



CITY COUNCIL AGENDA ITEM

Date: August 8, 2014

To: Brian Kischnick, City Manager

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

Subject: Public Hearing for the granting of an Industrial Facilities Exemption Certificate (IFEC) for Mahindra North American Technical Center, Inc., 1055 W. Square Lake, Troy, MI. 48098

Background:

Mahindra North American Technical Center, Inc., has renovated and occupied the property at 1055 W. Square Lake (the former Hi-Lex property). This is the technical center for the newly formed North American operations of Mahindra, a heavy machinery manufacturer from India. They are interested in entering the American automotive market.

The building has been vacant for several years, and is uniquely suited for their technical center. They have a five year lease, with options for additional years, or to purchase the property.

They have invested \$887,751 in equipment and renovations, and will be bringing 82 jobs to the facility.

This Public Hearing is for the purpose of granting or denying the tax abatement.

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 five (5) year abatement under Council Policy Resolution #2010-08-173.

The \$887,751 investment would generate approximately \$34,058.55 in total taxes over five (5) years, of which \$11,385.97 would be City taxes.

The abatement would therefore save the company \$17,029.27 over its life. The City would realize \$5,692.99 in taxes that it does not currently receive.



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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, and PA 198.

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\Mahindra 01.10.14\Memo IFEC Mahindra 08.11.14

TROY SCHOOL DISTRICT
Attn: MARK RAJTER
4400 LIVERNOIS
TROY MI 48098-4799

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

OAKLAND INTERMEDIATE SCHLS
2111 PONTIAC LAKE
WATERFORD MI 48328

OAKLAND COUNTY PTA
1200 N TELEGRAPH Dept 479
PONTIAC MI 48341-0479

OAKLAND CO EQUALIZATION
Attn: DAVID HIEBER
250 ELIZABETH LAKE RD 1000 W
PONTIAC MI 48341

OAKLAND COUNTY ZOO AUTH'Y
1200 N TELEGRAPH Dept 479
PONTIAC MI 48341-0479

MAHINDRA NA
Attn: FREDERICK LAWS
1055 W SQUARE LAKE
TROY MI 48098

MAHINDRA NA
Attn: JEFFREY BLOHM
1055 W SQUARE LAKE
TROY MI 48098

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: August 11, 2014
Time: 7:30 PM

To consider the following: the establishment of an Industrial Development District (IDD) and the granting of an Industrial Facilities Exemption Certificate (IFEC) for Mahindra North American Technical Center, Inc.
Address: 1055 W. Square Lake Rd.
Parcel ID#: 88-20-08-226-002
Section: 5 and 8

I hereby certify that the attached notice was E-mailed to the Somerset Gazette Newspapers on: July 24, 2014

For publication on: July 28, 2014

Cheryl A Stewart

Cheryl A. Stewart
Admin Aide

I hereby certify that the attached notice was posted to the City of Troy website on: July 25, 2014

I further certify that the mailing is scheduled to be mailed by first class mail by the City Clerk's Office on: July 25, 2014

Cheryl A. Stewart
Admin Aide

POSTED: July 25, 2014
PUBLISHED: July 28, 2014

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, August 11, 2014 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 Mahindra North American Technical Center, Inc., at the following location:

88-20-08-226-002 1055 W Square Lake, Troy, MI. 48098
T2N, R11E, Section 5 & 8

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.

From: [Cheryl A Stewart](#)
To: editor@troy-somersetgazette.com; [Patti Sweitzer](#)
Cc: [Clerks](#)
Subject: PUBLISH: July 28, 2014 20140811 IDD-IFEC Mahindra North American Technical Center, Inc. - 1055 W Square Lake Rd
Date: Thursday, July 24, 2014 3:10:32 PM
Attachments: [20140811 IDD-IFEC Mahindra North American Technical Center Inc - 1055 W Square Lake Rd.doc](#)
Importance: High

Cindy and/or Patti,

Would you please publish the attached Notice of Public Hearing in the July 28, 2014 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 of Troy | City Clerk's Office | 500 W. Big Beaver Troy MI 48084-5254 | Office:
248.524.3316 | Fax 248.524.1770 | troymi.gov  

"We believe a strong community embraces diversity, promotes innovation, and encourages collaboration. We strive to lead by example within the region. We do this because we want everyone to choose Troy as their community for life. We believe in doing government the **best.**"

E - 01 Request for Consideration to Grant an Industrial Facilities Exemption Certificate (IFEC) for Mahindra North American Technical Center, Inc., 1055 W Square Lake, Troy MI., 48098

Suggested Resolution

Resolution # 2014-

Moved by:

Seconded by:

WHEREAS, After due notice and proper hearing, the City Council of the City of Troy on August 11, 2014, established an Industrial Development District (IDD) for property known as 1055 W Square Lake, Troy, MI. 48098, Parcel # 88-20-08-226-002; and

WHEREAS, An Application has been submitted by Mahindra North American Technical Center, Inc., for an Industrial Facilities Exemption Certificate (IFEC) for personal property at 1055 W Square Lake, Troy, MI. 48098 for nine (9) years after completion; and

WHEREAS, After due and proper notice by the City Clerk, the City Council, on August 11, 2014, 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 Mahindra North American Technical Center, Inc. at 1055 W Square Lake, Troy, MI. 48098 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 Mahindra North American Technical Center, Inc., at 1055 W Square Lake, Troy, MI. 48098 shall not substantially impede the operation of the City of Troy or the other taxing units, **NOR HAS IT BEEN FOUND THAT THE GRANTING** of the Industrial Facilities Exemption Certificate (IFEC) will impair the financial soundness of the City of Troy, or the other taxing units which levy taxes on said property; and

BE IT FURTHER RESOLVED, That Troy City Council hereby **APPROVES** the application to for an Industrial Facilities Exemption Certificate (IFEC) for Mahindra North American Technical Center, Inc., at 1055 W Square Lake, Troy, MI. 48098, Parcel # 88-20-08-226-002, for personal property for a term of Five (5) years **after completion, CONTINGENT** upon the execution of a Letter of Agreement between the City of Troy and Mahindra North American Technical Center, Inc., and the payment of the fees in accordance with Public Act 198 of 1974, as amended; and

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

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

Yes:
No: