

City of Detroit

CITY COUNCIL

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TO: COUNCIL MEMBERS

FROM: Irvin Corley, Jr., Fiscal Analysis Director *ACJ*
Derrick Headd, Fiscal Staff Analyst *DH*

DATE: January 25, 2012

RE: Power Panel, Inc.'s Public Act 328 of 1998 Abatement Request
(Recommend Approval)

The following is Fiscal's review of Power Panel, Inc.'s Public Act 328 abatement request.

This request involves a Public Act 328 abatement application for Power Panel, Inc., in order to facilitate a \$6.2 million capital investment. Power Panel, Inc., formed in 2007, is a hi-tech renewable energy company. Power Panel, Inc. is the manufacturer of solar panels. The company is leasing 21,185 square feet of industrial space at 12881 West Chicago through a lease agreement with JSP Realty LLC.

The length of the abatement request by Power Panel, Inc. is for the unprecedented term of 3 years. We commend PDD for its role in facilitating such an abbreviated time period for this abatement.

SUMMARY:

Savings for the Developer over 3 years
to assist the project

\$178,261

Projected income tax revenue to City over 12 years

\$178,707

Difference (Net Cash Benefit to the City)

\$446

Employment Estimate

70 jobs

Recommendation

As indicated above, over the brief 3-year life of this abatement, this project is projected to net the City \$446 in income tax revenue over the amount of savings for the developer and the creation of 70 jobs. Due to the fact that PDD has helped to modify the term of this abatement, the project is cost beneficial to the City. Given this, we recommend approval of Power Panel, Inc.'s Public Act 328 abatement request.

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

cc: Council Divisions
Auditor General's Office
Robert Anderson, PDD
Marja Winters, PDD
Brian Watkins, PDD
Denise Gardner, Mayor's Office