



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

**1000 Rochester Hills Dr.
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www.rochesterhills.org**

Legislative File No: 2007-0495

TO: Mayor and City Council Members

FROM: Ed Anzek, Planning & Development Department, ext. 2572

DATE: August 10, 2007

SUBJECT: Request to schedule a Public Hearing Regarding the Request for Transfer of Industrial Facilities Exemption Certificate #2005-388

REQUEST:

Schedule the public hearing regarding the request by Skybird Products, Inc. for a transfer of industrial facilities exemption certificate #2005-388 for 3098 Research Dr. at the Workshop meeting of City Council on September 5, 2007.

BACKGROUND:

In 2005, City Council approved an Industrial Facilities Exemption Certificate (IFT) for BMD Group/E-Motive for real property only over six (6) years for 3098 Research Dr. The project included the purchase of the building, which was in core and shell only, and completion of the interior build-out. The estimated cost to complete the purchase and construction was \$1,288,818. In addition, E-Motive was planning to invest \$244,500 in new equipment, which would not be covered by the abatement, for a total investment of \$1,533,318. E-Motive also intended to create 17 new jobs at the facility.

Shortly after the State Tax Commission issued the certificate, E-Motive lost its largest customer. It halted construction on the building in early 2006 and placed the entire property on the market for sale or lease. PA 198 grants companies two years to complete their projects. Consequently, the City Council could not take action against E-Motive until October 1, 2007 for its failure to complete its project. E-Motive received the benefit of the abatement for 2006 and 2007 on the value of the partial construction.

In early 2007, Skybird Products, Inc. signed a purchase agreement to acquire the entire property. In completing its due diligence, it became aware of the IFT. On July 17, 2007, Skybird formally requested a transfer of the IFT under PA 198, 207.571, Sec. 21 (1). It filed an application on August 7, 2007.

Skybird Product's main core business is the manufacturing, assembly, and packaging of after market automobile towing mirrors. Product is sold to national wholesale distributors and direct to Ford Motor Company. The secondary business for Skybird is the manufacturing and packaging of a patented clip to aid the construction industry in the installation of cedar or Hardie siding products. These activities qualify Skybird Products as an eligible manufacturer under the definition of eligible companies in Public Act 198.

In order to consider a request for transfer of an IFT, a company must file an application with the local community. In addition, the community must hold a public hearing, notice the taxing jurisdictions and City Assessor.

More information regarding this project and Skybird's request will be provided at the Public Hearing on September 5, 2007.

RECOMMENDATION:

Schedule the Public Hearing for the Workshop meeting of City Council, scheduled for September 5, 2007.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

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