



September 10, 2020

Council Meeting of September 15, 2020  
Subject: Industrial Facilities Tax Exemption  
Certificate – EarthTronics, Inc., 755 East  
Ellis Road

The Honorable Mayor  
and  
Members of the City Council

Ladies and Gentlemen:

A public hearing has been scheduled for the September 15, 2020 City Council meeting to consider an application from EarthTronics, Inc., for a new Industrial Facilities Tax Exemption Certificate for real property in the amount of \$3,011,959 and personal property in the amount of \$142,199 on the property located at 755 East Ellis Road. They have requested the maximum exemption term of 12 years.

Attached is an analysis of the total equalized value of real and personal property presently exempted in the City of Norton Shores along with the amount applied for in the current application from EarthTronics, Inc. If approved, the City will initially receive \$8,635 in additional taxes and abate \$8,635 in taxes for the real and personal property included in this application. First year taxes for all jurisdictions will total \$50,418.

The company manufactures and assembles LED light fixtures. They will retain 11 jobs as a result of this project and expect to create three full-time jobs during their first year of operations in Norton Shores.

A resolution is attached for Council consideration.

Respectfully submitted,

Mark C. Meyers,  
City Administrator

/ss  
Attachments

Administration/City Clerk (231) 798-4391	Assessing Division (231) 799-6806	Building Division (231) 799-6801	Finance/Treasurer (231) 799-6805	Fire Prevention (231) 799-6809	Fire Department (231) 798-2255
Parks/Recreation (231) 799-6802	Planning/Zoning (231) 799-6800	Police Department (231) 733-2691	Public Works (231) 799-6803	Streets Division (231) 798-2156	Water/Sewer (231) 799-6804

RESOLUTION

WHEREAS, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing the City Council of the City of Norton Shores by resolution established Airport Business Park Phase II as an Industrial Development District; and

WHEREAS, EarthTronics, Inc., 755 E. Ellis Road, has filed an application for Industrial Facilities Exemption Certificate with respect to **real** property and **personal** property within the Industrial Development District; and

WHEREAS, before acting on said application, the City of Norton Shores held a hearing on September 15, 2020 at 5:30 p.m. at which hearing the applicant, the Assessor and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in the City of Norton Shores, and

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Norton Shores that:

1. The City Council finds and determines that approval of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, shall not have the effect of substantially impeding the operation of the City of Norton Shores, or impairing the financial soundness of a taxing unit which levies ad valorem taxes in the City of Norton Shores.
2. WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Norton Shores, after granting this certificate, will exceed 5% of an amount equal to the sum of real and personal property thus exempted;
3. The application of EarthTronics for an Industrial Facilities Exemption Certificate is hereby approved.
4. The Industrial Facilities Exemption Certificate when issued shall be and remain in force and effect for a period of \_\_\_\_\_ years.
5. The Mayor and Clerk are hereby authorized to execute a written agreement with the owner of the property relative to the terms and conditions contained within the Industrial Facilities Exemption Certificate.

At a regular meeting of the City Council of the City of Norton Shores, held remotely on the 15<sup>th</sup> day of September 2020, the foregoing resolution was moved for adoption by Council Member . The motion was supported by Council Member .

Ayes:

Nays:

Absent:

Resolution declared adopted/denied.

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Shelly Stibitz, City Clerk

# Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

**INSTRUCTIONS:** File the original and one copy of this form and the required attachments (two complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires one complete set (one original). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call 517-335-7460.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	▶ Date Received by Local Unit
STC Use Only	
▶ Application Number	▶ Date Received by STC

**APPLICANT INFORMATION**  
All boxes must be completed.

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) <b>EarthTronics, Inc.</b>	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>SIC 3646 NAICS 335122</b>	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>755 E. Ellis Road, Norton Shores, MI 49441</b>	▶ 1d. City/Township/Village (indicate which) <b>City of Norton Shores</b>	▶ 1e. County <b>Muskegon</b>
▶ 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Transfer <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input type="checkbox"/> Increase/Amendment	▶ 3a. School District where facility is located <b>Mona Shores</b>	▶ 3b. School Code <b>61060</b>
		4. Amount of years requested for exemption (1-12 Years) <b>12 years</b>

5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed.

New construction 42,000 sq. ft. steel building with 4600 sq. ft. developed as business/sales/marketing offices and 6000 sq. ft. area designated for LED light fixture assembly and manufacturing. Proposed use: assembly of light fixtures, warehousing of the same, sales & marketing group will work from here, product design and management, and business management. Equipment will include assembly benches, tools, warehouse racking, lift trucks, office furnishings.

6a. Cost of land and building improvements (excluding cost of land) .....	▶ <u>\$3,011,959</u>
* Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures .....	▶ <u>\$142,199</u>
* Attach itemized listing with month, day and year of beginning of installation, plus total	Personal Property Costs
6c. Total Project Costs .....	▶ <u>\$3,154,158</u>
* Round Costs to Nearest Dollar	Total of Real & Personal Costs

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▶	04/01/2020	01/20/2021	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶	04/01/2020	01/20/2021	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased

▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption.     Yes     No

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. <b>11</b>	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. <b>3 full time first year</b>
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11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) .....

b. TV of Personal Property (excluding inventory) .....

c. Total TV .....

▶ 12a. Check the type of District the facility is located in:  
 Industrial Development District       Plant Rehabilitation District

▶ 12b. Date district was established by local government unit (contact local unit)	▶ 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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## STATE EQUALIZED VALUE ANALYSIS

I. Active PA-198 as of December 31, 2019

PA-198 Real @ \$10,626,300  
PA-198 Personal @ \$ 1,918,600

TOTAL: \$12,544,900

II. Estimated SEV of Applications approved after December 31, 2019

<u>Company</u>	<u>Real</u>	<u>Personal</u>	<u>Total</u>	<u>Approved</u>
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TOTAL TO DATE: \$

III. Estimated SEV for current applicant – EarthTronics, 755 E. Ellis Road:

TOTAL: \$ 1,577,079

IV. <u>City's Total SEV</u>	<u>SEV Exempted</u>	<u>Percent of SEV Exempted</u>
\$1,183,969,000	\$14,121,979	1.9%