



CITY COUNCIL AGENDA ITEM

Date: October 17, 2011

To: John Szerlag, City Manager

From: Nino Licari, City Assessor

Subject: Public Hearing for the granting of an Industrial Facilities Exemption Certificate (IFEC) for Dialogue Marketing, Inc. at 300 E. Big Beaver

Background:

Dialogue Marketing, Inc, is expanding their operations in Troy at 300 E. Big Beaver. As part of their expansion, they intend to purchase machinery and equipment valued at \$2,843,362.00. They will also add 150 new jobs to the 330 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

Financial Considerations:

The projected amount of the investment is \$2,843,362.00. Over the eight (8) year life of the abatement, the estimated total taxes would be \$107,817.06, of which \$34,488.38 would be City Taxes.

A 50% abatement amounts to a total savings to the taxpayer of \$53,908.53, of which \$17,244.19 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;

Attract and retain business investment, including:
Clearly articulate an economic investment plan.
Clarify, reduce and streamline investment hurdles,

Is met with this abatement.

Recommendation:

Since both legal and policy considerations are met, staff would recommend granting the tax abatement.

Options:

City Council may approve the tax abatement. Or, City Council may choose not to grant the abatement. In which case, the Petitioner may appeal that decision to the State Tax Commission (STC).

NI/nl H:IFT\DialogueMktg\Memo IFEC 10.17.11

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, October 17, 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 Dialogue Marketing, at the following location:

88-20-27-126-027 300 E. Big Beaver, Troy, MI. 48083
T2N, R11E, Section 27 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, 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 COUNTY PTA
1200 N TELEGRAPH Dept 479
PONTIAC MI 48341-0479

PLANTE MORAN CRESA
Attn: BENJAMIN R SMITH
26300 NORTHWESTERN HWY
SOUTHFIELD MI 48076

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

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

OAKLAND INTERMEDIATE
SCHOOLS
2111 PONTIAC LAKE
WATERFORD MI 48328

DIALOGUE MARKETING
Attn: PATRICK MURPHY
3252 UNIVERSITY
AUBURN HILLS MI 48326

E - 02 Request for Consideration to Grant an Industrial Facilities Exemption Certificate (IFEC) for Dialogue Marketing, Inc. – 300 E. Big Beaver

Suggested Resolution

Resolution # 2011-

Moved by:

Seconded by:

WHEREAS, After due notice and proper hearing, the City Council of the City of Troy on October 17, 2011, established an Industrial Development District (IDD) for property known as 300 E. Big Beaver, Troy, MI. 48083, Parcel # 88-20-27-126-027; and

WHEREAS, An Application has been submitted by Dialogue Marketing, Inc., for an Industrial Facilities Exemption Certificate (IFEC) for personal property at 300 E. Big Beaver, Troy, MI. 48083, for Eight (8) years; and

WHEREAS, After due and proper notice by the City Clerk, the City Council, on October 17, 2011, held a Public Hearing giving opportunity for comment by all taxing units as to the possibility that the granting of an Industrial Facilities Exemption Certificate (IFEC) for Dialogue Marketing, Inc., at 300 E. Big Beaver, Troy, MI. 48083 may have the effect of substantially impeding the operation of the taxing unit, or impairing the financial soundness of the taxing unit; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Troy, after granting this certificate will not exceed 5% of an amount equal to the sum of the SEV of the City of Troy, plus the SEV of real and personal property thus exempted;

NOW, THEREFORE, BE IT RESOLVED, That Troy City Council has **FOUND THAT THE GRANTING** of an Industrial Facilities Exemption Certificate (IFEC) for Dialogue Marketing, Inc., at 300 E. Big Beaver, Troy, MI. 48083 shall not substantially impede the operation of the City of Troy or the other taxing units, **NOR HAS IT BEEN FOUND THAT THE GRANTING** of the Industrial Facilities Exemption Certificate (IFEC) will impair the financial soundness of the City of Troy, or the other taxing units which levy taxes on said property; and

BE IT FURTHER RESOLVED, That Troy City Council hereby **APPROVES** the application to for an Industrial Facilities Exemption Certificate (IFEC) for Dialogue Marketing, Inc., Inc., at 300 E. Big Beaver, Troy, MI. 48083, Parcel # 88-20-27-126-027, for personal property for a term of eight (8) years, after completion, **CONTINGENT** upon the execution of a Letter of Agreement between the City of Troy and Dialogue Marketing, Inc., and the payment of the fees in accordance with Public Act 198 of 1974, as amended; and

BE IT FURTHER RESOLVED, That the Mayor and City Clerk are **AUTHORIZED TO EXECUTE** the Letter of Agreement between the City of Troy and Dialogue Marketing, Inc., a copy of which shall be **ATTACHED** to the original minutes of this meeting; and

BE IT FINALLY RESOLVED, That the City Clerk is hereby **AUTHORIZED TO COMPLETE** the Application and **TRANSMIT** same to the State Tax Commission, Treasury Building, P.O. Box 30471, Lansing, MI. 48909-7971

Yes:

No: