



## Legislation Text

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**File #:** 2010-0495, **Version:** 7

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Request to Consider Adoption of the Restated Resolution, to replace RES0201-2013 adopted at the September 30, 2013 Regular Meeting, regarding the request for approval of an Industrial Facilities Exemption Certificate for Otto Bock Polyurethane Technologies

**Whereas**, an Industrial Development District was established on September 6, 2006 at 2923 Technology Drive, also known as Parcel Number 15-30-477-012, and further described as:

THE SOUTH 133 FEET OF LOT 33 AND THE NORTH 142 FEET OF LOT 34, "ROCHESTER HILLS EXECUTIVE PARK" AS RECORDED IN LIBER 199, PAGES 26-30, OAKLAND COUNTY PUBLIC RECORDS. LYING IN THE SOUTHWEST 1/4 OF SECTION 29, AND THE SOUTHEAST 1/4 OF SECTION 30, TOWN 3 NORTH, RANGE 11 EAST, CITY OF ROCHESTER HILLS, OAKLAND COUNTY, MICHIGAN. CONTAINING 132,000 SQUARE FEET OR 3.03 ACRES; and

**Whereas**, in December 2010, City Council approved a real and personal property tax abatement for the investment Otto Bock made in the building located at 2923 Technology Drive, along with machinery and equipment;

**Whereas**, Otto Bock is currently in the third year of that five-year tax abatement and this newly presented investment was not calculated at the time of the first abatement and cannot be added to the existing tax abatement as the two-year window of time to make those investments has closed; and

**Whereas**, Otto Bock pledged to invest \$3,861,000 in the Rochester Hills operation and create 39 jobs, and as reported to City Council in June 2013, Otto Bock to date has invested \$6,396,000 in the Rochester Hills facility and created 45 jobs; and

**Whereas**, Otto Bock Polyurethane Technologies, Inc. filed a new application for an Industrial Facilities Exemption Certificate for personal property on September 9, 2013; and

**Whereas**, in its application, Otto Bock Polyurethane has indicated that it is experiencing tremendous sales growth, especially in non-automotive sectors and plans to purchase \$2,950,000 in additional machinery and equipment within the next two years, creating an additional 17 jobs; and

**Whereas**, a Public Hearing regarding this request was held at City Council's Regular Meeting of September 30, 2013, in which the taxing authorities, applicant and public were given an opportunity to be heard; and

**Whereas**, The Rochester Hills City Council has reviewed the application and made the following findings:

- a. The granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of Industrial Facilities Exemption Certificates previously granted and currently in force under Act. No. 198 of the Public Acts of 1974 and Act No. 2255 of the Public Acts of 1978, does not have the effect of substantially impeding the operation of the City of Rochester Hills or impairing the financial soundness of a taxing unit which levies an ad valorem property tax in the City of Rochester Hills in which the facility is located.
- b. Permanent jobs will be created and retained as a result of this project.
- c. There is a demonstrated need for financial assistance to encourage Otto Bock to retain its production and expansion in Rochester Hills.
- d. The prospects for long-term growth are present.
- e. The investment will increase the economic vitality of the industrial and high technology districts within the City of

Rochester Hills.

f. The aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Rochester Hills, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal and real property thus exempted; and

**Whereas**, RES0201-2013 was adopted approving the request for an IFT for Otto Bock Polyurethane Technologies on September 30, 2013; and

**Whereas**, on December 2, 2013 the State Tax Commission informed the City that the above action (f) must be included in this Resolution.

**Resolved**, that pursuant to Section 9, (1) and (2) of Act 198 of Public Acts of 1974, as amended, the City Council of the City of Rochester Hills hereby approves the request of Otto Bock Polyurethane Technologies, Inc. for an Industrial Facilities Exemption Certificate for a period of six (6) years for personal property; and

**Be It Further Resolved**, that the City Council's prior Resolution RES0201-2013, adopted on September 30, 2013 is hereby rescinded, superseded and replaced by this Resolution.

**Be It Further Resolved**, that the accompanying agreement between Otto Bock Polyurethane Technologies, Inc. and the City of Rochester Hills is hereby approved and is to be sent to the Department of Treasury and the State Tax Commission along with this resolution no later than December 10, 2013; and

**Be It Finally Resolved**, that as the City Attorney has reviewed the agreement as to form, the Mayor is authorized to sign the agreement.