



## CITY COUNCIL REPORT

# RECEIVED

DATE: June 24, 2010

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TO: Honorable Mayor and City Council

CITY OF TROY  
CITY MANAGER'S OFFICE

FROM: John Szerlag, City Manager  
Mark F. Miller, Acting Assistant City Manager/Economic Development Services  
Pamela Valentik, Economic Development Specialist

SUBJECT: Business Attraction Project: Witzenmann, USA

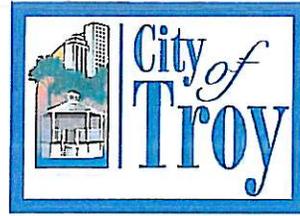
We would like to advise you of a business attraction project that the economic development team aggressively worked on for the past few months. Witzenmann is a 115-year old privately held company based in Germany. Witzenmann is a lead manufacturer of flexible metal components for the automotive industry with three locations currently in Warren. The company is relocating their USA headquarters and expanding their technical operations to 1201 Stephenson Highway, Troy, Michigan. Witzenmann, USA will lease the vacant 57,000 square foot industrial building and over five years will invest \$13 million in machinery, equipment and building improvements. The company will relocate to Troy approximately 40 employees from their Warren campus and create 75 additional jobs in Troy.

Witzenmann USA considered relocating these operations to Auburn, Alabama; however, the partnership between the Michigan Economic Development Corporation and the City of Troy presented Witzenmann with an attractive and cost-competitive package. Troy's policy for Personal Property Tax Abatements allows for a 50% exemption on new investment in this situation, and will be submitted to City Council when Witzenmann submits an application.

Prepared by: PV

500 W. Big Beaver  
Troy, MI 48084  
(248) 524-3300

The City of Tomorrow...



...Today

May 5, 2010

Mr. Joshua Hundt  
Project Specialist  
Michigan Economic Development Corporation  
300 N. Washington Square  
Lansing, MI 48913

Dear Mr. Hundt:

The City of Troy is pleased that our community has a location that meets the needs of Witzenmann USA and we are excited to work with the MEDC to try to attract their corporate growth to our community. We are aware that this is a competitive situation, and with Council's concurrence, the city will do everything we can as a community to attract these expanded operations to this region.

As Troy's commitment to this project, and after review of Witzenmann USA's Staffing & Investment Chart, management will recommend to City Council that we fulfill the local contribution by offering a P.A. 198 IFT tax abatement for personal property for up to 10 years. We will present the matter at the earliest Council meeting after receipt of the complete application.

Please use this letter as an indication of our commitment of support for this project. After formal approval has been secured, we will forward a copy of our council's resolution, formalizing our support.

I look forward to working with you and your staff on this project.

Best regards,

John Szerlag  
City Manager