



**City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS**

**1000 Rochester Hills Dr.
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Legislative File No: 2004-0283 V4

TO: Mayor and City Council Members
FROM: Ed Anzek, Planning and Development Department, ext. 2572
DATE: June 13, 2005
SUBJECT: Tax Abatement Presentation

REQUEST:

To hold a discussion regarding an application for tax abatement from E-Motive (BMD Group, Inc.).

BACKGROUND:

E-Motive is an automotive company recently acquired by Palmal Ventures. It is collocated with its former parent company, E Companies, at 2044 Austin Drive. Because of the recent acquisition, it became necessary for E-Motive to relocate. It conducted a search and recently signed a purchase agreement for 3098 Research, a building under construction and currently owned by General Development.

E-Motive provides services to the military and others, and is engaged in the racing industry. It assembles racing engines and trains drivers for the U.S. Department of Defense. In addition, it conducts research and development and engineering of racing components.

E-Motive is proposing to spend \$1,288,818 to acquire the building and conduct interior build-out. The building is currently a shell, without a poured floor. In addition, it will acquire approximately \$244,500 in personal property, for a total investment of \$1,533,318. It employs 13 people and will create four (4) additional jobs upon completion of the project. It is further anticipated that the company will grow to 25 employees within 2-3 years.

General Development is requesting the establishment of an industrial development district at 3098 Research Dr. E-Motive is requesting a six (6) year abatement of real and personal property. The district would have to be established prior to Council's approval or denial of the application for abatement. Both issues can be resolved at a single Council meeting.

For discussion purposes, the proposed new tax abatement policy indicates that the company would qualify for abatement of six (6) years for real property only. E-Motive is not proposing to spend enough money on equipment, furniture and fixtures to qualify for abatement of personal property. Council has discretion to approve or disapprove of the request and adjust the number of years of abatement.

At the June 22 Council meeting, E-Motive will be making a brief presentation regarding its request.

RECOMMENDATION:

Hold the discussion.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
City Council Liaison		

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