



CITY COUNCIL ACTION REPORT

October 17, 2007

TO: Phillip L. Nelson, City Manager

FROM: John M. Lamerato, Assistant City Manager-Finance/Administration
Brian Murphy, Assistant City Manager - Services
Nino Licari, City Assessor

SUBJECT: Public Hearing to consider granting an Industrial Facilities Exemption Certificate (IFEC) to Seco Tools, Inc., 2805 Bellingham, Troy MI 48083

Background:

- Seco Tools, Inc., is currently located in Warren. In conjunction with Michigan Economic Development Corporation (MEDC) grants, they are seeking (and MEDC requires) a local match to facilitate their ability to stay in Michigan, and more particularly, Troy.

Our requested local match is for an Industrial Facilities Exemption Certificate (IFEC) to be issued by the City of Troy. This is according to Public Act 198 of 1974 (as amended) and local City policy.

Financial Considerations:

- The estimated amount of investment in personal property is \$6,014,028 for the project. Over a twelve (12) year life, the estimated total taxes are \$219,057.46, of which \$84,746.00 would be City taxes.

A 50% abatement amounts to a savings of \$109,528.73 in total taxes, of which \$42,373.00 would be saved on City taxes. This is the financial cost to all taxing authorities.

Legal Considerations:

- The application meets all requirements of Public Act 198 of 1974 (as amended), the Plant Rehabilitation and Industrial Development Districts legislation.

Policy Considerations:

- The application is in compliance with the newly amended tax abatement policy of the City Council of the City of Troy (Resolution #2006-06-238, attached).

City Council Goal II, “Retain and attract investment while encouraging redevelopment” is met with this expansion.

Since both legal and policy considerations are met, staff would recommend establishing the District.

Options:

- City Council has the option of granting the Industrial Facilities Exemption Certificate for any period of one (1) to twelve (12) years, or not at all.

This is a well-established company, with many opportunities to expand, and staff recommends that the Exemption be granted for the full twelve (12) years.

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

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

**OAKLAND INTERMEDIATE SCHOOLS
2111 PONTIAC LAKE
WATERFORD MI 48328**

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

**OAKLAND COUNTY EQUALIZATION
DAVID HIEBER
250 ELIZABETH LAKE RD 1000 W
PONTIAC MI 48341**

**SECO TOOLS, INC
MICHAEL L NEEL
11177 E 8 MILE RD
WARREN MI 48089**

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, December 17, 2007 at 7:30 P.M. to consider the request from Seco Tools Inc., for the granting of an Industrial Facilities Exemption Certificate (IFEC) for a period not to exceed 12 years, beginning December 31, 2008, for personal property located at:

T2N, R11, E, of Section 26
2805 Bellingham, Troy, Michigan 48083,
Parcel # 88-20-26-200-088

You may express your comments regarding this matter 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 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.*