



CITY COUNCIL AGENDA ITEM

Date: December 6, 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 Silk Route Global, LLC at 950 Stephenson

Background:

Silk Route Global, LLC, is expanding its operations into Troy, at 950 Stephenson. As part of their application for incentives from MEGA, a local contribution is required. As such, they have applied for tax abatement, under the new City Council Tax Abatement Policy (attached). They intend to purchase computer equipment valued at \$200,000. They will also add 40 new jobs to the 13 existing jobs they have.

They would qualify for an Industrial Facility Exemption Certificate (IFEC) for 6 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 \$200,000. Over the 6 year life of the abatement, the estimated total taxes would be \$2,909.08, of which \$914.79 would be City Taxes.

A 50% abatement amounts to a total savings to the taxpayer of \$1,454.54, of which \$457.40 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

Policy Considerations:

The application is in compliance with City Council Tax Abatement Policy Resolution #2010-08-173.

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\SilkRoute\Memo IDD 12.06.10

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.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date received by Local Unit <i>10/13/10</i>
STC Use Only	
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) Silk Route Global LLC	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 541511	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 950 Stephenson Hwy., Troy, MI 48083	1d. City/Township/Village (indicate which) City of Troy	1e. County Oakland
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 Troy, MI 3b. School Code 63150
		4. Amount of years requested for exemption (1-12 Years) Six

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.

See Attached

RECEIVED

OCT 13 2010

CITY OF TROY
ASSESSING DEPT.

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	\$0.00
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	Real Property Costs ▶ \$200,000.00
6c. Total Project Costs * Round Costs to Nearest Dollar	Personal Property Costs ▶ \$200,000.00 Total of Real & Personal Costs

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 ▶	10/1/10	10/31/10	▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements ▶	10/1/10	10/31/13	▶ <input 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. 13	10. No. of new jobs at this facility expected to create within 2 years of completion. 40
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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 Ted Wilson	13b. Telephone Number (248) 399-9999	13c. Fax Number (248) 399-9393	13d. E-mail Address taw@corepartners.net
14a. Name of Contact Person Amjad Hussain	14b. Telephone Number (248) 854-3409	14c. Fax Number (248) 928-9035	14d. E-mail Address amjad.hussain@srgsaas.com
▶ 15a. Name of Company Officer (No Authorized Agents) Amjad Hussain			
15b. Signature of Company Officer (No Authorized Agents) <i>Amjad Hussain</i>		15c. Fax Number (248) 928-9035	15d. Date Oct 1, 2010
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 950 Stephenson Hwy., Troy, MI 48083		15f. Telephone Number (248) 854-3409	15g. E-mail Address amjad.hussain@srgsaas.com

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 checked="" 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: Check or Indicate N/A if Not Applicable <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 checked="" 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 checked="" type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <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. <input checked="" type="checkbox"/> 4. Lease Agreement showing applicants tax liability.	
16c. LUCI Code 541511	16d. School Code 63150 (260 TROY)
17. Name of Local Government Body CITY OF TROY	▶ 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 <i>TOWN BARTOLDOMENI</i>	19b. Name of Clerk TOWN BARTOLDOMENI	19c. E-mail Address T.BARTOLDOMENI@TROYMI.GOV
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) 500 W BIG BEAVER TROY MI 48064-5254		
19e. Telephone Number 248 524-3316	19f. Fax Number 248 524-1770	

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

Applicant Name Silk Route Global, LLC
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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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Jul 15, 2010

Mr. Nino Licari
City Assessor
500 W. Big Beaver Rd.
Troy, MI 48084

RE: Tax Abatement

Dear Mr. Licari

Silk Route Global, Inc.(SRG) is in pursuit of a MEGA grant from the State of Michigan. SRG designated preferred location is 950 Stephenson Highway in Troy and is desirous of a Personal Property tax abatement from Troy as a local match for the MEGA grant. Over the next two years SRG plans on purchasing \$750,000 in equipment, hiring 30 new high paying positions, and will sign a 10 year lease with the owners of 950 Stephenson if the MEGA grant is approved.

SRG will be making a formal application for the abatement within the next 90 days.

If you have any questions or need additional information, please call me at your convenience.

Respectfully,

A handwritten signature in black ink, appearing to read 'Amjad Hussain', written in a cursive style.

Amjad Hussain
President
SILKROUTE GLOBAL, INC.

Attachment for Section 5 of Application for Industrial Tax Exemption Certificate

SRG sells a subscription service to their proprietary software that SRG currently hosts on remote servers. The basis of the service that SRG provides is to take a multitude of suppliers, manufacturers, or retailers (or an entity that is any combination - like Sony) and provide instant feedback on materials or products needed for stocking. This technology goes many steps beyond what we in Michigan have described as "Just - In - Time" manufacturing. The programming not only provides usage figures but forecasts future demand on a "real-time" platform at many levels in the supply chain. Additionally, SRG personalizes the software to each client's needs. Currently SRG client base includes Sony Corporation, Tesco, Oakwood Distribution (UK), and Entertainment Publications. The abilities that SRG's technologies have created is that it takes an almost infinite number of pieces of data and organize them in a unique personalize way for the individual client. Additionally, SRG's base program is still simple enough that it can be used by small retailers to control their inventories. The potential growth of the software is unlimited. Then as the smaller companies grow, the specialization and individualization of the program will provide future income streams to SRG. Since the base program for each company is housed on servers controlled by SRG, there is little chance the program can be pirated by competitors.

SRG has executed a 10 Year lease at 950 Stephenson Highway in Troy which is capable of handling SRG's future growth. A copy of the lease is attached. That future growth includes the addition of 20 employees per year for Five years and the purchase personal property over the next two years will be in the form of personal computers, computer equipment, and office furniture:

SILK ROUTE GLOBAL LLC

SCHEDULE OF EQUIPMENT PURCHASES

10/1/2010

Capital Equipment	2011	2012	2013	2014	2015
Enterprise Disk Server	\$ 23,000.00	\$ 23,000.00	\$ 23,000.00	\$ 23,000.00	\$ 23,000.00
Oracle Software Licenses	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00	\$ 28,000.00
SaaS Infrastructure	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00
Cloud Infrastructure	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00	\$ 17,000.00
Media Infrastructure	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Total	\$ 100,000.00				

Silk Route Global, Aerial and Site
950 Stephenson
88-20-35-126-018

STEPHENSON

STEPHENSON

950

1150

850



Silk Route Global, LLC
IFT & IDD Application
950 Stephenson
Troy, MI 48084-1172

88-20-35-126-018

Legal Description

T2N, R11E, SEC 35
ROBBINS EXECUTIVE PARK WEST NO 3
PART OF LOT 8
BEG AT PT DIST
N 01-13-00 E 45.00 FT
FROM SW LOT COR,
TH N 01-13-00 E 537.87 FT,
TH S 88-47-00 E 409.00 FT,
TH S 01-13-00 W 492.87 FT,
TH N 88-47-00 W 162.00 FT,
TH S 01-13-00 W 45.00 FT,
TH N 88-47-00 W 247.00 FT
TO BEG

City of Troy - Assessing Department
Silk Route Global, LLC
Estimate of Total Taxes and Tax Savings for IFEC Application

Market Value	200,000	120,000	52,800	16,896	4,055	770	116
50% of Value	100,000	60,000	26,400	8,448	2,028	385	58
Year		1	2	3	4	5	6
Depreciation		0.6000	0.4400	0.3200	0.2400	0.1900	0.1500
Taxable Value		60,000	26,400	8,448	2,028	385	58

Taxes	100% of Millage	Taxes	Taxes	Taxes	Taxes	Taxes	Taxes
Trans	0.59000	\$35.40	\$15.58	\$4.98	\$1.20	\$0.23	\$0.03
County	4.64610	\$278.77	\$122.66	\$39.25	\$9.42	\$1.79	\$0.27
Int Schools	3.36900	\$202.14	\$88.94	\$28.46	\$6.83	\$1.30	\$0.19
Comm Coll	1.58440	\$95.06	\$41.83	\$13.39	\$3.21	\$0.61	\$0.09
State Ed	0.00000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
School Op	6.00000	\$360.00	\$158.40	\$50.69	\$12.17	\$2.31	\$0.35
Sch Debt	4.10000	\$246.00	\$108.24	\$34.64	\$8.31	\$1.58	\$0.24
Admin	0.20290	\$12.17	\$5.36	\$1.71	\$0.41	\$0.08	\$0.01
City	9.40000	\$564.00	\$248.16	\$79.41	\$19.06	\$3.62	\$0.54
Total	29.89240	\$1,793.54	\$789.16	\$252.53	\$60.61	\$11.52	\$1.73

Total 6 Years	\$2,909.08
Total City 6 Yr	\$914.79

50% Total 6 Yr	\$1,454.54	Net Total Taxes Abated
50% Total City 6 Yr	\$457.40	Net Total City Taxes Abated
2% Total City 6 Yr	\$9.15	Application Fee (2% total city)

950 STEPHENSON HIGHWAY

TROY, MICHIGAN

LEASE

THIS LEASE is made between the Landlord and Tenant identified in Paragraph 1(b) and 1(c) hereof, respectively, and constitutes a Lease between the parties of the demised premises in the "Building" as defined in Paragraph 1 hereupon the terms and conditions and with and subject to the covenants and agreements of the parties hereinafter set forth.

W I T N E S S E T H:

BASIC LEASE PROVISIONS

1. The following are certain basic lease provisions, which are part of, and in certain instances referred to in subsequent provisions of, this Lease.

(a) Lease dated and Effective as of: August 13, 2010

(b) Landlord: Indus Properties, LLC / Titanium, Inc.

(c) Tenant: Silkroute Global

(d) Demised Premises: Suite 100(8,119 rentable square ft. / 7,249 useable square feet)

(e) Commencement Date: October 1, 2010

(f) Expiration Date: September 30, 2020

(g) Base Rent (Gross plus Electric):

<u>Period</u>	<u>AH</u>	<u>Rate/RSF/YR</u>	<u>Monthly Rent</u>
Months 1 through	120		

(h) Rental Abatement -- N/A

(i) Electrical -- Tenants share of monthly charge

(j) Improvements: To be completed by Landlord on a turn key basis subject to mutually agreed upon plans and specifications. Cost of such improvements shall not exceed

(k) Tenant's Address for Notices:

950 Stephenson Highway
Suite 100
Troy, MI

(l) Landlord's Address for Notices:

950 Stephenson Highway
Suite 110
Troy, MI

(m) Deposit:

PARKING

26. Tenant shall be permitted to park on a first come first serve basis.

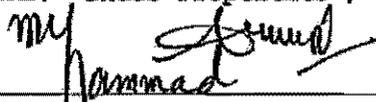
ESTOPPEL CERTIFICATE

27. (a) Within ten (10) days following any written request which Landlord may make from time to time, Tenant shall execute and deliver to Landlord a statement certifying: (i) the date of commencement of this Lease; (ii) the fact that this Lease is unmodified and in full force and effect, (or, if there have been modifications hereto, that this Lease is in full force and effect, as modified, and stating the date and nature of such modifications); (iii) the date to which the rental and other sums payable under this Lease have been paid; (iv) the fact that there are not current defaults under this Lease by either Landlord or Tenant, except as specified in Tenant's statement; and (v) such other matters as may be requested by Landlord. Landlord and Tenant intend that any statement delivered pursuant to this Section 27 may be relied upon by any Lender, prospective lender, purchaser or prospective purchaser with respect to the Building or any interest therein.

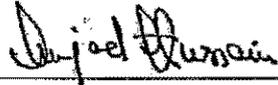
(b) Tenant's failure to deliver such statement within such time shall be conclusive upon Tenant (i) that this Lease is in full force and effect without modification except as may be represented by Landlord (ii) that there are no uncured defaults in Landlord's performance hereunder, and (iii) that not more than one (1) month's rental has been paid in advance.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the day and year first above written.

LANDLORD: Indus Properties / Titanium Inc.

By: 
Date: _____

TENANT: Silkroute Global

By: 
Date: _____

List of Exhibits

- A - Floor Plan
- B - Parking
- C - Rules and Regulations

I-4 Amending the Personal Property Tax Abatement Policy

Resolution #2010-08-173

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 tax base of the community, (c) reducing economic obsolescence, (d) providing homogenous industrial areas, (e) encouraging expansion, (f) providing for improved public facilities, and (g) encouraging attractive, viable building sites and (h) enhancing our economic development tools to attract and retain businesses; 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 abatements for eligible properties 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. Any real and/or personal property tax abatement at a minimum must be revenue neutral to the City of Troy.
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 for a minimum term of 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 for Real and Personal Property					
Job Creation		Building Terms		RP and/or 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	5 year	1 Year	\$ 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: Schilling, Beltramini, Fleming, Kerwin, McGinnis, Slater

No: Howrylak

MOTION CARRIED

- **The owner of Silk Route has an ownership interest in the building, also. The years work out the same, in either case.**

October 20, 2010

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

From: Leger A. (Nino) Licari, City Assessor

Re: Affidavit of Application Fees For IFEC

This affidavit attests to the fact that the City of Troy has charged an application fees in the amount of \$9.15, equal to 2% of the estimated abated City taxes for the life of the exemption for Silk Route Global, LLC, 950 Stephenson, Troy, MI 48083-1172

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

Signed: Leger A. (Nino) Licari, City Assessor

Dated:

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

This agreement between **Silk Route Global, LLC**, (“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), **Silk Route Global, LLC**, understands that through its investment of \$200,000.00 ~~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 **6** years after either completion of construction of the facilities, or December 31, 2019, whichever is sooner.
- 2.) At the end of two (2) years or no later than December 31, 2012, **Silk Route Global, LLC**, 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.) **Silk Route Global, LLC**, 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**.

Silk Route Global, LLC, 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.) **Silk Route Global, LLC**, 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.) **Silk Route Global, LLC**, 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, December 6, 2010 at 7:30 P.M. to consider the establishment of an Industrial Development District (IDD) at the following location:

88-20-35-126-018

950 Stephenson, Troy, MI. 48083-1172

T2N, R11E, Section 35

Robbins Executive Park West No. 3 Part of Lot 8

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

NOTICE: Persons 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 COMMUNITY COLLEGE
CLARENCE E BRANTLEY
2480 OPDYKE
BLOOMFIELD HILLS MI 48304-2266

OAKLAND INTERMEDIATE
SCHOOLS
2111 PONTIAC LAKE
WATERFORD MI 48328

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

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

SILK ROUTE GLOBAL LLC
AMJAD HUSSAIN
950 STEPHENSON
TROY MI 48083-1172

CORE PARTNERS
TED WILSON
26622 WOODWARD STE 250
ROYAL OAK MI 48067

E- 01 Resolution for Establishment of an Industrial Development District (IDD) at 950 Stephenson

Suggested Resolution

Resolution # 2010-

Moved by:

Seconded by:

RESOLVED, That Troy City Council hereby **ESTABLISHES** an Industrial Development District (IDD) for property known as 950 Stephenson, Troy, MI. 48083-1172, Parcel # 88-20-35-126-018, in accordance with City Council Policy Resolution #2010-08-173; and

BE IT FURTHER RESOLVED, That the City Clerk shall **FORWARD** a copy of this resolution to the State Tax Commission, Treasury Building, P.O. Box 30471, Lansing, MI. 48909-7971.

Yes:

No: