



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

**1000 Rochester Hills Dr.
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Legislative File No: 2006-0960

TO: Mayor and City Council Members
FROM: Ed Anzek, Planning & Development Department
DATE: December 28, 2006
SUBJECT: Schedule a Public Hearing to Consider a Request for an IFT by Tesla Motors

REQUEST:

To schedule a public hearing for the Regular Meeting of Council on January 24, 2007 to consider a request for an Industrial Facilities Exemption Certificate, or tax abatement, for personal property only, to be located at 1840 Enterprise Dr. and 2650 Commerce, also known as parcel number 15-28-301-036.

BACKGROUND:

Administration received an application for an Industrial Facilities Exemption Certificate (IFT) from Tesla Motors, for personal property only that it is hoping to acquire. This request is in conjunction with a Hi-Tech MEGA application, which has been filed with the Michigan Economic Growth Authority. A MEGA is a state incentive program for projects that are competitive between states. The MEGA program was established under Public Act 24 of 1995, as amended. The law requires that a community in which a project is targeted for must provide a financial local match. Specific standards do not exist to determine the value of the match, and the MEGA Board reviews each project on a case-by-case basis. The form of a match can be tax abatement and/or infrastructure improvements that are critical to the project. In the case of Tesla Motors, no infrastructure improvements are needed. In general, the MEGA Board prefers tax abatements as a local match.

By law, Council must first review a request for the establishment of an Industrial Development District (IDD) and hold a public hearing before ruling on an IFT application. The process is defined in Public Act 198, of 1974, as amended. The public hearing to consider the request for an IDD will be held at the Regular Meeting of City Council on January 24, 2007.

Typically, the MEGA Board waits to take action on a MEGA application after the local community approves the incentive. In this case, however, based on factors relevant to the application, the MEGA Board is expected to take action on January 18, 2007. It has requested that City Council take action on the tax abatement no later than the end of January.

Tesla Motors will make a presentation to Council regarding its request for an IFT at Council's working meeting of January 17, 2007.

RECOMMENDATION:

Schedule the public hearing for the Regular Meeting of City Council on January 24, 2007.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

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

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