



CITY COUNCIL AGENDA ITEM

Date: October 11, 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 Witzenmann USA, LLC, at 1201 Stephenson

Background:

Witzenmann USA, LLC, is expanding their North American operations in Michigan, at 1201 Stephenson. As part of their expansion, they intend to purchase machinery and equipment valued at \$11,384,000. They will also add 75 new jobs to Troy. 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 10 years.

Financial Considerations:

The projected amount of the investment is \$11,384,000. Over the 10 year life of the abatement, the estimated total taxes would be \$430,804.91, of which \$137,148.01 would be City Taxes.

A 50% abatement amounts to a total savings to the taxpayer of \$215,402.46, of which \$68,574.01 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.



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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).

NI/nl H:IFT\Witzenmann\Memo IFEC 10.11.10

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, October 11, 2010 at 7:30 P.M. to consider the request from Witzenmann USA, LLC, for the granting of an Industrial Facilities Exemption Certificate (IFEC) at the following location:

88-20-35-102-038 1201 Stephenson, Troy, MI. 48083-1116
T2N, R11E, Section 35 Oakwood Industrial Complex, Part of Lots 7, 8, 15, & 16

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 SCHOOL DISTRICT
MARK RAJTER
4400 LIVERNOIS
TROY MI 48098-4799

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

WITZENMANN USA LLC
Attn: MARVIN PISARCZYK
1201 STEPHENSON
TROY MI 48083-1116

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

WITZENMANN USA LLC
Attn: MARVIN PISARCZYK
2200 CENTERWOOD
WARREN MI 48091

E - 02 Request for Consideration to Grant an Industrial Facilities Exemption Certificate (IFEC) to Witzenmann USA, LLC – 1201 Stephenson

Suggested Resolution

Resolution # 2010-

Moved by:

Seconded by:

WHEREAS, After due notice and proper hearing, the City Council of the City of Troy on October 11, 2010, established an Industrial Development District (IDD) for property known as 1201 Stephenson, Troy MI. 48083-1116, Parcel # 88-20-35-102-038; and

WHEREAS, An Application has been submitted by Witzenmann USA, LLC, for an Industrial Facilities Exemption Certificate (IFEC) for personal property at 1201 Stephenson, Troy MI. 48083-1116, for ten (10) years; and

WHEREAS, After due and proper notice by the City Clerk, the City Council, on October 11, 2010, 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 Witzenmann USA, LLC, at 1201 Stephenson, Troy MI. 48083-1116 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 Witzenmann USA, LLC, at 1201 Stephenson, Troy MI. 48083-1116 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 Witzenmann USA, LLC, Inc., at 1201 Stephenson, Troy MI. 48083-1116, Parcel # 88-20-35-102-038, for personal property for a term of ten (10) years after completion, **CONTINGENT** upon the execution of a Letter of Agreement between the City of Troy and Witzenmann USA, LLC, and payment of the application fee established 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 Witzenmann USA, LLC, 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: