A party aggrieved by the issuance or refusal to issue, revocation, transfer, or modification of an industrial facilities exemption certificate may appeal from the finding and order of the commission in the manner and form and within the time provided by Act No. 306 of the Public Acts of 1969, as amended.”

Frequently Asked Questions (FAQ)
Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption)
(PA 198 of 1974, as amended)

PA 306 of 1969, also known as the Administrative Procedures Act (APA) provides for an appeal to the circuit court within 60 days of the date the STC denies the application for an IFEC. (See MCL 24.301 through MCL 24.306.)

11. Is it possible for an Industrial Facilities Exemption Certificate to remain in effect for more than 12 years?

Yes. The local unit determines the number of years granted for an exemption request. The number of years can be anywhere from 1 to 12 years with the exception discussed below for the period of construction. If the local unit decides to grant exactly 12 years, it should state this in the resolution, as discussed below in Example #1. If the local unit chooses to grant the application for a period of time greater than 12 years, (*i.e.*, 1-2 years as partially complete and 12 years as fully completed), the local unit should use the language discussed in Example #2 below to accomplish this.

Example #1: If the resolution states “12 years,” the ending date of the certificate will be 12 years added to the tax day on which the exemption becomes effective.

Example #2: If the resolution states “12 years after completion,” the ending date of the certificate will be 12 years added to up to 2 years of construction time. This would allow up to a 14-year exemption period. This could be further extended if an extension of time is granted as provided by STC Rule No. 53.

12. What determines the starting date of an Industrial Facilities Exemption Certificate (IFEC)?

The starting date of the term of an IFEC is December 31st of the year the certificate is issued by the State Tax Commission (STC). [Example: a certificate issued on November 12, 2018 would have a start date of December 31, 2018.]

13. Why is a certificate sometimes issued by the State Tax Commission (STC) for a longer period of time than what was approved by the local unit?

There may be a variance due to the local unit’s resolution stating the number of years as “after completion.” The resolution may be corrected any time prior to being submitted to the STC for issuance of the certificate. After issuance, no corrections are allowed except in the case of an extension of time to complete, as provided by STC Rule No. 53.

Frequently Asked Questions (FAQ)
Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption)
(PA 198 of 1974, as amended)

14. Can the ending date of an Industrial Facilities Exemption Certificate be changed after it is issued by the State Tax Commission (STC)?

Yes. The statute calls for the certificate to be issued by the local unit for the number of years it designates. The ending date is determined by the language in the resolution. Once the certificate is issued, the ending date can only be changed when one of the following applies:

- a. STC Rule No. 53, which provides for an extension of time to complete the project.
- b. MCL 207.557a which applies to facilities that exceed \$150,000,000 of State Equalized Value (SEV).
- c. MCL 207.566a which applies to certificates issued after December 31, 1995, for which the exemption period is shorter than the maximum allowed under MCL 207.566.

15. Can the duration of an Industrial Facilities Exemption Certificate (IFEC) be extended?

An IFEC can be approved for a maximum of 12 years. Local units may grant less than the 12-year maximum term when granting exemptions based on criteria they have adopted. (See MCL 207.566a.) Some local units allow extensions beyond the original term granted and some do not. A local unit may state in its original resolution the number of years being granted and include an extension provision which contains the criteria to be used to determine whether someone qualifies for an extension. This could be done at the start of the exemption process.

16. How is the tax computed for a new facility?

Real Property

MCL 207.564(3) states that the tax computation for new facility real property is determined by multiplying the Taxable Value (TV) of the facility by $\frac{1}{2}$ of the total mills other than the State Education Tax (SET) mills levied as ad valorem taxes for that year by all of the taxing units where the property is located plus the total SET mills, unless receiving a 100% or 50% abatement from the State Treasurer under MCL 207.564a.

Personal Property Sited on Real Property Classified as Industrial Real Property

MCL 207.564(4) states that the tax computation for new facility personal property sited on real property classified as industrial real property is determined by multiplying the TV of the facility by $\frac{1}{2}$ of the total mills other than the local school district (LSD) Operating mills and SET mills levied as ad valorem tax for that year by all of the taxing units where the property is located, plus $\frac{1}{2}$ of the Hold-Harmless mills.

Frequently Asked Questions (FAQ)
Plant Rehabilitation and Industrial Development Act (Industrial Facilities Exemption)
(PA 198 of 1974, as amended)

Personal Property Sited on Real Property Classified as Commercial Real Property

MCL 207.564(4) states that the tax computation for new facility personal property sited on real property classified as commercial real property is determined by multiplying the TV of the facility by $\frac{1}{2}$ of the total mills (including SET mills) other than the LSD Operating mills levied as ad valorem tax for that year by all of the taxing units where the property is located, plus $\frac{1}{2}$ of the sum of LSD Operating mills minus 12 mills, plus $\frac{1}{2}$ of the Hold-Harmless mills.

Personal Property Sited on Real Property Not Classified as Industrial or Commercial Real Property

MCL 207.564(3) states that the tax computation for new facility personal property sited on real property not classified as industrial or commercial real property is determined by multiplying the TV of the facility by $\frac{1}{2}$ of the total mills other than the SET mills levied as ad valorem tax for that year by all of the taxing units where the property is located plus the total SET mills unless receiving a 100% or 50% abatement from the State Treasurer under MCL 207.564a.

A parcel of property holding a new Industrial Facilities Exemption Certificate (IFEC) will have two assessments: the land will be addressed on the regular (ad valorem) assessment roll that the assessor has turned over to the March Board of Review and the building, land improvements and personal property (pertaining to the same certificate) will have an assessment on the Industrial Facility Tax tax roll.

MCL 207.553(11) requires the assessor to calculate a Capped Value and a Taxable Value for the building and land improvements of a parcel of real property holding a new IFEC.

Taxes on a property holding a new certificate shall be levied against the TV of the property, not the SEV. The TV of real property which has a new certificate is calculated the same way that TV is calculated for the non-IFT, ad valorem assessment roll.

The property's land assessment on the ad valorem roll may be adjusted by the March Board of Review. The IFT tax roll assessment of a new IFEC may also be adjusted by the March Board of Review.

17. How is the tax computed for a “replacement facility”?

MCL 207.564(1) states that the tax computation for a replacement facility is determined by multiplying the total mills levied as ad valorem taxes by the Taxable Value (TV) of the real and/or personal component of the obsolete industrial property for the tax year immediately preceding the effective date of the certificate.

A parcel of property holding a “rehabilitation” Industrial Facilities Exemption Certificate will have two assessments. The land will be assessed on the regular (ad valorem) assessment roll that the assessor has turned over to the March Board of Review. The building, land improvements and personal property (pertaining to the same certificate)

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will have an assessment on the Industrial Facility Tax (IFT) tax roll. The taxes on properties holding a “rehabilitation” or “replacement” certificate shall be levied against TV.

The TV of a property on the IFT tax roll with a “rehabilitation” or “replacement” certificate is the amount of the TV of the real and/or personal property for the tax year immediately preceding the effective date of the certificate. That amount is frozen until the exemption certificate expires.

The TV of a property on the IFT tax roll with a “rehabilitation” or “replacement” certificate which began PRIOR to 1995 will still be the same as the frozen SEV for the property until the exemption certificate expires. The TV of a property covered by a rehabilitation or replacement certificate which began in 1995 or AFTER will be the same as the frozen TV for the property until the exemption certificate expires.

The property’s land assessment on the ad valorem roll may be adjusted by the March Board of Review. The IFT tax roll assessment of a property with a rehabilitation or replacement certificate cannot have its assessment altered by the Board of Review during the term of the certificate.

18. Can a 1% Administration Fee be added to an Industrial Facility Tax (IFT) tax roll?

Yes. Per MCL 207.561(11)(1), the 1% Administration Fee can be added to an IFT tax roll.

19. Why are the dollar amounts on some Industrial Facilities Exemption Certificates (IFEC) different from what was applied for?

If the dollar amounts on a certificate are different from what was applied for, it may have been changed by Property Services Division (PSD) staff due to one of the following reasons:

- a. The application was filed more than 6 months after the start of construction of real property or the start of installation of personal property. See also Question #7.
- b. Some of the equipment was existing equipment which is ineligible for exemption as new property. See also Question #20.
- c. Used equipment was purchased from another manufacturing company, not from a broker of used equipment. See also Question #20.
- d. The application involves leased property, but the property tax liability is not held by the applicant. In other words, the applicant is not responsible for direct payment of taxes to the local unit. See MCL 207.552(6).

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- e. The real property investment cost listed within box 6a of the application includes the purchase price of the land. See also Question #33.

20. What happens when an incomplete application for an Industrial Facilities Exemption Certificate (IFEC) is received?

The applicant will be contacted by letter regarding the incomplete application and the applicant must submit a completed application with the required documents within 30 days. If the required documents are not submitted within 30 days, the application may be dismissed as inactive.

21. What types of equipment qualify as new industrial property as defined in MCL 207.552(4)?

The State Tax Commission (STC) has interpreted the term “new industrial property” to mean new to the tax base in Michigan. Following this interpretation, the following would be considered new industrial property:

- a. New equipment purchased from an equipment manufacturer.
- b. Used equipment never before located in Michigan.
- c. Used equipment purchased from a broker of used equipment with the rationale that because the prior owner is a broker, the equipment has lost its status as existing equipment in Michigan as it has become inventory.

The following would not qualify as new industrial property:

- a. Existing equipment already in the possession of the applicant.
- b. Existing equipment in the possession of another Michigan company.

22. Can an application for an Industrial Facilities Exemption Certificate (IFEC) include equipment/devices which are also going to be submitted for an Air or Water Pollution Control Exemption?

Yes. It is recommended that all new equipment and machinery be included in the IFEC application so that the equipment and machinery meet the timeline requirements of PA 198 of 1974, as amended. The same equipment can then also be submitted for an Air or Water Pollution Control Exemption. If all of the property does not qualify as exempt Air or Water Pollution Control equipment, the remainder may then qualify for the IFEC exemption. Refer to the Air or Water Pollution Control Exemption FAQs for more information.

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23. Can a real property replacement facility include more floor space than the original obsolete facility?

Yes. MCL 207.552(3) states that a replacement facility can consist of either replacement or restoration. MCL 207.553(5) defines “replacement” as:

“...the complete or partial demolition of obsolete industrial property and the complete or partial reconstruction or installation of new property of similar utility.”

“Replacement” usually involves the construction of a new building or a part of a building. “Restoration” is defined in MCL 207.553(6) as:

“... changes to obsolete industrial property other than replacement as may be required to restore the property ... to an economically efficient functional condition.”

When replacement includes additional floor space, it can still be a replacement facility, provided that the building does not exceed the size of the original building by more than 10%. If the replacement building exceeds the size of the original by more than 10%, the additional space must be treated as a new facility. The tax on a new facility is calculated differently from the tax on a replacement facility.¹ When restoration includes more floor space than the original building, ALL of the additional floor space is treated as a new facility.

24. Why are some projects approved by the State Tax Commission (STC) as new facilities even though they were submitted as rehabilitation facilities?

If an application was submitted as a rehabilitation facility project but was approved as a new facility, it may be due to one of the following reasons:

- a. The description of the investment undertaken did not speak to restoration and/or replacement of a functionally obsolete facility involving major improvements such as roof, windows, plumbing, heating, code compliances, etc.
- b. The Plant Rehabilitation District (PRD) in which the project is located no longer qualifies as a PRD because at least 50% of the properties in the district are no longer obsolete. Therefore, only new facilities can be located within the district.
- c. The district established was an Industrial Development District (IDD) in which only new projects are allowed, not a PRD.

¹ See MCL 207.564 regarding the calculation of the industrial facility tax for new and replacement facilities.

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- d. The local unit's resolution approving the request approved a new facility project, not a rehabilitation project.

25. Can leased equipment qualify for an Industrial Facilities Exemption Certificate?

Yes, under the following conditions:

- 1. The length of the lease must be as long as or longer than the length of the certificate to be granted.
- 2. The lessee must have the tax liability for the length of the certificate to be granted. (Any indication that the taxes are being paid "as additional rent" is not acceptable.)

26. Can an Industrial Facilities Exemption Certificate (IFEC) be transferred to a new owner?

Yes. MCL 207.571 states as follows:

"An industrial facilities exemption certificate may be transferred and assigned by the holder of the industrial facilities exemption certificate to a new owner or lessee of the facility but only with the approval of the local governmental unit and the commission after application by the new owner or lessee, and notice and hearing in the same manner as provided under section 5 for the application for a certificate."

Once the application for transfer has been presented to the local unit, they must review the application and issue a decision after a review of the prerequisites and qualifications contained in MCL 207.559. If the local unit denies the application, the applicant may appeal to the State Tax Commission (STC), pursuant to MCL 207.556. If the local unit approves the application, the STC must make a decision pursuant to MCL 207.557. If the local unit disapproves the application and the taxpayer files an appeal with the STC within 10 days, the STC shall review the facility to determine if it meets the qualifications in MCL 207.559. If the STC denies the approval, the applicant may appeal pursuant to the Administrative Procedures Act (APA).

The STC has allowed a shortened procedure for transfers when they involve a name change only. This is the case when the ownership remains exactly the same and the activity at the facility remains the same. The only change is in the name of the company. Certain mergers and restructuring may also qualify for this shortened procedure. Please contact the Tax Exemption Section at (517) 335-7491 with questions regarding transfers involving a name change, mergers, and restructurings.

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- 27. Company “A” has an Industrial Facilities Exemption Certificate that was issued a year ago. They have purchased new equipment that qualified for exemption. Is it more advantageous to add this new equipment to the existing Exemption Certificate or apply for a new exemption certificate for this equipment?**

As long as the new equipment is purchased within the two-year post construction period from the effective date of the original issuance of the certificate, the equipment may be added by amending the existing certificate. If the new equipment purchase is closer to the end of the two-year post construction period from the effective date of the original issuance of the certificate, it may be more advantageous to apply for a new certificate for this equipment thereby attaining a greater number of years of exemption than could be gained by an amendment.

- 28. Is there a limit on the amount of time that an applicant can take to complete a project?**

Yes. MCL 207.565 states that a certificate can be revoked if the project has not been completed in a two-year time period from the issuance of the certificate. STC Rule No. 53 allows for a one-year extension of time to complete a project. If a resolution is received by the State Tax Commission (STC) and it does not specifically state that the local unit is granting a three-year construction completion period, the assumption is made that the local unit is only granting a two-year construction completion period. Companies may obtain a third year to complete construction through a resolution by the local governmental unit granting a one-year extension of time as outlined in STC Rule No. 53. Upon receipt of a request for an extension, the local unit may: (a) deny the request; (b) approve the request with no change in the ending date of the certificate issued; or (c) approve the extension of time for the completion of the project and a revised ending date on the certificate. Depending upon the outcome at the local level, the request for an extension of time for the completion of a project shall be filed with the commission by the certificate holder and shall be accompanied by a resolution of approval adopted by the local governmental unit. Please see MCL 207.557a for the construction period of a facility whose cost will exceed \$150,000,000 of state equalized value.

- 29. What happens when the cost or the size of the project turns out to be greater than what was stated on the original application?**

The Property Services Division (PSD) staff distinguishes between an increase in costs versus an amendment to the project. For example, if the original application listed 10 computers at a total cost of \$20,000, but it turns out that the 10 computers cost a total of \$25,000 that is an increase in costs. However, if the original application listed 10 computers at a total cost of \$20,000 but it turn out that 20 computers were purchased at a total cost of \$40,000, that is determined to be an amendment.

If there is an increase in costs of the project that exceeds the original approved amount by 10% or less, it is not necessary for the local unit to approve the new amount. If the

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increase is greater than 10%, the procedures in STC Rule No. 54 must be followed. STC Rule No. 54 states that the certificate holder shall request that the local governmental unit approve the revised cost if greater than 10% over the original approved amount. If the local unit approves the revised cost, the holder of the certificate shall request that the commission issue a revised certificate. The request shall be accompanied by a copy of the resolution of approval adopted by the local governmental unit.

When additional real and/or personal property components are added, an amendment to the project has occurred, and regardless of the dollar amount of the additional property, it must be approved at the local level and ultimately by the STC.

30. Can an Industrial Facilities Exemption Certificate (IFEC) be revoked? If yes, who holds the authority to do so?

Yes. MCL 207.565 provides for the revocation of an IFEC. MCL 207.565(1) addresses requests for revocations initiated by the holder of the certificate. MCL 207.565(2) addresses requests for revocation initiated by the local governmental unit and includes specific reasons why a certificate may be revoked. In either case, only the State Tax Commission (STC) has the authority to revoke a certificate.

A party aggrieved by a revocation by the STC may appeal the revocation under the provisions of the Administrative Procedures Act (APA). The APA provides that a request for a rehearing of an STC decision should be filed, in writing, within 60 days from the date the STC mailed the notice of revocation.

In a related matter, MCL 207.563(2) provides for automatic termination of an IFEC when the Industrial Facility Tax on real property has not been paid. Please see MCL 207.563 for the procedure to be followed.

31. When does the revocation of an Industrial Facilities Exemption Certificate (IFEC) take effect?

The revocation of an IFEC is effective the December 31st of the year in which the State Tax Commission (STC) revoked the certificate.

32. If a company announces that it will cease operations in the coming year, will the State Tax Commission approve the revocation of that company's Industrial Facilities Exemption Certificate (IFEC) for the tax day prior to the actual cessation of operations?

No. It has been the State Tax Commission's past practice, that an IFEC could not be revoked as of December 31, 2018 even though it was announced during 2018 that operations would cease as of February of 2019.

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33. Is there a limit to the application fee that may be charged by a local unit of government for the cost of processing the application for an Industrial Facilities Exemption Certificate (IFEC)?

Yes. MCL 207.555(3) specifically limits the amount of an exemption certificate application fee that may be charged by a unit of local government to the lesser of the actual cost of processing the application or 2% of total property taxes abated during the term that the exemption certificate is in effect and specifically prohibits local units of government from charging applicants any other fee.

Local units may not require, as a condition precedent to approving an IFEC application, that applicants make or promise to make payments to the local unit. Whether referred to as fees, payments in lieu of taxes, donations, or another name, such payments are contrary to the legislative intent of PA 198 of 1974. [See STC Bulletin 3 of 1998, at www.michigan.gov/propertytaxexemptions].

34. What is the definition of “Industrial Property”?

MCL 207.552(6) defines “Industrial Property” 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, the primary purpose and use of which is:

- a. the engaging in a high-technology activity;
- b. operation of a strategic response center;
- c. operation of a motorsports entertainment complex;
- d. operation of a logistical optimization center;
- e. operation of a qualified commercial activity;
- f. operation of a major distribution or logistics facility;
- g. the manufacture of goods or materials;
- h. creation of synthesis of biodiesel fuel;

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- i. the processing of goods and materials by physical or chemical change²;
- j. property acquired, constructed, altered, or installed due to the passage of Proposal A in 1976;
- k. the operation of a hydroelectric dam by a private company other than a public utility;
- l. agricultural processing facilities;
- m. facilities related to a manufacturing operation under the same ownership, including but not limited to, office, engineering, research and development, warehousing, or parts distribution facilities;
- n. research and development laboratories of companies other than those companies that manufacture the products developed from their research activities;
- o. research development laboratories of a manufacturing company that are related to the products of the company;
- p. an electric generating plant that is not owned by a local unit of government, including, but not limited to, an electric generating plant fueled by biomass, if the application is approved by the legislative body of a local governmental unit between June 30, 1999 and December 31, 2007;
- q. convention and trade centers in which construction begins not later than December 31, 2010 and is over 250,000 square feet in size or, if located in a county with a population of more than 750,000 and less than 1,100,000 is over 100,000 square feet in size or, if located in a county with a population of more than 26,000 and less than 28,000, is over 30,000 square feet in size;
- r. a federal reserve bank operating under 12 USC 341, located in a city with a population of 750,000 or more.

² “Manufacture of goods or materials” or “processing of goods or materials” means any type of operation that would be conducted by any entity included in the classifications provided by Section 31-33 – Manufacturing, of the North American Industry Classification System – United States (1997), published by the Office of Management and Budget, regardless of whether the entity conducting that operation is included in that manual.

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Note: Industrial property may be owned or leased. However, in the case of leased property, the lessee must be liable for payment of ad valorem property taxes and shall furnish proof of the liability.

Industrial property does not include any of the following:

- a. land;
- b. property of a public utility other than an electric generating plant that is not owned by a local unit of government for which an application was approved by the legislative body of a local governmental unit between June 30, 1999 and December 31, 2007;
or
- c. inventory.

35. What is the definition of “high-technology activity”?

Section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803 defines “high-technology” as:

- i. Advanced computing, which is any technology used in the design and development of any of the following:
 - 1. Computer hardware and software.
 - 2. Data communications.
 - 3. Information technologies.
- ii. Advanced materials, which are materials with engineered properties created through the development of specialized process and synthesis technology.
- iii. Biotechnology, which is any technology that uses living organisms, cells, macromolecules, microorganisms, or substances from living organisms to make or modify a product, improve plants or animals, or develop microorganisms for useful purposes. Biotechnology does not include human cloning as defined in section 16274 of the public health code, 1978 PA 368, MCL 333.16274, or stem cell research with embryonic tissue.
- iv. Electronic device technology, which is any technology that involves microelectronics, semiconductors, electronic equipment, and instrumentation, radio frequency, microwave, and millimeter electronics, and optical and optic-electrical devices, or data and digital communications and imaging devices.

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- v. Engineering or laboratory testing related to the development of a product.
- vi. Technology that assists in the assessment or prevention of threats or damage to human health or the environment, including, but not limited to, environmental cleanup technology, pollution prevention technology, or development of alternative energy sources.
- vii. Medical device technology, which is any technology that involves medical equipment or products other than a pharmaceutical product that has therapeutic or diagnostic value and is regulated.
- viii. Product research and development.
- ix. Advanced vehicles technology that is any technology that involves electric vehicles, hybrid vehicles, or alternative fuel vehicles, or components used in the construction of electric vehicles, hybrid vehicles, or alternative fuel vehicles. For purposes of this act:
 - 1. "Electric vehicle" means a road vehicle that draws propulsion energy only from an on-board source of electrical energy.
 - 2. "Hybrid vehicle" means a road vehicle that can draw propulsion energy from both a consumable fuel and a rechargeable energy storage system.

36. What is the definition of “obsolescence”?

The assessor must make a recommendation to the local governing unit that 50% or more of the property to be contained in a Plant Rehabilitation District (PRD) is obsolete. “Obsolete industrial property” is defined in MCL 207.552(7) as:

“... industrial property the condition of which is substantially less than an economically efficient functional condition.”

“Economically efficient functional condition” is further defined in MCL 207.552(8) as:

“... a state or condition of property the desirability and usefulness of which is not impaired due to changes in design, construction, technology, or improved production processes, or from external influencing factors which make the property less desirable and valuable for continued use.”

The following are examples of the restoration of obsolete industrial property from MCL 207.553(6):

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Restoration includes major renovation including but not necessarily limited to the improvement of floor loads, correction of deficient or excessive height, new or improved building equipment, including heating, ventilation, and lighting, reducing multistory facilities to 1 or 2 stories, improved structural support including foundations, improved roof structure and cover, floor replacement, improved wall placement, improved exterior and interior appearance of buildings, improvements or modifications of machinery and equipment to improve efficiency, decrease operating costs, or to increase productive capacity, and other physical changes as may be required to restore the industrial property to an economically efficient functional condition, and shall include land and building improvements and other tangible personal property incident to the improvements.

When the planned improvements are less than 10% of the true cash value of the industrial property, the improvements are considered delayed maintenance and not considered restoration. (MCL 207.553(6).)

37. What are some of the special provisions that apply to speculative buildings?

MCL 207.553(8) defines a “speculative building” as:

“Speculative Building means a new building that meets all of the following criteria and the machinery, equipment, furniture, and fixtures located in the new building:

- a. the building is owned by or approved as a speculative building by resolution of a local governmental unit in which the building is located or the building is owned by a development organization and located in the district of the development organization.
- b. the building is constructed for the purpose of providing a manufacturing facility before the identification of a specific user of that building.
- c. the building does not qualify as a replacement facility.”

Subsection 8(b) requires that a speculative building be constructed before a specific user is identified. This law does not require that a building be approved by the local governmental unit before identification of the specific user.

The following are additional requirements specific to speculative buildings:

- a. that the speculative building was constructed less than 9 years before the filing of the exemption certificate.

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- b. that the speculative building has not been occupied since the completion of construction.

Important note: It is sometimes advantageous to divide a speculative building into several smaller units rather than having the entire building as one unit. (*e.g.*, if a 50,000 square foot building is designed to be occupied by 5 separate users, but it is only approved as a single speculative building, after the first user takes occupancy, the building may no longer qualify as speculative for future occupants because it may no longer qualify under paragraph b, above.)

38. Where can I find information regarding the Industrial Facilities Exemption Certificate (IFEC) application process?

Application instructions, sample documents, and a checklist regarding the IFEC application process can be found on the Department of Treasury website at: www.michigan.gov/propertytaxexemptions.

39. Where can I obtain copies of previously issued Industrial Facilities Exemption Certificates?

Copies of certificates acted upon by the State Tax Commission after January 1, 2013, are available on the Department of Treasury website at: www.michigan.gov/propertytaxexemptions Choose the exemption program under which the certificate was issued. Within the “Certificate Activity” link, the certificates are listed according to the date they were acted upon.

40. Where can I check on the status of an Industrial Facilities Exemption application?

The status of an application is available through a search tool on the Department of Treasury website at: www.michigan.gov/propertytaxexemptions . Choose the Industrial Facilities Exemption (IFE) program. Then select the Industrial Facilities Application/Certificate Search link.