



CITY COUNCIL AGENDA ITEM

Date: February 23, 2015

To: Brian Kischnick, City Manager

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

Subject: Public Hearing to Consider the Granting of an Industrial Facilities Exemption Certificate (IFEC) for HTC Global Services, 100 E. Big Beaver

Background:

HTC Global Services has purchased the building at 100 E. Big Beaver, under a holding company. They will lease back the building from this company. They are in the process of renovating the facility for a new development center for engineering and medical applications. The building has been mostly vacant for several years, and is need of extensive renovations.

They will invest over \$1.7 million in renovations and equipment. They also expect to add 200 new jobs at this facility in addition to the 110 people they currently employ.

In November of 2013 they submitted a Letter of Intent to apply for tax abatement at the site. In December of 2014 they clarified their initial letter.

They have applied to have an Industrial Facilities Exemption Certificate (IFEC) for personal property tax abatement for an 8 year period (after completion). If granted, they will save approximately \$36,700 on their overall tax bill. Of that amount, \$12,256 would be City tax savings.

Financial Considerations:

Based on their lease of the building, the amount of the investment, and the number of jobs they will be creating, they qualify for an eight (8) year abatement under Council Policy Resolution #2010-08-173.

The \$1,707,500 investment would generate approximately \$73,416.48 in total taxes over eight (8) years, of which \$24,512.47 would be City taxes.



CITY COUNCIL AGENDA ITEM

The abatement would therefore save the company \$36,708.24 over its life. The City would realize \$12,256.24 in taxes that it does not currently receive.

Legal Considerations:

The application 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 not grant the abatement. The company would then appeal this decision to the State Tax Commission (STC).

NI/nl H:IFT\HTC 2015\Memo IFEC 02.23.15

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, February 23, 2015, 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 HTC Global Services., at the following location:

88-20-27-101-060 100 E. Big Beaver, Troy, MI. 48083-1204
T2N, R11E, Section 27, Frost Sunny Acres, Part of Lots 1 and 3, and Lots 4 through 9

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.*

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:	February 23, 2015
Time:	7:30 PM
Business:	HTC Global Services
To consider the following:	the establishment of an Industrial Development District (IDD) and the granting of an Industrial Facilities Exemption Certificate (IFEC) for HTC Global Services.
Address:	100 E. Big Beaver Rd.
Parcel ID#	88-20-27-101-060
Section:	27

I hereby certify that the attached notice was E-mailed to
the Somerset Gazette Newspapers on: February 2, 2015

For publication on: February 9, 2015

Cheryl A Stewart

Cheryl A. Stewart
Admin Aide

I hereby certify that the attached notice was posted to the
City of Troy website on: February 2, 2015

I further certify that the mailing is scheduled to be mailed by
first class mail by the City Clerk's Office on: February 2, 2015

Cheryl A Stewart

Cheryl A. Stewart
Admin Aide

POSTED: February 2, 2015
PUBLISHED: February 9, 2015

Cheryl A Stewart

From: Patti Sweitzer <artroom@troy-somersetgazette.com>
Sent: Thursday, February 05, 2015 11:48 AM
To: Cheryl A Stewart
Subject: Re: PUBLISH: February 9th, 16th and 23rd, 2015 2015 (03-March) Board of Review Meeting Dates
Attachments: image005.jpg; ATT00001.htm; image006.jpg; ATT00002.htm; 2015 (03-March) Board of Review Meeting Dates.doc; ATT00003.htm

Thought I replied to this - but just so you know I have two legals for this week.

Patti Sweitzer
Gazette Newspapers, Inc.
6966 Crooks Rd • Suite 22
Troy, Michigan 48098
248-524-4868 Phone
248-524-9140 Fax

<http://www.troy-somersetgazette.com>

On Feb 2, 2015, at 9:15 AM, Cheryl A Stewart wrote:

Cindy and/or Patti,

Would you please publish the attached Notice of Public Hearing in the **February 9th, 16th and 23rd, 2015** editions 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

Cheryl A Stewart

From: Cheryl A Stewart
Sent: Monday, February 02, 2015 9:12 AM
To: 'editor@troy-somersetgazette.com'; 'Patti Sweitzer'
Cc: Clerks
Subject: PUBLISH: February 9, 2015 20150223 IDD-IFEC HTC Global Services - 100 E Big Beaver Rd.
Attachments: 20150223 IDD-IFEC HTC Global Services - 100 E Big Beaver.doc

Cindy and/or Patti,

Would you please publish the attached Notice of Public Hearing in the **February 9, 2015** 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**."

TROY SCHOOL DISTRICT
Attn: BUSINESS ADMIN
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

HTC GLOBAL SERVICES
Attn: LAURIE MARIA
3270 W BIG BEAVER
TROY MI 48084

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

E - 02 Request for Consideration to Grant an Industrial Facilities Exemption Certificate (IFEC) for HTC Global Services, 100 E. Big Beaver, Troy, MI. 48083

Suggested Resolution

Resolution # 2015-

Moved by:

Seconded by:

WHEREAS, After due notice and proper hearing, the City Council of the City of Troy on February 23, 2015, established an Industrial Development District (IDD) for property known as 100 E. Big Beaver, Troy, MI. 48083, Parcel # 88-20-27-101-060; and

WHEREAS, An Application has been submitted by HTC Global Services for an Industrial Facilities Exemption Certificate (IFEC) for personal property at 100 E Big Beaver, Troy, MI. 48083 for eight (8) years after completion; and

WHEREAS, After due and proper notice by the City Clerk, the City Council, on February 23, 2015, 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 HTC Global Services at 100 E. Big Beaver, 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 HTC Global Services at 100 E. Big Beaver, 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 HTC Global Services at 100 E. Big Beaver, Troy, MI. 48083, Parcel # 88-20-27-101-060, for personal property for a term of eight (8) years **after completion, CONTINGENT** upon the execution of a Letter of Agreement between the City of Troy and HTC Global Services, 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 HTC Global Services, 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: