



CITY COUNCIL ACTION REPORT

August 18, 2008

TO: Phillip L. Nelson, City Manager

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

SUBJECT: Public Hearing to consider granting an Industrial Facilities Exemption Certificate (IFEC) to Faurecia Automotive Seating, Inc., 2350 Meijer

Background:

- Ffaurecia Automotive Seating, Inc., intends to expand their operations at 2350 Meijer, Troy, MI. 48084, with an investment of \$1,145,000 in new equipment.

Financial Considerations:

- The estimated amount of investment in personal property is \$1,145,000 for the project. Over an eight (8) year life, the estimated total taxes are \$50,818.91, of which \$16,110.28 would be City taxes.

A 50% abatement amounts to a savings of \$25,409.45 in total taxes, of which \$8,055.14 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 Outcome III, "Troy is rebuilding for a healthy economy reflecting the values of a unique community in a changing and interconnected world." Retain and attract investment while encouraging redevelopment" is met with this expansion.

Since both legal and policy considerations are met, staff would recommend granting the exemption.

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.

Staff recommends that the Exemption be granted for eight (8) years.

NL/nl H:\I.F.T.\Faurecia\CouncilPakIFEC PH

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, September 22, 2008 at 7:30 P.M. to consider the request from Faurecia Automotive Seating, Inc., for the granting of an Industrial Facilities Exemption Certificate (IFEC) at the following location:

88-20-32-200-018, 2350 Meijer, Troy, MI. 48084
T2N, R11E, Section 26

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.

**TROY PUBLIC SCHOOLS
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**

**FAURECIA AUTOMOTIVE SEATING
MIKE KAMSICKAS
2050 AUBURN Rd
AUBURN HILLS MI 48326**

C-2 Request for Consideration to Grant an Industrial Facilities Exemption Certificate (IFEC) to Faurecia Automotive Seating, Inc., - 2350 Meijer, Troy, MI 48084

Suggested Resolution

Resolution # 2008-

Moved by:

Seconded by:

WHEREAS, After due notice and proper hearing, the City Council of the City of Troy on September 22, 2008, established an Industrial Development District (IDD) for property known as 2350 Meijer, Troy, MI 48084, Parcel # 88-20-32-200-018; and

WHEREAS, An Application has been submitted by Faurecia Automotive Seating, Inc., an Industrial Facilities Exemption Certificate (IFEC) for personal property at 2350 Meijer, Troy, MI 48084, for twelve (12) years; and

WHEREAS, After due an proper notice by the City Clerk, the City Council, on September 22, 2008, 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 Faurecia Automotive Seating, Inc., at 2350 Meijer, Troy, MI. 48084 may have the effect of substantially impeding the operation of the taxing unit, or impairing the financial soundness of the taxing unit;

NOW, THEREFORE, BE IT RESOLVED, That Troy City Council has **FOUND THAT THE GRANTING** of an Industrial Facilities Exemption Certificate (IFEC) for Faurecia Automotive Seating, Inc., at 2350 Meijer, Troy, MI 48084 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 for an Industrial Facilities Exemption Certificate (IFEC) for Faurecia Automotive Seating, Inc., Inc., at 2350 Meijer, Troy, MI. 48084, Parcel #88-20-32-200-018, for personal property for a term of eight (8) years, **CONTINGENT** upon the execution of a Letter of Agreement between the City of Troy and Faurecia Automotive Seating, Inc., 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 Faurecia Automotive Seating, 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: