

September 10, 2020

Council Meeting of September 15, 2020  
 Subject: Industrial Facilities Tax Exemption  
 Certificate – Smart Vision Lights, 5113  
 Robert Hunter Drive

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 Smart Vision Lights., for a new Industrial Facilities Tax Exemption Certificate for real property in the amount of \$2,710,009 and personal property in the amount of \$1,172,431 on the property located at 5113 Robert Hunter Drive. They have requested the maximum exemption of 12 years approval is limited to their lease term which is also 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 Smart Vision Lights. If approved, the City will initially receive \$10,628 in additional taxes and abate \$10,628 in taxes for the real and personal property included in this application. Taxes in the first year, for all taxing jurisdictions, will be \$62,059.

The company has been in Muskegon County for thirteen years. They built a new facility and moved operations from North Muskegon to Norton Shores two years ago and are already experiencing growth that requires expansion. Granting of this abatement is expected to increase their employment by 6 – 10 full-time and 1 – 5 part-time jobs.

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 5113 Robert Hunter Drive as an Industrial Development District; and

WHEREAS, Smart Vision Lights 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 Smart Vision Lights 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





5. Number of years requested for tax exemption: 12 yrs

How will the number of years benefit the company? This will benefit us by by being able to afford to expand the building, add approximately \$1M of new equipment and create above average paying jobs.

6. Does the company have past or pending appeals of real or personal property assessments with the Michigan Tax Tribunal or the State Tax Commission?  
(See paragraph 8 of the City of Norton Shores Tax Abatement Policy.)

Yes \_\_\_\_\_ No X

7. Long-range plans for the company:

The long-range plan is to grow the current business both in number of employees and in sales. In addition with the tax abatement this expansion will allow us to start new divisions of the company. The plan is to re-shore and manufacture many components that we are currently purchasing in China making us much less reliant on outside suppliers especially overseas suppliers. The objective is to grow a company that will be around for decades to come.

Secondly, we want to become a training center where we anticipate 100-200 people will come each month thorough out the year. These will include customers, prospects, college and university as well High School STEM students. The current new facility that we moved into in August 2019 combined With the new 30k sf will enable us to do these things.

8. Any additional information you feel may be helpful in processing your application for City Council consideration:

Smart Vision Lights started in the basement of the founder and then spent a few years in The Grand Valley Incubator facility in Muskegon. We later moved into a 12k sf facility in North Muskegon, quickly outgrew that facility and moved into the current 36ksf building In August of 2019. Already in 2020, we found ourselves needing to add on once again. All of this in 13 years.

9. Any other areas in which the City may assist your company:

Not at this time.

By Dave Spaulding

Title President & CEO

Date, August 21, 2020

## 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

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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>
EarthTronics, 755 E. Ellis	\$1,505,980	\$71,099	\$1,577,079	Pending

TOTAL TO DATE: \$ 1,577,079

III. Estimated SEV for current applicant – Smart Vision Lights, 5113 Robert Hunter Dr.:

TOTAL: \$ 1,941,220

<u>City's Total SEV</u>	<u>SEV Exempted</u>	<u>Percent of SEV Exempted</u>
\$1,183,969,000	\$16,063,199	1.36%