

FORMAL SESSION

REFERRAL

10-29-19.

**PLANNING AND
ECONOMIC
DEVELOPMENT
STANDING
COMMITTEE**



Housing and Revitalization
Department

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, Michigan 48226

Phone: 313.224.6380
Fax: 313.224.1629
www.detroitmi.gov

October 15, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

RE: Resolution Amending an Approved Industrial Facilities Exemption Certificate Amendment, in the area of 7000 Georgia Detroit, Michigan, in Accordance with Public Act 198 of 1974 on behalf of Flex-N-Gate (Petition #1185)

Honorable City Council:

On **October 12, 2017**, a public hearing regarding amending an Industrial Facilities Exemption Certificate (IFEC) request for the above-captioned property was held before your Honorable Body. All interested persons and organizations were given an opportunity to be heard. No impediments to the approval of this certificate were presented during the hearing.

Prior to the requested amendment, the original IFEC for **Flex-N-Gate Detroit, LLC** was approved on **October 11, 2016**. Then in 2017, as required by State Tax Commission (STC) rule number 54, which states, "if the final costs of a project are greater than the original application amount by more than 10%, then the certificate holder shall request that the local governmental until approve the additional costs"; **Flex-N-Gate Detroit, LLC** requested an amendment to IFEC **#2016-158** to update their real and personal property costs from \$95,075,000.00 to \$160,000,000. The IFEC amendment was officially approved by the Council of the Whole on **October 17, 2017**.

However, upon submitting the approved amendment to the STC it was discovered that the original IFEC was only approved for the real property component and that the personal property component was abated under the Eligible Manufacturing Personal Property Tax Exemption program. As such the originally approved amendment should have only amended the real property costs from \$40,000,000 to **\$100,000,000**.

Therefore, we request your Honorable Body's approval of the attached resolution, authorizing an amendment to the formally Amended Industrial Facilities Tax Exemption Certificate approval to reflect the final real property costs of **\$100,000,000**.

Upon approval of the corrected amendment updating the only the final real property costs, the STC shall issue a revised certificate to **Flex-N-Gate Detroit, LLC**.

Respectfully submitted,

Donald Rencher
Director



Housing and Revitalization
Department

Coleman A. Young Municipal Center
2 Woodward Avenue, Suite 908
Detroit, Michigan 48226

Phone: 313.224.6380
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DR/vf

cc: S. Washington, Mayor's Office
M. Cox, PDD
D. Rencher, HRD
V. Farley, HRD



Housing and Revitalization
Department

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By Council Member _____

WHEREAS, Flex-N-Gate Detroit, LLC is requesting an amendment to its final real property costs from \$40,000,000 to **\$100,000,000** for **Certificate # 2016-158**.

WHEREAS, Flex-N-Gate Detroit, LLC has filed with the City Clerk an Application for an Industrial Facilities Tax Exemption Certificate, under Public Act 198 of 1974 ("the Act") in City of Detroit, in the manner and form prescribed by the Michigan State Tax Commission; and

WHEREAS, This City Council is a Qualified Local Governmental Unit as defined by the Act; and

WHEREAS, this City Council established by Resolution an Industrial Development Rehabilitation District in the vicinity of **7000 Georgia**, Detroit, Michigan, on **July 14, 2016**, after a Public Hearing held in accordance with the Act; and

WHEREAS, the Applicant is not delinquent in any taxes related to the facility; and

WHEREAS, commencement of the of the subject project did not occur before the establishment of the Plant Rehabilitation District; and

WHEREAS, the Application relates to a program that when completed constitutes a project within the meaning of the Act and which is situated within the aforesaid City of Detroit Industrial Development Rehabilitation District; and

WHEREAS, completion of the project is calculated to, and will at the time the Certificate is issued, have the reasonable likelihood of increasing and/or retaining employment, increasing commercial activity, revitalizing an urban area, or increasing the number of residents in the community in which the facility is located; and

WHEREAS, the project includes improvements aggregating 10% or more of the true cash value of the property at the commencement of the project as provided by the Act; and

WHEREAS, this City Council has granted until the end of **December 31, 2018** for the completion of the improvements; and

WHEREAS, notice was given by certified mail to the Detroit Board of Education, the City of Detroit Board of Assessors, the Wayne County Board of Commissioners, Wayne County Community College, the Wayne County Intermediate School District, the Huron-Clinton Metropolitan Authority, the Applicant, and by publication to the general public, informing them of the receipt of the Application, the date and location of the Public Hearing, and the opportunity to be heard;



WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Detroit, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.

NOW THEREFORE BE IT

RESOLVED, That it is hereby found and determined that the granting of the Industrial Facilities Tax Exemption Certificates, will not have the effect of substantially impeding the operation of the local governmental unit or impairing the financial soundness of any other taxing unit which levies an ad valorem property tax with the City of Detroit; and be it further

RESOLVED, That it is hereby found and determined that the Applicant has complied with the requirements of the Act; and be it further

RESOLVED, That the application of **Flex-N-Gate Detroit, LLC** for an Industrial Facilities Tax Exemption Certificate in the area of **7000 Georgia**, Detroit, Michigan is **hereby approved for a period of twelve (12) years in accordance with the provisions of the Act, expiring no later than December 30, 2028**; and be it finally

RESOLVED, That the City Clerk shall forward said Application to the Michigan State Tax Commission as provided by the Act; and be it further

RESOLVED, That the improvements shall be completed no later than the end of **July, 2015**, unless an extension of that time period is granted by this City Council, which extension shall be granted if this City Council determines that the project is proceeding in good faith and the proposed extension is reasonable; and be it finally

RESOLVED, That the City of Detroit's Planning and Development Department and City Assessor's Office are hereby authorized to enter into, substantially in the form attached hereto, an Industrial Facilities Exemption Certificate Agreement.



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

December 22, 2016

William Beistline
Flex-N-Gate Detroit, LLC
5663 East Nine Mile Road
Warren, MI 48091

Dear Sir/Madam:

Pursuant to the requirements of Public Act 198 of 1974, as amended, the State Tax Commission (Commission) has issued an Industrial Facility Exemption Certificate numbered 2016-158, to Flex-N-Gate Detroit, LLC, located in the City of Detroit, Wayne County. This certificate was issued at the December 13, 2016 meeting of the Commission and the investment amounts approved are as follows:

Real Property: \$40,000,000

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 517-373-3302.

Sincerely,

A handwritten signature in black ink, appearing to read "Heather S. Frick".

Heather S. Frick, Executive Director
State Tax Commission

Enclosure

cc: Lisa Ann Hobart, Assessor, City of Detroit



Industrial Facilities Exemption Certificate

Certificate No. 2016-158

Pursuant to the provisions of Public Act 198 of 1974, as amended, the State Tax Commission hereby finds that the industrial property, as described in the approved application, hereafter referred to as the industrial facility, owned or leased by **Flex-N-Gate Detroit, LLC**, and located at **7000 Georgia Street, City of Detroit, County of Wayne, Michigan**, within a Plant Rehabilitation or Industrial Development District, is intended for the construction/installation of new industrial property or 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 this industrial facility as a **new facility**.

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 property and **0 year(s)** for personal property;

Real property component:
Beginning December 31, 2016, and ending December 30, 2028.

The State Education Tax to be levied for the real property component of this certificate is 6 mills.

This Industrial Facilities Exemption Certificate is issued on **December 13, 2016**.



Douglas B. Roberts, Chairperson
State Tax Commission

A TRUE COPY
ATTEST:

Janey Jenkins
Michigan Department of Treasury

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 195 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 <i>Victoria H. Wilson</i>	Date Received by Local Unit 6/24/17
Application Number 2016-158	Date Received by STC 10/31/17

APPLICANT INFORMATION
All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) Flex-N-Gate Detroit, 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) 7000 Georgia Street Detroit MI 48211	1d. City/Township/Village (indicate which) Detroit
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(10))	1e. County Wayne
<input type="checkbox"/> Transfer <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input checked="" type="checkbox"/> Increase/Amendment	3a. School District where facility is located Detroit City
	3b. School Code 82010
	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.

Appx 350,000 sq foot new build on 30 acres specifically to manufacture steel stamped automotive components as well as light assembly. Machinery required but not limited to, multiple steel presses and dies, welding machines, forklifts, computer and office equipment.

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.	40,000,000
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total.	55,075,000
6c. Total Project Costs * Round Costs to Nearest Dollar	95,075,000

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	
Real Property Improvements	12/01/2016	12/01/2018	<input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements	12/01/2016	12/01/2018	<input checked="" 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 MEOC 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. **0**

10. No. of new jobs at this facility expected to create within 2 years of completion. **400**

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:
 Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit)
July 14, 2016

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

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 Melissa Kendall	13b. Telephone Number 905-592-1470	13c. Fax Number	13d. E-mail Address mkendall@flexngate.com
14a. Name of Contact Person Melissa Kendall	14b. Telephone Number 905-592-1470	14c. Fax Number	14d. E-mail Address mkendall@flexngate.com
15a. Name of Company Officer (No Authorized Agents) Bill Beistline			
15b. Signature of Company Officer (No Authorized Agents) <i>[Signature]</i> 6/20/16		15c. Fax Number	15d. Date 6/20/2016
15e. Mailing Address (Street, City, State, ZIP Code) 5663 East Nine Mile Warren MI 48091		15f. Telephone Number (586) 759-9553	15g. E-mail Address bbeistline@flexngate-mi.c

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 submital.

<p>16a. Action taken by local government unit</p> <p><input checked="" type="checkbox"/> Abatement Approved for <u>12</u> Yrs Real (1-12), ___ Yrs Pers (1-12)</p> <p>After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Denied (include Resolution Denying)</p>	<p>16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:</p> <p>Check or Indicate N/A if Not Applicable</p> <ol style="list-style-type: none"> <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)
16c. LUCI Code 82205	16d. School Code 82010
17. Name of Local Government Body City of Detroit	18. Date of Resolution Approving/Denying this Application October 17, 2017

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 Janice M. Winfrey	19b. Name of Clerk <i>[Signature]</i>	19c. E-mail Address winfreyj@detroitmi.gov
19d. Clerk's Mailing Address (Street, City, State, ZIP Code) Two Woodward Avenue #200 Detroit, MI 48226		
19e. Telephone Number (313) 224-3270	19f. Fax Number (313) 224-1466	

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

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) Flex-N-Gate Detroit 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) 7000 Georgia Street Detroit MI 48211		1d. City/Township/Village (indicate which) Detroit	1e. County Wayne
2. Type of Approval Requested <input type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Transfer <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input checked="" type="checkbox"/> Increase/Amendment		3a. School District where facility is located Detroit City	3b. School Code 82010
		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.

Appx 450,000 sq foot new building on 30 acres specifically to manufacture steel stamped automotive components as well as light assembly.

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.	▶ <u>100,000,000</u> 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	▶ <u>60,000,000</u> Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	▶ <u>160,000,000</u> 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	▶ <u>06/01/2017</u>	<u>06/01/2018</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements	▶ <u>06/01/2017</u>	<u>06/01/2019</u>	▶ <input checked="" 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. 0	10. No. of new jobs at this facility expected to create within 2 years of completion. 446
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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)	_____
b. TV of Personal Property (excluding inventory)	_____
c. Total TV	_____

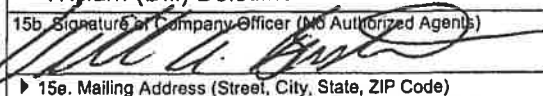
12a. Check the type of District the facility is located in:
 Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit)	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 Melissa Kendall	13b. Telephone Number 905-592-1470	13c. Fax Number	13d. E-mail Address mkendall@flexngate.com
14a. Name of Contact Person Melissa Kendall	14b. Telephone Number 905-592-1470	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 June 6, 2017
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 9663 East Nine Mile Warren MI 48091		15f. Telephone Number 586-759-9553	15g. E-mail Address bbeistline@flexngate-mi.c

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
17. Name of Local Government Body	16d. School Code
	▶ 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

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.



By Council Member

Leland

WHEREAS, Flex-N-Gate Detroit, LLC is requesting amendment of its final real and personal property costs of \$95,075,000.00 to \$160,000,000.00 for Certificate #2016-158.

WHEREAS, Flex-N-Gate Detroit, LLC has filed with the City Clerk an Application for an Industrial Facilities Tax Exemption Certificate, under Public Act 198 of 1974 ("the Act") in City of Detroit, in the manner and form prescribed by the Michigan State Tax Commission; and

WHEREAS, This City Council is a Qualified Local Governmental Unit as defined by the Act; and

WHEREAS, this City Council has on July 14, 2016 established by Resolution an Industrial Development Rehabilitation District in the vicinity of 7000 Georgia, Detroit, Michigan, after a Public Hearing held in accordance with the Act; and

WHEREAS, the Applicant is not delinquent in any taxes related to the facility; and

WHEREAS, commencement of the of the subject project did not occur before the establishment of the Plant Rehabilitation District; and

WHEREAS, the Application relates to a program that when completed constitutes a project within the meaning of the Act and which is situated within the aforesaid City of Detroit Industrial Development Rehabilitation District; and

WHEREAS, completion of the project is calculated to, and will at the time the Certificate is issued, have the reasonable likelihood of increasing and/or retaining employment, increasing commercial activity, revitalizing an urban area, or increasing the number of residents in the community in which the facility is located; and

WHEREAS, the project includes improvements aggregating 10% or more of the true cash value of the property at the commencement of the project as provided by the Act; and

WHEREAS, this City Council has granted until the end of December 31, 2018 for the completion of the improvements; and

WHEREAS, notice was given by certified mail to the Detroit Board of Education, the City of Detroit Board of Assessors, the Wayne County Board of Commissioners, Wayne County Community College, the Wayne County Intermediate School District, the Huron-Clinton Metropolitan Authority, the Applicant, and by publication to the general public, informing them of the receipt of the Application, the date and location of the Public Hearing, and the opportunity to be heard;

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Detroit, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted.



NOW THEREFORE BE IT

RESOLVED, That it is hereby found and determined that the granting of the Industrial Facilities Tax Exemption Certificates, will not have the effect of substantially impeding the operation of the local governmental unit or impairing the financial soundness of any other taxing unit which levies an ad valorem property tax with the City of Detroit; and be it further

RESOLVED, That it is hereby found and determined that the Applicant has complied with the requirements of the Act; and be it further

RESOLVED, That the application of Flex-N-Gate Detroit, LLC for an Industrial Facilities Tax Exemption Certificate in the area of 7000 Georgia, Detroit, Michigan is hereby approved for a period of twelve (12) years in accordance with the provisions of the Act, expiring no later than December 30, 2028; and be it finally

RESOLVED, That the City Clerk shall forward said Application to the Michigan State Tax Commission as provided by the Act; and be it further

RESOLVED, That the improvements shall be completed no later than the end of December 31, 2018, unless an extension of that time period is granted by this City Council, which extension shall be granted if this City Council determines that the project is proceeding in good faith and the proposed extension is reasonable; and be it finally

RESOLVED, That the City of Detroit's Planning and Development Department and City Assessor's Office are hereby authorized to enter into, substantially in the form attached hereto, an Industrial Facilities Exemption Certificate Agreement.

**ADOPTED AS FOLLOWS
COUNCIL MEMBERS**

#57

		YEAS	NAYS
Janee	AYERS	✓	
Scott	BENSON	✓	
Raquel	CASTANEDA-LOPEZ	✓	
*George	CUSHINGBERRY, JR.	✓	
Gabe	LELAND	✓	
Mary	SHEFFIELD	✓	
Andre	SPIVEY	✓	
James	TATE	✓	
Brenda	PRESIDENT JONES	✓	
*PRESIDENT PRO TEM			
		9	0
WAIVER OF RECONSIDERATION (No. _____)			
Per motions of adjournment.			



October 18, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, MI 48226

**RE: 1904 Superior
Transfer to the Detroit Land Bank Authority**

Honorable City Council:

The City of Detroit approved the sale of 1904 Superior (“Property”) to Corrine Davis on November 22, 2004. The sale was cancelled on April 6, 2005. The City’s internal tax records, however, continued to reflect Corrine Davis as the owner of record in error. The Wayne County Treasurer foreclosed against Corrine Davis based on the erroneous tax information. The Property has since been conveyed by Wayne County to the Detroit Land Bank Authority (“DLBA”).

The Property consists of a vacant lot measuring approximately 2900 square feet and zoned R-3 (Low Density Residential). Authorization is being requested to transfer title to the DLBA, removing the City’s interest in the Property so that the DLBA may complete its title review and secure clear title. This would serve to mitigate any ongoing title issues.

We, therefore, respectfully request that your Honorable Body approve the transfer and adopt the attached resolution, authorizing the Planning and Development Department Director, or his or her authorized designee, to issue a quit claim deed to the Property, as more particularly described in the attached Exhibit A, and such other documents as may be necessary to effectuate the transfer of the Property, from the City of Detroit to the DLBA for the consideration of One and 00/100 Dollar (\$1.00).

Respectfully Submitted,

Katharine G. Trudeau
Deputy Director

KT/ajm

cc: S. Washington, Mayor’s Office

RESOLUTION

By Council Member _____

WHEREAS, The Detroit Land Bank Authority (“DLBA”) was created to assemble and dispose of publicly owned properties in a coordinated manner to further the development of that property and to provide economic growth in the City of Detroit; and

WHEREAS, The City of Detroit approved the sale of 1904 Superior (“Property”) to Corrine Davis on November 22, 2004. The sale was subsequently cancelled. The City’s internal tax records, however, continued to reflect Corrine Davis as the owner of record. The Wayne County Treasurer foreclosed against Corrine Davis based on the erroneous tax information. The Property has since been conveyed by Wayne County to the Detroit Land Bank Authority (“DLBA”); and

WHEREAS, Authorization is being requested to transfer title to the DLBA, removing the City’s interest in the Property so that the DLBA may complete its title review and mitigate any ongoing title issues.

NOW, THEREFORE, BE IT RESOLVED, That in accordance with the foregoing communication, the Planning and Development Department Director, or his or her authorized designee, be and is hereby authorized, to issue a quit claim deed to the Property, 1904 Superior, as more particularly described in the attached Exhibit A, and such other documents as may be necessary to effectuate the transfer of the Property, from the City of Detroit to the Detroit Land Bank Authority, a Michigan public body corporate for the consideration of One and 00/100 Dollar (\$1.00); and

RESOLVED, that the Director of the Planning and Development Department, or his authorized designee, be and is hereby authorized to execute any required instruments to make or incorporate technical amendments or changes to the deed and such other documents as may be necessary to effectuate the transfer (including but not limited to corrections to or confirmations of legal descriptions, or timing of tender of possession of particular parcels) in the event that changes are required to correct minor inaccuracies or are required due to unforeseen circumstances or technical matters that may arise prior to the conveyance of the Properties, provided that the changes do no materially alter the substance or terms of the transfer; and

BE IT FINALLY RESOLVED, that the quit claim deed will be considered confirmed when executed by the P&DD Director, or his or her, authorized designee, and approved by the Corporation Counsel to form.

(See Attached Exhibit A)

A WAIVER OF RECONSIDERATION IS REQUESTED.

EXHIBIT A

LAND IN THE CITY OF DETROIT, COUNTY OF WAYNE AND STATE OF MICHIGAN BEING:

S SUPERIOR LOT 10 JEROME & DALYS SUB L12 P63 PLATS W C R 9/64 29.32 X 100

DESCRIPTION CORRECT

BY _____
ENGINEER OF SURVEYS

A/K/A 1904 SUPERIOR
WARD 09 ITEM 002109

City of Detroit
CITY COUNCIL
COUNCIL PRESIDENT BRENDA JONES

MEMORANDUM

TO: Lawrence Garcia, Corporation Counsel
City of Detroit

CC: Honorable Colleagues
Louise Jones, Senior City Clerk

FROM: Council President Brenda Jones *BG*

DATE: October 22, 2019

RE: Social Equity Cannabis License Requirements

Cannabis criminalization and its enforcement has had long-term, adverse impacts to the City of Detroit, particularly for low income and minority Detroit residents. Jurisdictions throughout the United States are attempting to address the impacts of past cannabis policies and their inequalities by developing and implementing cannabis policies that seek to center equity in cannabis policy reform.

Social equity policy is one tool that is used to acknowledge and repair the harm caused by the War on Drugs and the disparate enforcement of cannabis prohibition. The goal of the Social Equity policy is, "to promote equitable ownership and employment opportunities in the cannabis industry in order to decrease disparities in life outcomes for marginalized communities, and to address the disproportionate impacts of the War on Drugs in those communities."

After conducting thorough research on social equity best practices throughout the nation, I am requesting the Law Department to draft an ordinance or amend any current ordinance draft to include the below social equity definitions and requirements related to cannabis business licensing:

Definitions:

Social equity applicant- An individual that was convicted of a cannabis offense or has a parent, sibling, or child who was arrested for or convicted of the sale, possession, use, manufacture, or cultivation of cannabis. Also an individual that is a resident of a disproportionately impacted area for at least 5 years.

Disproportionately impacted area- An area with high rates of arrest, conviction, and incarceration related to cannabis-related offenses, along with at least one of the following: Experiences a poverty rate of at least 20%; At least 75% of the children in the area participate in the federal

City of Detroit

CITY COUNCIL

COUNCIL PRESIDENT BRENDA JONES

free lunch program; At least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or the area has an average unemployment rate over 120% the national unemployment average.

Licensing:

30% of all cannabis licenses set aside for social equity applicants that meet one (1) of the following requirements:

- At least 51 percent ownership and control by one or more individuals who have lived at least five years in a disproportionately impacted area.
- Applicants with the minimum of 10 full-time employees must have at least 51 percent of employees who currently reside in a disproportionately impacted area or have been affected by cannabis-related offenses.
- Must have a household income below 80% of the average median income (AMI).

Establishment of the Cannabis Business Development Fund

- Allocation of 20% of all Cannabis Business Revenue for the following:
 - Investment into Cannabis businesses owned, partially-owned or operations by social equity applications. Fund will provide financial resources for business start-ups, which can be used to offset licensing fees or used for low-interest loans.
 - Investment into drug prevention and treatment

Louise Jones

From: Jasmine Barnes
Sent: Tuesday, October 22, 2019 5:39 PM
To: Louise Jones; Deonte Agee
Cc: Ray Duncan; Lawrence Garcia; Tonja Long; Deandree Watson
Subject: Cannabis Business License Law Memo.pdf
Attachments: Cannabis Business License Law Memo.pdf

Greetings!

Please refer to the Planning and Economic Development Standing Committee on the 10.29.19 Formal Session Main Agenda.

Warm Wishes,

Jasmine D. Barnes

Jasmine D. Barnes

Legislative Operations and Digital Media Manager/Community Relations Liaison

Office of Detroit City Council President Brenda Jones

313.224.8034

