



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM

Public Hearing

Date: March 16, 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: Public Hearing to Transfer the final 2 years of a Plant Rehabilitation Exemption Certificate (PREC) – 1400 Rochester – from Axle Tech to Flex n Gate

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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CITY COUNCIL AGENDA ITEM Public Hearing

Recommendation

Staff recommends that City Council grant the transfer of the PREC.

Legal Review

This item was submitted to the City Attorney for review pursuant to City Charter Section 3.17.

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 one copy of this form and the required attachments (two complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires one complete set (one original). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call 517-335-7460.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	► Date Received by Local Unit 01/13/20
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) Flex-N-Gate Troy, LLC		► 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 336370	
► 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1400 Rochester Road Troy, MI 48083		► 1d. City/Township/Village (indicate which) Troy	► 1e. County Oakland
► 2. Type of Approval Requested <input type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input checked="" type="checkbox"/> Transfer <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Increase/Amendment		► 3a. School District where facility is located Troy ► 3b. School Code 63150	
4. Amount of years requested for exemption (1-12 Years) 2			

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.

Upgrade of existing industrial plant containing appx. 189,000 sq. ft. and addition of a new two story 20,000 sq. ft. office area.

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.	► \$ 3,673,155.00 Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	► 0 Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	► \$ 3,673,155.00 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.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements	► 11/01/2009	12/31/2010	► <input checked="" type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased <i>CURRENT</i>
Personal Property Improvements	►		► <input type="checkbox"/> Owned <input type="checkbox"/> Leased <i>FORMER</i>

► 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. N/A	► 10. No. of new jobs at this facility expected to create within 2 years of completion. N/A
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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)	\$ 1,269,252
b. TV of Personal Property (excluding inventory)	0
c. Total TV	\$ 1,269,252

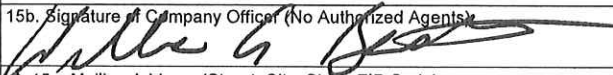
► 12a. Check the type of District the facility is located in:
☐ Industrial Development District ☒ Plant Rehabilitation District

► 12b. Date district was established by local government unit (contact local unit) 10/19/2009	► 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 Mellissa Kendall	13b. Telephone Number (905) 592-1470	13c. Fax Number	13d. E-mail Address mkendall@flexngate.com
14a. Name of Contact Person Mellissa Kendall	14b. Telephone Number (905) 592-9540	14c. Fax Number	14d. E-mail Address mkendall@flexngate.com
▶ 15a. Name of Company Officer (No Authorized Agents) William (Bill) Beistline			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number	15d. Date 01/10/2020
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 35875 Mound Road Sterling Heights, MI 48310		15f. Telephone Number (586) 275-1604	15g. E-mail Address bbeistline@flexngate-mi.cor

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: 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. School Code 63150			
17. Name of Local Government Body CITY OF TROY		▶ 18. Date of Resolution Approving/Denying this Application	

Attached hereto is an original 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, and that any leases show sufficient tax liability.

19a. Signature of Clerk 	19b. Name of Clerk M. AILEEN DICKSON	19c. E-mail Address AILEEN.DICKSON@TROYMI.GOV
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) 500 W. BIG BEAVER TROY MI 48064		
19e. Telephone Number 248-524-3331	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 of the completed application and all required attachments to:

Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909

(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

#	Item	Cost
1	Electrical Upgrades	\$ 225,000.00
2	Electrical Distribution	\$ 275,000.00
3	Water System	\$ 270,000.00
4	Water System Distribution	\$ 300,000.00
5	Air Compressors (2 @ 150HP) and Dryer	\$ 115,000.00
6	Air Receiver	\$ 15,000.00
7	Air Distribution	\$ 75,000.00
8	High Speed Doors (X3)	\$ 195,000.00
9	Loading Dock Reparis	\$ 55,000.00
10	Crane Repairs	\$ 75,000.00
11	Lighting Upgrades	\$ 30,000.00
12	Forklift Charging Station	\$ 35,000.00
13	Weld Destruct Booth	\$ 30,000.00
14	Line Painting	\$ 30,000.00
15	Cafeteria Upgrades	\$ 75,000.00
16	IT Equipment and Upgrades	\$ 150,000.00
17	Security Equipment	\$ 75,000.00
18	Maintenance Equipment	\$ 90,000.00
19	Picker	\$ 80,000.00
20	Crib Spare Parts	\$ 1,000,000.00
Total		\$ 3,195,000.00



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PRI-005325

Project Information Number	PRI-005325	Owner	Mellissa Kendall
Account	Flex-N-Gate Royal Oak LLC	Opportunity	Flex-N-Gate LLC - Expansion - FY2020
Status	Submitted	Application Program	
Submit Date	1/6/2020 1:19 PM	MEDC Contact Email Address	friess1@michigan.org
		MEDC Contact Managers Email Address	thomsonn1@michigan.org
		MEDC Directors Email Address	michaelr2@michigan.org
		MEDC VP Email Address	roederer@michigan.org
		MEDC EVP Email Address	hundertj2@michigan.org

Applicant Contact Information

Applicant Contact First Name	Mellissa	Applicant Contact Last Name	Kendall
Applicant Contact Email Address	mkendall@flexngate.com	Applicant Contact Phone Number	905-592-1470

Applicant Information

Applicant Name	Flex-N-Gate Troy, LLC	Applicant Website	http://www.flex-n-gate.com
Street Address	1400 Rochester Road	Applicant Entity Type	Limited Liability Company (LLC)
City	Troy	CD Path	No
State/Province	MI		
Zip/Postal Code	48083		
MI County	Oakland		
Country	United States		

Applicant Additional Information

Industry	Automotive - Manufacturing	Annual Revenue	\$105,000,000
Year Incorporated	2016	No. of Worldwide Employees	26,000
FEIN	84-4137429	State Where Incorporated/Organized	DE
Primary NAICS	336370	Employment Data pulled as of	8/23/2019
Fiscal Year Begins	01/01	Fiscal Year Ends	12/31
Other Fiscal Year			
Brief Applicant History	Headquartered in Urbana, IL, Flex-N-Gate Corp employs more than 26,000 people (over 6,000 of which are in Michigan) at 64 manufacturing facilities and nine product development and engineering facilities		

throughout the United States, Canada, Mexico, Argentina, Brazil, China, Germany, France and Spain. Starting with aftermarket parts in 1956 and moving into O.E. in 1968, Flex-N-Gate produces high quality products and systems for the automotive industry. Flex-N-Gate focuses on plastics, metals and mechanical assemblies.

Parent Company Flex-N-Gate Corp

Applicant Employment History Flex-N-Gate's third facility was established in Warren, MI in 1995. Since then, Flex-N-Gate has grown to 17 very successful operations. The company has grown to employ over 6,000 Michigan residents from fork lift drivers, plant managers, human resources, legal, logistics, accounting, sales, to research and development engineers.

Project Description

Project Name	Rochester Road	Project School District	63150
Project Street	Rochester Road	Municipality Name	Troy
Project City	Troy	Project MI County	Oakland
Project Zip Code	48083	Considering Reuse or Expansion of Site?	Yes
Applicant to Lease or Own Facility	Own	Why reuse is not feasible?	
Is it a high-tech project?	No		
If HT project, choose one			
Project Description	The applicant will purchase the 70 year old Axeltex building located at 1400 Rochester Road and modify it to accommodate assembly, sequencing, and welding activity.		
Project Constraints	FCA is expanding to produce more SUV's and is currently seeking to hire 5000 new employees. This job creation is in direct competition with Flex-N-Gate and will most probably undermine the applicant's efforts as FCA is a more identified employer. The high cost of utilities and inability to hedge power due to partial deregulation.		
Project Alternative	The applicant has multiple facilities in Windsor, ON and has the opportunity to place this business at it's Lakeshore facility upon the retirement of the FCA Dodge Caravan program in May 2020. The applicant would not need to invest in the purchase or lease of real estate, and would have to seek out a limited amount of new talent. By placing the business in Windsor, the applicant will not be in direct competition with the growth activity at FCA Michigan.		
Other Project Considerations	FCA will be running the current floor pan program concurrently with the next generation. The current program is located at the applicant's Royal Oak facility, thus creating the need to place the next generation business at an alternative site. The Company will be offering gross wages from \$33,000 to over \$100,000. The company requires skilled, semi- skilled and unskilled labor.		
Units and Affordability			
Housing units included in development			

Project Timeline

Purchase Facility or Land, Execute Lease	1/15/2020	Planned Project Start Date	
Commence Construction	3/11/2020	Year 1 Formula	2020
Install Equipment	6/1/2020	Year 2 Formula	2021
When is hiring anticipated to begin?	12/16/2020	Year 3 Formula	2022

Additional Project Information

Local and Regional Impact Considerations

Design Considerations

Economic and Financial Considerations

BD Cumulative Job Summary

Total New Jobs Created (Year 1)	170	Total Avg Weekly Wage (Year 1)	\$657
Total New Jobs Created (Yrs 1 & 2)	205	Total Avg Weekly Wage (Yrs 1 & 2)	\$688
Total New Jobs Created (Yrs 1, 2, & 3)	245	Total Avg Weekly Wage (Yrs 1, 2, & 3)	\$738
Are employer paid benefits provided?	Yes	Will the new jobs be direct employees?	Yes
If yes, please describe	Medical, Dental, Vision	If no, please explain	

CD Job Summary

Capital Investment Summary

Total Capital Investment (Year 1)	\$52,295,000	Total Capital Investment	\$52,295,000
Total Capital Investment (Year 2)	\$0	Explanation of Other Personal Property	NA
Total Capital Investment (Year 3)	\$0	Industrial Personal Property	
		Applicant's Exempt Personal Property	
		SESA Eligible Investment	
		Exempt Personal Property Amount	\$17,000,000
Industrial Process Direct Integration	Yes	Exempt Personal Property Explanation	
Pers Property Owned/Leased	\$35,000,000	Pers Property Owned/Leased New	\$35,000,000
Third Party Grant Admin			

Pure Michigan Commitment

Other Disclosures

Pending Lawsuits or Proceedings	NONE
Pending Admin Agency Proceedings	NONE

Certification

Additional Information - Internal Use Only

System Information

Private Investments**PI-00049128**

Investment Type	Building - Purchase of Existing
Project Information Year 1	\$14,000,000
Project Information Year 2	
Project Information Year 3	

PI-00049129

Investment Type	Soft Costs - Architectural, Engineering, Surveying & Other Eligible Soft Costs
Project Information Year 1	\$100,000
Project Information Year 2	
Project Information Year 3	\$0

PI-00049130

Investment Type	Building - Renovations
Project Information Year 1	\$3,195,000
Project Information Year 2	\$0
Project Information Year 3	\$0

PI-00049140

Investment Type	Personal Property - Machinery & Equipment
Project Information Year 1	\$35,000,000
Project Information Year 2	
Project Information Year 3	\$0

Current Employment**CE-05494**

Entity Name and Address of MI Facilities	Flex-N-Gate Advanced Product Development, LLC 17225 Federal Drive Suite 100 Allen Park MI 48101
FEIN	38-3559598
Employees	143

CE-05495

Entity Name and Address of MI Facilities	Flex-N-Gate Advanced Product Development, LLC 35875 Mound Road Sterling Heights MI 48310
FEIN	38-3559598
Employees	83

CE-05496

Entity Name and Address of MI Facilities	Flex-N-Gate Advanced Product Development, LLC 5663 East Nine Mile Road Warren MI 48091
FEIN	38-3559598
Employees	236

CE-05497

Entity Name and Address of MI Facilities	Flex-N-Gate Battle Creek, LLC 10250 F Drive N. Battle Creek MI 49014
FEIN	38-3559598
Employees	218

CE-05498

Entity Name and Address of MI Facilities	Flex-N-Gate Detroit, LLC 9201 Saint Cyril Street Detroit MI 48211
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FEIN 32-0487145
Employees 593

CE-05499

Entity Name and Address of MI Facilities **Flex-N-Gate Forming Technologies, LLC 26269 Groesbeck Hwy Warren MI 48089**
FEIN **38-3559598**
Employees **145**

CE-05500

Entity Name and Address of MI Facilities **Flex-N-Gate Nine Mile, LLC 5663 East Nine Mile Warren MI 48091**
FEIN **38-3559598**
Employees **244**

CE-05501

Entity Name and Address of MI Facilities **Flex-N-Gate Royal Oak, LLC 4336 Coolidge Hwy Royal Oak MI 48072**
FEIN **20-1106950**
Employees **343**

CE-05502

Entity Name and Address of MI Facilities **Flex-N-Gate Shelby, LLC 52674 Shelby Parkway Shelby Township MI 48315**
FEIN **81-3491503**
Employees **310**

CE-05503

Entity Name and Address of MI Facilities **Flex-N-Gate Stamping, LLC 27027 Groesbeck Hwy Warren MI 48089**
FEIN **38-3559598**
Employees **48**

CE-05504

Entity Name and Address of MI Facilities **Ventra Evart, LLC 601 W. Seventh Street Evart MI 49631**
FEIN **20-8503438**
Employees **1,166**

CE-05505

Entity Name and Address of MI Facilities **Ventra Evart, LLC 530 N. River Street Evart MI 67020**
FEIN **20-8503438**
Employees **50**

CE-05506

Entity Name and Address of MI Facilities **Ventra Fowlerville, LLC 8887 Grand River Avenue Fowlerville MI 48836**
FEIN **27-0385280**
Employees **254**

CE-05508

Entity Name and Address of MI Facilities **Ventra Grand Rapids 5, LLC 3075 Breton Road SE Grand Rapids MI 49512**
FEIN **27-0385280**
Employees **1,224**

CE-05509

Entity Name and Address of MI Facilities **Ventra Grand Rapids 29, LLC 2890 29th Street SE Grand Rapids MI 49512**
FEIN **27-0385364**
Employees **183**

CE-05510

Entity Name and Address of MI Facilities	Ventra Ionia Main, LLC 14 N. Beardsley Road Ionia MI 48846
FEIN	27-0385504
Employees	1,560

CE-05511

Entity Name and Address of MI Facilities	Ventra Ionia Main, LLC 1790 Blue Water Hwy Ionia MI 48846
FEIN	27-0385504
Employees	40

CE-05512

Entity Name and Address of MI Facilities	Ventra Ionia Assembly a division of Ventra Ionia Main, LLC 2948 S. State Road Ionia MI 48846
FEIN	27-0385504
Employees	0

Cumulative New Jobs**CJ-08114**

Job Category	Managerial
New Full Time Jobs Created (Year 1)	10
Average Weekly Wage (Year 1)	\$1,250
New Full Time Jobs Created (Year 2)	15
Average Weekly Wage (Year 2)	\$1,300
New Full Time Jobs Created (Year 3)	20
Average Weekly Wage (Year 3)	\$1,375

CJ-08116

Job Category	Craftsman (skilled)
New Full Time Jobs Created (Year 1)	10
Average Weekly Wage (Year 1)	\$1,000
New Full Time Jobs Created (Year 2)	15
Average Weekly Wage (Year 2)	\$1,100
New Full Time Jobs Created (Year 3)	25
Average Weekly Wage (Year 3)	\$1,250

CJ-08115

Job Category	Operators (semi-skilled)
New Full Time Jobs Created (Year 1)	150
Average Weekly Wage (Year 1)	\$595
New Full Time Jobs Created (Year 2)	175
Average Weekly Wage (Year 2)	\$600
New Full Time Jobs Created (Year 3)	200
Average Weekly Wage (Year 3)	\$610

PI Funding Sources**PIFS-01902**

Source of Funding	Private
Amount of Funding Source	\$52,295,000.00
Is Financing Secure?	Yes
Funding Source Type	
Finance Contact Name	David Ekblad
Finance Contact Email	dekbld@flexngate.com
Finance Contact Phone Number	(519) 948-3020 Ext: 12323

Cases

00277266

Subject	REMI Request - Flex-N-Gate
Date/Time Opened	9/5/2019 2:04 PM
Priority	Medium

00283202

Subject	REMI Request - Flex-N-Gate
Date/Time Opened	12/4/2019 7:23 AM
Priority	Medium

Project Information History

1/6/2020 1:19 PM

User	Mellissa Kendall
Connection	
Action	Changed Status from Awaiting Attachments to Submitted.

1/6/2020 1:19 PM

User	Mellissa Kendall
Connection	
Action	Changed Status from Editing to Awaiting Attachments.

1/6/2020 8:39 AM

User	Stephanie Fries
Connection	
Action	Changed Status from Awaiting Attachments to Editing.

1/3/2020 3:37 PM

User	Mellissa Kendall
Connection	
Action	Changed Status from Editing to Awaiting Attachments.

1/3/2020 3:31 PM

User	Stephanie Fries
Connection	
Action	Changed Status from Approved to Editing.

12/4/2019 7:23 AM

User	Stephanie Fries
Connection	
Action	Changed Status from Editing to Approved.

11/26/2019 5:33 PM

User	Stephanie Fries
Connection	
Action	Changed Status from Submitted to Editing.

11/26/2019 9:26 AM

User	Mellissa Kendall
Connection	
Action	Changed Status from Awaiting Attachments to Submitted.

11/26/2019 9:26 AM

User	Mellissa Kendall
Connection	
Action	Changed Status from Editing to Awaiting Attachments.

11/21/2019 9:37 AM

User	Stephanie Fries
Connection	
Action	Changed Status from Awaiting Attachments to Editing.

11/20/2019 1:13 PM

User	Mellissa Kendall
Connection	
Action	Changed Status from Editing to Awaiting Attachments.

11/20/2019 10:35 AM

User	Stephanie Fries
Connection	
Action	Changed Status from Awaiting Attachments to Editing.

11/19/2019 11:04 AM

User	Mellissa Kendall
Connection	
Action	Changed Status from Editing to Awaiting Attachments.

11/14/2019 5:03 PM

User	Stephanie Fries
Connection	
Action	Changed Status from Approved to Editing.

9/5/2019 2:04 PM

User	Stephanie Fries
Connection	
Action	Changed Status from Editing to Approved.

9/5/2019 2:04 PM

User	Stephanie Fries
Connection	
Action	Changed Status from Submitted to Editing.

9/5/2019 7:51 AM

User	Mellissa Kendall
Connection	
Action	Changed Status from Awaiting Attachments to Submitted.

9/5/2019 7:51 AM

User	Mellissa Kendall
Connection	
Action	Changed Status from Editing to Awaiting Attachments.

9/4/2019 2:32 PM

User	Stephanie Fries
Connection	
Action	Changed Status from Submitted to Editing.

9/4/2019 12:01 PM

User	Mellissa Kendall
Connection	
Action	Changed Status from Awaiting Attachments to Submitted.

9/4/2019 12:01 PM

User	Mellissa Kendall
Connection	
Action	Changed Status from Editing to Awaiting Attachments.

8/30/2019 12:08 PM

User	Stephanie Fries
Connection	
Action	Changed Status from Awaiting Attachments to Editing.

8/30/2019 10:39 AM

User	Mellissa Kendall
Connection	
Action	Changed Status from Editing to Awaiting Attachments.

8/29/2019 3:21 PM

User	Stephanie Fries
Connection	
Action	Changed Opportunity to Flex-N-Gate Detroit LLC - Expansion - FY2020.

8/29/2019 3:05 PM

User	Stephanie Fries
Connection	
Action	Changed Status from Awaiting Attachments to Editing.

8/25/2019 1:13 PM

User	Mellissa Kendall
Connection	
Action	Changed Status from Editing to Awaiting Attachments.

8/22/2019 1:40 PM

User	Mellissa Kendall
Connection	
Action	Created.

March 16, 2020

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

From: Leger (Nino) Licari, Assessor

Re: Affidavit of Application Fees for Transfer of PREC

This affidavit attests that no payment of any kind has been made or promised in exchange for favorable consideration of a transfer of an existing Plant Rehabilitation Exemption Certificate (PREC) #2010-174 from Axle Tech International LLC to Flex n Gate by the City of Troy.

Signed, Leger (Nino) Licari, City Assessor

Dated

Signed,

Dated

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

This agreement between **Flex n Gate Troy 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.

Company has requested a transfer of the remaining years on existing Plant Rehabilitation Exemption Certificate (PREC #2010-174), issued to Axle Tech International LLC on August 16, 2010. **Company** has purchased (will purchase?) and will use the land and buildings commonly known as 1400 Rochester Troy, MI 48083, as well as make further investments in the property. **Company** and the **City of Troy** are mutually investing in and benefiting from this economic development project, and furthermore, agree to the following:

1. PREC #2010-174 expires on December 30, 2022, and this Letter of Agreement does not alter this expiration date.
2. **Company** agrees to remain and use the property at 1400 Rochester Road until the expiration of PREC #2010-174 until at least December 30, 2022.
3. **Company** further understands that if it does not own and occupy the property until at least December 30, 2022, or provide the minimum property investment, as set forth in Paragraph 6, the **City Council of the City of Troy** has the right to recapture from **Company** the total amount of taxes abated for **Company** in the remaining years of PREC #2010-174.
4. By execution of the Agreement, it is understood that **Company's** investment in the Project, and the **City of Troy's** investment in the granting of the transfer of PREC #2010-174 is to encourage economic growth within the City of Troy.
5. The parties agree that **Company's** predecessor, Axle Tech International LLC satisfied the minimum \$3,673,155 property investment, which was required as part of the grant of PREC #2010-174.
6. As consideration for the transfer of the remaining years on PREC #2010-174, **Company** has agreed to make a minimum investment of \$ 3,000,000 in the property prior to December 30, 2022.
7. The **City of Troy** acknowledges that in some instances economic conditions may prevent the Company from complying fully with this Agreement. If this happens, the **City of Troy** will give **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 3 of this Letter of Agreement.
8. 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.
9. This agreement may only be altered upon mutual consent of both parties.

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

By signing this document, I certify that I have the authority to execute this document, and to bind the **Company** to its terms.

Signed: _____
(date) _____

Name:

Title:

Address:

By signing this document, I certify that I have the authority to execute this document, and to bind the **City of Troy** to its terms.

Signed: _____
Ethan Baker, Mayor
City of Troy
500 W Big Beaver
Troy, MI 48084-5285
(date) _____

Signed: _____
M. Aileen Dickson
City Clerk
(date) _____



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

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 to 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.



500 West Big Beaver
Troy, MI 48084
troymi.gov

CITY COUNCIL AGENDA ITEM Announcement of Public Hearing

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.



CITY COUNCIL ACTION REPORT

July 12, 2010

TO: John Szerlag, City Manager

FROM: John M. Lamerato, Assistant City Manager-Finance/Administration
Mark Miller, Acting Asst City Manager – Economic Development Services
Nino Licari, City Assessor

SUBJECT: Public Hearing to consider granting a Plant Rehabilitation Exemption Certificate (PREC) to Axle Tech International, LLC at 1400 Rochester, Troy, MI 48083

Background:

Axle Tech International, LLC, intends to renovate and expand the building at 1400 Rochester, Troy, MI. 48083, to accommodate their move into the facility. The renovation and expansion is expected to cost \$3,673,155.00.

This is the same exemption that was granted to Bostick Rochester Road Development, LLC (BRRD) at the October 19, 2009 City Council Meeting. That exemption was denied by the State Tax Commission (STC). BRRD is appealing that determination at the Circuit Court level.

In order for the construction to continue, Axle Tech must now make the application for the exemption. The STC suggested this route after their denial of the BRRD application.

Financial Considerations:

Plant Rehabilitation Exemptions freeze an existing Taxable Value (\$2,123,540 in this instance) for up to 12 years. The renovation costs (\$3,673,155.00) are appraised separately, and do not generate any taxes for the life of the exemption.

The total frozen taxes (assuming no change in any millage rates) equal \$1,224,517.00, of which \$239,535.00 are City taxes, that will be paid over a 12 year exemption.

The total taxes that will not be generated based on the exemption are \$1,059,039.00, of which \$207,165.00 are City taxes. This is the cost of the exemption.

Legal Considerations:

- The application and building, meet 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 the amended Plant Rehabilitation tax abatement policy of the City Council of the City of Troy (Resolution #2002-05-273).

City Council Outcome III, "Troy is rebuilding for a healthy economy reflecting the values of a unique community in a changing and interconnected world."

Since both legal and policy considerations are met, staff would recommend granting the exemption.

Options:

- City Council has the option of granting the Plant Rehabilitation Exemption Certificate for any period of one (1) to twelve (12) years, or not at all.

Staff recommends that the Exemption be granted for the full twelve (12) years.

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
STC Use Only	
Date Received by STC	Application Number

APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) AxleTech International, LLC		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 336350	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1400 Rochester Road, Troy, MI 48083		1d. City/Township/Village (indicate which) Troy	1e. County Oakland
2. Type of Approval Requested <input type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(9)) <input type="checkbox"/> Transfer (1 copy only) <input checked="" type="checkbox"/> Rehabilitation (Sec. 3(1))		3a. School District where facility is located Troy	3b. School Code 63150
4. Amount of years requested for exemption (1-12 Years) 12			

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.

Upgrade of existing industrial plant containing approximately 189,000 sq. ft. and addition of a new two-story 20,000 sq. ft. office area. See attached Budget/Scope of Work.

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.	\$3,673,155.00 Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	\$0.00 Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	\$3,673,155.00 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.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements	11/1/09	12/31/10	<input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements			<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. N/A	10. No. of new jobs at this facility expected to create within 2 years of completion. N/A
--	--

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)	\$1,269,252.00
b. TV of Personal Property (excluding inventory)	\$0.00
c. Total TV	\$1,269,252.00

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)
10/19/09

12c. Is this application for a speculative building (Sec. 3(8))?
☐ Yes ☒ No

RECEIVED

APR 28 2010

CITY OF TROY
ASSESSING DEPT.

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 Michael Brody	13b. Telephone Number (248) 244-9730	13c. Fax Number (248) 435-1120	13d. E-mail Address michael.brody@axletech.com
14a. Name of Contact Person Michael Brody	14b. Telephone Number (248) 244-9730	14c. Fax Number (248) 435-1120	14d. E-mail Address michael.brody@axletech.com
15a. Name of Company Officer (No Authorized Agents) Mary Petrovich			
15b. Signature of Company Officer (No Authorized Agents) <i>Mary Petrovich</i>		15c. Fax Number (248) 435-1120	15d. Date 4/20/2010
15e. Mailing Address (Street, City, State, ZIP Code) 1400 Rochester Road, Troy, MI 48083		15f. Telephone Number (248) 435-1663	15g. E-mail Address mary.petrovich@axletech.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 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 type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input 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 type="checkbox"/> 7. Equipment List with dates of beginning of installation <input 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 Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.			
16c. LUCI Code		16d. School Code	
17. Name of Local Government Body		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	19c. E-mail Address
19d. Clerk's Mailing Address (Street, City, State, ZIP Code)		
19e. Telephone Number	19f. Fax Number	

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				
1. LUCI Code	2. Begin Date Real	3. Begin Date Personal	4. End Date Real	5. End Date Personal

1400 Rochester Road
Troy, Michigan

Budget

Build-To-Suit 20,000 SF Two-Story Office Addition

Sitework	Sitework consist of clearing and grading the immediate construction area to workable grades. Any excess soils (not to exceed 1,000 cubic yards) shall be removed from the site. Removal of existing concrete paving assumed to be 6" to 8" concrete	
Site Utilities	Storm Drainage - Roof water drainage will be collected by roof sumps and carried by PVC drainage pipe within the building and discharged into storm drains Gas Service - Natural gas will be extended from the existing main to the building. Water Service - 1 1/2" water line to be extended from the existing main for domestic water use. Water main will be extended from the existing fire protection. Electrical - Existing incoming overhead service will pole mounted transformers will be removed and a new underground 2000 amp service to be installed. Sanitary Sewer - Sanitary sewer shall be extended from the existing sanitary sewer.	
Foundation	Reinforced concrete footings and foundations for soil bearing pressure of 3000 psf All foundations will be designed in accordance with applicable code requirements.	
Interior Concrete	Office floor 4" fiber mesh on a compacted sand base.	
Roof System	Rubber roof with ten year manufacturer warranty.	
Wall System Office	8" block with foam fill insulation in cores with face brick.	
Structural Steel	Allowance \$150,000	
Elevator	One hydraulic passenger elevator. Stainless steel doors, frame and control panels.	
Window System	Insulated and tinted commercial grade anodized aluminum window and door system.	
Hollow Metal Doors	High grade mortise locks, closers where needed and completely insulated.	
Painting	All exposed structural steel to be painted. All exposed block to be filled and painted.	
Fire Protection	Total building to be fire protected to meet ordinary hazard class. Sprinkler heads to be recessed/drop-down heads.	
Office Area Finish	Layout per owner's requirement. Interior walls to extend 6" above finish drop ceiling. Full height restroom and mechanical to be insulated. Acoustical ceiling of 2' X 4' lay-in panels. Solid core wood doors. Brushed stainless steel hardware to be ADA compliant. Ceramic tile floors in vestibule, main lobby \$8.00 p.s.f. Commercial grade carpeting \$14.00 p.s.f.	
Millwork	Lunchrooms to receive upper and lower laminate cabinets and countertops. Coffee areas to receive lower laminate cabinets and countertops.	
Plumbing	Two (2) stainless steel double-bowl sinks. Two (2) stainless steel single bowl sinks for coffee areas. Metal toilet partitions. One (1) janitor's utility sink. Four (4) drinking fountains - two on each floor	
HVAC	Office area completed heated and airconditioned through roof mounted combination air conditioner/furnaces with ducted return system.	
Electrical	2' X 4' layin fixtures with acrylic lens. Outlets provided throughout office walls with a minimum of two (2) 110 volt duplex outlets. Two (2) 480/277 volt panels and two (2) 208/120 volt panels included. All power distribution to panels included. Power to exterior wall-mounted sign.	
Sub-Total		\$ 1,030,000

1400 Rochester Road
Troy, Michigan

Budget

Additional Work On Existing Building

Removal of existing roofs and truss system and replace roof	75,000
Powerwash and paint exterior of building	50,000
New brick elevation for remaining office	100,000
Relocate existing Edison power and re-feed building with 2000 amp underground service	120,000
Rework existing offices/demo shop areas and build out new	600,000
Grand Total	\$ 2,575,000

Miscellaneous Requirements

Landscaping	\$ 50,000
Siding extension and enclosure	7,391
Preparation and coating of 109,776 SF with epoxy enamel	104,400
Repair truck well and touch up south bays	15,000
Powerwash and repaint 40,000 SF of siding	20,000
New high efficiency lighting	79,248
Construct new engineering lab in building	36,000
Fire protection for existing office and shop area	150,000
Commissions	362,116
Permits and Fees	25,000
Consultants	15,000
Engineers	50,000
Architects	50,000
Environmental/Soil, Etc.	10,000
Winter Property Tax	28,000
Interest reserve 4.7%, 6 months	96,000
Total Miscellaneous Requirements	\$ 1,098,155
 Total Construction Cost	 \$ 3,673,155

City of Troy - Assessing Department
Axle Tech International, LLC
Estimate of Current Taxes and Tax Savings for Plant Rehabilitation Application

Year	0	1	2	3	4	5	6	7	8	9	10	11	12
Current Taxable	2,123,540	2,123,540	2,123,540	2,123,540	2,123,540	2,123,540	2,123,540	2,123,540	2,123,540	2,123,540	2,123,540	2,123,540	2,123,540
Rehab Taxable	1,836,570	1,836,570	1,836,570	1,836,570	1,836,570	1,836,570	1,836,570	1,836,570	1,836,570	1,836,570	1,836,570	1,836,570	1,836,570

2009 Millage Rate	48.0533	48.0533	48.0533	48.0533	48.0533	48.0533	48.0533	48.0533	48.0533	48.0533	48.0533	48.0533	48.0533
Frozen Taxes		\$102,043	\$102,043	\$102,043	\$102,043	\$102,043	\$102,043	\$102,043	\$102,043	\$102,043	\$102,043	\$102,043	\$102,043
Tax Savings on Rehab		\$88,253	\$88,253	\$88,253	\$88,253	\$88,253	\$88,253	\$88,253	\$88,253	\$88,253	\$88,253	\$88,253	\$88,253

2010 City Millage Rate	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000	9.4000
Frozen City Taxes		\$19,961	\$19,961	\$19,961	\$19,961	\$19,961	\$19,961	\$19,961	\$19,961	\$19,961	\$19,961	\$19,961	\$19,961
City Tax Savings on Rehab		\$17,264	\$17,264	\$17,264	\$17,264	\$17,264	\$17,264	\$17,264	\$17,264	\$17,264	\$17,264	\$17,264	\$17,264

Total Frozen Taxes 12 Years		\$1,224,517	Total Tax Savings 12 Years		\$1,059,039
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Total Frozen City Taxes 12 Years		\$239,535	Total City Tax Savings 12 Years		\$207,165
---	--	------------------	--	--	------------------

Applicant Name **Axle Tech International, LLC**

Fiscal Statement (to be completed by local unit)

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

Estimated Project Investment (not assessed value):

Real Property \$3,673,155.00	Personal Property \$0.00	Total \$3,673,155.00
---------------------------------	-----------------------------	-------------------------

	<u>YES</u>	<u>NO</u>	<u>REMARKS</u>
1. A. Has the proper local authority reviewed the plan?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
B. Is the project located in a certified industrial park?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
C. Is this a renovation or expansion of an existing building?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
2. Will this project require improvement of your road service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3. Will this project require improvement of your sanitary sewer services?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4. Will this project require improvement of your storm sewer services?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5. Will this project require improvement of your water services?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
6. Will this project require additional police personnel, police equipment or a need for new police building expansion?	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	
8. Will this project require other costs?	<input type="checkbox"/>	<input checked="" 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 checked="" 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 Leger A. (Nino) Licari, City Assessor CMAE IV #6345
-----------	---

City of Troy - Assessing Department
Oakland County, Michigan
Plant Rehabilitation Application

Affidavit of:

Statement of Total State Equalized Value (SEV) of District
Assessor's Obsolescence Statement of Subject Property

<u>Date:</u>	05/20/10
<u>Applicant Name:</u>	Axle Tech International, LLC
<u>Subject Property Address:</u>	1400 Rochester, Troy, MI. 48083
<u>Parcel Number(s)</u>	88-20-34-226-048 & 88-20-34-226-057
<u>Total SEV of District:</u>	\$2,128,660
<u>Total SEV of Parcel Number(s):</u>	\$2,128,660
<u>Total Taxable Value (TV) of Parcel Number(s):</u>	\$2,123,540
<u>Reconstruction Cost New (RCN) of Subject Property:</u>	\$12,940,437
<u>Reconstruction Cost New Less Depreciation (RCNLD) of Subject:</u>	\$2,060,079
<u>Total Cost of Proposed Rehabilitation:</u>	\$3,673,155
<u>% of Rehabilitation Cost to RCNLD:</u>	% 178.30

The above information is true, to the best of my knowledge

Leger A. (Nino) Licari CMAE IV, Cert # 6345
Assessor, City of Troy

Date

88-20-34-226-048
Property Class: 301
Map #: 88-20-34-226-048

2010 Est. T.C.V.
Printed 05/20/2010
CITY OF TROY

BOSTICK ROCHESTER ROAD DEVELOPMENT
1400 ROCHESTER
TROY, MI 48083-2854

Land Value Estimates for Land Table M-1.M-1

* Factors *

Description	Frontage	Depth	Front	Depth	Rate	%Adj.	Reason	Value
M-1 SQ FT	M-1 SQ FT		394218 SqFt		4.50	100		1,773,981
		9.05	Total Acres				Total Est. Land Value =	1,773,981

< Land Improvement Cost Estimates >						
Description	Rate	CountyMult.	Size	%Good	Cash Value	
D/W/P: Asphalt Paving	1.61	1.47	207105	56	274,487	
Total Estimated Land Improvements True Cash Value =					274,487	

Cost Estimates for Commercial/Industrial Building/Section: 1 Built 1972
Description of Occupancy: 0% V 08, 100% 03-04-05-06-07

Costs are taken from the Industrial, Light Manufacturing cost schedules.

<<<<< Calculator Cost Computations >>>>>
Class: S Quality: Average Percent Adj: +0

Base Rate for Upper Floors = 30.90

(10) Heating system: Package Heating & Cooling Cost/SqFt: 5.25 100%
Adjusted Square Foot Cost for Upper Floors = 36.15

1 Stories Number of Stories Multiplier: 1.000
Average Height per Story: 33 Height per Story Multiplier: 1.458
Ave. Floor Area: 178,732 Perimeter: 2343 Perim. Multiplier: 0.873
Refined Square Foot Cost for Upper Floors: 46.01

County Multiplier: 1.47, Final Square Foot Cost for Upper Floors = 67.639

Total Floor Area: 189,034 Base Cost New of Upper Floors = 12,786,077

56,455 Sq.Ft. of Sprinklers @ 1.86, County Mult.:1.47 Cost New = 154,359

Reproduction/Replacement Cost = 12,940,437
Eff.Age:36 Phy.%Good/Abnr.Phy./Func./Econ./Overall %Good: 53 /100/30 /100/15.9
Total Depreciated Cost = 2,057,529

Local Cost Items	Rate	Quantity/Area	%Good	Depr.Cost
CRANEWAY DBL RAIL LF	429.46	1622	16	110,757
DOCK LEVELOR	6560.17	9	16	9,388

ECF (INDUSTRIAL LM) 0.946 => TCV of Bldg: 1 = 2,060,079
Replacement Cost/Floor Area= 69.09 Est. TCV/Floor Area= 10.90

Total Estimated True Cash Value of Commercial/Industrial Buildings = 2,060,079

2010 Est. T.C.V. 88-20-34-226-048 = 4,108,547
Est. TCV/Total Floor Area = 21.73, Most recent sale 03/31/2005 for 4,029,444

2009 Assessed	MBOR	S.E.V.	Base for Cap	C.P.I.	
2,536,620	2,536,620	2,536,620	2,192,800	-0.30	
2010 New Eq. Adjustment		Loss	Additions	Tax Adjustment	Losses
	-482,350			-138,530	
2010 Assessed	MBOR	S.E.V.	Capped	->Taxable<-	PRE/MBT
2,054,270	2,054,270	2,054,270	2,186,220	2,054,270	

88-20-34-226-057

2010 Est. T.C.V.

BOSTICK ROCHESTER ROAD DEVELOPMENT

Property Class: 302

Printed 05/20/2010

Map #: 88-20-34-226-057 CITY OF TROY

Land Value Estimates for Land Table M-1.M-1

* Factors *

Description	Frontage	Depth	Front	Depth	Rate	%Adj.	Reason	Value
M-1 SQ FT	M-1 SQ FT		33060 SqFt		4.50	100		148,770
M-1 SQ FT	M-1 1/2 SQ FT		0 SqFt		2.00	100		
0.76 Total Acres Total Est. Land Value =								148,770

2010 Est. T.C.V. 88-20-34-226-057

= 148,770

Est. TCV/Total Floor Area = 0.00, Most recent sale 03/21/2005 for 55,556

2009 Assessed	MBOR	S.E.V.	Base for Cap	C.P.I.
95,050	95,050	95,050	69,480	-0.30

2010	New	Eq. Adjustment	Loss	Additions	Tax Adjustment	Losses
		-20,660			-210	

2010 Assessed	MBOR	S.E.V.	Capped	->Taxable<-	PRE/MBT
74,390	74,390	74,390	69,270	69,270	





Legal Descriptions for IDD and PRD at 1400 Rochester Rd, Troy MI.48083

88-20-34-226-048

**T2N, R11E, SEC 34
PART OF NE 1/4
BEG AT PT DIST
S 00-01-00 E 420 FT & W 900 FT
FROM NE SEC COR,
TH S 00-01-00 E 570 FT,
TH W 194.14 FT,
TH S 00-25-30 E 168.73 FT TO CEN LINE SPENCER DRAIN,
TH N 73-57-18 W 69.28 FT,
TH N 66-31-20 W 242.88 FT,
TH N 61-37-44 W 76.01 FT,
TH N 36-42-46 W 23.02 FT,
TH N 89-43-35 W 75.73 FT,
TH N 12-06-00 E 582.87 FT,
TH E 516.84 FT
TO BEG 9.05A ALSO
S 100 FT OF LOT 12 &
THAT PART OF LOT 13
LYING NWLY OF CEN LINE SPENCER DRAIN
OF 'TROY INDUSTRIAL SUB'**

88-20-34-226-057

**T2N, R11E, SEC 34 TROY INDUSTRIAL SUB
PART OF LOT 12 BEG AT PT DIST
S 00-06-30 E 271.00 FT FROM NE LOT COR,
TH S 00-06-30 E 129.00 FT ALG
W LINE OF SOUTER BLVD
TH W 240.00 FT,
TH N 00-06-30 W 234.00 FT,
TH E 20.00 FT,
TH S 00-06-30 E 105.00 FT,
TH E 220.00 FT
TO BEG**

May 6, 2002 adopted amendment by Resolution #2002-05-273
September 11, 2000

Plant Rehabilitation

F-4

RESOLUTION #2000-412
Moved by Pallotta
Seconded by Kaszubski

WHEREAS, the City of Troy has the economic objective of (a) increasing employment opportunities, (b) reducing economic obsolescence of the Industrial base, (c) encouraging industrial expansion, (d) encouraging attractive, viable industrial sites, (e) encouraging the redevelopment of obsolete industrial buildings, and (f) maintaining a modern, efficient industrial building inventory; and

WHEREAS, The Plant Rehabilitation and Industrial Development Districts Act, being Public Act 198 of 1974 (PA 198), as amended, empowers cities to establish Plant Rehabilitation Districts (PRD) and to grant tax abatements for certain properties which meet certain criteria established by PA 198; and

WHEREAS, the City Council of the City of Troy has determined that additional criteria should be established for the creation of such districts and abatements;

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Troy, that the following criteria are to be met, applied, or measured by the City Manager, or his designees in the review of areas and locations to be considered for the designation as Plant Rehabilitation Districts (PRD) by the City Council:

- 1.) The property must be included in the (M-1) Light Industrial zoning classification.
- 2.) If the district is to be established for a Replacement Facility, as defined in PA 198, it will include the site of the obsolete building, as defined by PA 198, and vacant land contiguous to the site, not separated by a dedicated public right of way.

BE IT FURTHER RESOLVED, that in addition to the criteria established by The Plant Rehabilitation and Industrial Development Districts Act, being Public Act 198 of 1974, the following criteria are established as guidelines to be met, passed, measured and ascertained by the City Manager, or his designees, as minimum standards before submitting requests or petitions for the consideration and possible approval of Plant Rehabilitation type Industrial Facilities Exemption Certificates, by the City Council of the City of Troy:

- 1.) For Rehabilitation or Replacement Facilities applications, Personal Property shall not be included as part of an abatement request.
- 2.) For Rehabilitation or Replacement Facilities applications, the minimum amount of Taxable Value generated by the renovation or replacement, shall be at least 50% of the existing Taxable Value of the obsolete building.
- 3.) For Rehabilitation or Replacement Facility applications, the maximum amount of Taxable Value generated by the renovation or replacement, shall not be more than ~~100% of the existing Taxable Value of the obsolete building.~~ 50% of the Reproduction/Replacement Cost of the existing building, as shown on the Assessing Department's current year Valuation Statement.
- 4.) For Replacement Facilities applications, the existing obsolete structures shall be demolished.
- 5.) For Replacement Facilities applications, the Replacement shall be constructed on the site of the demolished obsolete building, and on contiguous vacant land not separated by a dedicated public right of way.

Yes: Stine, Kaszubski, Pallotta, Schilling, Stevens
No: Howrylak
Absent: Allemon

September 11, 2000: Original Resolution Passes
May 6, 2002 Amendments moved by Beltramini, support Pallotta,
Yes: Broomfield, Eisenbacher, Lambert, Pallotta, Pryor, Beltramini
No: Howrylak

**CITY OF TROY
INDUSTRIAL FACILITIES EXEMPTION
CERTIFICATE LETTER OF AGREEMENT
FOR PLANT REHABILITATION**

This agreement between **Axle Tech International, 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), **Axle Tech International, LLC**, understands that through its investment of \$3,673,155 ~~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 **12** years after either completion of construction of the facilities, or December 31, 2024, whichever is sooner.
- 2.) At the end of two (2) years or no later than December 31, 2012, **Axle Tech International, 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.) **Axle Tech International, 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**.

Axle Tech International, 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.) **Axle Tech International, 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.) **Axle Tech International, 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
FOR PLANT REHABILITATION
(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, July 12, 2010 at 7:30 P.M. to consider the request from Axle Tech International, LLC, for the granting of a Plant Rehabilitation Exemption at the following location:

88-20-34-226-048 & 88-20-34-226-057 1400 Rochester, Troy, MI. 48063-2854
T2N, R11E, Section 34 Part of North East 1/4

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
MICHAEL ADAMCZYK
4400 LIVERNOIS
TROY MI 48098-4799**

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

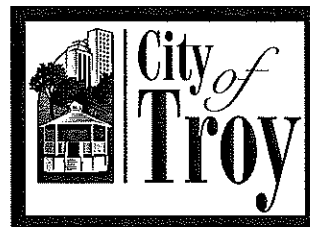
**OAKLAND INTERMEDIATE SCHOOLS
2111 PONTIAC LAKE
WATERFORD MI 48328**

**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**

**BOSTICK ROCHESTER DEV LLC
DENNIS BOSTICK
1819 E BIG BEAVER
TROY MI 48083**

**AXLETECH INTERNATIONAL LLC
WILLIAM MILLER
3001 W BIG BEAVER STE 400
TROY MI 48084-3105**



**CITY OF TROY
OAKLAND COUNTY, MICHIGAN
RESOLUTION**

C-1 Establishment of an Industrial Development District (IDD) – 1400 Rochester Road

At a Regular meeting of the Troy City Council held on Monday, October 19, 2009, the following Resolution was passed:

The Mayor opened the public hearing.

The Mayor closed the public hearing after receiving public comment from:

Marvin Reinhardt Opposed

Resolution #2009-10-303

Moved by Fleming

Seconded by Beltramini

RESOLVED, That Troy City Council hereby **ESTABLISHES** an Industrial Development District (IDD) for property known as 1400 Rochester, Troy, MI. 48083-2854, Parcel #88-20-34-226-048, and #88-20-34-226-057, in accordance with City Council Policy Resolution #2009-02-042; and

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

Yes: Beltramini, Broomfield, Fleming, Kerwin, Schilling

No: Eisenbacher

Absent: Howrylak

MOTION CARRIED

I, Tonni L. Bartholomew, duly appointed City Clerk of the City of Troy, do hereby certify that the foregoing constitutes a true and complete copy of a resolution adopted by the Troy City Council at a Regular Meeting duly called and held on Monday, the 19th day of October, 2009.

Tonni L. Bartholomew, MMC
City Clerk



Industrial Facilities Exemption Certificate

Rehabilitation Certificate No. 2010-174

Pursuant to the provisions of Public Act 198 of 1974, as amended, the State Tax Commission hereby finds that the industrial property, hereafter referred to as the industrial facility, owned or leased by Axle Tech International LLC and located at **1400 Rochester Rd, City of Troy** County of **Oakland** Michigan, located within a Plant Rehabilitation District, is intended primarily for the purpose of restoration or replacement of obsolete industrial property, and complies with Section 9 and other provisions of the act.

Therefore, as provided by MCL 207.551 to 207.572, inclusive, the State Tax Commission hereby certifies as a **rehabilitation facility** the industrial property located at **1400 Rochester Rd.**

This certificate provides the authority for the assessor to exempt the industrial facility for which this Industrial Facilities Exemption Certificate is in effect, but not the land on which the facility is located, from ad valorem taxation. This certificate further provides the authority to levy a specific tax known as the Industrial Facilities Tax.

This certificate, unless revoked by order of the State Tax Commission as provided by Public Act 198 of 1974, as amended, shall remain **in force for a period of 12 year(s) for real and 0 year(s) for personal;**

Real property component:

Beginning December 31, 2010, and ending December 30, 2022.

Personal property component:

Beginning December 31, and ending December 30, .

The State Education Tax to be levied for this certificate is 6 mills*.

The taxable value of the obsolete industrial property related to this certificate is \$1,269,252 for real property and \$0 for personal property.

This Industrial Facilities Exemption Certificate is issued on **August 16, 2010.**



Kelli Sobel, Executive Director
State Tax Commission

A TRUE COPY
ATTEST:

Sarah J. Miller
Michigan Department of Treasury

RECEIVED

AUG 23 2010

**CITY OF TROY
ASSESSING DEPT.**

*The State Education Tax is not exempted by MCL 207.564(4) which was enacted with the creation of the Michigan Business Tax.



88-IR-10-100-174

JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

ROBERT J. KLEINE
STATE TREASURER

Plant Rehab

August 20, 2010

Mary Petrovich
Axle Tech International LLC
1400 Rochester Rd
Troy, MI 48084

Dear Sir/Madam:

Pursuant to the requirements of Public Act 198 of 1974, as amended, the State Tax Commission has issued an Industrial Facility Exemption Certificate numbered 2010-174, to Axle Tech International LLC, located in the City of Troy, Oakland County. This certificate was issued at the August 16, 2010 meeting of the Commission and the investment amounts approved are as follows:

Real Property: \$3,673,155

Personal Property: \$

The State Education Tax to be levied for this certificate is 6 mills.

In accordance with MCL 24.304, the local unit of government or applicant has sixty days from the date of this letter to request a hearing to correct an error contained in the enclosed certificate.

Notification of completion of this project shall be filed with the Commission within 30 days of project completion. Within 90 days of project completion, a report of final costs shall be filed with the assessing officer of the local unit and the Commission.

If you have further questions regarding the issuance of this industrial facility exemption certificate, please call 517-373-3272.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kelli Sobel".

Kelli Sobel, Executive Director
State Tax Commission

Enclosure

c: Leger A. Licari, Assessor, City of Troy