


David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Senior City Planner
Janese Chapman
Deputy Director

LaKisha Barclift, Esq.
M. Rory Bolger, Ph.D., AICP
Elizabeth Cabot, Esq.
Tasha Cowen
Richard Drumb
George Etheridge
Deborah Goldstein

City of Detroit
CITY COUNCIL
LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Christopher Gulock, AICP
Derrick Headd
Marcel Hurt, Esq.
Kimani Jeffrey
Anne Marie Langan
Jamie Murphy
Kim Newby
Analine Powers, Ph.D.
Jennifer Reinhardt
Sabrina Shockley
Thomas Stephens, Esq.
David Teeter
Theresa Thomas
Kathryn Lynch Underwood

TO: COUNCIL MEMBERS

FROM: David Whitaker, Director
Legislative Policy Division Staff 

DATE: October 24, 2018

RE: HNTB Corporation, Application for a New Personal Property Exemption Certificate in the area of 535 Griswold St. Detroit, MI, in accordance with Public Act 328 of 1998 **PUBLIC HEARING**

The following is the Legislative Policy Division's (LPD) review of the Public Act 328 abatement request of HNTB Corporation.

Personal Property Tax Relief in Distressed Communities (Public Act 328 of 1998)

Public Act 328 of 1998 allows distressed communities to abate all new personal property taxes in certain geographic areas in order to spur economic development carried out by an industrial firm or by an entity conducting mining, research & development, wholesale trade, or office operations. Abatements include all millage, state and local. All new personal property installed by an eligible business after local approval is 100% exempt from personal property taxes for a specified period determined by the local unit of government.

HNTB Corporation

HNTB Corporation is an architecture, civil engineering consulting, and construction management firm with locations across the United States. According to its website, the developer, HNTB Corporation is an employee-owned infrastructure solutions firm serving public and private owners and contractors. HNTB provides a full range of infrastructure-related services, including planning, design, program and construction management.¹

Due to an increase in its workload, HNTB has decided to invest in its Detroit location to expand employment and consequently personal property. The total initial new investment will be **\$90,000**.

¹ <http://www.hntb.com/about>

The company has an existing 59 employees at its Detroit location and plans to add 15 net new jobs in a 3 year period. HNTB has had offices in Detroit since 1990 and has worked on projects in the past such as the I-75 Ambassador Bridge Gateway Project, the I-96 Reconstruction Project, and many others.

The DEGC is **recommending a 5 year PA 328 abatement.**²

DEGC Project Evaluation Checklist

HNTB

HNTB Corporation

New Personal Property Exemption, PA 328 of 1998 as amended – Newly purchased personal property is 100% exempt from personal property taxes for the lifetime of the abatement; abatement period to be set by the local government			
DEGC Recommendation		5 years	
Location			
Address		535 Griswold Street, Suite 1100	
City Council District		District 6	
Neighborhood		Downtown	
Located in HRD Targeted Area		Yes, Greater Downtown	
Building Use			
Total Square Foot Occupying		6,300sf (additional)	
Commercial Square Foot		6,300sf (additional)	
Project Description			
<p>HNTB Corporation is an architecture, civil engineering consulting, and construction management firm with locations across the United States. Due to an increase in workload HNTB has decided to invest in one of its Midwest locations to expand employment and consequently personal property. The total initial new investment will be \$90,000.</p> <p>The company has an existing 59 employees at its Detroit location. HNTB has had offices in Detroit since 1990 and has worked on projects in the past such as the I-75 Ambassador Bridge Gateway Project, the I-96 Reconstruction Project, and many others.</p> <p>The company is planning to lease an additional 6,300sf of space to service the new employees. The company is up to date on its existing property taxes where it pays the full millage rate.</p>			
Leasing Information			
Floor Occupying		11 th Floor	
Underwriting			
	Michigan	Missouri	Indiana

² One item that we have not seen is a letter from the Finance Department Board of Assessors, which speaks to the eligibility of this request.

Incentive Value Offered	\$12,198	\$360,000	\$495,530
Sources and Uses			
Total Investment	\$90k		
Sources	\$90k Owner Equity Contribution (100%)		
Uses	\$90k New Commercial Personal Property (100%)		
Project Benefits			
Estimated Jobs	59 FTE retained, 15 FTE new (average salary \$87,360)		
Estimated benefits before tax abatement	\$181,763		
Total estimated value of PA 328 abatement	\$5,278		
Less cost of services & utility deductions	\$52,534		
Net Benefit to City	\$123,951		

This project is estimated to retain 59 employees add 15 net new jobs in a 3 year period's \$4.6 million investment and its projected positive cost benefit to the City of Detroit of \$123,951.

Please contact us if we can be of any further assistance.



535 Griswold

cc: Auditor General's Office
Arthur Jemison, Chief of Services and Infrastructure
Maurice Cox, Planning and Development Department
Donald Rencher, HRD
Veronica M. Farley, HRD
Stephanie Grimes Washington, Mayor's Office
Malinda Jensen, DEGC
Kenyetta Bridges, DEGC
Jennifer Kanalos, DEGC
Brian Vosburg, DEGC