



## CITY COUNCIL AGENDA ITEM

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Date: September 13, 2010

To: John Szerlag, City Manager

From: John M. Lamerato, Assistant City Manager/Finance & Administration  
Nino Licari, City Assessor

Subject: Public Hearing for the establishment of an Industrial Development District (IDD) for Metro Technologies, Ltd., 1462 E. Big Beaver

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### Background:

Metro Technologies, Ltd., located at 1462 E. Big Beaver is expanding their operations to better compete for business. As part of their expansion, they intend to purchase machinery and equipment valued at \$809,000. They will also add 3 new jobs to the 5 existing positions they will maintain. They are asking for Personal Property Tax Abatement, which they qualify for under the former City Council Policy Resolution (attached), which was in effect at the time of the application.

The Industrial Facility Exemption Certificate (IFEC) would be for 5 years.

In order to grant the IFEC, an Industrial Development District must first be established, as the City Council has not designated all non-residential areas to be IDD's. This is the reason for the back to back Public Hearings.

### Financial Considerations:

The projected amount of the investment is \$809,000. Over the 5 year life of the abatement, the estimated total taxes would be \$34,144.76, of which \$10,870.09 would be City Taxes.

A 50% abatement amounts to a total savings to the taxpayer of \$17,072.76, of which \$5,435.04 would be abated City taxes.

### Legal Considerations:

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



## CITY COUNCIL AGENDA ITEM

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### Policy Considerations:

The application is in compliance with City Council Tax Abatement Policy Resolution #2006-06-238.

City Council goal II, "Retain and attract investment while encouraging redevelopment" is met with this application.

### Recommendation:

Since both legal and policy considerations are met, staff would recommend establishing the district, and granting the tax abatement for the subsequent Public Hearing.

### Options:

City Council may establish the IDD (and approve the tax abatement). Or, City Council may choose to not establish a district at this site. In which case, the Council must then deny any tax abatement.

NI/nl H:IFT\MetroTech\Memo IDD 09.13.10

# Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

**INSTRUCTIONS:** File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form or would like to request an informational packet, call (517) 373-3272.

<b>To be completed by Clerk of Local Government Unit</b>	
Signature of Clerk	▶ Date received by Local Unit
<b>STC Use Only</b>	
▶ Application Number	▶ Date Received by STC

## APPLICANT INFORMATION

All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) <b>Metro Technologies Ltd.</b>		▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>3544</b>	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>1462 E. Big Beaver Rd. Troy, MI 48083</b>		▶ 1d. City/Township/Village (indicate which) <b>City</b>	▶ 1e. County <b>Oakland</b>
▶ 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))		▶ 3a. School District where facility is located <b>Troy</b>	▶ 3b. School Code <b>260 63150</b>
		▶ 4. Amount of years requested for exemption (1-12 Years) <b>5 YEARS</b>	

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

Please Reference Attached Letter that contains full list.

6a. Cost of land and building improvements (excluding cost of land) .....	▶ <u>0</u>
* Attach list of improvements and associated costs.	Real Property Costs
* Also attach a copy of building permit if project has already begun.	▶ <u>809,000.00</u>
6b. Cost of machinery, equipment, furniture and fixtures .....	Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation, plus total	▶ <u>\$809,000.00</u>
6c. Total Project Costs .....	Total of Real & Personal Costs
* Round Costs to Nearest Dollar	

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>	
Real Property Improvements ▶	<u>                    </u>	<u>                    </u>	▶ <input type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶	<u>5/13/10</u>	<u>12/1/12</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased

▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption.  Yes  No

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project <b>5</b>	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. <b>3</b>
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11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) .....	
b. TV of Personal Property (excluding inventory) .....	
c. Total TV .....	

▶ 12a. Check the type of District the facility is located in:

Industrial Development District       Plant Rehabilitation District

▶ 12b. Date district was established by local government unit (contact local unit)	▶ 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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**APPLICANT CERTIFICATION - complete all boxes.**

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name <b>Craig Blust</b>	13b. Telephone Number <b>(248) 528-9240</b>	13c. Fax Number <b>(248) 528-0845</b>	13d. E-mail Address <b>craig@mtl-troy.com</b>
14a. Name of Contact Person <b>Craig Blust</b>	14b. Telephone Number <b>(248) 528-9240</b>	14c. Fax Number <b>(248) 528-0845</b>	14d. E-mail Address <b>craig@mtl-troy.com</b>
▶ 15a. Name of Company Officer (No Authorized Agents) <b>Patricia Hook</b>			
15b. Signature of Company Officer (No Authorized Agents) <i>Patricia J. Hook</i>		15c. Fax Number <b>(248) 528-0845</b>	15d. Date <b>6/11/10</b>
▶ 15e. Mailing Address (Street, City, State, ZIP Code) <b>1462 E. Big Beaver Rd. Troy, MI 48083</b>		15f. Telephone Number <b>(248) 528-9240</b>	15g. E-mail Address <b>pat@mtl-troy.com</b>

**LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.**

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No  <input type="checkbox"/> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: <b>Check or Indicate N/A if Not Applicable</b> <input checked="" type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input checked="" type="checkbox"/> 2. Resolution establishing district <input checked="" type="checkbox"/> 3. Resolution approving/denying application. <input checked="" type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input checked="" type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input checked="" type="checkbox"/> 7. Equipment List with dates of beginning of installation <input checked="" type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit <b>Check or Indicate N/A if Not Applicable</b> <input checked="" type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input checked="" type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input checked="" type="checkbox"/> 3. List of taxing authorities notified for district and application action. <b>N/A</b> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code <b>3544</b>	16d. School Code <b>63150</b>
17. Name of Local Government Body <b>CITY OF TROY</b>	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time.

19a. Signature of Clerk	19b. Name of Clerk <b>TONNI BARTHOLOMEW</b>	19c. E-mail Address <b>T.BARTHOLOMEW@TROYMI.GOV</b>
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) <b>500 W BIG BEAVER TROY MI 48084-5254</b>		
19e. Telephone Number <b>248-524-3316</b>	19f. Fax Number <b>248-524-1770</b>	

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**State Tax Commission  
Michigan Department of Treasury  
P.O. Box 30471  
Lansing, MI 48909-7971**

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal



To the attention of:

MEDC and the City of Troy Economic Development Services

Subject:

Metro Technologies request for PA 198 Tax Abatement – May 14, 2010

Updated Post May 12 meeting

List of Eligible Capital Expenditures: ( May 11, 2010 thru Dec 1, 2012 )

Tarus CNC High Speed Mill ( 3 plus 2 ) -----	\$ 645,000 actual
Model # HS-812/48	
CNC Mill Custom Foundation / Pit-----	\$ 35,000 est.
CNC Mill Transport / Rigging and Installation -----	\$ 12,000 est.
CNC Mill 90 degree Mill Head and Tooling -----	\$ 21,000 est.
2 year loan interest -----	<u>NA</u>
CNC High Speed Mill Total Investment -----	<b>\$ 713,000</b>
Cad and Office Computer Purchases -----	\$ 13,500 est.
Cad and Office Software Purchases -----	\$ 18,000 est.
Mig / Tig Weld Equipment (Multiple systems)-----	<u>\$ 64,500 est</u>
<b>PA 198 Tax Abatement Request -----</b>	<b>\$ 809,000</b>

Per the meeting between Metro Technologies and City of Troy Economic Development Services group, on May 12, 2010 at 9am, it was stated by Nino Licari that with our May 11<sup>th</sup> and May 05<sup>th</sup> emails, sent to and received by the City of Troy Economic Development Services group, Metro Technologies is approved to proceed with all purchases that will be involved in this Tax Abatement application and that all purchases of new equipment will be eligible for PA 198 Tax Abatement by the fact that they were purchased after the May 11, 2010 email acknowledgement requesting a PA 198 Tax Abatement. The return email from Nino Licari on 5-13-2010 acknowledges receipt of noted email which will serve as Metro's letter of intent. Email attached.

Thank you,

Patricia Hook, John Hook and Craig Blust.

**From: Craig Blust (Craig@mfl-froy.com)**

**Sent: Thursday, May 13, 2010 12:47 PM**

**To: Jerome Katz; Pamela L Valenfik; Mark F Miller; John Szerlag;**

**Nino A Licari**

**Cc: Karen Hochstein; Pat Hook**

**Subject: May 12 2010 9am meeting summary - PA 198 Tax Abatement -**

**City of Troy and State of Michigan - Metro Technologies Large**

**CNC Mill Equipment Purchase Under Review**

**Pamela, John, Nino and Mark,**

**Thank you for meeting with us, with such short notice, yesterday. Metro Technologies is proceeding with the PA 198 Tax Abatement request which will include all eligible purchased items from May 11, 2010 through Dec 31, 2012.**

**Per the meeting between Metro Technologies and City of Troy Economic Development Services group, on May 12, 2010 at 9am, it was stated by Nino Licari that with our May 11th and May 05th emails, as well as this May 13th email confirmation, sent to and received by the City of Troy Economic Development Services group, Metro Technologies is approved to proceed with all purchases that will be involved in this Tax Abatement application and that all purchases of new equipment will be eligible for PA 198 Tax Abatement by the fact that they were purchased after the May 11, 2010 email acknowledgement requesting a PA 198 Tax Abatement.**

**To show our level of commitment to increasing and improving our technical and advanced manufacturing capability, Metro Technologies Ltd. ownership has agreed and will proceed with the purchase of the Tarus CNC mill and all of the items listed in the document, which you received yesterday. I have attached an updated version of the document which removes the interest that is not eligible for the Tax Abatement. Our ownership has also agreed to proceed with 1 Fronius welder and intends on purchasing a second welder within the next couple of weeks.**

**We will be processing the PA 198 Tax Abatement application and mailing it to the required address within 7days from today.**

**Location:**

**Metro Technologies Ltd.  
1462 East Big Beaver Rd.  
Troy MI 48083**

**Owned by: Patricia I Hook, Alfred J Hook plus three daughters ( Susan, Karen and Lisa ) ( Hook Real Estate Investments LLC )**

Applicant Name <b>METRO TECHNOLOGIES, LTD</b>
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## Fiscal Statement (to be completed by local unit)

	<u>YES</u>	<u>NO</u>
Is this project:		
Real Property?	<input type="checkbox"/>	<input type="checkbox"/>
Personal Property?	<input type="checkbox"/>	<input type="checkbox"/>
Both Real and Personal Property - New Facility?	<input type="checkbox"/>	<input type="checkbox"/>
Both Real and Personal Property - Rehabilitation Facility?	<input type="checkbox"/>	<input type="checkbox"/>
Both New and Replacement Facility?	<input type="checkbox"/>	<input type="checkbox"/>

Estimated Project Investment (not assessed value):

Real Property	Personal Property	Total
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	<u>YES</u>	<u>NO</u>	<u>REMARKS</u>
1. A. Has the proper local authority reviewed the plan?	<input type="checkbox"/>	<input type="checkbox"/>	_____
B. Is the project located in a certified industrial park?	<input type="checkbox"/>	<input type="checkbox"/>	_____
C. Is this a renovation or expansion of an existing building?	<input type="checkbox"/>	<input type="checkbox"/>	_____
2. Will this project require improvement of your road service?	<input type="checkbox"/>	<input type="checkbox"/>	_____
3. Will this project require improvement of your sanitary sewer services?	<input type="checkbox"/>	<input type="checkbox"/>	_____
4. Will this project require improvement of your storm sewer services?	<input type="checkbox"/>	<input type="checkbox"/>	_____
5. Will this project require improvement of your water services?	<input type="checkbox"/>	<input type="checkbox"/>	_____
6. Will this project require additional police personnel, police equipment or a need for new police building expansion?	<input type="checkbox"/>	<input type="checkbox"/>	_____
7. Will this project require the need for additional fire personnel, additional or specialized fire equipment or the need for a new fire building?	<input type="checkbox"/>	<input type="checkbox"/>	_____
8. Will this project require other costs?	<input type="checkbox"/>	<input type="checkbox"/>	_____
9. Are costs of infrastructure elements to be provided through Local Development Finance Authority or Tax Increment Finance Authority Bonds?	<input type="checkbox"/>	<input type="checkbox"/>	_____

If you answered yes to any of questions 2 through 8, the appropriate sections of the Supplement to Fiscal Statement form must be completed and accompany the IFT application. Call (517) 373-3272 to obtain that form.

### LOCAL UNIT CERTIFICATION

This is to certify that the following has been provided as accurately as possible.

Signature	Name and Title of Local Governmental Unit Official
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E BIG BEAVER

E BIG BEAVER





07/08/10

Metro Technologies, Ltd. IFT Application – Legal Description

Parcel ID 88-20-26-126-028

T2N, R11E, SEC 26  
PART OF NW 1/4  
BEG AT PT DIST  
N 88-53-15 N 14.37 FT  
FROM N 1/4 COR,  
TH S 00-56-45 W 55 FT,  
TH N 88-53-15 W 270 FT,  
TH N 00-56-45 E 200 FT,  
TH S 88-53-15 E 120 FT,  
TH N 00-56-45 E 350 FT,  
TH S 88-53-15 E 150 FT  
TO BEG EXC  
N 102 FT TAKEN FOR BIG BEAVER RD  
2.09 A  
12-7-95 FR 026 & 027

**City of Troy - Assessing Department**  
**Metro Technologies, Ltd.**  
**Estimate of Total Taxes and Tax Savings for IFEC Application**

<b>Market Value</b>	809,000	741,610	618,058	463,605	309,132	180,379
<b>50% of Value</b>	404,500	370,805	309,029	231,803	154,566	90,189
<b>Year</b>		<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>Depreciation</b>		0.9167	0.8334	0.7501	0.6668	0.5835
<b>Taxable Value</b>		370,805	309,029	231,803	154,566	90,189

<b>Taxes</b>	<b>100% of Millage</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>	<b>Taxes</b>
<b>Trans</b>	0.59000	\$218.78	\$182.33	\$136.76	\$91.19	\$53.21
<b>County</b>	4.64610	\$1,722.80	\$1,435.78	\$1,076.98	\$718.13	\$419.03
<b>Int Schools</b>	3.36900	\$1,249.24	\$1,041.12	\$780.94	\$520.73	\$303.85
<b>Comm Coll</b>	1.58440	\$587.50	\$489.63	\$367.27	\$244.89	\$142.90
<b>State Ed</b>	0.00000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>School Op</b>	5.03820	\$1,868.19	\$1,556.95	\$1,167.87	\$778.73	\$454.39
<b>Sch Debt</b>	4.70000	\$1,742.78	\$1,452.44	\$1,089.47	\$726.46	\$423.89
<b>Admin</b>	0.19928	\$73.89	\$61.58	\$46.19	\$30.80	\$17.97
<b>City</b>	9.40000	\$3,485.57	\$2,904.87	\$2,178.95	\$1,452.92	\$847.78
<b>Total</b>	29.52698	\$10,948.76	\$9,124.69	\$6,844.43	\$4,563.87	\$2,663.02

<b>Total 5 Years</b>	\$34,144.76
<b>Total City 5 Yr</b>	\$10,870.09

<b>50% Total 5 Yr</b>	\$17,072.38	<b>Net Total Taxes Abated</b>
<b>50% Total City 5 Yr</b>	\$5,435.04	<b>Net Total City Taxes Abated</b>
<b>2% Total City 5 Yr</b>	\$108.70	<b>Application Fee (2% total city)</b>

07/08/10

## **E-7 Amending the Personal Property Tax Abatement Policy**

Resolution #2009-02-042

Moved by Beltramini

Seconded by Kerwin

WHEREAS, The City of Troy has the economic objective of (a) increasing employment opportunities, (b) diversifying and stabilizing the industrial base of the community, (c) reducing economic obsolescence of the industrial base, (d) providing homogenous industrial areas, (e) encouraging industrial expansion, (f) providing for improved public facilities in industrial areas, and (g) encouraging attractive, viable industrial sites; and

WHEREAS, The Industrial Facilities Tax Act (P.A. 1974 No. 198), as amended, empowers cities to establish Industrial Development Districts (IDD) and to grant tax exemptions for certain industrial properties which meet certain criteria established by the Act;

THEREFORE, BE IT RESOLVED, That Troy City Council hereby **ADOPTS** the following minimum criteria, as authorized by the Industrial Facilities Tax Act (P.A. 1974 No. 198):

1. An Industrial Facilities Exemption Certificate (IFEC) tax abatement shall not be granted until there is compliance with MCL 207.559; and
2. Real property shall not qualify for an IFEC tax abatement, except for those unique situations where there are building improvements that are required to support the personal property that otherwise qualifies for a tax abatement; and
3. Leasehold property shall not qualify for an IFEC tax abatement unless applicant is responsible for payment of the property taxes, and can demonstrate timely payment of property taxes upon the City's request; and
4. An IFEC tax abatement shall not be issued for a period or term exceeding 12 years; and
5. An IFEC tax abatement shall not be issued unless an Applicant will create more than 10 jobs and/or has a personal property investment of at least \$750,000.00, and/or owns the underlying real property or has a lease for the underlying property that exceeds 5 years, as long as two of the three criteria are satisfied.

BE IT FURTHER RESOLVED, That Troy City Council hereby **APPROVES** the use of the following matrix to calculate the length of an IFEC tax abatement, where the increase in the number of jobs created will increase the term of the IFEC abatement, and similarly the increase in the personal property investment and the ownership/lease conditions on the real property will increase the term of the IFEC abatement:

Tax Abatement Matrix					
Job Creation		Building Terms		PP Investment	
10 - 24	1 year	Own	4 years	\$ 750,000	1 year
25 - 49	2 years	Lease		\$ 2,000,000	2 years
50 - 99	3 years	1 - 5 year	None	\$ 5,000,000	3 years
100 - 149	4 years	6 - 9 year	2 years	\$ 10,000,000	4 years
150 - 199	5 years	10 + year	4 years	\$ 20,000,000	5 years
200 +	6 years				

BE IT FINALLY RESOLVED, That Troy City Council hereby **AUTHORIZES** the implementation of an application fee equal to 2 % of the estimated personal property taxes abated under the terms of the IFEC tax abatement, or the actual costs of processing the application, whichever is less, and the City of Troy will not charge or collect any other fees for the application, in keeping with MCL 207.555 (3).

Yes: Fleming, Kerwin, Schilling, Beltramini, Broomfield

No: Eisenbacher, Howrylak

**MOTION CARRIED**

July 8, 2010

To: State Tax Commission  
P.O. Box 30471  
Lansing, MI 48909-7971

From: Leger (Nino) Licari, Assessor

Re: Affidavit of Application Fees For IFEC

This affidavit attests that the City of Troy has charged a fee of \$108.70, equal to 2% of the estimated abated city taxes, for processing the application for tax abatement submitted by Metro Technologies, Ltd., 1462 E. Big Beaver, Troy, MI.

Further, no other fee or concession has been charged or accepted in regards to this application, or consideration thereof.

\_\_\_\_\_  
Signed, Leger (Nino) Licari, City Assessor

\_\_\_\_\_  
Dated

\_\_\_\_\_  
Signed,

\_\_\_\_\_  
Dated

**CITY OF TROY  
INDUSTRIAL FACILITIES EXEMPTION  
CERTIFICATE LETTER OF AGREEMENT**

This agreement between **Metro Technologies, Ltd.**, (“Company”) and the **City of Troy**, is for the purpose of fulfilling the requirements of Public Act 198, as amended in Public Act 334, Section 22.

In consideration of approval of an Industrial Facilities Exemption Certificate (IFEC), **Metro Technologies, Ltd.**, understands that through its investment of \$3,540,651.00 ~~and its qualification for Michigan Economic Growth Authority incentives~~, and the **City of Troy**, by its investment of the Industrial Facilities Exemption Certificate, are mutually investing in and benefiting from this economic development project, and furthermore, agree to the following:

- 1.) The length of time for which the abatement is approved is **5** years after either completion of construction of the facilities, or December 31, 2017, whichever is sooner.
- 2.) At the end of two (2) years or no later than December 31, 2012, **Metro Technologies, Ltd.**, will report to the Assessing Department of the City of Troy the actual cost of this project and indicate any differences and the reason for any differences in the cost or scope of the project as compared to the IFEC application submitted by the Company.
- 3.) **Metro Technologies, Ltd.**, agrees to remain within the City of Troy for the period of the Industrial Facilities Tax (IFT) abatement in order to retain the benefits of the IFT, unless permission for relocation is granted by the **City Council of the City of Troy**.

**Metro Technologies, Ltd.**, further understands that if it chooses to leave the City of Troy without permission for relocation prior to the end of the term of the IFT, the **City Council of the City of Troy** has the right to recapture from the Company the total amount of taxes abated by the IFT.

- 4.) **Metro Technologies, Ltd.**, understands that the City of Troy may reduce the term of the IFEC, revoke the IFEC and/or recover from the Company, the amount of taxes which were abated if the project has not been completed, expenditures made, as represented by the Company, in Section 12’C of its application, by sending a copy of this Agreement along with a copy of the City Council Resolution authorizing such action to the State Tax Commission.

- 5.) **Metro Technologies, Ltd.**, agrees that it will operate the Project in accordance with all applicable Federal, State and Local laws or regulations, including but not limited to zoning, outside storage, industrial waste disposal, air and water quality, noise control, other environmental regulations, and all of the terms and conditions of any Consent Judgment governing the parcel.
- 6.) By execution of the Agreement, it is understood that the Company's investment in the Project, and the City of Troy's investment in the granting of the IFEC is to encourage economic growth within the City of Troy.

The City of Troy acknowledges that in some instances economic conditions may prevent the Company from complying fully with this Agreement, and the terms of the Application. The City of Troy will give the Company an opportunity to explain the reasons for any variations from the representations contained in the Application and will evaluate the Company's situation prior to taking any action authorized by Paragraph 4 and 5 of this Letter of Agreement.

- 7.) This Agreement constitutes the entire Agreement between the parties and there are no other remedies for breach of this Agreement other than as specified in this Agreement or as provided for in Public Act 198.

This agreement may only be altered upon mutual consent of both parties.

**CITY OF TROY**  
**INDUSTRIAL FACILITIES EXEMPTION**  
**CERTIFICATE LETTER OF AGREEMENT**  
(Signature page)

Signed: \_\_\_\_\_ (date) \_\_\_\_\_

Name:

Title:

Signed: \_\_\_\_\_ (date) \_\_\_\_\_  
Louise E. Schilling , Mayor  
City of Troy  
500 W Big Beaver  
Troy, MI 48084-5285

Signed: \_\_\_\_\_ (date) \_\_\_\_\_  
Tonni L. Bartholomew  
City Clerk

**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 13, 2010 at 7:30 P.M. to consider the establishment of an Industrial Development District (IDD) at the following location:

88-20-26-126-028 1462 E Big Beaver, Troy, MI. 48084-1950  
T2N, R11E, Section 26 Part of the Northwest 1/4

You may express your comments regarding this matter by writing to this office, or by attending the Public Hearing.

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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](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  
MICHAEL ADAMCZYK  
4400 LIVERNOIS  
TROY MI 48098-4799

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

OAKLAND INTERMEDIATE  
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2111 PONTIAC LAKE  
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OAKLAND COUNTY PTA  
1200 N TELEGRAPH Dept 479  
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250 ELIZABETH LAKE RD 1000 W  
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