



## CITY COUNCIL AGENDA ITEM

---

Date: September 24, 2012

To: Michael Culpepper, Acting City Manager

From: Tom Darling, Director of Finance/Administration  
Nino Licari, City Assessor

Subject: Public Hearing for the establishment of an Industrial Development District (IDD) for Alternative Automotive Technologies, 1225 E. Maple

---

### Background:

Alternative Automotive Technologies is locating its operation in Troy, at 1225 E. Maple. They are a rapidly expanding automotive supplier in need of much larger facilities to house their operations.

They intend to invest \$940,000 in equipment and renovations at the location that they have purchased.

They will be creating 127 new jobs in the City, and wish to apply for an Industrial Facilities Exemption Certificate (IFEC).

In order to qualify for an abatement, an Industrial Development District (IDD) must first be established at the site.

### Financial Considerations:

Based on their ownership of the facility, 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 \$940,000 investment would generate approximately \$36,248.74 in total taxes over 9 years, of which \$12,010.26 would be City taxes.

The abatement would therefore save the company \$18,124.37 over its life. The City would realize \$6,005.13 in taxes that it does not currently receive.



## CITY COUNCIL AGENDA ITEM

---

### Legal Considerations:

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

### Policy Considerations:

The application is in compliance with City Council Tax Abatement Policy Resolution #2010-08-173. Additionally, the following Council Outputs/Outcomes are met;

- H. Recruit and retain new businesses that enhance the community and that meet the goals of the City's Master Plan, as well as the key concepts of the Big Beaver Corridor Study
  
- U. Utilize available economic development tools and partnerships in order to compete for quality businesses

### 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 company would then appeal these decisions to the State tax Commission (STC).

NI/nl H:IFT\AltAutoTech2012\Memo IDD 09.24.12

# 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 <b>08/07/12</b>
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)	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code)	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location)	▶ 1d. City/Township/Village (indicate which)	▶ 1e. County
▶ 2. Type of Approval Requested <input 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	▶ 3b. School Code
4. Amount of years requested for exemption (1-12 Years)		

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.

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.		
6b. Cost of machinery, equipment, furniture and fixtures .....	▶	
* Attach itemized listing with month, day and year of beginning of installation, plus total		
6c. Total Project Costs .....	▶	
* Round Costs to Nearest Dollar		
<b>Total of Real &amp; Personal Costs</b>		

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	▶ _____	▶ _____	<input 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.                      ▶ 10. No. of new jobs at this facility expected to create within 2 years of completion.

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 .....	

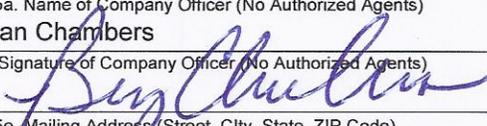
▶ 12a. Check the type of District the facility is located in:  
 Industrial Development District                       Plant Rehabilitation District

▶ 12b. Date district was established by local government unit (contact local unit)                      ▶ 12c. Is this application for a speculative building (Sec. 3(8))?  
 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 <b>Glen H. Dixon</b>	13b. Telephone Number <b>(562) 209-2124</b>	13c. Fax Number <b>(888) 222-5618</b>	13d. E-mail Address <b>ghdixon@diversifiedmktg.com</b>
14a. Name of Contact Person <b>Glen H. Dixon</b>	14b. Telephone Number <b>(562) 209-2124</b>	14c. Fax Number <b>(888) 222-5618</b>	14d. E-mail Address <b>ghdixon@diversifiedmktg.com</b>
▶ 15a. Name of Company Officer (No Authorized Agents) <b>Bryan Chambers</b>			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number <b>(248) 589-0954</b>	15d. Date <b>8/7/12</b>
▶ 15e. Mailing Address (Street, City, State, ZIP Code) <b>1225 E. Maple Road, Troy, MI 48083</b>		15f. Telephone Number <b>(248) 379-2747</b>	15g. E-mail Address <b>bchambers@altautotech.com</b>

**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: <b>Check or Indicate N/A if Not Applicable</b> <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 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 type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code <b>336111</b>	16d. School Code <b>63150</b>
17. Name of Local Government Body <b>City of Troy</b>	▶ 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 <b>Aileen Bittner</b>	19c. E-mail Address <b>bittnera@troymi.gov</b>
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) <b>500 W Big Beaver Troy MI 48084-5254</b>		
19e. Telephone Number <b>248 524-3316</b>	19f. Fax Number <b>248 524-1770</b>	

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

Alternative Automotive Technologies (AAT) is a Troy, Michigan based company that supplies contract manufacturing services to the automotive industry. Its customers are GM, Ford, Chrysler/Fiat, Volkswagen, and a variety of automotive performance and specialty companies. Its business is growing rapidly and it requires a much larger facility that will allow considerable expansion and many new employment opportunities for technical and skilled labor personnel. The 183,000 sqft production facility located at 1225 E. Maple Road in Troy, MI is a perfect fit for AAT to continue to execute on our growth strategy.

Below is a detailed listing of the improvements and equipment we plan to purchase once the tax abatement is approved.

<b>Alternative Automotive Technologies -Michigan Site - 1225 E. Maple Road, Troy, MI 48083</b>							
<b>Description</b>		<b>2012</b>		<b>2013</b>		<b>Est. Purchase</b>	<b>Est. Install</b>
<b>Building Renovations</b>							
	Grade Level R/U Doors		\$ 35,000.00			8/31/2012	9/14/2012
	Paint Sys Recommission		\$ 110,000.00			8/31/2012	10/1/2012
	Build out New Office area		\$ -		\$ 350,000.00	4/1/2013	5/30/2013
	Renovate Engineering Area		\$ 50,000.00			10/1/2012	10/15/2012
	<b>Sub-Total</b>	<b>\$ 195,000.00</b>		<b>\$ 350,000.00</b>			
<b>Machinery &amp; Equip-Purchased</b>							
	Compressors		\$ 75,000.00			8/31/2012	9/30/2012
	Paint Sys Equipment		\$ 75,000.00			8/31/2012	9/30/2012
	Production Equipment		\$ 50,000.00			8/31/2012	9/30/2012
	Motorized Floor Cleaner		\$ 25,000.00			10/1/2012	10/15/2012
	<b>Sub-Total</b>	<b>\$ 225,000.00</b>					
<b>Furniture &amp; Fixtures- Purchased</b>							
	Replace office carpets		\$ 25,000.00			10/1/2012	10/15/2012
	Display Area Furn. & Equip.		\$ 25,000.00			10/1/2012	10/30/2012
	<b>Sub-Total</b>	<b>\$ 50,000.00</b>					
<b>Office Machinery – Purchased</b>							
	Phone System		\$ 25,000.00			8/8/2012	8/15/2012
	Security System		\$ 45,000.00			8/8/2012	8/31/2012
	Computers/Servers/Software		\$ 50,000.00			8/10/2012	8/31/2012
	<b>Sub-Total</b>	<b>\$ 120,000.00</b>					

Applicant Name Alternative Automotive Technologies
---

## 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
---------------	-------------------	-------

	<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
-----------	--

## Nino A Licari

---

**To:** Glen H. Dixon  
**Cc:** Glenn C Lapin; Mark F Miller; 'Bryan Chambers (bchambers@altautotech.com)'; Clark Harris (charris@lsgip.com); Karl Storrie (karlstorrie@comcast.net); Marcia Gebarowski (gebarowskim@michigan.org)  
**Subject:** RE: Request for establishment of an Industrial Development District

Thank you Mr. Dixon.

I have filed your Letter of Intent, and will await your completed application for tax abatement. All eligible personal Property purchased and installed after today's date will qualify for the abatement.

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 |

---

**From:** Glen H. Dixon [<mailto:ghdixon@diversifiedmktg.com>]  
**Sent:** Friday, July 27, 2012 3:49 PM  
**To:** Nino A Licari  
**Cc:** Glenn C Lapin; Mark F Miller; 'Bryan Chambers (bchambers@altautotech.com)'; Clark Harris (charris@lsgip.com); Karl Storrie (karlstorrie@comcast.net); Marcia Gebarowski (gebarowskim@michigan.org)  
**Subject:** Request for establishment of an Industrial Development District

Dear Mr. Licari,

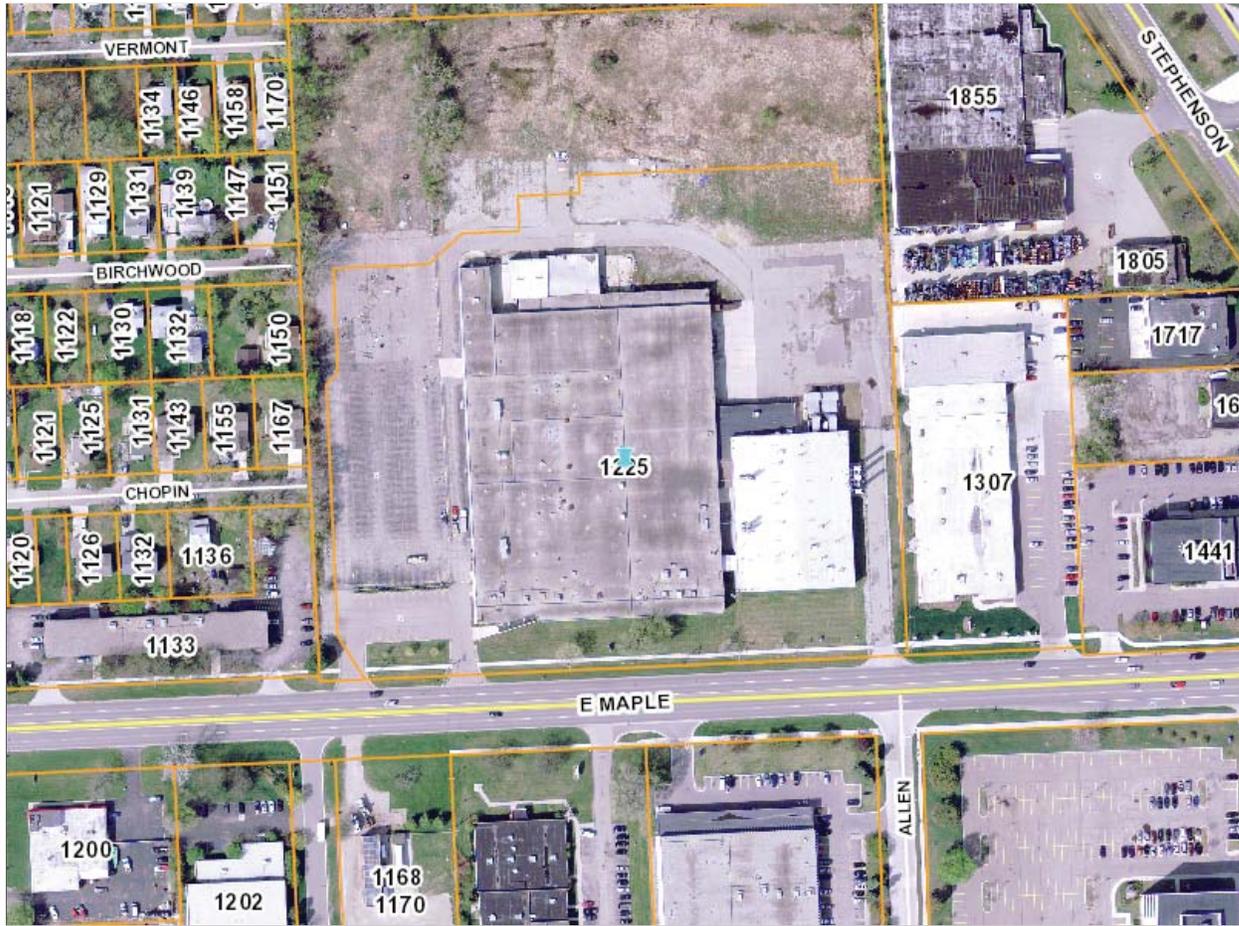
Alternative Automotive Technologies LLC intends to apply for tax abatement in the City of Troy at 1225 E. Maple Road, Troy, MI 48083. We would therefore request that the City Council of the City of Troy establish an Industrial Development District (IDD) at 1225 E. Maple Road, Troy, MI 48083 so that we may move forward with the application process.

Best Regards,  
Glen H. Dixon

RECEIVED

JUL 27 2012

CITY OF TROY  
ASSESSING DEPT.



- Legend**
- I-75
  - Road Centerline**
    - Major Road
    - Industrial Road
    - Local Road
  - Ponds and Basins
  - Streams and Creeks
  - Address Points
  - Parcels
  - Aerial Photos - 2010**
    - Red: Band\_1
    - Green: Band\_2
    - Blue: Band\_3

1: 2,304

384 0 192 384 Feet

City of Troy Geographical Information Systems - Department of Information Technology

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.

**Notes**  
88-20-26-351-024 1225 E Maple

Legal Description – IDD & IFEC  
Alternative Automotive Technologies  
1225 E Maple, Troy, MI. 48083-5600  
88-20-26-351-024

T2N,R11E, SEC 26 & 27  
PART OS SW 1/4 OF SEC 26 &  
PART OF SE 1/4 OF SEC 27 ALL DESC AS  
BEG AT PT DIST  
N 00-13-23 E 43 FT  
FROM SE COR OF SEC 27,  
TH N 89-45-00 W 106.51 FT,  
TH N 29-36-52 W 67.03 FT,  
TH N 00-11-46 E 327.77 FT,  
TH N 50-11-46 E 20.61 FT,  
TH N 00-11-46 E 137.20 FT,  
THS 89-48-14 E 124.62 FT,  
TH N 50-11-46 E 58.95 FT,  
TH S 89-48-14 E 74.42 FT,  
TH N 00-11-46 E 45.57 FT,  
TH S 89-48-14 E 80.28 FT,  
TH N 00-11-46 E 23.43 FT,  
TH S 89-48-14 E 333.50 FT,  
TH S 00-11-46 W 23.43 FT,  
TH S 89-48-14 E 64.12 FT,  
TH S 00-01-44 W 619.94 FT,  
TH N 89-48-14 W 599.85 FT  
TO BEG 10.21A  
12-30-03 FR 005,006,007,012,013,20-27-484-003 & 004

**City of Troy - Assessing Department**  
**Alternative Automotive Technologies IFEC - 2012 Application**  
**Estimate of Total Taxes and Tax Savings for IFEC Application**

Market Value	940,000	836,600	635,816	425,997	255,598	138,023	67,631	30,434	12,782	4,857
50% of Value	470,000	418,300	317,908	212,998	127,799	69,011	33,816	15,217	6,391	2,429
Year		<b>2013</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>
Depreciation		0.8900	0.7600	0.6700	0.6000	0.5400	0.4900	0.4500	0.4200	0.3800
<b>Taxable Value</b>		<b>418,300</b>	<b>317,908</b>	<b>212,998</b>	<b>127,799</b>	<b>69,011</b>	<b>33,816</b>	<b>15,217</b>	<b>6,391</b>	<b>2,429</b>

Taxing Authority	100% of Millage	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes
Trans	0.59000	\$246.80	\$187.57	\$125.67	\$75.40	\$40.72	\$19.95	\$8.98	\$3.77	\$1.43
County	4.64610	\$1,943.46	\$1,477.03	\$989.61	\$593.77	\$320.63	\$157.11	\$70.70	\$29.69	\$11.28
Zoo	0.10000	\$41.83	\$31.79	\$21.30	\$12.78	\$6.90	\$3.38	\$1.52	\$0.64	\$0.24
Arts	0.20000	\$83.66	\$63.58	\$42.60	\$25.56	\$13.80	\$6.76	\$3.04	\$1.28	\$0.49
Int Schools	3.36900	\$1,409.25	\$1,071.03	\$717.59	\$430.55	\$232.50	\$113.92	\$51.27	\$21.53	\$8.18
Comm Coll	1.58440	\$662.75	\$503.69	\$337.47	\$202.48	\$109.34	\$53.58	\$24.11	\$10.13	\$3.85
State Ed	0.00000	\$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
Sch Debt	4.95000	\$2,070.59	\$1,573.64	\$1,054.34	\$632.61	\$341.61	\$167.39	\$75.32	\$31.64	\$12.02
Hold Harmless	5.55630	\$2,324.20	\$1,766.39	\$1,183.48	\$710.09	\$383.45	\$187.89	\$84.55	\$35.51	\$13.49
Admin	0.15440	\$64.58	\$49.08	\$32.89	\$19.73	\$10.66	\$5.22	\$2.35	\$0.99	\$0.37
City	10.48000	\$4,383.78	\$3,331.68	\$2,232.22	\$1,339.33	\$723.24	\$354.39	\$159.47	\$66.98	\$25.45
<b>Total</b>	<b>31.63020</b>	<b>\$13,230.91</b>	<b>\$10,055.49</b>	<b>\$6,737.18</b>	<b>\$4,042.31</b>	<b>\$2,182.85</b>	<b>\$1,069.59</b>	<b>\$481.32</b>	<b>\$202.15</b>	<b>\$76.82</b>

Total Taxes 9 Yrs	\$36,248.74
<b>Total City Taxes 9 Yrs</b>	<b>\$12,010.26</b>

50% Total Taxes 9 Yrs	\$18,124.37	Net Total Taxes Abated
50% Total City Taxes 9 yrs	\$6,005.13	Net Total City Taxes Abated
2% Total City 9 Yrs	\$120.10	Application Fee (2% total city)

**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**

September 24, 2012

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 \$120.10, equal to 2% of the estimated abated City taxes for the life of the exemption for Alternative Automotive Technologies, 1225 E Maple Troy MI 48083-5600.

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, MMAO(4) #6345

---

Dated:

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

This agreement between **Alternative Automotive Technologies**, (“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), **Alternative Automotive Technologies**, understands that through its investment of \$940,000.00 ~~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 9 years after either completion of construction of the facilities, or December 31, 2023, whichever is sooner.
- 2.) At the end of two (2) years or no later than December 31, 2014, **Alternative Automotive Technologies**, 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.) **Alternative Automotive Technologies**, 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**.

**Alternative Automotive Technologies**, 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.) **Alternative Automotive Technologies**, 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.) **Alternative Automotive Technologies**, 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) \_\_\_\_\_  
Janice Daniels , 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, September 24, 2012 at 7:30 P.M. to consider the establishment of an Industrial Development District (IDD) and the granting of an Industrial Facilities Exemption Certificate (IFEC) for Alternative Automotive Technologies, at the following location:

88-20-26-351-024 1225 E Maple, Troy, MI. 48083-5600  
T2N, R11E, Section 26 & 27 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.*

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

Alternative Automotive  
Attn: BRIAN CHAMBERS  
1225 E MAPLE  
TROY MI 48083

---

**E-01 Establishment of an Industrial Development District (IDD) at 1225 E Maple**

Suggested Resolution

Resolution #2012-

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, Alternative Automotive Technologies, 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 September 24, 2012, 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 1225 E. Maple, Troy, MI. 48083, Parcel #88-20-26-351-024, 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: