



## CITY COUNCIL AGENDA ITEM

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Date: November 25, 2013

To: Brian Kischnick, City Manager

From: Tom Darling, Director of Financial Services  
Nino Licari, City Assessor

Subject: Public Hearing for the establishment of an Industrial Development District (IDD) for magna US Holding Inc., 750 Tower, Troy MI 48098

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### **Background:**

Magna US Holding, Inc. is consolidating three divisions at 750 Tower in Troy. They will be retaining 990 jobs and creating 30 additional jobs.

They intend to invest \$6,203,819.09 in new equipment at the location that they have leased for 10 years.

They are applying for the establishment of an Industrial Development District (IDD) at the site so that they are eligible to apply for tax abatement under PA 198, and City Council Policy resolution #2010-08-173.

### **Financial Considerations:**

Based on the length of their lease of the building, the amount of the investment, and the number of jobs they will be creating, they qualify for a 9 year abatement under Council Policy Resolution #2010-08-173.

The \$6,203,819.09 investment would generate approximately \$250,206.00 in total taxes over 9 years, of which \$83,645.32 would be City taxes.

The abatement would therefore save the company \$125,103.00 over its life. The City would realize \$41,822.66 in taxes that it does not currently receive.

### **Legal Considerations:**

The site meets all legal and Policy Resolution criteria necessary for establishing an IDD.



## CITY COUNCIL AGENDA ITEM

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### **Policy Considerations:**

The application is in compliance with City Council Tax Abatement Policy Resolution #2010-08-173, and PA 198.

### **In Addition:**

The Legislature is working on a plan to eliminate Industrial Personal Property completely, by 2022. The phase out would begin in the 2016 fiscal year. Each year's personal property, starting with 2015 purchase and prior, would be dropped off of the roll.

At some point in time there will be no IFT abatements available, as there will be no Industrial Personal Property to abate taxes on.

The Council will have to decide whether it still needs tax abatement as an attraction tool, going forward to 2022, or whether to eliminate the policy in the near future.

### **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 for a district not established (the next Public Hearing on your Agenda). The company would then appeal these decisions to the State tax Commission (STC).

NI/nl H:IFT\Magna Tower Dr 2013\Memo IDD 11.25.13

# 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) 373-2408.

RECEIVED

<b>To be completed by Clerk of Local Government Unit</b>	
Signature of Clerk	Date received by Local Unit <b>OCT 08 2013</b>
<b>STC Use Only</b>	
Application Number	Date Received by STC <b>CITY OF TROY ASSESSING DEPT.</b>

**APPLICANT INFORMATION**  
All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) <b>Magna US Holding Inc.</b>	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>336390</b>	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>750 Tower Drive, Troy, MI 48098</b>	▶ 1d. City/Township/Village (indicate which) <b>City of Troy</b>	▶ 1e. County <b>Oakland</b>
▶ 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 <b>Troy School District</b>	▶ 3b. School Code <b>63150</b>
	▶ 4. Amount of years requested for exemption (1-12 Years) <b>9</b> <b>OK, NL 10/08/13</b>	
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.  <b>See Attached.</b>		
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.	▶ <u>          \$0.00          </u> 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	▶ <u>          \$6,203,819.09          </u> Personal Property Costs	
6c. Total Project Costs ..... * Round Costs to Nearest Dollar	▶ <u>          \$6,203,819.09          </u> 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.		
	<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 ▶	<u>7/1/13</u>	<u>7/1/15</u> ▶ <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. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. <b>990</b>	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. <b>30</b>	
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: <input checked="" type="checkbox"/> Industrial Development District <input type="checkbox"/> 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	

**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 Frank W. Ervin, III	13b. Telephone Number (248) 631-5330	13c. Fax Number (248) 631-1148	13d. E-mail Address frank.ervin@magna.com
14a. Name of Contact Person Frank W. Ervin, III	14b. Telephone Number (248) 631-5330	14c. Fax Number (248) 631-1148	14d. E-mail Address frank.ervin@magna.com
▶ 15a. Name of Company Officer (No Authorized Agents) <i>FRANK W. ERVIN III</i>			
15b. Signature of Company Officer (No Authorized Agents) <i>Frank W. Ervin III</i>		15c. Fax Number see above	15d. Date 10/08/13
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 750 Tower Drive, Mail Code 7000, Troy, MI 48098		15f. Telephone Number see above	15g. E-mail Address see above

**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 checked="" type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input checked="" 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: <b>Check or Indicate N/A if Not Applicable</b> <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) 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) n/a 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit <b>Check or Indicate N/A if Not Applicable</b> <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 336390	16d. School Code 63150
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@troy.mi.gov
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) 500 W Big Beaver, Troy MI 48084-5254		
19e. Telephone Number 248.524.3331	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

**Magna Services of America, Inc.**

**EIN: 74-3256684**

**Project Description**

Magna International Inc. and subsidiaries (Magna) is the most diversified global automotive supplier. Magna designs, develops and manufactures technologically advanced automotive systems, assemblies, modules and components, and engineers and assembles complete vehicles, primarily for sale to original equipment manufacturers (—OEMs) of cars and light trucks. Magna’s capabilities include the design, engineering, testing and manufacture of automotive interior systems; seating systems; closure systems; body and chassis systems; vision systems; electronic systems; exterior systems; powertrain systems; roof systems; as well as complete vehicle engineering and assembly. Magna follows a corporate policy of functional and operational decentralization, pursuant through which it conducts its operations through divisions, each of which is an autonomous business unit operating within pre-determined guidelines. At the end of 2012 Magna had approximately 238 manufacturing operations and 79 product development, engineering and sales centers in 25 countries. Magna is the largest automotive supplier in the United States operating more than 400 manufacturing and product development facilities in 29 countries. In the US, Magna employs approximately 20,000 employees, of those 8,608 in State of Michigan at 42 manufacturing plants and engineering facilities.

Magna Services of America, Inc.

EIN: 74-3256684

PERSONAL PROPERTY LISTING

IT Cabling (5th, 6th & 7th floors & 750 Tower)	8/1/2013	\$	200,076.31	
IT Cloet Switches (5th, 6th & 7th floors & 750 Tower)	8/1/2013	\$	77,852.25	
		\$	277,928.56	\$
<b>SECTION TOTAL</b>				
IP Phone System	8/1/2013	\$	168,702.87	
		\$	168,702.87	\$
<b>SECTION TOTAL</b>				
Various Hardware and Installation	8/1/2013	\$	50,000.00	\$
		\$	50,000.00	\$
<b>SECTION TOTAL</b>				
Office Chairs and Guest Chairs	8/1/2013	\$	79,792.44	\$
Office Furniture for two offices and one conference room	8/1/2013	\$	25,242.94	
Executive Conference Room and furniture	8/1/2013	\$	20,000.00	
		\$		
		\$	125,035.38	\$
<b>SECTION TOTAL</b>				
<b>TOTAL PERSONAL PROPERTY COSTS</b>				
		\$	621,666.81	\$
			2013	\$
			2014	\$
			Total	\$
				<b>671,666.81</b>

**Magna Exteriors and Interiors of America, Inc.**

**EIN: 74-3256684**

**Project Description**

Magna International Inc. and subsidiaries (Magna) is the most diversified global automotive supplier. Magna designs, develops and manufactures technologically advanced automotive systems, assemblies, modules and components, and engineers and assembles complete vehicles, primarily for sale to original equipment manufacturers (—OEMs ) of cars and light trucks. Magna’s capabilities include the design, engineering, testing and manufacture of automotive interior systems; seating systems; closure systems; body and chassis systems; vision systems; electronic systems; exterior systems; powertrain systems; roof systems; as well as complete vehicle engineering and assembly. Magna follows a corporate policy of functional and operational decentralization, pursuant through which it conducts its operations through divisions, each of which is an autonomous business unit operating within pre-determined guidelines. At the end of Quarter 1 2013 Magna had 315 manufacturing operations and 87 product development, engineering and sales centers in 29 countries. Magna conducts business operations in North America, Europe and other parts of the world including primarily Asia, South America and Africa. It has significant manufacturing operations in the United States with over thirty locations and approximately 8,608 employees in the State of Michigan at the end of Quarter 1, 2013.

Magna International Inc., through Magna Exteriors & Interiors, is a full service supplier of exterior systems. We design, engineer and manufacture front and rear fascia systems; sealing systems; exterior trim; class A composite panels; modular systems; engineered glass; under hood & underbody components; and structural components for automotive, commercial truck, consumer, and industrial markets. We also manufacture sheet molding compound (SMC) material, Epic Blend SMC™, in multiple formulations.

**Magna Exteriors and Interiors of America, Inc.**  
**EIN: 74-3256684**

**PERSONAL PROPERTY LISTING**

Network Hardware	8/1/2013	\$ 108,077.00	\$ 40,000.00
CAD Hardware	7/15/2013	\$ 154,476.28	\$ 153,000.00
PC Hardware	7/15/2013	\$ 38,994.22	\$ 62,000.00
		\$ 301,547.50	\$ 255,000.00
<b>CAD Software</b>			
	9/1/2013	\$ 310,000.00	\$ 235,000.00
		\$ 310,000.00	\$ 235,000.00
<b>SECTION TOTAL</b>			
<b>Various Hardware and Installation</b>			
Poke-thru floor pockets for AV Equipment	8/1/2013	\$ 152,079.00	\$ -
	8/1/2013	\$ 6,360.00	
		\$ 158,439.00	\$ -
<b>SECTION TOTAL</b>			
<b>Global Additional Furniture</b>			
Guest Chairs	8/1/2013	\$ 24,539.00	\$ -
	8/1/2013	\$ 39,058.88	
Workstation & Desk	8/1/2013	\$ 864,260.00	
Office Chairs	8/1/2013	\$ 170,622.90	
		\$ -	
		\$ 1,098,480.78	\$ -
<b>SECTION TOTAL</b>			
<b>TOTAL PERSONAL PROPERTY COSTS</b>			
		\$ 1,868,467.28	\$ 490,000.00
		2013 \$ 1,868,467.28	
		2014 \$ 490,000.00	
		<b>Total \$ 2,358,467.28</b>	

**Vehma International Inc.**

**EIN: 74-3256684**

**Project Description**

Magna International Inc. and subsidiaries (Magna) is the most diversified global automotive supplier. Magna designs, develops and manufactures technologically advanced automotive systems, assemblies, modules and components, and engineers and assembles complete vehicles, primarily for sale to original equipment manufacturers (—OEMs ) of cars and light trucks. Magna’s capabilities include the design, engineering, testing and manufacture of automotive interior systems; seating systems; closure systems; body and chassis systems; vision systems; electronic systems; exterior systems; powertrain systems; roof systems; as well as complete vehicle engineering and assembly. Magna follows a corporate policy of functional and operational decentralization, pursuant through which it conducts its operations through divisions, each of which is an autonomous business unit operating within pre-determined guidelines. At the end of Quarter 1 2013 Magna had 315 manufacturing operations and 87 product development, engineering and sales centers in 29 countries. Magna conducts business operations in North America, Europe and other parts of the world including primarily Asia, South America and Africa. It has significant manufacturing operations in the United States with over thirty locations and approximately 8,608 employees in the State of Michigan at the end of Quarter 1, 2013.

The Vehma ( Multi-Material Lightweight Vehicle (“MMLV”) ) engineers/design, prototype vehicle build and component- and vehicle-level validation testing of a “new passenger vehicle design architecture” which facilitates extensive use of lightweight and high strength materials, resulting in environmental and fuel economy benefits associated with a 50% reduction in weight, relative to a CY-2002 baseline FMVSS-compliant steel vehicle architecture.

**Vehma International Inc.**

**EIN: 74-3256684**

**PERSONAL PROPERTY LISTING**

IT Cabling and Cloet	8/1/2013	\$ 1,018,250.00	\$ 1,018,250.00
<b>SECTION TOTAL</b>			
		\$ 1,018,250.00	\$ 1,018,250.00
Phone System	8/1/2013	\$ 125,500.00	\$ 22,590.00
<b>SECTION TOTAL</b>			
		\$ 125,500.00	\$ 22,590.00
Various Hardware and Installation	8/1/2013	\$ 226,100.00	\$ -
<b>SECTION TOTAL</b>			
		\$ 226,100.00	\$ -
Office furniture, chairs, conference room tables and cubicles	11/1/2013	\$ 762,995.00	\$ -
<b>SECTION TOTAL</b>			
		\$ 762,995.00	\$ -
<b>TOTAL PERSONAL PROPERTY COSTS</b>			
		\$ 2,132,845.00	\$ 1,040,840.00
		2013	\$ 2,132,845.00
		2014	\$ 1,040,840.00
		<b>Total</b>	<b>\$ 3,173,685.00</b>

Applicant Name Magna US Holdings, Inc.
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## 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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**Magna Services America, Incorporated  
Office of Government Affairs**

600 Wilshire Drive  
Troy, Michigan 48084  
Tel: (248) 729-4097  
Fax: (248) 729-4035  
www.magna.com

June 10, 2013

Leger A Licari  
Assessor, City of Troy Michigan  
500 W. Big Beaver  
Troy, MI 48084

Re: Magna International, Inc.  
PA 198, Letter of Intent

Dear Nino,

For more than 15 years now, Magna International's US headquarters building has been located at the 600 Wilshire Drive location in Troy, MI. In an effort to keep our headquarters in Troy and at the same time consolidate some of our other operations in the area; we have made the decision to move to new office space located at 750 Tower Drive, Troy, MI. (part of the North Troy Corporate Park).

As a result of the consolidation, we will be bringing additional employees from other facilities to our new location; this will increase our current employee base and make our operations even more efficient. In order to accommodate this consolidation, Magna will invest approximately \$4,500,000 in new capital for the new location.

The new location will become Magna International's US headquarters. Therefore, we are requesting that the City of Troy grant us a P.A. 198 for the maximum years allowable.

We sincerely appreciate your consideration and look forward to many more years in the City of Troy.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank W. Ervin, III'.

Frank W. Ervin, III  
Director, Government Affairs

**RECEIVED**

**JUN 11 2013**

**CITY OF TROY  
ASSESSING DEPT.**



**Magna Services of America, Inc.**  
**Office of Government Affairs**  
600 Wilshire Drive  
Troy, Michigan 48084  
Tel: (248) 729-4097  
Fax: (248) 729-4035  
www.magna.com

June 11, 2013

Leger A. Licari  
Assessor, City of Troy Michigan  
500 W. Big Beaver  
Troy, MI 48084

Re: Magna International, Inc.  
PA 198, Clarification for the Letter of Intent

Dear Nino,

In order to clarify our original June 10, 2013 Letter of Intent, Magna specifically requests that the Troy City Council establish an Industrial Development District at 750 Tower, Troy Michigan, so that we may apply for PA 198 Tax Abatement.

If you have any questions, please feel free to contact me.

Sincerely,  
  
Frank W. Ervin, III  
Director, Government Affairs

**RECEIVED**

**JUN 11 2013**

**CITY OF TROY  
ASSESSING DEPT.**

Magna US Holdings, Inc.  
 750 Tower, Troy MI 48098  
 88-20-09-301-015  
 IDD & IFT Application  
 SITE



# GIS Online



**Legend:**

- Building Footprints 1**
- <all other values>
- GOVERNMENT - CITYHALL
- GOVERNMENT - COMMUNITY CENTE
- GOVERNMENT - DISRICT COURT
- GOVERNMENT - FIRE STATION
- GOVERNMENT - LIBRARY
- GOVERNMENT - POLICE
- GOVERNMENT - POST OFFICE
- GOVERNMENT - RECREATION
- PLACE OF WORSHIP
- SCHOOL
- Building Footprints 2**
- <all other values>
- GOVERNMENT - CITYHALL
- GOVERNMENT - COMMUNITY CENTE
- GOVERNMENT - DISRICT COURT
- GOVERNMENT - FIRE STATION
- GOVERNMENT - LIBRARY
- GOVERNMENT - POLICE
- GOVERNMENT - POST OFFICE
- GOVERNMENT - RECREATION
- PLACE OF WORSHIP
- SCHOOL
- Hydrography Poly 5**
- Streams
- Lakes And Ponds

**Notes:**

Map Scale: 1=645  
 Created: October 14, 2013



Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.

Magna USA Holdings, Inc.  
750 Tower, Troy, MI 48098  
88-20-09-301-015  
IDD & IFT Application  
AERIAL



# GIS Online

Legend:



Notes:

Map Scale: 1=645  
Created: October 14, 2013



Note: The information provided by this application has been compiled from recorded deeds, plats, tax maps, surveys, and other public records and data. It is not a legally recorded map survey. Users of this data are hereby notified that the source information represented should be consulted for verification.

Magna US Holdings  
750 Tower Drive  
Troy, MI 48098

IDD & IFT Application

Parcel ID Number: 88-20-09-301-015

Legal Description:

T2N, R11E, SEC 9  
PART OF SW 1/4  
BEG AT PT DIST  
N 87-26-35 E 2314.95 FT &  
N 02-57-32 W 614.29 FT &  
N 04-44-08 W 165.81 FT  
FROM SW SEC COR,  
TH S 87-26-35 W 1017.71 FT,  
TH S 53-47-31 W 190.40 FT,  
TH N 36-12-29 W 180.74 FT,  
TH ALG CURVE TO RIGHT,  
RAD 397.50 FT, CHORD BEARS  
N 19-25-13 W 229.62 FT,  
DIST OF 232.94 FT,  
TH N 02-37-54 W 236.31 FT,  
TH N 72-05-07 E 1197.33 FT,  
TH ALG CURVE TO RIGHT,  
RAD 2673.79 FT, CHORD BEARS  
S 15-32-43 E 839.59 FT,  
DIST OF 843.07 FT  
TO BEG 19.76 A  
10-11-88 FR 010 & 011

**City of Troy - Assessing Department**  
**Magna US Holdings, Inc - IDD & IFT Application 2013**  
**Estimate of Total Taxes and Tax Savings for IFEC Application**

<b>Market Value</b>	6,203,819	5,521,399	4,196,263	2,811,496	1,686,898	910,925	446,353	200,859	84,361	32,057	11,541
<b>50% of Value</b>	3,101,910	2,760,699	2,098,132	1,405,748	843,449	455,462	223,177	100,429	42,180	16,029	5,770
<b>Year</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	
<b>Depreciation</b>	0.8900	0.7600	0.6700	0.6000	0.5400	0.4900	0.4500	0.4200	0.3800	0.3600	
<b>Taxable Value</b>	2,760,699	2,098,132	1,405,748	843,449	455,462	223,177	100,429	42,180	16,029	5,770	

<b>Taxing Authority</b>	<b>100% of Millage</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>
Trans	0.59000	\$1,628.81	\$1,237.90	\$829.39	\$497.63	\$268.72	\$131.67	\$59.25	\$24.89	\$9.46	\$3.40
County	4.64610	\$12,826.49	\$9,748.13	\$6,531.25	\$3,918.75	\$2,116.12	\$1,036.90	\$466.61	\$195.97	\$74.47	\$26.81
Zoo	0.10000	\$276.07	\$209.81	\$140.57	\$84.34	\$45.55	\$22.32	\$10.04	\$4.22	\$1.60	\$0.58
Int Schools	3.36900	\$9,300.80	\$7,068.61	\$4,735.97	\$2,841.58	\$1,534.45	\$751.88	\$338.35	\$142.11	\$54.00	\$19.44
Comm Coll	1.58440	\$4,374.05	\$3,324.28	\$2,227.27	\$1,336.36	\$721.63	\$353.60	\$159.12	\$66.83	\$25.40	\$9.14
State Ed	0.00000	\$0.00	\$0.00	\$0.00	\$0.00	\$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	\$0.00	\$0.00	\$0.00	\$0.00
Sch Debt	4.95000	\$13,665.46	\$10,385.75	\$6,958.45	\$4,175.07	\$2,254.54	\$1,104.72	\$497.13	\$208.79	\$79.34	\$28.56
Hold Harmless	5.55630	\$15,339.27	\$11,657.85	\$7,810.76	\$4,686.46	\$2,530.69	\$1,240.04	\$558.02	\$234.37	\$89.06	\$32.06
Admin	0.15240	\$420.72	\$319.74	\$214.23	\$128.54	\$69.41	\$34.01	\$15.30	\$6.43	\$2.44	\$0.88
City	10.52000	\$29,042.56	\$22,072.34	\$14,788.47	\$8,873.08	\$4,791.46	\$2,347.82	\$1,056.52	\$443.74	\$168.62	\$60.70
<b>Total</b>	<b>31.46820</b>	<b>\$86,874.23</b>	<b>\$66,024.41</b>	<b>\$44,236.36</b>	<b>\$26,541.81</b>	<b>\$14,332.58</b>	<b>\$7,022.96</b>	<b>\$3,160.33</b>	<b>\$1,327.34</b>	<b>\$504.39</b>	<b>\$181.58</b>

<b>Total Taxes 10 Yrs</b>	<b>\$250,206.00</b>
<b>Total City Taxes 10 Yrs</b>	<b>\$83,645.32</b>

<b>50% Total Taxes 10 Yrs</b>	<b>\$125,103.00</b>	<b>Net Total Taxes Abated</b>
<b>50% Total City Taxes 10 yrs</b>	<b>\$41,822.66</b>	<b>Net Total City Taxes Abated</b>
<b>2% Total City 10 Yrs</b>	<b>\$836.45</b>	<b>Application Fee (2% total city)</b>

**OFFICE LEASE**

THIS OFFICE LEASE ("Lease") is entered into by Landlord and Tenant as described in the following basic lease information on the date that is set forth for reference only in the following basic lease information. Landlord and Tenant agree:

**ARTICLE 1 BASIC LEASE INFORMATION**

1.1 **Basic Lease Information.** In addition to the terms that are defined elsewhere in this Lease, these terms are used in this Lease:

- (a) **LEASE DATE:** May 22, 2013
- (b) **LANDLORD:** 750 NTCC, LLC, a Delaware limited liability company
- (c) **LANDLORD'S ADDRESS:** For Notices & Payment of Rent:  
c/o Friedman Management Company  
34975 W. 12 Mile Road  
Farmington Hills, MI 48331  
Attn: 750 NTCC
- (d) **TENANT:** Magna Mirrors of America Inc., a Michigan corporation
- (e) **TENANT'S ADDRESS:** For Notice:  
Magna Mirrors of America Inc.  
c/o Magna International Inc.  
375 Magna Drive  
Aurora, ON L4G 7L6  
CANADA
- (f) **BUILDING ADDRESS:** 750 Tower Drive, Troy, MI 48098
- (g) **PREMISES:** The Premises shown on Exhibit A to this Lease, known as Suites 160, 500, 600 and 700.
- (h) **USABLE AREA OF THE PREMISES:** 108,299 Usable Square Feet ("USF") made up of Suite 160 consisting of 7,122 USF, Suite 500 consisting of 34,670 USF, Suite 600 consisting of 33,255 USF and suite 700 consisting of 33,252 USF. Tenant hereby acknowledges and agrees that the references in this Lease to "usable" and "rentable" square footage are based on definitions established by the Building Owners and Managers Association International (BOMA) 2010 standard.
- (i) **RENTABLE AREA OF THE PREMISES:** 117,319 rentable square feet ("RSF"). Tenant hereby acknowledges and agrees that Building standard add-on rent factors are 8% for single tenant floors and 13% for multi-tenant floors.
- (j) **RENTABLE AREA OF THE BUILDING:** 244,062 rentable square feet. Landlord may adjust the Rentable Area of the Building in the event of a change in the rentable square footage of the Building.
- (k) **TERM:** 120 complete calendar months, beginning on the Commencement Date and expiring on the Expiration Date.
- (l) **COMMENCEMENT DATE:** July 1, 2013, or such other date as set forth in Article 3 hereof.
- (m) **EXPIRATION DATE:** June 30, 2023, or such other date as set forth in Article 3 hereof.
- (n) **SECURITY DEPOSIT:** \$131,983.88 (based on the Base Rent due in the period beginning in Lease

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**I-4 Amending the Personal Property Tax Abatement** Magna US Holdings, Inc.  
750 Tower, Troy, MI 48098  
88-20-09-301-015  
IDD & IFT Application  
POLICY RES & YEARS QUALIFIED

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:

**CITY COUNCIL MINUTES**

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**

October 14, 2013

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 \$836.45, equal to 2% of the estimated abated City taxes for the life of the exemption for Magna US Holdings, Inc., 750 Tower, Troy, MI 48098

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

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

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Dated:

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

This agreement between **Magna US Holding Inc.**, (“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), **Magna US Holding Inc.**, understands that through its investment of \$6,203,819.09 ~~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 9 years after either completion of construction of the facilities, or December 31, 2024, whichever is sooner.
- 2.) At the end of two (2) years or no later than December 31, 2015, **Magna US Holding Inc.**, 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.) **Magna US Holding Inc.**, 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**.

**Magna US Holding Inc.**, 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.) **Magna US Holding Inc.**, 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.) **Magna US Holding Inc.**, 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) \_\_\_\_\_  
Dane Slater, Mayor  
City of Troy  
500 W Big Beaver  
Troy, MI 48084-5285

Signed: \_\_\_\_\_ (date) \_\_\_\_\_  
M. Aileen Bittner  
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, November 25, 2013 at 7:30 P.M. to consider establishing an Industrial Development district (IDD) and the granting of an Industrial Facilities Exemption Certificate (IFEC) for Magna US Holding, Inc., at the following location:

88-20-09-301-015 750 Tower, Troy, MI. 48098  
T2N, R11E, Section 9 part of SW 1/4

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

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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](mailto: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

MAGNA US HOLDING INC  
Attn: FRANK W ERVIN III  
750 TOWER MC 7000  
TROY MI 48098

HURON-CLINTON METRO AUTHORITY  
Attn: JOHN P MCCULLOCH  
13000 HIGH RIDGE DR  
BRIGHTON MI 48114-9058

**AFFIDAVIT OF PUBLICATION, POSTING & MAILING**

**State of Michigan**  
**County of Oakland**  
**City of Troy**

**RE: PUBLIC HEARING:**

Council/Board/Committee: City Council  
Day: Monday  
Date: November 25, 2013  
Time: 7:30 PM  
Business: Magna Holding, Inc.  
To consider the following: establishing an Industrial Development District (IDD) and the granting of an Industrial Facilities Exemption Certificate (IFEC)  
Address: 750 Tower  
Section: 9

I hereby certify that the attached notice was E-mailed to the Somerset Gazette Newspapers on: October 30, 2013

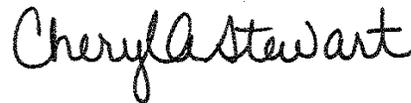
For publication on: November 4, 2013



\_\_\_\_\_  
Cheryl A. Stewart  
Admin Aide

I hereby certify that the attached notice was posted to the City of Troy website on: October 30, 2013

I further certify that the mailing is scheduled to be mailed by first class mail by the City Clerk's Office on: October 31, 2013



\_\_\_\_\_  
Cheryl A. Stewart  
Admin Aide

**POSTED:** October 30, 2013  
**PUBLISHED:** November 4, 2013

**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, November 25, 2013 at 7:30 P.M. to consider establishing an Industrial Development district (IDD) and the granting of an Industrial Facilities Exemption Certificate (IFEC) for Magna US Holding, Inc., at the following location:

88-20-09-301-015 750 Tower, Troy, MI. 48098  
T2N, R11E, Section 9 part of SW 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](mailto: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.*

**From:** Cheryl A Stewart  
**To:** ["Cindy Kmett"; "Patti Sweitzer"](#)  
**Cc:** [Clerks](#)  
**Subject:** PUBLISH: November 4, 2013 20131125 IDD-IFECT for Magna US Holding Inc.  
**Date:** Wednesday, October 30, 2013 3:08:00 PM  
**Attachments:** [20131125 IDD-IFEC for Magna US Holding Inc.doc](#)  
[image001.png](#)

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Cindy and/or Patti,

Would you please publish the attached Notice of Public Hearing in the November 4, 2013 edition of the Somerset Gazette?

Also, would you please reply to this email to confirm receipt of the information?

Thanks,

**Cheryl A. Stewart**  
Admin Aide  
City Clerk's Office  
City of Troy



**From:** [Aileen Bittner](#)  
**To:** [Cheryl A Stewart](#)  
**Subject:** FW: Publication for Public Hearings on November 25, 2013  
**Date:** Wednesday, October 30, 2013 3:01:35 PM  
**Attachments:** [CouncilPak Ann PH Magna 11.11.13.pdf](#)  
[Publication IDD IFEC 11.25.13.docx](#)  
[Labels Magna US.docx](#)

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Can we get this in the 4<sup>th</sup> Gazette?

City of Troy

M. Aileen Bittner, CMC | City Clerk | City Clerk's Office | Voice: +1 248 524 3331 | Email: [aileen.bittner@troymi.gov](mailto:aileen.bittner@troymi.gov) | Fax: +1 248 524 1770

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**From:** Nino A Licari  
**Sent:** Wednesday, October 30, 2013 8:40 AM  
**To:** Aileen Bittner  
**Subject:** Publication for Public Hearings on November 25, 2013

Aileen,

Attached is the memo and data for the Announcement of the Public Hearings for tax abatement for Magna US Holdings that will be held on November 25, 2013.

The actual Announcement will occur on the November 11, 2013 Council Meeting.

I'd like to publish as soon as possible to ensure that we make the publication deadline.

I'm taking the item to the Manager's Office now.

Thanks!

Nino

Leger A. (Nino) Licari | MMAO (4), PPE | City Assessor - City of Troy | 500 W Big Beaver, Troy, MI 48084 | ph 248 524-3305 | fax 248 524-3310 | Mon - Fri 8:00AM - 4:30PM |

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**I-## Establishment of an Industrial Development District (IDD) at 750 Tower**

Suggested Resolution

Resolution #2013-

Moved by

Seconded by

WHEREAS, pursuant to PA 198 of 1974, as amended, the Troy City Council has the authority to establish Industrial Development Districts (IDD's) within the City of Troy; and

WHEREAS, **Magna US Holding, Inc.** has petitioned the Troy City Council to establish an Industrial Development District (IDD) on its property located in the City of Troy, hereinafter described; and

WHEREAS, construction, acquisition, alteration, or installation of a proposed facility had not commenced at the time of filing the request to establish the district; and

WHEREAS, written notice was given by mail to all owners of real property located within the district, and to the public by newspaper advertisement in the newspaper of record, and public posting of the hearing on the establishment of the district; and

WHEREAS, on November 25, 2013, a public hearing was held at which all owners of real property within the proposed Industrial Development District (IDD) and all residents and taxpayers of the City of Troy were afforded an opportunity to be heard thereon; and

WHEREAS, the Troy City Council deems it to be in the public interest of the City of Troy to establish the Industrial Development District (IDD) as proposed.

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **ESTABLISHES** an Industrial Development District (IDD) for property known as **750 Tower, Troy, MI. 48098**, Parcel #**88-20-09-301-015**, 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 certified copy of this resolution to the State Tax Commission, Treasury Building, P.O. Box 30471, Lansing, MI 48909-7971.

Yes:

No: