



## CITY COUNCIL AGENDA ITEM

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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 granting of an Industrial Facilities Exemption Certificate (IFEC) for Toyoda Gosei NA Corp., 1400 Stephenson

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### **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.



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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 granting an IFEC.

### **Policy Considerations:**

The application is in compliance with City Council Tax Abatement Policy Resolution #2010-08-173, and PA 198.

### **Options:**

City Council may approve the tax abatement. Or, City Council may choose to deny any tax abatement. The company would then appeal this decision to the State Tax Commission (STC).

NI/nl H:IFT\Toyoda Gosei 2014\Memo IFEC Toyoda Gosei.11.10.14

**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

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**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](http://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.

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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  
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

**E - 01 Request for Consideration to Grant an Industrial Facilities Exemption Certificate (IFEC) for Toyoda Gosei NA Corp., at 1400 Stephenson, Troy, MI. 48083**

Suggested Resolution

Resolution # 2014-

Moved by:

Seconded by:

WHEREAS, After due notice and proper hearing, the City Council of the City of Troy on November 10, 2014, established an Industrial Development District (IDD) for property known as 1400 Stephenson, Troy, MI. 48083, Parcel # 88-20-35-126-024; and

WHEREAS, An Application has been submitted by Toyoda Gosei NA Corp. for an Industrial Facilities Exemption Certificate (IFEC) for personal property at 1400 Stephenson, Troy, MI. 48083 for nine (9) years after completion; and

WHEREAS, After due and proper notice by the City Clerk, the City Council, on November 10, 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 Toyoda Gosei NA Corp. at 1400 Stephenson, 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 Toyoda Gosei NA Corp., at 1400 Stephenson, 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 to for an Industrial Facilities Exemption Certificate (IFEC) for Toyoda Gosei NA Corp., at 1400 Stephenson, Troy, MI. 48083, Parcel # 88-20-35-126-024, 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 Toyoda Gosei NA Corp., 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 Toyoda Gosei NA Corp., 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: