



CITY COUNCIL AGENDA ITEM

Date: August 29, 2011

To: John Szerlag, City Manager

From: Nino Licari, City Assessor

Subject: Public Hearing for the establishment of an Industrial Development District (IDD) for Inteva Products, LLC – 1401 Crooks

Background:

Inteva Products, LLC, is expanding their product line, in Troy at 1401 Crooks. As part of their expansion, they intend to purchase machinery and equipment valued at \$3,000,000. They will also add 35 new jobs to the 184 existing jobs they have in Troy. They are asking for Personal Property Tax Abatement, which they qualify for under City Council Policy Resolution #2010-08-173 (attached).

The Industrial Facility Exemption Certificate (IFEC) would be for six (6) years.

In order to grant the IFEC, an Industrial Development District must first be established, as the City Council has not designated all non-residential areas to be IDD's. This is the reason for the back to back Public Hearings.

Financial Considerations:

The projected amount of the investment is \$3,000,000. Over the six (6) year life of the abatement, the estimated total taxes would be \$113,302.31, of which \$35,733.86 would be City Taxes.

A 50% abatement amounts to a total savings to the taxpayer of \$56,651.15, of which \$17,866.93 would be abated City taxes.

Legal Considerations:

The application meets all requirements of Public Act 198 of 1974 (as amended), the Plant Rehabilitation and Industrial Development Districts legislation.



CITY COUNCIL AGENDA ITEM

Policy Considerations:

The application is in compliance with City Council Tax Abatement Policy Resolution #2010-08-173.

City Council goal II, "Retain and attract investment while encouraging redevelopment" is met with this application.

Recommendation:

Since both legal and policy considerations are met, staff would recommend establishing the district, and granting the tax abatement for the subsequent Public Hearing.

Options:

City Council may establish the IDD (and approve the tax abatement). Or, City Council may choose to not establish a district at this site. In which case, the Council must then deny any tax abatement.

NI/nl H:IFT\Inteva\Memo IDD 08.29.11

Application for Industrial Facilities Tax Exemption Certificate

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

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date received by Local Unit 06/27/11
STC Use Only	
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) INTEVA PRODUCTS LLC		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 336399	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1401 CROOKS ROAD, TROY, MI 48084		1d. City/Township/Village (indicate which) CITY OF TROY	1e. County OAKLAND
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))		3a. School District where facility is located TROY	3b. School Code 63150
		4. Amount of years requested for exemption (1-12 Years) 12 (Qualify for 6 Years) NL	

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.

INSTALLATION OF LABORATORY & TESTING EQUIPMENT AND MANUFACTURING EQUIPMENT TO SUPPORT OUR NEW PRODUCT LINES AND TEAM MEMBERS.

6a. Cost of land and building improvements (excluding cost of land)	▶ _____ Real Property Costs
* Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	\$3,000,000.00
6b. Cost of machinery, equipment, furniture and fixtures	▶ _____ Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation, plus total	\$3,000,000.00
6c. Total Project Costs	▶ _____ Total of Real & Personal Costs
* Round Costs to Nearest Dollar	

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.

	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>		
Real Property Improvements ▶	_____	_____	▶	<input type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶	7/1/11	6/30/13	▶	<input checked="" type="checkbox"/> Owned <input type="checkbox"/> 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. 184	10. No. of new jobs at this facility expected to create within 2 years of completion. 35
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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:

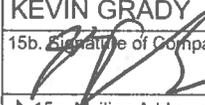
Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit)	12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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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 DHIREIN PATEL	13b. Telephone Number (248) 655-0813	13c. Fax Number (248) 655-8770	13d. E-mail Address dpatel@intevaproducts.com
14a. Name of Contact Person DHIREIN PATEL	14b. Telephone Number (248) 655-0813	14c. Fax Number (248) 655-8770	14d. E-mail Address dpatel@intevaproducts.com
▶ 15a. Name of Company Officer (No Authorized Agents) KEVIN GRADY			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number 248-655-8289	15d. Date 6/7/11
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 1401 CROOKS ROAD, TROY, MI 48084		15f. Telephone Number 248-655-0621	15g. E-mail Address kgrady@intevaproducts.com

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 <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> 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 <input checked="" type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input checked="" type="checkbox"/> 2. Resolution establishing district <input checked="" type="checkbox"/> 3. Resolution approving/denying application. <input checked="" type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input checked="" type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> n/a 6. Building Permit for real improvements if project has already begun <input checked="" type="checkbox"/> 7. Equipment List with dates of beginning of installation <input checked="" type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> n/a 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 <input checked="" type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input checked="" type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input checked="" type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input checked="" type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code 336399	16d. School Code 63150 (Troy Public)
17. Name of Local Government Body City of Troy	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the 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.

19a. Signature of Clerk	19b. Name of Clerk M. Aileen Bittner	19c. E-mail Address BittnerA@TroyMI.Gov
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) 500 W. Big Beaver Troy MI 48084-5254		
19e. Telephone Number 248 524-3316	19f. Fax Number 248 524-1770	

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.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971**

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

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

INTEVA PRODUCTS LLC

APPLICATION FOR INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE

PERSONAL PROPERTY

LAB & TESTING EQUIPMENT

ENVIRONMENTAL CHAMBER INSTALLED NOVEMBER 2012	225,000
AIR COMPRESSOR SYSTEM INSTALLED DECEMBER 2012	75,000

MANUFACTURING EQUIPMENT

COMPOUNDING 95MM TWIN SCREW EXTRUSION MACHINE INSTALLED JANUARY 2013	1,200,000
INJECTION MOLDING MACHINE INSTALLED FEBRUARY 2013	1,200,000
ROBOT INSTALLED MARCH 2013	300,000

TOTAL PROJECT COSTS

3,000,000

Applicant Name Inteva Products LLC

Fiscal Statement (to be completed by local unit)

	<u>YES</u>	<u>NO</u>
Is this project:		
Real Property?	<input type="checkbox"/>	<input type="checkbox"/>
Personal Property?	<input type="checkbox"/>	<input type="checkbox"/>
Both Real and Personal Property - New Facility?	<input type="checkbox"/>	<input type="checkbox"/>
Both Real and Personal Property - Rehabilitation Facility?	<input type="checkbox"/>	<input type="checkbox"/>
Both New and Replacement Facility?	<input type="checkbox"/>	<input type="checkbox"/>

Estimated Project Investment (not assessed value):

Real Property	Personal Property	Total
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	<u>YES</u>	<u>NO</u>	<u>REMARKS</u>
1. A. Has the proper local authority reviewed the plan?	<input type="checkbox"/>	<input type="checkbox"/>	_____
B. Is the project located in a certified industrial park?	<input type="checkbox"/>	<input type="checkbox"/>	_____
C. Is this a renovation or expansion of an existing building?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Will this project require improvement of your road service?	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Will this project require improvement of your sanitary sewer services?	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Will this project require improvement of your storm sewer services?	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Will this project require improvement of your water services?	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Will this project require additional police personnel, police equipment or a need for new police building expansion?	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. Will this project require the need for additional fire personnel, additional or specialized fire equipment or the need for a new fire building?	<input type="checkbox"/>	<input type="checkbox"/>	_____
8. Will this project require other costs?	<input type="checkbox"/>	<input type="checkbox"/>	_____
9. Are costs of infrastructure elements to be provided through Local Development Finance Authority or Tax Increment Finance Authority Bonds?	<input type="checkbox"/>	<input type="checkbox"/>	_____

If you answered yes to any of questions 2 through 8, the appropriate sections of the Supplement to Fiscal Statement form must be completed and accompany the IFT application. Call (517) 373-3272 to obtain that form.

LOCAL UNIT CERTIFICATION

This is to certify that the following has been provided as accurately as possible.

Signature	Name and Title of Local Governmental Unit Official
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June 13, 2011

City Council
City of Troy
500 W. Big Beaver Rd
Troy, MI 48084

Attn: Mr. Leger A. (Nino) Licari
Assessor, City of Troy

RE: Inteva Products, LLC (Inteva)

Dear Council Members:

Inteva respectfully requests that the City Council of the City of Troy establish an industrial Development District (IDD) at 1401 Crooks, Troy, so that we may apply for industrial personal property tax abatement.

Should you have any questions, please call Dhirein Patel, Tax Manager, at 248-655-0813.

Sincerely,

A handwritten signature in black ink, appearing to be 'K. Grady', written over a horizontal line.

Kevin Grady
Vice President & CFO

RECEIVED

JUN 15 2011

**CITY OF TROY
ASSESSING DEPT.**

Inteva Products LLC
1401 Crooks
88-20-32-226-037



400 0 244 400 E-4



City of Troy – Assessing Department

Industrial Development District (IDD) – Industrial Facilities Exemption Certificate (IFEC)

LEGAL DESCRIPTION

Inteva Products LLC
88-20-32-226-037
1401 Crooks
Troy, MI. 48084-7155

T2N, R11E, SEC 32
PART OF NE 1/4
BEG AT PT DIST
S 00-20-48 W 417.42 FT &
N 89-58-17 W 53 FT
FROM NE SEC COR,
TH S 00-20-48 W 1031.57 FT,
TH N 89-39-12 W 901.20 FT,
TH N 00-20-48 E 529.87 FT,
TH N 89-39-12 W 6.00 FT,
TH N 00-20-48 E 150 FT,
TH S 89-39-12 E 27.21 FT,
TH N 00-20-48 E 346.82 FT,
TH S 89-58-17 E 880 FT
TO BEG, ALSO
BEG AT PT DIST
S 00-20-48 W 417.42 FT &
N 89-56-36 W 53 FT &
S 00-20-48 W 1031.60 FT
FROM NE SEC COR,
TH S 00-20-48 W 80 FT,
TH N 89-39-12 W 100 FT,
TH N 82-03-31 W 151.33 FT,
TH N 89-39-12 W 738.49 FT,
TH N 00-20-48 E 60 FT,
TH S 89-39-12 E 988.49 FT
TO BEG EXC
WLY 87.29 FT 22.47 A
8-30-96 FR 035

City of Troy - Assessing Department
Inteva Products LLC - IFT
Estimate of Total Taxes and Tax Savings for IFEC Application

Market Value	3,000,000	2,670,000	2,029,200	1,359,564	815,738	440,499	215,844
50% of Value	1,500,000	1,335,000	1,014,600	679,782	407,869	220,249	107,922
Year		2012	2013	2014	2015	2016	2017
Depreciation		0.8900	0.7600	0.6700	0.6000	0.5400	0.4900
Taxable Value		1,335,000	1,014,600	679,782	407,869	220,249	107,922

Taxes	100% of Millage	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes
Trans	0.59000	\$787.65	\$598.61	\$401.07	\$240.64	\$129.95	\$63.67
County	4.64610	\$6,202.54	\$4,713.93	\$3,158.34	\$1,895.00	\$1,023.30	\$501.42
Zoo	0.10000	\$133.50	\$101.46	\$67.98	\$40.79	\$22.02	\$10.79
Int Schools	3.36900	\$4,497.62	\$3,418.19	\$2,290.19	\$1,374.11	\$742.02	\$363.59
Comm Coll	1.58440	\$2,115.17	\$1,607.53	\$1,077.05	\$646.23	\$348.96	\$170.99
State Ed	0.00000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
School Op	0.00000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Sch Debt	4.70000	\$6,274.50	\$4,768.62	\$3,194.98	\$1,916.99	\$1,035.17	\$507.23
Hold Harmless	5.46080	\$7,290.17	\$5,540.53	\$3,712.15	\$2,227.29	\$1,202.74	\$589.34
Admin	0.14990	\$200.11	\$152.08	\$101.90	\$61.14	\$33.01	\$16.18
City	9.49000	\$12,669.15	\$9,628.55	\$6,451.13	\$3,870.68	\$2,090.17	\$1,024.18
Total	30.09020	\$40,170.41	\$30,529.51	\$20,454.77	\$12,272.86	\$6,627.35	\$3,247.40

Total Taxes 6 Yrs	\$113,302.31
Total City Taxes 6 Yrs	\$35,733.86

50% Total Taxes 6 Yrs	\$56,651.15	Net Total Taxes Abated
50% Total City Taxes 6 yrs	\$17,866.93	Net Total City Taxes Abated
2% Total City 6 Yrs	\$357.34	Application Fee (2% total city)

Tenant Lease Summary
1401 Troy

DATE: 03/01/11

GENERAL SECTION

PREPARED BY: LM/DB

Tenant Name: Inteva Products, LLC, a Delaware Limited Liability Company

Tenant Address (for Notices): 1401 Crooks Road
Troy, MI 48084
Attn: General Director Manufacturing

Landlord Name: 1401 Troy Associates Limited Partnership

Type of Space: General Office, research, testing, prototyping and warehouse purposes.

Total Square Feet: 125,138 s.f. (Initial Demise Premises - Suite 100)
29,648 s.f. (Expansion Space – Suite 175)
6,020 s.f. (Expansion Space - Outbuilding)
160,806 s.f (New Demised Premises)

Suite #: 100, 175 & Outbuilding

Lease/Amendment #: First Amendment

Lease/Amendment Date: October 28, 2010

Lease Term: One hundred-seven (107) full calendar months

Commencement Date: January 1, 2009

Expiration Date: April 30, 2019

Tenant Improvements: “AS-IS”

Work Stations: See Section 9.

FINANCIAL SUMMARY

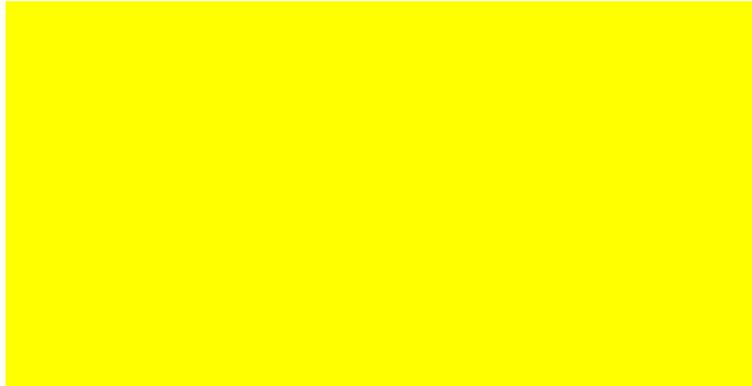
Tenant % for CAM: 73.88%

Based on: 211,639 total building s.f.

Security Deposit:

Basic Rental:

11/01/10-09/30/11
10/01/11-09/30/12
10/01/12-09/30/13
10/01/13-09/30/14
10/01/14-09/30/15
10/01/15-09/30/16
10/01/16-09/30/17
10/01/17-09/30/18
10/01/18-09/30/19



Parking: 250 surface parking spaces on the south and west sides of the Building will be available for Tenant's exclusive use.

Storage: N/A

Percentage Rent: N/A

Base Year: N/A

Base Year Amount: N/A

Free Rent: Tenant's right to abate Basic Rental for the months of January, 2011 (month 25 of the original Lease Term) and January, 2012 (month 37 of the original Lease Term), as set forth in Section 5.1 of the Lease, is null and void and of no further force and effect.

Late Fee: All amounts payable by Tenant to Landlord, if not paid within five (5) business days of when due, shall bear interest from the due date until paid at the lesser of twelve (12%) percent per annum or the maximum lawful rate of interest; additionally, Landlord may charge Tenant a fee equal to the lesser of four percent (4%) of any delinquent payment of Basic Rental or Tenant's Share of Expenses or Taxes or the late fee charged by Landlord's lender to reimburse Landlord for its cost and inconvenience incurred as a consequence of Tenant's delinquency. In no event, however, shall the charges permitted under Section 5.4 or elsewhere in the Lease, to the extent they are considered to be interest under law, exceed the maximum lawful rate of interest.

Tenant Improvement Allowance: Landlord and Tenant acknowledge that the Tenant Improvement Allowance (as described in section 4.3 of the Lease) is, as of the date of this Amendment, equal to [REDACTED] (resulting from a previous balance of [REDACTED] and a 2009 Expenses reconciliation refund of [REDACTED] which Landlord and Tenant hereby agree shall be added to the Tenant Improvement Allowance). Other than this acknowledgement of the amount, the provisions of section 4.3 remain in effect.

Utilities: It is acknowledged and agreed that: (i) in accordance with Section 8.2 of the Lease, Tenant shall pay an equitable amount for Tenant's share of the Building's and the entire Outbuilding's consumption of utilities, and (ii) the terms of Section 8.4 of the Lease with respect to the proration of Common Area Utilities among the Demised Premises (including the Expansion Space) and the adjacent space within the Building shall continue to be applicable.

Property Taxes: Billed monthly thru CAM.

OPTIONS/RIGHTS/OTHER TERMS

Renewal Option: Provided Tenant is not in default of the Lease on the date set for exercise or on the date of commencement for such option term, Landlord grants Tenant the right to extend the Term of the Lease for an additional period of five (5) years. The extended Term shall be on the same terms, covenants, and conditions of the Lease, except that Basic Rental shall be equal to the then current market rate for comparable space in comparable office buildings in Troy, Michigan. Tenant shall exercise its option to renew the Lease by tendering written notice of the same to Landlord not less than two hundred seventy (270) days prior to the expiration of the original Term.

Termination Option: See Section 42 of the Lease for details.

Right of First Offer: N/A

Inteva Products, L.L.C.
March 1, 2011

Signage: Tenant shall have the right, at its sole cost and expense, to have its name on a monument sign on the corner of Equity Drive and Crooks Road, subject to Landlord's and the City of Troy's prior written approval. Landlord shall not place any landscaping or another sign at such corner in a location that will unreasonably interfere with the visibility of Tenant's sign.

cc: D. Etkin
J. Ketai
E. Randolph

I-4 Amending the Personal Property Tax Abatement Policy

Resolution #2010-08-173

Moved by Beltramini

Seconded by Kerwin

WHEREAS, The City of Troy has the economic objective of (a) increasing employment opportunities, (b) diversifying and stabilizing the tax base of the community, (c) reducing economic obsolescence, (d) providing homogenous industrial areas, (e) encouraging expansion, (f) providing for improved public facilities, and (g) encouraging attractive, viable building sites and (h) enhancing our economic development tools to attract and retain businesses; and

WHEREAS, The Industrial Facilities Tax Act (P.A. 1974 No. 198), as amended, empowers cities to establish Industrial Development Districts (IDD) and to grant tax abatements for eligible properties established by the Act;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **ADOPTS** the following minimum criteria, as authorized by the Industrial Facilities Tax Act (P.A. 1974 No. 198):

1. An Industrial Facilities Exemption Certificate (IFEC) tax abatement shall not be granted until there is compliance with MCL 207.559; and
2. Any real and/or personal property tax abatement at a minimum must be revenue neutral to the City of Troy.
3. Leasehold property shall not qualify for an IFEC tax abatement unless applicant is responsible for payment of the property taxes, and can demonstrate timely payment of property taxes upon the City's request; and
4. An IFEC tax abatement shall not be issued for a period or term exceeding 12 years; and
5. An IFEC tax abatement shall not be issued unless an Applicant will create more than 10 jobs and/or has a personal property investment of at least \$750,000.00, and/or owns the underlying real property or has a lease for the underlying property for a minimum term of 5 years, as long as two of the three criteria are satisfied.

BE IT FURTHER RESOLVED, That Troy City Council hereby **APPROVES** the use of the following matrix to calculate the length of an IFEC tax abatement, where the increase in the number of jobs created will increase the term of the IFEC abatement, and similarly the increase in the personal property investment and the ownership/lease conditions on the real property will increase the term of the IFEC abatement:

Tax Abatement Matrix for Real and Personal Property					
Job Creation		Building Terms		RP and/or PP Investment	
10 - 24	1 year	Own	4 years	\$ 750,000	1 year
25 - 49	2 years	Lease		\$ 2,000,000	2 years
50 - 99	3 years	5 year	1 Year	\$ 5,000,000	3 years
100 - 149	4 years	6 - 9 year	2 years	\$ 10,000,000	4 years
150 - 199	5 years	10 + year	4 years	\$ 20,000,000	5 years
200 +	6 years				

BE IT FINALLY RESOLVED, That Troy City Council hereby **AUTHORIZES** the implementation of an application fee equal to 2% of the estimated personal property taxes abated under the terms of the IFEC tax abatement, or the actual costs of processing the application, whichever is less, and the City of Troy will not charge or collect any other fees for the application, in keeping with MCL 207.555 (3).

Yes: Schilling, Beltramini, Fleming, Kerwin, McGinnis, Slater

No: Howrylak

MOTION CARRIED

June 27, 2011

To: State Tax Commission
P. O. Box 30471
Lansing, MI 48909-7971

From: Leger A. (Nino) Licari, City Assessor

Re: Affidavit of Application Fees For IFEC

This affidavit attests to the fact that the City of Troy has charged an application fee in the amount of \$357.34, equal to 2% of the estimated abated City taxes for the life of the exemption for Inteva Products LLC, 1401 Crooks, Troy, MI 48084-7155

Further, no other fee or concession has been charged or accepted in regards to this application, or consideration thereof.

Signed: Leger A. (Nino) Licari, City Assessor

June 27, 2011
Dated:

**CITY OF TROY
INDUSTRIAL FACILITIES EXEMPTION
CERTIFICATE LETTER OF AGREEMENT**

This agreement between **Inteva Procufts LLC**, (“Company”) and the **City of Troy**, is for the purpose of fulfilling the requirements of Public Act 198, as amended in Public Act 334, Section 22.

In consideration of approval of an Industrial Facilities Exemption Certificate (IFEC), **Inteva Procufts LLC**, understands that through its investment of \$3,000,000.00 ~~and its qualification for Michigan Economic Growth Authority incentives~~, and the **City of Troy**, by its investment of the Industrial Facilities Exemption Certificate, are mutually investing in and benefiting from this economic development project, and furthermore, agree to the following:

- 1.) The length of time for which the abatement is approved is **6** years after either completion of construction of the facilities, or December 31, 2019, whichever is sooner.
- 2.) At the end of two (2) years or no later than December 31, 2013, **Inteva Procufts LLC**, will report to the Assessing Department of the City of Troy the actual cost of this project and indicate any differences and the reason for any differences in the cost or scope of the project as compared to the IFEC application submitted by the Company.
- 3.) **Inteva Procufts LLC**, agrees to remain within the City of Troy for the period of the Industrial Facilities Tax (IFT) abatement in order to retain the benefits of the IFT, unless permission for relocation is granted by the **City Council of the City of Troy**.

Inteva Procufts LLC, further understands that if it chooses to leave the City of Troy without permission for relocation prior to the end of the term of the IFT, the **City Council of the City of Troy** has the right to recapture from the Company the total amount of taxes abated by the IFT.

- 4.) **Inteva Procufts LLC**, understands that the City of Troy may reduce the term of the IFEC, revoke the IFEC and/or recover from the Company, the amount of taxes which were abated if the project has not been completed, expenditures made, as represented by the Company, in Section 12’C of its application, by sending a copy of this Agreement along with a copy of the City Council Resolution authorizing such action to the State Tax Commission.

- 5.) **Inteva Procuodts LLC**, agrees that it will operate the Project in accordance with all applicable Federal, State and Local laws or regulations, including but not limited to zoning, outside storage, industrial waste disposal, air and water quality, noise control, other environmental regulations, and all of the terms and conditions of any Consent Judgment governing the parcel.
- 6.) By execution of the Agreement, it is understood that the Company's investment in the Project, and the City of Troy's investment in the granting of the IFEC is to encourage economic growth within the City of Troy.

The City of Troy acknowledges that in some instances economic conditions may prevent the Company from complying fully with this Agreement, and the terms of the Application. The City of Troy will give the Company an opportunity to explain the reasons for any variations from the representations contained in the Application and will evaluate the Company's situation prior to taking any action authorized by Paragraph 4 and 5 of this Letter of Agreement.

- 7.) This Agreement constitutes the entire Agreement between the parties and there are no other remedies for breach of this Agreement other than as specified in this Agreement or as provided for in Public Act 198.

This agreement may only be altered upon mutual consent of both parties.

CITY OF TROY
INDUSTRIAL FACILITIES EXEMPTION
CERTIFICATE LETTER OF AGREEMENT
(Signature page)

Signed: _____ (date) _____

Name:

Title:

Signed: _____ (date) _____
Louise E. Schilling , Mayor
City of Troy
500 W Big Beaver
Troy, MI 48084-5285

Signed: _____ (date) _____
M. Aileen Bittner
Acting City Clerk

CITY OF TROY
PUBLIC HEARING

A Public Hearing will be held by and before the City Council of the City of Troy at City Hall, 500 W. Big Beaver, Troy, Michigan on Monday, August 29, 2011 at 7:30 P.M. to consider the establishment of an Industrial Development District (IDD), the granting of an Industrial Facilities Exemption Certificate (IFEC), for Inteva Products, LLC, at the following location:

88-20-32-226-037 1401 Crooks, Troy, MI. 48084-7155
T2N, R11E, Section 32 part of NE 1/4

You may express your comments regarding this matter by writing to this office, or by attending the Public Hearing.

M. Aileen Bittner, Deputy Clerk
Acting City Clerk

NOTICE: *People with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk by e-mail at clerk@ci.troy.mi.us or by calling (248) 524-3317 at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.*

TROY SCHOOL DISTRICT
MARK RAJTER
4400 LIVERNOIS
TROY MI 48098-4799

OAKLAND COMMUNITY COLLEGE
CLARENCE E BRANTLEY
2480 OPDYKE
BLOOMFIELD HILLS MI 48304-2266

OAKLAND INTERMEDIATE
SCHOOLS
2111 PONTIAC LAKE
WATERFORD MI 48328

OAKLAND COUNTY PTA
1200 N TELEGRAPH Dept 479
PONTIAC MI 48341-0479

OAKLAND COUNTY EQUALIZATION
Attn: DAVID HIEBER
250 ELIZABETH LAKE RD 1000 W
PONTIAC MI 48341

INTEVA PRODUCTS LLC
Attn: DHIREIN PATEL
1401 CROOKS
TROY MI 48084-7155

OAKLAND COUNTY ZOO AUTH
1200 N TELEGRAPH Dept 479
PONTIAC MI 48341-0479

E-01 Establishment of an Industrial Development District (IDD) at 1401 Crooks

Suggested Resolution

Resolution #2011-

Moved by

Seconded by

RESOLVED, That Troy City Council hereby **ESTABLISHES** an Industrial Development District (IDD) for property known as 1401 Crooks, Troy, MI. 48084-7155, Parcel #88-20-32-226-037, in accordance with City Council Policy Resolution #2010-08-173; and

BE IT FINALLY RESOLVED, That Troy City Council hereby **DIRECTS** the City Clerk to forward a copy of this resolution to the State Tax Commission, Treasury Building, P.O. Box 30471, Lansing, MI 48909-7971.

Yes:

No: