City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2009-0571

TO: Mayor and City Council Members

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

DATE: December 29, 2009

SUBJECT: Schedule Public Hearing Regarding Tax Abatement Transfer for IFT #2007-447

REQUEST:

Schedule a Public Hearing regarding the request to transfer Industrial Facilities Exemption, IFT #2007-447, from Ovonyx Technologies, Inc. to Ovonyx, Inc.

BACKGROUND:

In 2007, Ovonyx Technologies, Inc. (OTI), subsidiary of Ovonyx, Inc., requested an Industrial Facilities Exemption Certificate from the Rochester Hills City Council. The request was approved for real and personal property totaling $4,043,500 for a period of six (6) years. In late 2009, the City was notified that the corporate entity of OTI was being merged with the parent company, Ovonyx, Inc., and all assets transferred, including legal obligations and agreements.

After consulting with the State Tax Commission it was determined that the correct procedure is to transfer the IFT from OTI to Ovonyx, Inc. Public Act 198, 207.571, Sec. 21 (1) states that the holder of an IFT may transfer it to another entity with the approval of the local government unit and the commission after application by the new owner, and notice and hearing in the same manner as provided in section 5 for the application for a certificate.

An application was filed with the City by Ovonyx, Inc. on December 8, 2009. In the application, Ovonyx, Inc. states that "there will be no changes to the project as a result of this statutory merger."

RECOMMENDATION:

Schedule the Public Hearing for the Regular Meeting of City Council on January 25, 2010 and direct the City Clerk to place a notice of the hearing in a paper of general circulation on Thursday, January 14, 2010 and to notify the taxing jurisdictions by certified mail no later than Monday, January 18, 2010.

RESOLUTION

NEXT AGENDA ITEM

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

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