

East Bay Charter Township

4

Tax Abatement Request
Opti-Temp

Motion by: _____ Second by: _____

To

Approve

Table

Deny

Roll call vote:

Aye: _____

Nay: _____

Abstain: _____

Absent: _____

Motion:

Passed

Failed

Sue Courtade

From: Glen Lile [ebtsupervisor@chartermi.net]
Sent: Wednesday, July 02, 2008 11:58 AM
To: Sue Courtade
Subject: FW: Additional Documents
Attachments: Tax Abatement Scoresheet.xls; Resolution.doc; TAX ABATEMENT POLICY--East Bay Township.doc; Peninsula Business Park IDD Resolution.pdf; TAX ABATEMENT AGREEMENT--East Bay Township.doc

From: Sarah Racine [mailto:sarah@tcchamber.org]
Sent: Wednesday, July 02, 2008 11:12 AM
To: Glen Lile
Subject: Additional Documents

Glen,

I've attached the documents we spoke about. Please take a look at the resolution attached. I've recreated the resolution used for Quantum Sails, but I'm not sure everything fits. I'll be in meetings until 3 pm today, and would be available to discuss further with you at that point.

Let me know if you have any additional questions.

Thanks,

Sarah

Sarah Racine
Project Support Coordinator
Traverse Bay Economic Development Corporation
Traverse City Area Chamber of Commerce
202 East Grandview Parkway - Traverse City, MI 49684
Phone: (231) 995-7116
Fax: (231) 946-2565
Sarah@tcchamber.org
Web: www.tcchamber.org

Check Out Your Chamber's Events Calendar!
http://www.tcchamber.org/rpc/events_list.php

**East Bay Charter Township
Tax Abatement Score sheet**

	Points available	Points Awarded	Notes
Jobs			
Retained			
0-10	5		
11-25	10	10	
26-50	15		
51-100	20		
101+	25		
Created			
0-10	5	5	
11-25	10		
26-50	15		
51-100	20		
101+	25		
TOTAL POINTS	50	15	
Private Investment			
Personal Property			
\$0 - \$500,000	5		
\$500,001 - \$2M	10		
\$2M - \$5M	15		
\$5M +	20		
Real Property			
\$0 - \$500,000	5	5	
\$500,001 - \$2M	10		
\$2M - \$5M	15		
\$5M +	20		
TOTAL POINTS	40	5	
Industry/Building			
Industry and Location Compatible with Master Plan	0-2	2	
Public Services Required	0-4	4	Rated 0-4 based on how much increase in public expenditures will be required to service the proposed development and the support of those services, with 4 being no additional public expenditures for, but not limited to, water, sewer, police, fire and/or code enforcement and applicant utilizing public water, sewer, and power and 0 being public expenditures in 4 or more areas and applicant not utilizing public water, sewer, and power.
Exterior Appearance	0-4	4	Rated 0-4 based on the aesthetic design of building and grounds enhancing the community with 4 being an innovative design which improves the neighborhood in all senses and 0 being basic design which meets minimum legal standards.
TOTAL POINTS	10	10	
Total Score	100	30	

East Bay Charter Township Property Tax Abatement Guidelines

With the acknowledgement that both an Applicant Company's investment in a proposed project and East Bay Charter Township's investment through the granting of an Industrial Facilities Tax (IFT), is to encourage economic growth in the community, the following guidelines for the granting of an Industrial Facilities District and/or the issuance of an IFT Certificate have been established.

- 1) Applications for the establishment of a district, tax abatement certificate or transfer of an existing certificate shall be submitted to the Township Supervisor for study and recommendation to the Township Board.
- 2) Final approval of a district or certificate shall be made by the Township Board. The Township Board may exercise at its discretion the determination of the maximum term and conditions of any and all IFT Certificates.
- 3) Such tax benefits accruing under this program will induce the location of a new facility or the expansion or rehabilitation of an existing facility in the Township and that the applicant has made a firm commitment to the project if the tax benefits are granted by the Township.
- 4) Increased employment and tax base will be created in relationship to the benefits granted.
- 5) The applicant has paid all outstanding real and personal property tax bills
- 6) Such industrial construction, expansion or rehabilitation will not unduly burden the Township streets, utilities or other Township services.
- 7) The facility will conform to the Township's Master Plan for development and proposed land use or any other applicable land use plan or ordinance.
- 8) The primary function of a business requesting the abatement is not in direct competition with another business in the Township. If there is an existing competing business in the Township, a letter is required from that business stating that they are not against the approval of the tax abatement request.
- 9) Pursuant to Public Act 334 of 1993, as amended, prior to approval of the issuance of an IFT Certificate, the applicant and the Township shall enter into a written agreement which state the following terms and conditions:
 - a. In the event the applicant has not substantially complied with the Application, with respect to the items described in the application, including but not limited to the number of jobs created and/or retained and total capital investment within the time frame identified in the Application, the abatement previously approved may be reduced or revoked by the Township.

- b. In the event that the Applicant's ad valorem and/or Industrial Facilities Tax is not paid by the stated due date, the abatement previously approved may be reduced or revoked by the Township.
- c. In the event the Applicant ceases, or reduces operations of its industrial facility in the Township, the Township shall be repaid a portion or the total amount of taxes previously abated, in accordance with the provisions of the agreement.
- d. Any conditions deemed necessary by the Township to ensure compliance with the terms and conditions of the IFT Application and Certificate.

INDUSTRIAL FACILITIES TAX CERTIFICATE DURATION

POINTS	PERSONAL PROPERTY	REAL PROPERTY
0-24	0 years	0 years
25-49	3 years	6 years
50-74	4 years	8 years
75-100	6 years	12 years

East Bay Charter Township Industrial Facilities Tax Exemption Agreement

_____, hereinafter referred to as the “Company”, has submitted an application to East Bay Charter Township for the granting of an Industrial Facilities Exemption (IFT) Certificate, pursuant to Michigan Public Act 198 of 1974, as amended.

To encourage the granting of the IFT, and in recognition of the investment the East Bay Charter Township, hereinafter referred to as the “Township”, will be making toward the economic growth of the Company, and thus the economic growth of the Township, I hereby agree on behalf of the Company to the following:

- 1) No later than the 15th day of January, following the second full year after the issuance date of the IFT, and every two years thereafter, the Company shall submit a letter to the Township stating:
 - a. The number of new jobs committed to being created in the IFT application and the total number of new jobs actually created.
 - b. If the IFT was granted on the basis of job retention, the number of employees at the time of the application and the current number of employees currently at the Company.
 - c. If the projections for job creation and retention have not been met, the Company must provide an explanation for this situation.
 - d. The estimated private investment (both real and personal property) given in the application and the actual private investment incurred.
 - e. If actual private investment differs substantially from the Company’s projected private investment, the Company must provide an explanation.
- 2) The Company understands that if at any time employment has not been retained or reached, or the capital expenditures have not been completed as stated in the application, the Township has the right to reduced the term or revoke the IFT.
- 3) The Company agrees to remain within the Township for the period of the IFT unless permission for relocation is granted by the Township. The Company further understands that if it chooses to leave the Township without permission for relocation prior to the end of the term of the IFT, the Township has the right to recapture from the Company up to and including the total difference between the Industrial Facilities Tax and the normal ad valorem tax which would have been due if the IFT had not been granted, plus interest and penalties.
- 4) The Company agrees and understands that in the event of an appeal of the assessment on the facility is filed with the Michigan Tax Tribunal, the Township at its discretion, has the right to reduce the term of the Industrial Facilities Certificate, provided that the Company and/or its representative and the Township Assessor are first given the opportunity to address the Township Board as to the merits of the appeal.
- 5) The Company agrees to pay all ad valorem and/or Industrial Facilities Tax on or before they are due. The Company understands that in the event that ad valorem and/or

industrial facilities taxes become delinquent, the Township, at its discretion, has the right to reduce the term or revoke the IFT, provided that the Company and/or its representative and the Township Treasurer are first given the opportunity to address the Township Board.

- 6) The Company agrees to comply with all Township ordinances, regulations and codes during the term of the IFT. The Company understands that in the event that the Company fails to comply, the Township may reduce the term or revoke the IFT, provided that the Company or its representative and the Township official responsible for administering the ordinance, regulation or code that the Company is in violation of are first given the opportunity to address the Township Board.
- 7) At its discretion, the Township may review and consider any request that an applicant may have for the extension of an IFT term of years, provided that the applicant has performed extraordinarily well above and beyond the requirements set forth in the original IFT.

By the signatures of representatives of both the Company and the Township below, it is understood that certain economic conditions can, at times, prohibit the maintenance of the Company's targeted status. It is understood that if such conditions exist at the time of the designated Company submits its report; the Township will carefully evaluate the Company's situation, and will inform the Company if any action is considered in order to give the Company an opportunity for correction.

WITNESS:

COMPANY:

By: _____

Its: _____

Date: _____

WITNESS:

ACKNOWLEDGED BY
EAST BAY CHARTER TOWNSHIP

By: _____

Its: _____

Date: _____

WITNESS:

By: _____

Its: _____

CHARTER TOWNSHIP OF EAST BAY

RESOLUTION _____

**APPLICATION FOR INDUSTRIAL FACILITIES
TAX EXEMPTION CERTIFICATE
SUBMITTED BY OPTI-TEMP**

WHEREAS, on or about September 2005, Peninsula Business Park submitted an Application for Establishment of an Industrial Development District on property owned by it located at Peninsula Business Park – East, Traverse City, MI 49686, which is legally described as follows:

Part of the Northwest ¼ of Southeast ¼ of Section 17, Township 27 North, Range 10 West, East Bay Township, Grand Traverse County, Michigan; and

WHEREAS, at its regular public meeting held on September 12, 2005, the East Bay Charter Township Board adopted the following motion:

Motion by Watson/Friend to approve establishing an industrial development district for Peninsula Business Park; and

WHEREAS, on or about July 1, 2008 Opti-Temp submitted an Application for Industrial Facilities Tax Exemption Certificate for a facility located at 1500 International Drive, Traverse City, Michigan 49686, more fully described as follows:

Unit 7, Peninsula Business Park at Fawn Creek, East Bay Township, Grand Traverse County, Michigan; and

WHEREAS, at its July 14, 2008, meeting the Charter Township of East Bay made the following findings regarding the Application for Industrial Facilities Tax Exemption Certificate submitted by Opti-Temp:

1. The granting of the industrial facilities exemption certificate will not have the effect of substantially impeding the operation of the Charter Township of East Bay or impairing the financial soundness of the Charter Township of East Bay.
2. The proposed facility is located within an industrial development district that was duly established in the Charter Township of East Bay and that was established upon a request filed before the commencement of the purchase of personal property improvements for the facility.
3. The commencement of the purchase of personal property improvements for the facility occurred not earlier than six (6) months before the filing of the application for the industrial facilities exemption certificate.

4. The application relates to a construction, restoration, or replacement program that when completed constitutes a new or replacement facility within the meaning of this act that shall be situated within an industrial development district duly established in the Charter Township of East Bay.
5. Completion of the facility is calculated to, and will at the time of issuance of the certificate have the reasonable likelihood to create employment, retain employment, or prevent a loss of employment in the community in which the facility is situated.
6. Completion of the facility does not constitute merely the addition of machinery and equipment for the purpose of increasing productive capacity but rather is primarily for the purpose and will primarily have the effect of restoration, replacement, or updating the technology of obsolete industrial property.

NOW, THEREFORE, the Charter Township of East Bay does hereby ratify and approve the Application for Industrial Facilities Tax Exemption Certificate filed by Opti-Temp, and authorizes the requested tax abatement for a period of six (6) years for real property.

Motion by _____, supported by _____, to adopt Resolution _____ to approve the Application for Industrial Facilities Tax Exemption Certificate filed by Opti-Temp.

Upon roll call vote for the motion:

Yes:

No:

Absent:

The Chairman declared the motion carried and the Resolution duly adopted this 14th day of July, 2008.

GLEN LILE, Supervisor

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EAST BAY CHARTER TOWN BOARD
REGULAR MEETING
SEPTEMBER 12, 2005

Meeting called to order at 7:00 p.m. with a roll call vote. All members were present. LaRose was video taping the meeting. Also present were 35 guests.

Motion by McAllister/Strait to approve the agenda as presented. Motion carried.

Public Comment: Zelma Reichert questioned the cost of the forensic audit. Supervisor reported the cost of the first part of audit was \$28,000 and the second part the cost was \$20,000. The financial audit that was completed in July was approximately \$15,000. The cost of the attorney is to be less than \$10,000. Charles Brill questioned the timeliness of having the Olsen project on tonight's agenda. He felt being the project was approved by the Planning Commission on Tuesday night that the Board might not have enough time to review the information in the short time frame. It was also suggested that a member of the Board be on the Boardman River Dam Committee, which will be meeting on September 13, 2005.

Reports were given and filed by the following: Supervisor, Treasurer, Park Commission given by Marge McAllister; Fire Department; Personnel Committee; County Commission; Zoning Board of Appeals. Engineering Report given by Harry Luzius. He reported on a burst in the pressure-reducing valve near the Shell Station on Hammond and Three Mile Road, which will be repaired and completed on September 13, 2005. It was discovered on July 14, 2005 that the Three Mile Road force main was buried too shallow. It was laid below a drainage pretension basin. The cost to remove a section and bury it deeper was \$7,500, which should be paid by the County Road Commission, being it was their drawings that were used to design the system. Gourdie Fraser recommended that the Elmer's invoice containing the extra charges related to the shallow force main be paid and collect the money from the County Road Commission.

Invoice Approval:

General Fund: Invoice for City of Traverse City for Cable Council Check # 3015 be removed from the approval list. Motion by Lile/McAllister to approve payment of General Fund invoices with a check range from #3000 through #3009; check # 3010 through #3014; and check # 3016 through #3051. The total amount of payments is \$63,812.48. Motion Carried. Motion by Friend/Lile to approve Fire Fund invoices with Check #1019 through #1024 and check #1025 through #1032. Motion carried. Motion by Strait/McAllister to approve Engineering invoices for a total of \$4,201.25. Motion carried. Motion by Watson/Lile to approve payment of Elmer's invoice of \$35,777.17 including the Work Change Order. Motion carried. Friend opposed.

* Tax Abatement - Lead Screw

The proposed abatement is for 10 years on equipment and to retain the existing 24 employees. The equipment is three new machines being built in Hungry and is special made machines. Board discussion followed. Motion by Watson/McAllister to approve application for tax abatement and to consult with Charles Blankenship for a review of the application. Motion carried. Gee opposed.

* Establishment of an Industrial Development District:

Application has been made by Peninsula Business Park. Board discussion followed. **Motion** by Watson/Friend to approve establishing an industrial development district for Peninsula Business Park. Motion carried. Gee opposed.

Septage Plant Resolution:

Dennis Aloia made a brief presentation regarding the bond payments that are coming due. Due to the mishap that has taken place at the plant the revenues have yet to begin collections. The 7.4 million-bond issues for construction have capitalized interest. The DPW Board is requesting a resolution to take the bond proceeds to make the November and May bond payments while the plant is being rebuilt. Board discussion followed. **Motion** by Watson/McAllister to approve Resolution 2005-5 allowing bond proceeds be used to make November and May bond payments. Roll call vote: Strait, yes; Larose, yes; Watson, yes; Lile, yes; Gee, yes; McAllister, yes; Friend, yes. Motion carried.

Sweet Fern Meadows Residential Site Condominium Project:

Doug Mansfield, Wells Mansfield, Inc. made a presentation regarding a residential site condominium subdivision on the west side of Four Mile Road between Potter Road and North Arbutus Lake Road. The cluster subdivision will consist of 23 single-family homes and 11.5 acres of permanently preserved open space. The proposed use is permitted by right in the Lakes Area zoning district. On-site wells and septic systems and public roads will serve the homes. Board discussion followed. **Motion** by McAllister/Friend to approve the Sweet Fern Meadows Residential Site Condominium Project. Motion carried.

Rolling Pines Residential Condominium Subdivision Project:

Doug Mansfield, Wells Mansfield, Inc. made a presentation regarding a residential site condominium subdivision consisting of 17 single-family homes and approximately 6.5 acres of permanently preserved open space. The project will be located on the north side of Eikey Road between Three Mile Road and Four Mile Road. The homes will be served by on-site wells and septic systems. The applicant will be placing money into escrow with the Grand Traverse County Road Commission as their share for any future upgrades of Eikey Road. There is also an oil well located on the parcel, but this area is not included the 37% open space calculations. Board discussion followed. **Motion** by Watson/McAllister to approve the Rolling Pines Residential Condominium Subdivision Project with the following conditions.

1. Presentation of a final sign plan meeting the requirement of Section 820, 5c, 14 and Section 215, satisfactory to the Zoning Administrator.
2. Submittal of a complete and satisfactory response to the comments of the Township's Engineer dated May 23, 2005.
3. Review by the Township's Attorney of the Master deed and Bylaws for compliance with the requirements of the Zoning Ordinance and condominium subdivision requirements and with particular attention to the superior interest of the oil well owner and how those may ultimately impact the development. If, in

January 9, 2006 Motion
McAllister/LaRose to not approve
minutes