



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

**1000 Rochester Hills Dr.
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Legislative File No: 2008-0464

TO: Mayor and City Council Members

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

DATE: September 5, 2008

SUBJECT: Revocation of Industrial Facilities Exemption Certificate #2006-428 for Personal Property Only

REQUEST:

Revoke Industrial Facilities Exemption Certificate #2006-428 for personal property only, formerly located in an Industrial Development District at 2923 Technology Dr.

BACKGROUND:

On September 6, 2006, City Council approved a request by Energy Conversion Devices (ECD) for an Industrial Facilities Exemption Certificate (IFT) for real and personal property improvements to be located at 2923 Technology Dr. The investment in real property improvements was \$500,000 and the personal property investment was an estimated \$500,000 in new equipment. The abatement was approved for 8 years, due in part to the large number of retained jobs (40) and 28 new positions planned for the facility.

In early 2008, the operation in the facility was terminated due to the company's desire to eliminate certain capital and asset costs. The employees and equipment were transferred to other Rochester Hills facilities. The equipment immediately left the IFT tax rolls and reverted to the ad valorem rolls. The abatement on the real property improvements, however, continued in 2008. ECD also began marketing the building for sub-lease.

As Council will learn shortly, another company has sub-leased the facility from ECD and is requesting a transfer of Industrial Facilities Exemption Certificate #2006-428. Transfer of the IFT, however, will only cover the real property improvements. The State Tax Commission has advised that City Council should revoke the portion of the certificate that relates to the personal property.

RECOMMENDATION:

Revoke Industrial Facilities Exemption Certificate #2006-428 for personal property only for the following reason:

1. The equipment that is subject to Industrial Facilities Exemption Certificate #2006-428 was moved out of the Industrial Development District prior to December 31, 2007.

RESOLUTION

NEXT AGENDA ITEM

RETURN TO AGENDA

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