CITY COUNCIL AGENDA ITEM

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 granting of an Industrial Facilities Exemption Certificate (IFEC) for Sulzer Metco, Inc., 1972 Meijer

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Background:

Sulzer Metco, Inc., located at 1972 Meijer is expanding their operations to better compete for business. As part of their expansion, they intend to purchase machinery and equipment valued at $3,540,651. The will also add 12 new jobs to the 38 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 7 years.

Financial Considerations:

The projected amount of the investment is $3,540,651. Over the 7 year life of the abatement, the estimated total taxes would be $157,697.41, of which $50,203.43 would be City Taxes.

A 50% abatement amounts to a total savings to the taxpayer of $78,848.70, of which $25,101.72 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.

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 granting the tax abatement.

Options:

City Council may approve the tax abatement. Or, City Council may choose not to grant the abatement. In which case, the Petitioner may appeal that decision to the State Tax Commission (STC).

Nl/nl H:IFT\Sulzer Metco\Memo IFEC 09.13.10

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 request from Sulzer Metco, Inc., for the granting of an Industrial Facilities Exemption Certificate (IFEC) at the following location:

88-20-32-226-024 1972 Meijer, Troy, MI. 48084-7143

T2N, R11E, Section 32 Oakwood Industrial Park, Part of Lots 1, 2, & 3

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 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 COUNTY PTA
1200 N TELEGRAPH Dept 479
PONTIAC MI 48341-0479

NATIONAL BUREAU OF PROPERTY
Attn: DANIEL PETERSON
TWO PRUDENTIAL PLAZA STE 2525
180 N STETSON AVE
CHICAGO IL 60601

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

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

OAKLAND INTERMEDIATE SCHOOLS
2111 PONTIAC LAKE
WATERFORD MI 48328

SULZER METCO
Attn: JANIS GZIK
1101 PROSPECT AVE
WESTBURY NY 11509

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