

January 28, 2006

To: John Szerlag, City Manager

From: John Lamerato, Assistant City Manager – Finance/Administration
Nino Licari, City Assessor 

Re: Agenda Item – Public Hearing for Michigan NextEnergy Exemption of alternative energy Personal Property at 1414 Combermere, Troy MI.

Recommendation:

Staff recommends that you present the attached Resolution to City Council affirming a Michigan NextEnergy Exemption for alternative energy Personal Property located at 1414 Combermere, Troy, MI.

Detail:

The Michigan NextEnergy Authority (MNEA) was created by Public Act 549 of 2002. They are charged with certifying alternative energy businesses, and alternative energy Personal Property.

Under provisions of the Act, alternative energy personal property (as certified by the local Assessor) purchased between 2002 and 2011 (since amended to extend to 2013) may be exempt from taxation through the process of eliminating some, or all, millages from being levied against the property.

The Act provides that local taxing authorities may 'opt out' of the exemption process by passing a resolution to 'opt out' within 60 days of receipt of the MNEA certifying resolution. (Local taxing authorities include city, township, village, county, community college, intermediate schools, local schools, transportation authority, etc.)

Ovonic Battery Company has received certification from MNEA as an alternative energy company, and have applied for an exemption of Personal Property in the amount of \$506,833.00 at their location at 1414 Combermere in Troy.

As shown on the attached chart, the total City exemption over the 8 years of the exemption would be approximately \$12,754.91 (including administration fees).

NL/nl



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

January 9, 2006

RECEIVED

JAN 12 2006

CITY OF TROY
ASSESSOR'S OFFICE

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER
CONTACT CENTER
517 373 9808

WWW.MICHIGAN.ORG

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

Dear Mr. Licari:

The Michigan NextEnergy Authority (MNEA) is charged by law (Public Act 593 of 2002) with the certification of alternative energy technology businesses and alternative energy personal property (Public Act 549 of 2002). The MNEA is also charged with notifying the assessors and treasurers of the local tax collecting unit and the secretary of the school district, in which the property is located, of such certification.

The enclosed resolution, certifying Ovonic Battery Company as an Alternative Energy Technology Business and certifying the attached list of personal property as Alternative Energy Personal Property exempt from certain property taxes, was adopted at a meeting of the MNEA held on December 20, 2005. As indicated in the enclosed resolution, the maximum value of the exempted property located in Troy is \$506,833 and is subject to the assessor's concurrence.

The City of Troy has sixty days from receipt of this letter in which to adopt a resolution to opt-out of the exemption of the alternative energy personal property from local personal property taxes.

The Troy Public Schools also have sixty days from receipt of this letter in which to adopt a resolution to opt out of specific school-related taxes levied against the personal property.

The enclosed State Tax Commission Bulletin No. 18 of 2002 provides further information about the alternative energy certifications and the opt-out provisions. Also enclosed is a copy of Public Act 549 of 2002 which created the new exemption.

Personal property acquired by Ovonic Battery Company prior to January 1, 2013 may be eligible for certification as Alternative Energy Personal Property by the MNEA in future years. The City of Troy and Troy Public Schools will be notified of any future certification and will have sixty days in which to adopt a resolution to opt-out of the exemption on that personal property.

If you have questions, please contact me at 517-335-4418.

Sincerely,

Karen Ammarman

Karen Ammarman
Secretary to the MNEA Board

Enclosures

506,833.00
NET, IN TROY
34-127-039

EXECUTIVE COMMITTEE

MATTHEW P. CULLEN
Chair
General Motors

PHILIP H. POWER
Vice-Chair
HCN, Inc.

JAMES C. EPOLITO
President & CEO

RICHARD E. BLOUSE JR., CCE
Detroit Regional Chamber

JOHN W. BROWN
Stryker Corporation

DR. DAVID E. COLE
Center for
Automotive Research

JOANN CRARY
Saginaw Future Inc.

DR. HAIFA FAKHOURI
Arab American and
Chaldean Council

STEVEN K. HAMP
The Henry Ford

HAYDEN H. HARRIS
EDF Ventures

PAUL HILLEGONDS
DTE Energy Company

DAVID C. HOLLISTER
Michigan Department of
Labor & Economic Growth

GEORGE JACKSON JR.
Detroit Economic Growth
Corporation

MICHAEL J. JANDERNOA
Bridge Street Capital
Partners, LLC.

MAYOR ROBERT B. JONES
City of Kalamazoo

BIRGIT M. KLOHS
The Right Place, Inc.

DR. IRVIN D. REID
Wayne State University

RICHARD SHOEMAKER
UAW International

S. MARTIN TAYLOR
Detroit Renaissance

GARY TORGOW
Sterling Group

PETER S. WALTERS
Guardian Industries Corp.



MICHIGAN ECONOMIC DEVELOPMENT CORPORATION

300 N. WASHINGTON SQ.
LANSING, MI 48913

CUSTOMER
CONTACT CENTER
317 373 9808

WWW.MICHIGAN.ORG

Michigan NextEnergy Authority (MNEA)

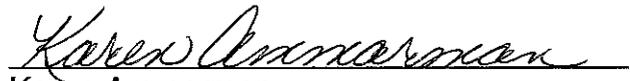
Certificate

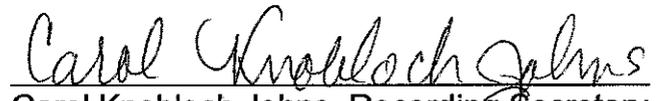
Resolution 2005-07

Ovonic Battery Company, Inc.

I, Karen Ammarman, Secretary to the MNEA Board, do hereby certify that the attached is a true and complete copy of a resolution adopted by the MNEA board at a meeting on December 20, 2005, and that public notice of said meeting was given pursuant to Act No. 24, Public Acts of Michigan, 1995, including the case of a special or rescheduled regular meeting, or a meeting recessed for more than 36 hours, notice by posting at least 18 hours prior to the time set for the meeting.

IN WITNESS WHEREOF, I have hereto affixed my signature this 22nd day of December, A.D. 2005


Karen Ammarman
Secretary to the MNEA Board


Carol Knobloch Johns, Recording Secretary
MNEA Board

EXECUTIVE COMMITTEE

MATTHEW P. CULLEN
Chair
General Motors

PHILIP H. POWER
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ETER S. WALTERS
Guardian Industries Corp.

Resolution 2005-07
Michigan NextEnergy Authority

Ovonic Battery Company, Inc.

At the meeting of the Michigan NextEnergy Authority (MNEA) held on December 20, 2005 in Lansing, Michigan.

WHEREAS, Ovonic Battery Company, Inc. (the "Company"), EIN 38-3017723, is a business entity located at 2956 Waterview Drive, Rochester Hills, Michigan 48309, that also has property located 1414 Combermere, Troy, MI 48084.

WHEREAS, on December 16, 2003, the Company was certified as an Alternative Energy Technology Business under the Michigan NextEnergy Authority Act, 2002 PA 593,

WHEREAS, an officer of the Company has certified in writing that the Company continues to be engaged solely in the research, development or manufacturing of the alternative energy technology described as the process of generating and putting into usable form the energy generated by an alternative energy system,

WHEREAS, the alternative energy technology is related to two alternative energy systems; battery cell energy systems and fuel cell energy systems,

WHEREAS, all personal property of an Alternative Energy Technology Business that has not previously been subject to collection of taxes, and has not previously been exempted from taxes, under the general property tax act is eligible for certification,

WHEREAS, the Company has provided a list of such property acquired, or to be acquired, in calendar year 2005 valued at \$703,359 that is attached to this resolution,

BE IT RESOLVED, that the MNEA certifies that Ovonic Battery Company, Inc. property as listed on the attached schedule is Alternative Energy Personal property and is exempt from taxes levied before January 1, 2013, provided that the local Assessor determines that the property listed:

- 1) is properly classified as personal rather than real property
- 2) has not been previously subject to taxation under the general property tax act, and
- 3) has not previously been exempted from taxes under the general property tax act.

BE IT FURTHER RESOLVED that notice of these certifications will be forwarded to the Company, the secretary of the local school district, and the treasurer and assessor of the local tax collecting unit in which the Company and the Alternative Energy Personal Property are located.

ADOPTED

AYES: Bo Garcia, David Hollister, Michael Kapp (acting for and on behalf of Gloria Jeff, authorization attached), Sande MacLeod, Faye Nelson (by telephone), Sandy Ring (acting for and on behalf of Jim Epolito, authorization attached), Scott Schrager (acting for and on behalf of Jay Rising, authorization attached).

NAYS: None.

December 20, 2005
Lansing, Michigan

ADDRESS: 2968 WATERVIEW DRIVE
ATTN: JULIA PAIS
ROCHESTER HILLS, MI 48309
FEIN 38-3017723

ATTACHMENT TO THE 2005 ALTERNATE ENERGY TECHNOLOGY BUSINESS PROPERTY LISTING

<u>Date Acquired</u>	<u>Plant</u>	<u>Description</u>	<u>Serial #</u>	<u>New/Used</u>	<u>Cost</u>	<u>Tag #</u>	<u>Account</u>	<u>FAS #</u>
08/31/05	12	DESKTOP XRAY DIFFRACTION SYSTEM	BD09695	N	72,411.00		LAB EQUIP	3633
02/23/05	12	1470 POTENTIOSTAT	292900	N	25,370.00	00000803	LAB EQUIP	1970
	12	BATTERY TESTER		N	98,745.00		MACH&EQUIP	
TOTAL CALENDAR YEAR 2005 ADDITIONS					<u>196,526.00</u>			

CIP MACCOR

PLANT 12 2968 WATERVIEW DR. ROCHESTER HILLS, MI 48309

NOT IN TROY

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NOT IN TROY
~~196,526.00~~

~~196,526.00~~

∴ TROY

10/12/05
3:17 PM

ADDRESS: 2956 WATERVIEW DRIVE
ATTN: JULIA PAIS
ROCHESTER HILLS, MI 48309
FEIN 38-3017723

ATTACHMENT TO THE 2005 ALTERNATE ENERGY TECHNOLOGY BUSINESS PROPERTY LISTING

<u>Date Acquired</u>	<u>Plant</u>	<u>Description</u>	<u>Serial #</u>	<u>New/Used</u>	<u>Cost</u>	<u>Tax #</u>	<u>Account</u>	<u>FAS #</u>
5		WASTEWATER COST REDUCTIONS			5,845.00		MACH&EQUIP	CIP UNIV PUMP/WAGNER
5		METERING PUMP			4,000.00		MACH&EQUIP	CIP AIR PUMP CO
5		BET SURFACE ANALYZER			36,450.00		LAB EQUIP	CIP QUANTACHROME
5		NICKEL SULFATE PRODUCTION LINE			460,538.00		MACH&EQUIP	CIP CIP 6054
TOTAL CALENDAR YEAR 2005 ADDITIONS					<u>506,833.00</u>			

PLANT 5 1414 COMBERMERE TROY, MI 48084

506,833

506,833.00

January 13, 2006

To: John Szerlag, City Manager

From: John Lamerato, Assistant City Manager – Finance/Administration
Nino Licari, City Assessor

Re: Agenda Item – Announcement of Public Hearing, NextEnergy Exemptions

Recommendation:

Staff requests the scheduling of Public Hearings for three (3) Michigan NextEnergy Exemptions on February 20, 2006.

Detail:

The Michigan NextEnergy Authority (MNEA) has certified three companies as Alternative Energy Technology Businesses. They have approved Personal Property Exemptions for these companies, subject to verification of the Personal Property by the local Assessor, and subject to City Council approval.

The companies are Compact Power, Inc., at 1857 Technology, Ovonic Battery Company at 1414 Combermere, and United Solar Ovonic Corporation at 1100 W Maple (who has an existing exemption).

Public Hearings must be scheduled within 60 days of the MNEA action for City Council action. The announcement at this time will allow public notification requirements to be met.

NL/nl

CITY OF TROY
NOTICE OF 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, February 20, 2006, at 7:30 p.m., or as soon thereafter as the agenda will permit, to consider Alternative Energy Personal Property Exemptions approved by the Michigan NextEnergy Authority for the following three location in the City of Troy:

T2N, R11E, Section 28

1100 W Maple, Troy, Michigan

United Solar Ovonic Corp.

T2N, R11E, Section 34

1414 Combermere, Troy, Michigan

Ovonic Battery Company

T2N, R11E, Section 35

1857 Technology, Troy, Michigan

Compact Power, Inc.

This hearing is held in compliance with Act 198, Public Acts of 1974, as amended.

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

Tonni Bartholomew, MMC
City Clerk

NOTICE: People with disabilities needing accommodations for effective participation in this meeting should contact the City Clerk (248) 524-3317 at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.

OVONIC MEDIA LLC
2956 WATERVIEW DR
ROCHESTER HILLS MI 48309

DAVID HIEBER
OAKLAND COUNTY EQUALIZATION
250 ELIZABETH LAKE #1000W
PONTIAC MI 48231

UNITED SOLAR OVONIC CORP
1100 W MAPLE
TROY MI 48084-5352

PATRICK DOHANY
OAKLAND CO PUBLIC TRANSPORTATION
1200 N TELEGRAPH 49W
PONTIAC MI 48231-0049

OAKLAND INTERMEDIATE SCHOOLS
2100 PONTIAC LAKE RD
WATERFORD MI 48328-2735

OAKLAND COMMUNITY COLLEGE
GEORGE A BEE ADMIN CNTR
2480 OPDYKE
BLOOMFIELD HILLS MI 48304-2266

MICHAEL ADAMCZYK
TROY SCHOOL DISTRICT
4400 LIVERNOIS
TROY MI 48098-4799

WARREN CONSOLIDATED SCHOOLS
31300 ANITA
WARREN MI 48093-1697

COMPACT POWER INC
1857 TECHNOLOGY DRIVE
TROY MI 48083

MACOMB INTERMEDIATE SCHOOLS
44001 GARFIELD
CLINTON TWP, MI 48038-1100

(Avery 5160 Labels)

**RESOLUTION TO SET PUBLIC HEARING FOR MICHIGAN NEXTENERGY
EXEMPTIONS**

Resolution #2006-

Moved by:

Seconded by:

RESOLVED, that Public Hearings be established for February 20, 2006, to consider three (3) Michigan NextEnergy Exemption proposals for alternative energy Personal Property located at 1857 Technology, 1414 Combermere, and 1100 W Maple, all located in the City of Troy.

Yes:

No:

Absent:

**City of Troy - Assessing Department
 Estimated NextEnergy Exempt Tax Calculation
 Ovonic Battery Co., 1414 Combermere 88-20-34-127-039**

Taxing Authority	Mills	Estimated Exempt Taxes 2006	Estimated Exempt Taxes 2007	Estimated Exempt Taxes 2008	Estimated Exempt Taxes 2009	Estimated Exempt Taxes 2010	Estimated Exempt Taxes 2011	Estimated Exempt Taxes 2012	Estimated Exempt Taxes 2013	Total	Taxing Authority
City of TROY	9.4500	2,155.26	1,939.80	1,745.79	1,571.25	1,414.10	1,272.73	1,145.43	1,030.90	12,275.27	City of TROY
Administration Fee	0.3831	87.37	78.64	70.77	63.70	57.33	51.60	46.44	41.79	497.64	Administration Fee
Transportation	0.5950	135.70	122.14	109.92	98.93	89.04	80.13	72.12	64.91	772.89	Transportation
Oakland County	4.6461	1,059.64	953.70	858.32	772.51	695.24	625.74	563.15	506.84	6,035.14	Oakland County
Oakland Intermediate	3.3690	768.37	691.55	622.39	560.16	504.14	453.74	408.36	367.52	4,376.23	Oakland Intermediate
Community College	1.5844	361.35	325.23	292.70	263.44	237.09	213.39	192.05	172.84	2,058.09	Community College
Troy School Debt	4.1300	941.93	847.77	762.98	686.70	618.01	556.23	500.60	450.54	5,364.75	Troy School Debt
School Operating	18.0000	4,105.26	3,694.86	3,325.32	2,992.86	2,693.52	2,424.24	2,181.78	1,963.62	23,381.46	School Operating
State Education Tax	6.0000	1,368.42	1,231.62	1,108.44	997.62	897.84	808.08	727.26	654.54	7,793.82	State Education Tax
Totals by Year		10,983.30	9,885.31	8,896.64	8,007.16	7,206.30	6,485.87	5,837.18	5,253.51	62,555.28	Grand Total

Estimated Taxable Value	228,070	205,270	184,740	166,270	149,640	134,680	121,210	109,090
	2006	2007	2008	2009	2010	2011	2012	2013

Market Value Exempted
 506,833.00