



CITY COUNCIL AGENDA ITEM

Date: September 24, 2012

To: Michael Culpepper, Acting City Manager

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

Subject: Public Hearing for the granting of an Industrial Facilities Exemption Certificate (IFEC) 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).

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.



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Legal Considerations:

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

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

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).

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 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 - 02 Request for Consideration to Grant an Industrial Facilities Exemption Certificate (IFEC) for Alternative Automotive Technologies, 1225 E. Maple

Suggested Resolution

Resolution # 2012-

Moved by:

Seconded by:

WHEREAS, After due notice and proper hearing, the City Council of the City of Troy on September 24, 2012, established an Industrial Development District (IDD) for property known as 1225 E. Maple, Troy, MI. 48083, Parcel # 88-20-26-351-024; and

WHEREAS, An Application has been submitted by Alternative Automotive Technologies, for an Industrial Facilities Exemption Certificate (IFEC) for personal property at 1225 E. Maple, Troy, MI. 48083 for nine (9) years; and

WHEREAS, After due and proper notice by the City Clerk, the City Council, on September 24, 2012, 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 Alternative Automotive Technologies, at 1225 E. Maple, 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 Alternative Automotive Technologies, at 1225 E. Maple, 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 for an Industrial Facilities Exemption Certificate (IFEC) for Alternative Automotive Technologies, at 1225 E. Maple, Troy, MI. 48083, Parcel # 88-20-26-351-024, for personal property for a term of nine (9) years, after completion, **CONTINGENT** upon the execution of a Letter of Agreement between the City of Troy and Alternative Automotive Technologies, 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 Alternative Automotive Technologies, 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: