



500 West Big Beaver  
Troy, MI 48084  
troymi.gov



## **CITY COUNCIL AGENDA ITEM**

### **Announcement of Public Hearing**

Date: February 10, 2020

To: Mark F. Miller, City Manager

From: Robert J. Bruner, Assistant City Manager  
Robert C. Maleszyk, Chief Financial Officer  
Nino Licari, City Assessor

Subject: Announcement of Public Hearing to Transfer the final 2 years of a Plant Rehabilitation Exemption Certificate (PREC) – 1400 Rochester – from Axle Tech to Flex n Gate

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#### **History**

On October 19, 2009 City Council created an Industrial Development District (IDD), and granted a Plant Rehabilitation Exemption Certificate (PREC) to Axle Tech, at 1400 Rochester. The PREC freezes the existing Taxable Value of an obsolete building, and generates no new taxes on the renovation of same for up 12 years. This particular exemption lasts through 12/30/22.

Axle Tech spent \$3,673,155 to renovate and expand the structure.

Flex n Gate is a multi-national tier 1 supplier of a variety of products to the auto industry. As part of their expansion, and contractual obligations, they purchased the 1400 Rochester building. They will spend upwards of \$3,125,000 to fit the building to their needs. They will also be bringing in over \$50,000,000 in industrial Personal Property to the site.

Since the Manufacturing Personal Property Exemption laws of 2013, most new Personal Property is exempt, so no manufacturing entities qualify for an Industrial Facilities Exemption Certificate for their Personal Property.

The PREC exemption can be transferred for the remaining years, which Flex n Gate has requested. This is really the only local contribution we can make to help them receive MEDC incentives for this operation.

A Public Hearing is required to grant the transfer of the existing exemption.

#### **Financial**

The financial considerations are unchanged from the original exemption that was granted, and will expire on 12/30/22.



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### **Recommendation**

Staff recommends that a Public Hearing be held on March 16, 2020 to hear any public concerns, and to consider granting the transfer of the PREC.