



CITY COUNCIL AGENDA ITEM

Date: November 10, 2014

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 Toyoda Gosei NA Corp., 1400 Stephenson

Background:

Toyoda Gosei NA Corp. has purchased the property at 1400 Stephenson. They are in the process of renovating the facility so they may consolidate operations in Troy.

The building has been partially vacant for several years, and is uniquely suited for their consolidation.

They will invest over \$4.2 million in equipment and renovations, and will be bringing an additional 51 jobs to the existing 136 that are currently located there.

In January of 2014 they submitted a Letter of Intent to apply for tax abatement at the site.

They have applied to have an Industrial Development District established at the site so that they may apply for personal property tax abatement for a 9 year period. If granted, they will save approximately \$85,000 on their overall tax bill. Of that amount, \$28,400 would be City tax savings.

Financial Considerations:

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

The \$4,223,965 investment would generate approximately \$170,124.76 in total taxes over nine (9) years, of which \$56,801.67 would be City taxes.



CITY COUNCIL AGENDA ITEM

The abatement would therefore save the company \$85,062.38 over its life. The City would realize \$28,400.83 in taxes that it does not currently receive.

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\Toyoda Gosei 2014\Memo IDD Toyoda Gosei 11.10..14

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.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date received by Local Unit 10/01/14
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) Toyota Gosei North America Corporation		▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3069	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1400 Stephenson Highway Troy MI 48083		▶ 1d. City/ City of TROY	▶ 1e. Cour** Oakland Co.
▶ 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 Troy Public	▶ 3b. School Code 63150
		▶ 4. Amount of years requested for exemption (1-12 Years) 9 plus 2 for completion	

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.

see attached

6a. Cost of land and building improvements (excluding cost of land)	▶ _____
* Attach list of improvements and associated costs.	Real Property Costs
* Also attach a copy of building permit if project has already begun.	▶ \$4,223,965.00
6b. Cost of machinery, equipment, furniture and fixtures	▶ _____
* Attach itemized listing with month, day and year of beginning of installation, plus total	Personal Property Costs
6c. Total Project Costs	▶ \$4,223,965.00
* Round Costs to Nearest Dollar	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 ▶	8/1/14	12/30/15	▶ <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. Yes No

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. **136** ▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. **51**

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	_____

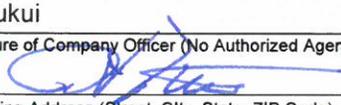
▶ 12a. Check the type of District the facility is located in:
 Industrial Development District Plant Rehabilitation District

▶ 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 Lisa Owens	13b. Telephone Number (248) 280-7426	13c. Fax Number (248) 280-7416	13d. E-mail Address lisa.owens@toyodagosei.com
14a. Name of Contact Person John Wells	14b. Telephone Number (248) 280-7312	14c. Fax Number (248) 280-7416	14d. E-mail Address john.wells@toyodagosei.com
▶ 15a. Name of Company Officer (No Authorized Agents) Hiroki Fukui			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number	15d. Date 9/30/2014
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 1400 Stephenson Hwy, Troy MI 48083		15f. Telephone Number (248) 286-2676	15g. E-mail Address hiroki.fukui@toyodagosei.com

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), <u>9</u> 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: Check or Indicate N/A if Not Applicable <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 Check or Indicate N/A if Not Applicable <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 63223	
17. Name of Local Government Body City of TROY		16d. School Code 63150	
		▶ 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 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		
19e. Telephone Number 248-524-3311	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

TGNA Building Renovation Planned Spend

		Timing	Budget
<i>Renovation 1st Floor</i>			
	<i>New Training room, paint, new carpet, new conference rooms, remodel lobby / guest area, new employee cafeteria, storage room and quality / warrenty area, remodel men's and women bathroom and new display area</i>	Sept. 2014 - Jan 2015	
<i>Renovation - 2nd Floor</i>			
	<i>Paint, remodel men's and women's bathrooms, remodel engineering conference room, remodel refresh space</i>	Dec 2014 - Feb 2015	
<i>Renovation - 3rd Floor</i>			
	<i>Paint, remodel men's and women's bathrooms, new Executive area (paint, carpet), and remodel refresh space</i>	Dec 2015- Mar 2015	
			\$2,900,000.00
1. Infrastructure	New Roof	Oct-15	
	HVAC	Sept. 2014 - Mar 2015	
	Seal Windows	Sept. 2014	
	Parking Lot / Concrete	Oct. 2014	
	Sidewalk Concrete / New Truckwell	TBD	
	Paint Stairwells	Sept. 2014	
	Add Smart Technology / training rooms	Nov. 2014 - Mar. 2015	
2. Productivity	Relocate Chillers	Sept. 2014	
	Tuck point exterior brick	Sept. 2014	
	New Furniture (gathering spaces, cafeteria, patio, executive area, etc)	Oct. 2014 - Feb. 2015	
	Patio	Spring 2015	
3. Extra	Landscaping - exterior of building (Spring 2015)	Spring 2015	
Total			\$2,900,000.00

Toyoda Gosei North America
 Actual Capital Equipment Spend from 1/29/2014 Through 8/31/14

G/L Detail Report

Date	Explanation	Explanation -Remark-	Amount	Invoice Number
1/31/2014	TATA TECHNOLOGIES INC.	Network Appliance FAS2240	20,319.98	197060452
2/5/2014	HEWLETT- PACKARD	HP Z420 F8H28US#ABA	93.00	53885237
2/5/2014	HEWLETT- PACKARD	HP Z420 F8H28US#ABA	2,114.87	53896017
2/18/2014	CDW DIRECT (REMIT TO)	MacBook Pro 13 Inch	2,816.22	JX43264
2/28/2014	COMERICA BANK	Windows Surface Pro 2 Tablet	1,377.99	COMERICA 02.28.14
3/31/2014	PRESIDIO NETWORKED SOLUTIONS	VOIP Upgrade for all North	6,348.06	40416256
4/13/2014	PRESIDIO NETWORKED SOLUTIONS	VOIP Upgrade for all North	1,074.31	40418403
5/8/2014	HEWLETT- PACKARD	CAD/CAE License Server - HP	7,175.96	54301829
5/25/2014	DELL MARKETING L.P.	25 laptops, for TGNA employees	29,846.20	XIDXJ5RR1
6/3/2014	TELNET GROUP, INC.	New Voicemail System	4,535.74	52479
6/18/2014	HEWLETT- PACKARD	CAE Workstations (2)-HP Z420s	196.68	54467792
6/20/2014	HEWLETT- PACKARD	CAE Workstations (2)-HP Z420s	4,050.74	54482806
7/1/2014	HEWLETT- PACKARD	CAE Workstations (2)-HP Z420s	1,975.65	54530383
7/7/2014	CONFERRING ADVISORS, INC.	LifeSize system hardware for	4,531.00	6640
8/29/2014	DELL MARKETING L.P.	Latitude 15 5000 Series (Todd	1,371.68	XJJCJT47

Total \$ 87,828.08

Capital Equipment for TGNA Troy Location for Yearsw 2014 - 2016

ITEMS	2014 Sep-Dec		2015		2016	
	Purchased		Purchased		Purchased	
PC	\$20,000		\$18,000		\$9,000	
Laptop	\$28,000		\$56,000		\$21,000	
VDI	\$190,000					
VDI Zero Clients			\$28,890		\$21,375	
VPBX	\$169,000		\$25,000		\$25,000	
Lease on AS/400	\$55,500		\$74,000			
Cloud Lease on AS/400			\$156,000		\$234,000	
VC			\$10,800			
Switches					\$64,000	
Access Points			\$8,400			
Blade servers					\$75,000	
D2D Backup Devices					\$30,000	
Firewall			\$5,000			
	\$462,500		\$382,090		\$479,375	

Total \$1,323,965

Applicant Name Toyoda Gosei NA Corp

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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TOYODA GOSEI

**Toyoda Gosei
North America Corporation**
1400 Stephenson Highway
Troy, Michigan 48083 USA
Phone: 248.280.2100
Fax: 248.280.2110
www.toyodagosei.com

January 24, 2014

Leger A. (Nino) Licari | MMAO (4), PPE
City Assessor – City of Troy
500 W. Big Beaver
Troy, MI 48084

Dear Mr. Licari,

This is Toyoda Gosei North America Corporation Letter of Intent to request the City of Troy Michigan to establish an industrial development district at 1400 Stephenson Hwy, Troy Michigan. This Letter of Intent request is for our Tax Abatement application.

Regards,

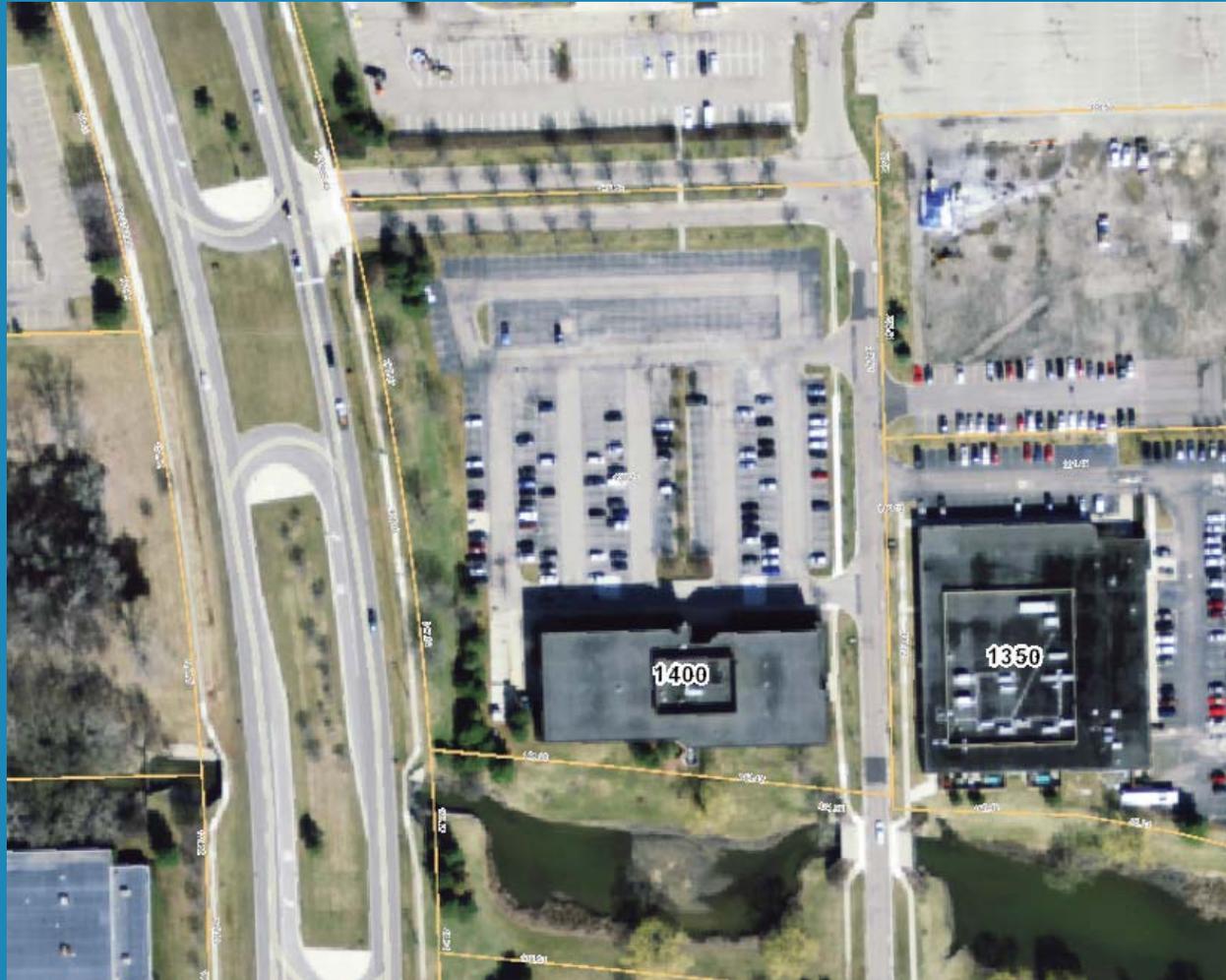
Hiroki Fukui
Executive Vice President
Toyoda Gosei North America Corporation

88-20-35-126-024
1400 Stephenson
Toyoda Gosei
Aerial View
IDD & IFEC



GIS Online

Legend:
Parcels



Notes:

Map Scale: 1=173
Created: January 23, 2014



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.



GIS Online



Legend:

Parcels

- Building Footprints 1
- <all other values>
- GOVERNMENT - CITYHALL
- GOVERNMENT - COMMUNITY CENTE
- GOVERNMENT - DISRTICT 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 - DISRTICT 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=173
 Created: January 23, 2014



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.

88-20-35-126-024
1400 Stephenson
Toyoda Gosei
IDD & IFEC

Legal Description:

T2N, R11E, SEC 35
ROBBINS EXECUTIVE PARK WEST NO 3
PART OF LOT 10, ALSO
PART OF LOT 11 OF
'ROBBINS EXECUTIVE PARK WEST NO 4'
ALL DESC AS
BEG AT NW COR OF SD LOT 11,
TH S 89-14-30 E 476.26 FT,
TH S 01-13-00 W 546.61 FT,
TH N 81-30-18 W 254.42 FT,
TH N 81-57-54 W 160.98 FT
TO POINT ON ELY R/W LINE
OF STEPHENSON HWY,
TH ALG SD ELY R/W LINE
ALG CURVE TO LEFT,
RAD 2985.49 FT,
CHORD BEARS
N 06-12-25 W 495.61 FT,
DIST OF 496.18 FT
TO BEG
5/21/85 FR 013 & 023

**City of Troy - Assessing Department
Toyoda Gosei - IDD & IFT Application 2014
Estimate of Total Taxes and Tax Savings for IFEC Application**

Market Value	4,223,965	3,759,329	2,857,090	1,914,250	1,148,550	620,217	303,906	136,758	57,438	21,827
50% of Value	2,111,983	1,879,664	1,428,545	957,125	574,275	310,109	151,953	68,379	28,719	10,913
Year		2015	2016	2017	2018	2019	2020	2021	2022	2023
Depreciation		0.8900	0.7600	0.6700	0.6000	0.5400	0.4900	0.4500	0.4200	0.3800
Taxable Value		1,879,664	1,428,545	957,125	574,275	310,109	151,953	68,379	28,719	10,913

Taxing Authority	100% of Millage	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes
Trans	0.59000	\$1,109.00	\$842.84	\$564.70	\$338.82	\$182.96	\$89.65	\$40.34	\$16.94	\$6.44
County	4.64610	\$8,733.11	\$6,637.16	\$4,446.90	\$2,668.14	\$1,440.80	\$705.99	\$317.70	\$133.43	\$50.70
Zoo	0.10000	\$187.97	\$142.85	\$95.71	\$57.43	\$31.01	\$15.20	\$6.84	\$2.87	\$1.09
Int Schools	3.36900	\$6,332.59	\$4,812.77	\$3,224.55	\$1,934.73	\$1,044.76	\$511.93	\$230.37	\$96.75	\$36.77
Comm Coll	1.58440	\$2,978.14	\$2,263.39	\$1,516.47	\$909.88	\$491.34	\$240.75	\$108.34	\$45.50	\$17.29
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	\$9,304.34	\$7,071.30	\$4,737.77	\$2,842.66	\$1,535.04	\$752.17	\$338.48	\$142.16	\$54.02
Hold Harmless	5.55630	\$10,443.98	\$7,937.42	\$5,318.07	\$3,190.84	\$1,723.06	\$844.30	\$379.93	\$159.57	\$60.64
Admin	0.15240	\$286.45	\$217.70	\$145.86	\$87.52	\$47.26	\$23.16	\$10.42	\$4.38	\$1.66
City	10.50000	\$19,736.48	\$14,999.72	\$10,049.81	\$6,029.89	\$3,256.14	\$1,595.51	\$717.98	\$301.55	\$114.59
Total	31.44820	\$59,112.05	\$44,925.16	\$30,099.86	\$18,059.91	\$9,752.35	\$4,778.65	\$2,150.39	\$903.17	\$343.20

Total Taxes 9 Yrs	\$170,124.76
Total City Taxes 9 Yrs	\$56,801.67

50% Total Taxes 9 Yrs	\$85,062.38	Net Total Taxes Abated
50% Total City Taxes 9 yrs	\$28,400.83	Net Total City Taxes Abated
2% Total City 9 Yrs	\$568.02	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					
51 Job Creation		Building Terms		RP and/or PP Investment \$4.2M	
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 9, 2014

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
Toyoda Gosei North America Corp.
PA 198 Tax Abatement

This affidavit attests to the fact that the City of Troy has charged an application fee in the amount of \$568.02, equal to 2% of the estimated abated City taxes for the life of the exemption for Toyoda Gosei NA, at 1400 Stephenson, Troy MI.

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

Dated:

Signed: Toyoda Gosei North America Corp.

Dated:

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

This agreement between **Toyoda Gosei NA Corp.**, (“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), **Toyoda Gosei NA Corp.**, understands that through its investment of \$4,223,965, 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, 2025, whichever is sooner.
- 2.) At the end of two (2) years or no later than December 31, 2016, **Toyoda Gosei NA Corp.**, 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.) **Toyoda Gosei NA Corp.**, 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**.

Toyoda Gosei NA Corp., 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.) **Toyoda Gosei NA Corp.**, 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.) **Toyoda Gosei NA Corp.**, 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

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 10, 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 Toyoda Gosei NA Corp.
Address: 1400 Stephenson
Parcel ID#: 88-20-35-126-024
Section: 35

I hereby certify that the attached notice was E-mailed to the Somerset Gazette Newspapers on: October 14, 2014

For publication on: October 20, 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: October 14, 2014

I further certify that the mailing is scheduled to be mailed by first class mail by the City Clerk's Office on: October 14, 2014

Cheryl A Stewart

Cheryl A. Stewart
Admin Aide

POSTED: October 14, 2014

PUBLISHED: October 20, 2014

Cheryl A Stewart

From: Cheryl A Stewart
Sent: Tuesday, October 14, 2014 10:03 AM
To: 'editor@troy-somersetgazette.com'; 'Patti Sweitzer'
Cc: Clerks
Subject: PUBLISH: October 20, 2014 20141110 IDD-IFEC Toyoda Gosei NA Corp, 1400 Stephenson
Attachments: 20141110 IDD-IFEC Toyoda Gosei NA Corp, 1400 Stephenson.doc

Cindy and/or Patti,

Would you please publish the attached Notice of Public Hearing in the **October 20, 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**."

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 10, 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 Toyoda Gosei NA Corp., at the following location:

88-20-35-126-024 1400 Stephenson, Troy, MI. 48083
T2N, R11E, Section 35

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
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

TOYODA GOSEI NA
Attn: LISA OWENS
1400 STEPHENSON
TROY MI 48083

I-## Establishment of an Industrial Development District (IDD) at 1400 Stephenson

Suggested Resolution

Resolution #2014-

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, Toyoda Gosei NA Corp. 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 10, 2014, 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 1400 Stephenson, Troy, MI. 48083, Parcel #88-20-35-126-024, 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: