CITY OF BURTON

BURTON CITY COUNCIL MEETING

MAY 7, 2018

AGENDA

Council Chambers	Public Hearing	6:00 PM

4303 S. CENTER ROAD
BURTON, MI 48519

A. CALL TO ORDER

B. PRESENTATION

C. OPEN PUBLIC HEARING

1. THIS IS THE TIME FIXED FOR HEARING AND CONSIDERING ANY OBJECTIONS AND/OR FAVORABLE COMMENTS RELATED TO a request for an Industrial Facilities Tax Exemption Certificate for General Motors, LLC for property commonly known as 4420 Davison Road, Burton, MI

D. CLOSE PUBLIC HEARING

Burton City Council
4303 S. Center Road
Burton, MI 48519

SCHEDULED

Meeting: 05/07/18 06:00 PM
Department: Clerk's Office
Category: Public Hearing
Prepared By: Bette Bigsby
Department Head: Bette Bigsby

PUBLIC HEARING (ID # 3713)

DOC ID: 3713

THIS IS THE TIME FIXED FOR HEARING AND CONSIDERING ANY OBJECTIONS AND/OR FAVORABLE COMMENTS RELATED TO a request for an Industrial Facilities Tax Exemption Certificate for General Motors, LLC for property commonly known as 4420 Davison Road, Burton, MI

ATTACHMENTS:

- IFT EXEMPT DAVISON (PDF)

Michigan Department of Treasury
1012 (Rev. 04-14), Page 1 of 4

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, call (517) 373-3302.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date Received by Local Unit
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) General Motors LLC	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 336111
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 4420 Davison Rd., Burton, MI. 48509	1d. City/Township/Village (indicate which): Burton 1e. County: Genesee
2. Type of Approval Requested [X] New (Sec. 2(5)) [ ] Speculative Building (Sec. 3(8)) [ ] Research and Development (Sec. 2(10)) [ ] Transfer [ ] Rehabilitation (Sec. 3(6)) [ ] Increase/Amendment	3a. School District where facility is located: Bentley 3b. School Code: 25230 4. Amount of years requested for exemption (1-12 Years): 11 years after completion of construction

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.

The proposed project is for the construction of a new parts processing center and related improvements.

6a. Cost of land and building improvements (excluding cost of land) .... 62,503,987 — Real Property Costs
* Attach list of improvements and associated costs.
* Also attach a copy of building permit if project has already begun.

6b. Cost of machinery, equipment, furniture and fixtures .... ______ — Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation, plus total

6c. Total Project Costs .... 62,503,987 — Total of Real & Personal Costs
* Round Costs to Nearest Dollar

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	May 9, 2018	October 31, 2019	[ ] Owned [X] Leased
Personal Property Improvements			[ ] Owned [ ] 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. [X] Yes [ ] No

9. No. of existing jobs at this facility that will be retained as a result of this project.	10. No. of new jobs at this facility expected to create within 2 years of completion. 450

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) .... ______

b. TV of Personal Property (excluding inventory) .... ______

c. Total TV .... ______

12a. Check the type of District the facility is located in:
[X] Industrial Development District [ ] Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) April 2, 2018	12c. Is this application for a speculative building (Sec. 3(8))? [ ] Yes [X] No

Attachment: IFT EXEMPT DAVISON (3713 : Public Hearing)

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	13b. Telephone Number	13c. Fax Number	13d. E-mail Address
14a. Name of Contact Person Troy Kennedy	14b. Telephone Number 313-665-4054	14c. Fax Number 313-665-4125	14d. E-mail Address troy.d.kennedy@gm.com
15a. ~~Name of Company Officer (No Authorized Agents)~~ Daniel M. Hoult			
15b. ~~Signature of Company Officer (No Authorized Agents)~~ Daniel M. Hoult		15c. Fax Number 313-665-4125	15d. Date
15e. Mailing Address (Street, City, State, ZIP Code) MC: 482-C16-B16, P.O. Box 300, Detroit, MI 48265		15f. Telephone Number 313-665-4054	15g. E-mail Address troy.d.kennedy@gm.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

☐ Abatement Approved for _______ Yrs Real (1-12), _____ Yrs Pers (1-12)

After Completion ☐ Yes ☐ No

☐ Denied (Include Resolution Denying)

16a. Documents Required to be on file with the Local Unit

Check or Indicate N/A if Not Applicable

☐ 1. Notice to the public prior to hearing establishing a district.
☐ 2. Notice to taxing authorities of opportunity for a hearing.
☐ 3. List of taxing authorities notified for district and application action.
☐ 4. Lease Agreement showing applicants tax liability.

16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:

Check or Indicate N/A if Not Applicable

☐ 1. Original Application plus attachments, and one complete copy
☐ 2. Resolution establishing district
☐ 3. Resolution approving/denying application.
☐ 4. Letter of Agreement (Signed by local unit and applicant)
☐ 5. Affidavit of Fees (Signed by local unit and applicant)
☐ 6. Building Permit for real improvements if project has already begun
☐ 7. Equipment List with dates of beginning of installation
☐ 8. Form 3222 (if applicable)
☐ 9. Speculative building resolution and affidavits (if applicable)

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 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	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:

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

Attachment: IFT EXEMPT DAVISON (3713 : Public Hearing)

Instruction for Completing Form 1012, *Industrial Facilities Tax Exemption (IFT) Application*

The completed original application form 1012 and all required attachments, **MUST** be filed with the clerk of the local unit of government where the facility is or will be located. Complete applications must be received by the State Tax Commission by October 31 to ensure processing and certification for the following tax year. Applications received after the October 31 deadline will be processed as expeditiously as possible.

Please note that attachments listed on the application in number 16a are to be retained by the local unit of government, and attachments listed in number 16b are to be included with the application when forwarding to the State Tax Commission (STC).

(Before commencement of a project the local unit of government must establish a district, or the applicant must request in writing a district be established, in order to qualify for an IFT abatement. Applications and attachments must be received by the local unit of government **within six months of commencement of project.)**

The following information is required on separate documents attached to form 1012 by the applicant and provided to the local unit of government (city, township or village). (Providing an accurate school district where the facility is located is vital.):

1. Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.
2. Personal Property Requirements: Complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, **beginning date of installation** or expected installation by **month/day/year**, and costs or expected costs (see sample). Detail listing of machinery and equipment **must match amount shown** on question 6b of the application. Personal property applications must have attached a certified statement/affidavit as proof of the beginning date of installation (see sample).
3. Real Property Requirements: Proof of date the construction started (groundbreaking). Applicant must include one of the following if the project has already begun; building permit, footings inspection report, or certified statement/affidavit from contractor indicating exact date of commencement.
4. Complete copy of lease agreement as executed, if applicable, verifying lessee (applicant) has direct ad valorem real and/or personal property tax liability. The applicant must have real and/or personal property tax liability to qualify for an IFT abatement on leased property. If applying for a real property tax exemption on leased property, the lease must run the full length of time the abatement is granted by the local unit of government. Tax liability for leased property should be determined before sending to the STC.

The following information is required of the local unit of government: [Please note that only items 2, 4, 5, 6, & 7 below are forwarded to the State Tax Commission with the application, along with items 2 & 3 from above. The original is required by the STC. The remaining items are to be retained at the local unit of government for future reference. **(The local unit must verify that the school district listed on all IFT applications is correct.)**]

1. A copy of the notice to the general public and the certified notice to the property owners concerning the establishment of the district.
2. **Certified copy of the resolution establishing the Industrial Development District (IDD) or Plant Rehabilitation District (PRD), which includes a legal description of the district (see sample). If the district was not established prior to the commencement of construction, the local unit shall include a certified copy or date stamped copy of the written request to establish the district.**
3. Copy of the notice and the certified letters to the taxing authorities regarding the hearing to approve the application.
4. **Certified copy of the resolution approving the application. The resolution must include the number of years the local unit is granting the abatement and the statement "the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of (governmental unit), or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in (governmental unit – see sample).**

5. Letter of Agreement (signed by the local unit of government and the applicant per P.A. 334 of 1993 (see sample).

6. Affidavit of Fees (signed by the local unit of government and the applicant), (Bulletin 3, January 16, 1998). This statement may be incorporated into the Letter of Agreement (see sample).

7. Treasury Form 3222 (if applicable - Fiscal Statement for Tax Abatement Request.

The following information is required for rehabilitation applications in addition to the above requirements:

1. A listing of existing machinery, equipment, furniture and fixtures which will be replaced or renovated. This listing should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs.
2. A rehabilitation application must include a statement from the Assessor showing the taxable valuation of the plant rehabilitation district, separately stated for real property (EXCLUDING LAND) and personal property. Attach a statement from the assessor indicating the obsolescence of the property being rehabilitated.

The following information is required for speculative building applications in addition to the above requirements:

1. A certified copy of the resolution to establish a speculative building.
2. A statement of non-occupancy from the owner and the assessor. Please refer to the following Web site for P.A. 198 of 1974:

Please refer to the following Web site for P.A. 198 of 1974: **www.legislature.mi.gov/**. For more information and Frequently Asked Questions, visit our Web site at **www.michigan.gov/propertytaxexemptions**.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

Item Description	Cost
Architectural - shell + offices	250,000
MEP / Fire Protection Consulting	85,000
Structural Eng	93,500
On Site Civil Design (Includes Landscape Design)	255,000
Off Site Civil Engineering - Connector Rd. & Public Roads	50,000
Traffic Study	35,000
Geotech Subsurface	74,000
Environmental Consulting/Phase I	16,000
Special Inspections/Quality Control	220,000
Foundation Survey	7,800
Post Construction ALTA	8,500
Preconstruction Services	65,000
Permits & Plan Review Fees	450,000
Legal - City & Incentive Consultant Fees	150,000
Printing & Reimbursables	24,000
Soft Cost Contingency	25,000
Wetland/Stream Channel Mitigation Credits	35,000
Misc Corps / Municipality Impact Fees	60,000
General Conditions & Project Operations	2,664,578
Pad Surcharge / Moisture Treatments (Stabilization Below)	275,000
Earthwork	2,839,467
Asphalt Paving - in car parking areas only	392,974
Site Concrete & Concrete Paving	4,848,889
Add additional 400 trailer spots (800 total)	1,690,000
Domestic and Fire Water	1,304,760
Storm Sewers	1,388,568
Sanitary Sewers	516,396
Site Improvements	572,175
Landscaping & Irrigation	567,264
Foundations	422,096
Concrete Flatwork - includes diamond polish over 209ksf	4,530,721
Pre-Cast Walls	3,817,000
Masonry	11,805
Steel	5,810,348
Rough Carpentry	75,015
Thermal & Moisture	3,141,344
Doors & Windows	627,880
Finishes - Inlcudes pipe labeling & ID's	632,396
Loss Prevention Wall at 500,000sf (3 Hour Rating)	528,102
Specialties	12,360
Dock Equipment	1,015,305
Add motor operators to all OHD's	175,500
Fire Protection	1,776,411
Plumbing	491,369
HVAC with Tridium controls & EMS	1,020,183
Electrical	4,639,435
Fire Tank & Pump per FM Global Requirements	275,000
FM Global Fire Alarm Allowance	84,000
Security System Allowance	995,000
IT Building Infrastructure	1,239,000
Main Office	2,549,880
Fitness Center At Main Office	144,900
Locker Rooms At Main Office	313,600
Showers At Main Office	784,000
Central Materials Office	372,330
Restroom / Break Areas	1,435,000
Shiiping Office / Driver Check-In (4@1,250sf)	525,000
Soil Stabilization	1,102,072
Off Site Road Improvements/ Traffic Signals	425,000
Misc. Upgrades/Build-Out	100,000
Appraisal, Misc.	26,000
Legal, Misc.	100,000
Loan Placement Fees	270,000
Title Insurance Costs	50,000
Development Fee (3.5%)	2,143,572
GM Project / Developer / Winter Conditions Contingency	1,778,494
Leasing / Brokerage Commissions Allowance (Flat Fee)	100,000
Total Estimated Project Costs	62,503,987

Attachment No. 1 - Applicant
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

Legal Description

Parcel No. 59-10-200-003

A PARCEL OF LAND BEG AT NE COR OF SEC TH S 0 DEG 12 MIN 19 SEC W 2436.49 FT TH N 89 DEG 15 MIN 08 SEC W 2365.84 FT TH N 0 DEG 50 MIN 34 SEC E 360.47 FT TH N 65 DEG 16 MIN 21 SEC W 311.57 FT TH N 0 DEG 28 MIN 55 SEC W 907.74 FT TH E 72.51 TH N 240 FT TH W 74.53 FT TH N 0 DEG 28 MIN 55 SEC W 556.34 FT TH S 88 DEG 05 MIN 10 SEC E 170 FT TH N 0 DEG 28 MIN 55 SEC W 300 FT TH S 88 DEG 05 MIN 10 SEC E 2500.44 FT TO PL OF BEG SEC 10 T7N R7E 145.83

Attachment No. 2 - Applicant
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

List of Personal Property

Not Applicable

Attachment No. 3 - Applicant
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

Proof of Date of Construction

Construction is not slated to commence until May, 2018.

Attachment No. 4 - Applicant
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

Copy of Lease Agreement

To be provided when available

Attachment No. 1 - City
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

Copy of Notice to general public and certified notice to property owners concerning district establishment

Attached

Attachment No. 2 - City
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

Establishment of Industrial Development District

Attached

Attachment No. 3 - City
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

Copies of certified letters to Taxing Authorities regarding hearing to approve the application

Attached

Attachment No. 4 - City
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

Certified copy of resolution approving application

Attached

Attachment No. 5 & 6 - City
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

Letter of Agreement & Affidavit of Fees

Attached

INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE AGREEMENT

This Industrial Facilities Exemption Certificate Agreement (the "Agreement"), is between: General Motors LLC (the "Company"), having a business address at General Motors LLC, Mail Code 482-C16-B16, 300 GM Renaissance Center, P.O. Box 300, Detroit, Michigan 48265-3000; and the City of Burton (the "City"), whose address is 4303 Center Rd., Burton, MI 48519. In this Agreement, the City and Company are referred to as the Parties or each Party.

The Company has filed an application (the "Application"), for the granting of an Industrial Facilities Exemption Certificate (hereinafter the "IFEC"), pursuant to Michigan Public Act 198 of 1974 (MCL 207.551 *et. seq.*), as amended, for the construction of a new parts processing center (collectively the "Facility"). As described in the Application, the Facility is to be constructed within an industrial development district (the "IDD"), whose creation the City approved on or about April 2, 2018.

On ________________, 2018, the Burton City Council approved the Application, for a period of eleven (11) years after and including one year for the construction of the Facility, which should result in the State Tax Commission issuing an IFEC that expires on December 30, 2030. If the Company's lease of the Facility is extended to or beyond December 30, 2031, or if the Company buys the Facility, the City shall approve a Company request to amend the IFEC so that it is for twelve (12) years after and including one year for the construction of the Facility.

To encourage the Company's proposed investment and the City's approving the Application, and in recognition of the contribution the City will be making to the area's economic growth by approving the Application, the Company and City agree as follows:

1. GENERAL

The Company will complete its construction of the Facility as set forth in the Application (a copy of which is attached hereto, incorporated herein and marked as "Exhibit A"), within three (3) years after the date of the State Tax Commission's approval of the IFEC.

2. REDUCTION OR REVOCATION OF TAX SAVINGS

If the City approves the Application and the State Tax Commission approves and issues the IFEC, and thereafter the Company fails to construct the Facility in the IDD, then unless this occurs because of reasons beyond the Company's control (such as due to a decline in sales of products manufactured by the Company or its affiliates), the following shall apply:

If the City Council has interest in pursuing the matter, the City Council shall provide reasonable notice and offer the Company the opportunity to have a public hearing at which the Company shall be permitted to explain the reasons for its failure to timely complete the Facility.

3. REVIEW AND AUDIT

The Company acknowledges and understands that to determine compliance with this Agreement, the City may review and audit the information that the Company provides pursuant to Section 2 of this Agreement. Notwithstanding any provision of this Agreement, the Company shall not be required to provide the City with any information that is confidential or which the Company is prohibited by law from disclosing.

4. EFFECTIVE DATE

This Agreement shall become effective upon the IFEC's issuance by the Michigan State Tax Commission. This Agreement shall be null and void and of no force or effect whatsoever if the Michigan State Tax Commission either denies the issuance of the IFEC or revokes the IFEC after issuance.

5. JURISDICTION

This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Michigan. Any claim or action relating to this Agreement may only be brought before either a State of Michigan agency or commission having jurisdiction over the subject of this Agreement or a court of competent jurisdiction located in the State of Michigan.

6. COMPLIANCE WITH STC BULLETIN NO. 3 (1-16-98)

The Company and the City certify that no payment of any kind has been made or promised by the Company in exchange for favorable consideration by the City of the Company's IFEC Application.

7. SECTION HEADINGS

The section headings in this Agreement are for convenience only and shall not be construed to limit, enlarge, or affect the scope or intent of this Agreement, or the meaning of any provision herein.

8. AMENDMENTS

No amendment or modification of this Agreement will be effective unless approved and agreed to in writing by the City and the Company.

9. SEVERABILITY

If any portion of this Agreement is determined to be legally invalid or unenforceable, the remaining portions will remain valid and enforceable. It is the Parties' intent that any unenforceable provision be construed and limited by a court which considers the matter so as to render it reasonable and enforceable.

10. REMEDIES

This Agreement contains the sole remedies that are to be associated with the Application, the IFEC, or an alleged breach of this Agreement, and the foregoing supersedes any other remedies provided under Michigan law. This Agreement shall be deemed to be written equally by each Party so that it shall not be construed against either Party.

11. AGREEMENT EXECUTION

The Parties may execute and exchange copies of this Agreement via electronic means (either electronic mail or facsimile). This Agreement shall be deemed to be fully executed, delivered and effective upon the receipt by the Parties of counterpart copies executed by each Party regardless of whether transmitted via fax or electronic mail. The Parties may execute and deliver manually executed copies subsequent to the execution of the copies sent electronically, however, this Agreement shall be deemed to be fully executed upon receipt of the respective copies transmitted electronically, regardless of whether manually executed copies are executed and delivered.

Each Party acknowledges: i) reading and understanding this entire Agreement; ii) that the Parties' entire agreement is contained herein; iii) that it is not relying on a representation (whether written or oral, or express or implied) that has been omitted from the Agreement as set forth above; and iv) each Party is duly authorized to execute this Agreement, in the representative capacity set forth below.

WITNESS:

____

____

Date: April 12, 2018

GENERAL MOTORS LLC

By: Daniel M. Haag

Its: General Director – Tax Staff

WITNESS:

____

____

Date: ________________________

CITY OF BURTON

By: ________________________

Its: ________________________

Attachment No. 7 - City
Application for Industrial Facilities Tax Exemption Certificate by
General Motors LLC

Treasury Form 3222

Attached