



December 6, 2019

Council Meeting of December 17, 2019

Subject: IFT Extension – Bio Care Spirits, Inc.,
1224 E. Pontaluna Road

The Honorable Mayor
and
Members of the City Council

Ladies and Gentlemen:

Bio Care Spirits, Inc. was granted an Industrial Facilities Tax Exemption on March 21, 2017 for land and building improvements at 1224 E. Pontaluna Road. The requested abatement for \$3.6m consisted of \$1.8m in land building improvements and \$1.8m in machinery, equipment, furniture, and fixtures for a six-year period running concurrently with their lease agreement. Unfortunately, the company has not yet obtained the necessary financial resources to begin production.

Public Act 198 states that a certificate can be revoked if a project is not completed in a two-year time period from the issuance of the certificate which was December 31, 2017. However, upon request the City Council may approve a one-year construction period extension. Bio Care Spirits, Inc. has requested such an extension and staff is recommending that it be approved based on the progress and timeline provided by the company.

Attached is the original analysis of the combined equalized value of the real and personal property presently exempted along with the amount applied for in the original application. The project is expected to create 23 new full-time jobs.

A resolution granting a one-year extension for completion of the project is attached for City Council’s use.

Respectfully submitted,

Mark C. Meyers
City Administrator

/ss

Attachment

| | | | | | |
|---|--------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|-----------------------------------|
| 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 held on January 2, 1996, the Norton Shores City Council by resolution established 1224 E. Pontaluna Road as an Industrial Development District; and

WHEREAS, the City of Norton Shores approved an application from Bio Care Spirits, LLC requesting an Industrial Facilities Exemption Certificate #2017-048 for real property in the amount of \$17,755,105 and personal property in the amount of \$1,868,200 in investments located at 1224 E. Pontaluna Road; and

WHEREAS, Bio Care Spirits, LLC has filed an application to amend Industrial Facilities Exemption Certificate #2017-048 with respect to one additional year of the construction period for a total of three years; and

WHEREAS, before acting on said application, the Norton Shores City Council held a hearing on December 17, 2019, at the Norton Shores Branch Library Community Room, 705 Seminole Road, 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, Bio Care Spirits, LLC has substantially met all the requirements under Public Act 198 of 1974 for the amendment of Industrial Facilities Exemption Certificate #2017-048; and

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 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

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

1. The Norton Shores City Council finds and determines that the granting of the amendment of an 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 property taxes in the City of Norton Shores.

2. The application from Bio Care Spirits, LLC for an amendment of Industrial Facilities Exemption Certificate #2017-048, with respect to extending the construction period one additional year for a total of three years on the following described parcel of real property situated within the Industrial Development District 1224 E. Pontaluna Road to wit:

CITY OF NORTON SHORES
PART OF NE 1/4 OF SEC 28

COM AT S 1/4 COR OF SD SEC 28
TH S 88D 28M 58S E 280.30 FT ALG S SEC LN
TH N 00D 30M 00S E 2769.29 FT ALG E RW LN OF CSX RR TRUE POB
TH N 00D 30M 00S E 1122.33 FT ALG SD RR
TH N 89D 07M 50S E 399.79 FT
TH S 00D 52M 10S E 1122.01 FT
TH S 89D 07M 50S W 426.61 FT POB
SEC 28 T9N R16W
EXC BEG S 88D 28M 58S E 280.30 FT
AS MEASURED ALG S SEC LN & N 00D 30M 00S E 3506.51 FT
AS MEASURED ALG E LN OF CSX RR ROW FROM S 1/4 COR SD SEC 28
TH N 00D 30M 00S E 385.11 FT ALG SD E LN
TH N 89D 07M 50S E 399.79 FT
TH S 00D 52M 10S E 385 FT
TH S 89D 07M 50S W 408.99 FT TO POB
CONT 7.07 ACS +/-
SUBJ TO RD ESMT 50 IN WIDTH L/P 3112/657
SUBJ TO RD ESMT L/P 1989/983
SUBJ TO SANITARY SEWER ESMT L/P 1990/01
SUBJ TO ESMT FOR WATERMAIN L/P 3095/864
SUBJ TO ESMT FOR ELE FACILITIES L/P 3798/366

be and the same is hereby approved.

3. The Industrial Facilities Exemption Certificate when issued shall remain in force for the remaining years approved under Industrial Facilities Exemption certificate #2017-048 with an end date of 12/30/2023.

At a regular meeting of the City Council of the City of Norton Shores, held at the Norton Shores Branch Library, 705 Seminole Road, on the 17th day of December 2019, the foregoing resolution was moved for adoption by Council Member . The motion was supported by Council Member .

Ayes:

Nays:

Absent:

Resolution declared adopted/denied.

Shelly Stibitz, City Clerk



Industrial Facilities Exemption Certificate

Certificate No. 2017-048

Pursuant to the provisions of Public Act 198 of 1974, as amended, the State Tax Commission hereby finds that the industrial property, as described in the approved application, hereafter referred to as the industrial facility, owned or leased by **Bio Care Spirits, USA, Inc.**, and located at **1224 E. Pontaluna Road**, City of Norton Shores, County of Muskegon, Michigan, within a Plant Rehabilitation or Industrial Development District, is intended for the construction/installation of new industrial property or for the purpose of restoration or replacement of obsolete industrial property, and complies with Section 9 and other provisions of the act.

Therefore, as provided by MCL 207.551 to 207.572, inclusive, the State Tax Commission hereby certifies this industrial facility as a **new facility**.

This certificate provides the authority for the assessor to exempt the industrial facility for which this Industrial Facilities Exemption Certificate is in effect, but not the land on which the facility is located, from ad valorem taxation. This certificate further provides the authority to levy a specific tax known as the Industrial Facilities Tax.

This certificate, unless revoked by order of the State Tax Commission as provided by Public Act 198 of 1974, as amended, shall remain in force for a period of 6 year(s) for real property and 6 year(s) for personal property;

Real property component:

Beginning December 31, 2017, and ending December 30, 2023.

The State Education Tax to be levied for the real property component of this certificate is 6 mills.

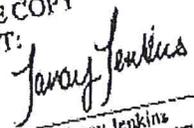
Personal property component:

Beginning December 31, 2017, and ending December 30, 2023.

The State Education Tax to be levied for the personal property component of this certificate is 6 mills, unless exempted by MCL 207.564(4) which was enacted with the creation of the Michigan Business Tax.*

This Industrial Facilities Exemption Certificate is issued on June 6, 2017.

A TRUE COPY
ATTEST:


Janay Jenkins
Michigan Department of Treasury





Douglas B. Roberts, Chairperson
State Tax Commission

*Contact the local assessor for further clarification regarding the classification and tax applied to the personal property component of this certificate.



Internal Memo

December 6, 2019

TO: Mayor and City Council

FROM: Mark C. Meyers, City Administrator *MEMM*

SUBJECT: IFT Construction Extension – Bio Care Spirits IFT

In March 2017, the City Council approved an Industrial Facilities Tax Exemption to Bio Care Spirits, Inc. for new construction of a blending and bottling facility at 1224 E. Pontaluna Road. Unfortunately, the company has not yet secured the necessary capital to begin production.

Under Public Act 198, tax abatements can be revoked if the project is not completed in a two-year time period from the issuance of the certificate which was December 31, 2017. The Act does allow the applicant to request a one-year extension to complete the project. Attached is a letter from Bio Care Spirits, Inc., requesting such an extension.

It should be noted that the City, as well as MAF staff, have been communicating periodically and meeting with company officials as they continue to work toward production. Further, the company has outlined a work plan from January to August, 2020 toward that goal. It appears that Bio Care Spirits is making a genuine effort to getting their start up company up and running. Therefore, staff recommends that City Council approve a one-year extension to allow for completion of the project.



November 20, 2019

SENT VIA CERTIFIED MAIL

Shelly Stibitz, City Clerk
City of Norton Shores
4814 Henry Street
Norton Shores, MI 49444

RE: Bio Care Spirits USA Request for an Extension on an INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE, Pursuant to Public Act 198 of 1974, as Amended

Dear Ms. Stibitz:

On behalf of Bio Care Spirits USA, Inc. ("Bio Care Spirits"), I would like to request an extension of time as provided under PA 198 of 1974, as Amended, to complete the project at 1224 E. Pontaluna Rd., Suite 200, Norton Shores, Michigan 49456, which property is highlighted in yellow on attached Exhibit A. Bio Care Spirits manufactures the blending and bottling of spirits to be packaged for bulk foreign export sales and domestic wholesale shipment.

As we explained to the City in a meeting held in May of this year, Bio Care Spirits has been in the process of raising the capital funds necessary to complete the buildout of the manufacturing plant through private equity funding and/or conventional financing. While progress has been made, we still require additional funds to move forward. In the meantime, we have been making significant progress gaining distributorships around the country. Distribution will commence in Michigan in December 2019. Until our buildout is completed, the blending and bottling of Bio Care Spirits is taking place in South Carolina.

Bio Care Spirits has received tax abatement incentives for an economic development expansion at our location. Progress has been made with our expansion effort. We have obtained our SS storage, blending, and holding tanks have arrived and are onsite. We anticipate our bottling & packaging capital equipment will be shipped within the next couple of months. Wolverine Construction is prepared to move forward with the buildout and is awaiting on our instruction to proceed. Our current timeline to fully complete this project is as follows:

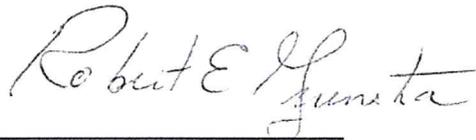
Task

Est. Completion Date

- | | |
|--|---------|
| • Complete capital campaign | 1/15/20 |
| • Review buildout plans, update work quotations, obtain all permitting | 2/28/20 |
| • Floor concrete preparation, underslab plumbing, foundation work | 3/31/20 |
| • Construct control rooms, mezzanines, platforms, partition walls | 4/30/20 |
| • Finishing work- drywall, painting, carpeting, etc. | 5/22/20 |
| • Installation of bottling & packaging line, process piping, sensors | 7/15/20 |
| • Complete all work and Obtain Occupancy permit | 8/07/20 |

We respectfully request a 1-year extension from the current December 2019 expiration date for the completion of our project.

Thank you for your cooperation in assisting us in this request.



Robert E. Grunstra
President

c: mmeyers@nortonshores.org (By email only)

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 <i>Shirley Stibitz</i> | Date Received by Local Unit <i>12.3.2019</i> |
| 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) Bio Care Spirits USA, Inc. | | ▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3732 | |
| ▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1224 E. Pontaluna Rd., Norton Shores, MI 49456 | | ▶ 1d. City/Township/Village (indicate which) Norton Shores | ▶ 1e. County Muskegon |
| ▶ 2. Type of Approval Requested <input 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 checked="" type="checkbox"/> Increase/Amendment | | ▶ 3a. School District where facility is located Grand Haven | ▶ 3b. School Code 70010 |
| | | ▶ 4. Amount of years requested for exemption (1-12 Years) 12 years 2017-048 exp. 8/30/23 | |

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.

Seeking extension for one year. of construction period.
85

| | |
|---|--|
| 6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun. | ▶ 1,755,105 Real Property Costs |
| 6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total | ▶ 1,868,200 Personal Property Costs |
| 6c. Total Project Costs * Round Costs to Nearest Dollar | ▶ 3,623,305 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 | ▶ <u>09/01/2016</u> | ▶ <u>03/15/2017</u> | ▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased |
| Personal Property Improvements | | | ▶ <input 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. 0 | ▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. 35 |
|---|--|

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) 01/02/1996 | ▶ 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|---|---|

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 1224 E. Pontaluna Road as an Industrial Development District; and

WHEREAS, Bio Care Spirits USA, Inc. has filed an application for Industrial Facilities Exemption Certificate with respect to real and personal property within the Industrial Development District; and

WHEREAS, before acting on said application, the City of Norton Shores held a hearing on March 21, 2017 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 and equipment 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 personal and real property thus exempted;
3. The application of Bio Care Spirits USA, Inc. 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 six (6) 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.

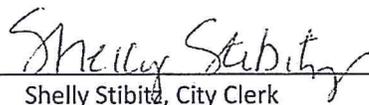
At a regular meeting of the City Council of the City of Norton Shores, held at the Norton Shores Branch Library, 705 Seminole Road, on the 21st day of March 2017 the foregoing resolution was moved for adoption by Council Member Beecham. The motion was supported by Council Member Morgenstern.

Ayes: Council Members Beecham, Dolack, Flanders, Hylland, Martines, Morgenstern, Moulatsiotis and Mayor Nelund

Nays: None

Absent: Council Member Jurkas

Resolution declared adopted.


Shelly Stibitz, City Clerk

City of Norton Shores
4814 Henry Street
Norton Shores MI 49441

RE: Act 198 Agreement with the City of Norton Shores

Bio Care Spirits USA, Inc. (The Company) has submitted an application to the City of Norton Shores (City) for the granting of:

✓ Industrial Facilities Exemption Certificate (IFE) pursuant to P.A. 198

To encourage the granting of the tax abatement and in recognition of the investment the City will be making toward the economic growth of the Company and thus the community, I hereby agree on behalf of the Company:

1. The attached information sheet is an integral part of this agreement and outlines the investment the Company intends to make.
2. The Company will submit a letter to the City no later than January 10th immediately following the second year after the issuance of the abatement certifying:
 - a. Number of jobs created or retained
 - b. Actual cost for real property acquisitions
 - c. If the number of jobs created or total project cost differ from that described in the information sheet, a disclosure explaining the variance is required.
3. The Company will recertify the current employment information outlined above every year through the expiration of the abatement.
4. The Company understands that if employment has not been retained or reached, or the expansion or improvement was not substantially completed as described in the application and information sheet, the City has the right to reduce the term or revoke the tax abatement.
5. The Company understands that if property taxes are not paid and do not remain current, the City has the right to reduce the term or revoke the tax abatement.
6. If the applicant appeals its assessment of property, the City reserves the right to revoke any Act 198 tax abatements currently in place and will require the applicant to pay the affected taxing units an amount equal to those taxes that would have been paid had the abatement not been in effect. Also, the City shall consider an applicant's history related to tax appeals when it considers future tax abatement requests.

7. The applicant shall remain with the local unit during the period of time for which the abatement has been approved and, if the applicant relocates, substantially reduces employment and/or operations, or closes the facility, the applicant shall pay to the affected taxing units an amount equal to those taxes it would have paid had the abatement not been in effect.

By the signatures below, representatives of both the Company and City acknowledge their responsibilities towards the successful completion of the project. It is understood certain economic conditions may delay or even prohibit the maintenance of the Company's goals. Prior to any City action concerning the reduction or revocation of a tax abatement, or recapture of abated taxes, the Company will have the right to a public hearing before the City Council.

WITNESS:

Bio Care Spirits USA, Inc.

Company Name

16093 Terrace Rd., Spring Lake, MI 49456

Company Address

Keith L. McEvoy

By: Robert E. Jensen

Title: President

Date: 2/27/17

WITNESS:

Shirley Stibitz

ACKNOWLEDGED BY THE
CITY OF NORTON SHORES

By: [Signature]

Title: Mayor

Date: 3/24/17

FEB 28 2017

Application for Industrial Facilities Tax Exemption Certificate

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

CITY OF NORTON SHORES

CITY CLERK'S OFFICE

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call (517) 373-3302.

| | |
|---|--|
| To be completed by Clerk of Local Government Unit | |
| Signature of Clerk <i>Shelley Stibitz</i> | Date Received by Local Unit 2/28/17 |
| 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) Bio Care Spirits USA, Inc. | 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3732 | |
| 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1224 E. Pontaluna Rd., Norton Shores, MI 49456 | 1d. City/Township/Village (Indicate which) Norton Shores | 1e. County Muskegon |
| 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(10)) | <input type="checkbox"/> Transfer <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Increase/Amendment | 3a. School District where facility is located Grand Haven |
| | | 3b. School Code 70010 |
| 4. Amount of years requested for exemption (1-12 Years) 12 years | | |

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.

The manufacturing plant is a leased 50,000 sq ft middle suite of a larger 150,000 sq. ft. building. The intended use is for blending and bottling of spirits. The plant includes several storage tanks for received bulk spirits which are then blended with natural herbs and spices, diluted to the proper alcohol proof, then processed through a complete bottling and packaging line for wholesale shipment. An office area and an analytical laboratory are part of the operation.

| | |
|---|--|
| 6a. Cost of land and building improvements (excluding cost of land) (Applicant's Portion) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun. | ▶ 1,755,105 Real Property Costs |
| 6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total | ▶ 1,868,200 Personal Property Costs |
| 6c. Total Project Costs * Round Costs to Nearest Dollar | ▶ 3,623,305 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 | ▶ 9/1/16 | 3/15/17 | ▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased |
| Personal Property Improvements | ▶ _____ | _____ | ▶ <input 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. 0 | 10. No. of new jobs at this facility expected to create within 2 years of completion. 35 |
|---|--|

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) 1/2/96 | 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
|---|---|

APPLICANT CERTIFICATION - complete all boxes

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

| | | | |
|---|--|--|---|
| 13a. Preparer Name Robert E. Grunstra | 13b. Telephone Number (231) 670-9675 | 13c. Fax Number | 13d. E-mail Address bobgrunstra@gmail.com |
| 14a. Name of Contact Person Keith L. McEvoy | 14b. Telephone Number (231) 747-7160 | 14c. Fax Number (231) 747-8049 | 14d. E-mail Address keith@ggtmlaw.com |
| 15a. Name of Company Officer (No Authorized Agents) Robert E. Grunstra | | | |
| 15b. Signature of Company Officer (No Authorized Agents) <i>Robert E. Grunstra</i> | | 15c. Fax Number | 15d. Date 2/27/17 |
| 15e. Mailing Address (Street, City, State, ZIP Code) 1224 E. Pontaluna Rd., Norton Shores, MI 49456 | | 15f. Telephone Number (231) 670-9675 | 15g. E-mail Address bobgrunstra@gmail.com |

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

| | | | |
|---|--|--|--|
| 16. Action taken by local government unit <input type="checkbox"/> Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12) After Completion. <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Denied (Include Resolution Denying) | | 16b. The State Tax Commission Requires the following documents be filed for an administratively complete application: Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Original Application plus attachments, and one complete copy <input type="checkbox"/> 2. Resolution establishing district <input type="checkbox"/> 3. Resolution approving/denying application. <input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant) <input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant) <input type="checkbox"/> 6. Building Permit for real improvements if project has already begun <input type="checkbox"/> 7. Equipment List with dates of beginning of installation <input type="checkbox"/> 8. Form 3222 (if applicable) <input type="checkbox"/> 9. Speculative building resolution and affidavits (if applicable) | |
| 16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable <input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district. <input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing. <input type="checkbox"/> 3. List of taxing authorities notified for district and application action. <input type="checkbox"/> 4. Lease Agreement showing applicants tax liability. | | 16c. LUCI Code 16d. School Code | |
| 17. Name of Local Government Body | | 18. Date of Resolution Approving/Denying this Application | |

Attached hereto is an original application and all documents listed in 16b. I also certify that all documents listed in 16a are on file at the local unit for inspection at any time, and that any leases show sufficient tax liability.

| | | |
|--|--------------------|---------------------|
| 19a. Signature of Clerk | 19b. Name of Clerk | 19c. E-mail Address |
| 19d. Clerk's Mailing Address (Street, City, State, ZIP Code) | | |
| 19e. Telephone Number | 19f. Fax Number | |

State Tax Commission Rule Number 57: Complete applications approved by the local unit and received by the State Tax Commission by October 31 each year will be acted upon by December 31. Applications received after October 31 may be acted upon in the following year.

Local Unit: Mail one original and one copy of the completed application and all required attachments to:
 Michigan Department of Treasury
 State Tax Commission
 PO Box 30471
 Lansing, MI 48909

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

| STC-USE ONLY | | | | |
|--------------|-------------------|-----------------------|-----------------|---------------------|
| ▶ LUCI Code | ▶ Begin Date Real | ▶ Begin Date Personal | ▶ End Date Real | ▶ End Date Personal |

Bldg Permit

City of Norton Shores

4814 Henry St Norton Shores, MI 49441 231-799-6801 FAX 231-798-7302

BUILDING DIVISION

Tax Abatement
End of Feb 2017
to Apply.

PBD16-0633

Issued: 09/01/16

Expires: 04/16/17



This permit conveys no right to occupy any STREET, ALLEY, or SIDEWALK, or any part thereof either temporarily or permanently.

Type of Construction: IIB Occupancy Group: S-1 Edition of Code: 2012 MBC

THIS IS YOUR PERMIT WHEN APPROVED BY THE ADMINISTRATIVE AUTHORITY

| LOCATION | OWNER | APPLICANT |
|---|--|--|
| 1224 E PONTALUNA RD 27-128-200-0004-00 Zoning: GI | GROOTERS LAND DEVELOPMENT 4460 44TH ST SE STE C 200 GRAND RAPIDS MI 49512 Ph: _____ | WOLVERINE CONSTRUCTION 4045 BARDEN, SE GRAND RAPIDS MI 49512 Ph: (616) 949 3360 |

Work Description: 150,000 square foot S-1 warehouse for Grooter's (Shell only).

Stipulations: 9-2-2016 Judy from Finance had to reverse the payment for \$19,282.00 because she did not balance. The check was in the wrong amount.
9-7-2016 Judy said that Wolverine is sending another check to us for the correct amount. (sending in the mail).

| Permit Item | Work Type | Fee Basis | Item Total |
|------------------------|---------------|--------------|-------------|
| 13.75 \$1 Million Plus | Valuation | 2,700,000.00 | \$11,686.00 |
| 14 Commercial Fee 65% | Permit Review | 11,686.00 | \$7,596.00 |

This permit is granted in accordance with an application for a permit or plans now on file in this office, on the express condition that the said construction shall, in all respects, conform to the Ordinances and Building Code of the City of Norton Shores, regarding the construction of buildings and may be revoked at any time upon the violation of any of the provisions of said ordinances or code; or of the above specifications. 109.3 It shall be the duty of the permit holder or their agent to notify the building official that such work is ready for inspection. It shall be the duty of the person requesting any inspections required by this code to provide access to and means for inspection of such work.

Fee Total: \$19,282.00
Amount Paid: \$19,282.00
Balance Due: \$0.00

Steven R. Sheldon
Building Official

Bio Care Spirits USA, Inc.

| <u>Machinery & Equipment</u> | <u>Year 1</u> | <u>Year 2</u> |
|---|---------------|---------------|
| \$ 216,000- Pallet Stacking Automated Forklifts | \$216K | |
| \$ 150,000- Auto Case Packers | 75K | 75K |
| \$ 142,000- Auto ROPP Cappers (2) | 92K | 52K |
| \$ 120,000- Robotic Palletizer & Wrapper (1) | 120K | |
| \$ 115,000- Automatic Bottling Machine (2) | 90K | 25K |
| \$ 113,000- Auto Bottle Orienter, Side & Top Labeler, Coder (2) | 75K | 38K |
| \$ 60,000- Auto Bottle Table & Rinser (2) | 60K | |
| \$ 54,000- Auto Inspection- Fill Level & Labels (2) | 27K | 27K |
| \$ 50,000- Laboratory Equipment | 50K | |
| \$ 50,000- Auto Case Erector (1) | 50K | |
| \$ 47,000- Auto T Cork Capper (2) | 47K | |
| \$ 37,000- Auto Case Sealer (1) | 37K | |
| \$ 30,000 - Shop Air Compressor | 30K | |
| \$ 20,000- Fork Truck | 20K | |
| \$ 15,000- Demineralizer Water Treatment System | 15K | |
| \$ 15,000- Nitrogen Generator | 15K | |
| \$ 10,000- Aerial Platform Lift (used) | 10K | |
| \$ 10,000- Cardboard Baler | | 10K |
| \$ 7,500- Stainless Steel Transfer Pumps & Hoses | 7.5K | |
| \$ 3,000- Pallet Straddle Stacker- Manual | 3K | |
| \$ <u>1,200</u> - Hand Pallet Trolleys | 1.2K | |

| | | |
|---|-------------------------|-----------------------|
| Machinery & Equipment Totals | <u>Year 1</u> | <u>Year2</u> |
| <u>\$ 1,265,700 total</u> | <u>\$1038.7K</u> | <u>\$ 227K</u> |

| <u>Furniture & Fixtures</u> | <u>Year 1</u> | <u>Year2</u> |
|---|----------------------|-----------------------|
| \$ 190,000- Pallet Flow Racks | \$190K | |
| \$ 100,000- Storage & Blending Tanks | 100K | |
| \$ 75,000- Pallet Push Back racks | 75K | |
| \$ 45,000- Pallet Conveyors | 45K | |
| \$ 35,000- Auto Bottle Conveyors (2) | 25K | 10K |
| \$ 35,000- Office Furniture | 35K | |
| \$ 25,000- Phones & Office Equipment | 25K | |
| \$ 25,000- Carton Conveyors | 15K | 10K |
| \$ 20,000- Aging Racks for Barrels | 20K | 5K |
| \$ 15,000- Shop Tools/ Fixtures | 7.5K | 7.5K |
| \$ 10,000- Misc Small Tanks | 10K | |
| \$ 10,000- Misc. Storage Racks & Shelving | 7K | 3K |
| \$ 10,000- Alarm System | 10K | |
| \$ 6,000- Exterior signage | 6K | |
| \$ 1,500- Security cameras | 1.5K | |
| Furniture and Fixtures totals | <u>Year 1</u> | <u>Year2</u> |
| <u>\$ 602,500</u> | <u>\$567K</u> | <u>\$35.5K</u> |

| | | |
|---|----------------------|---------------------|
| Total of all Machinery, Equipment, Furniture, and Fixtures | <u>Year 1</u> | <u>Year2</u> |
| \$1,868,200 | \$1,605.7K | \$ 262.5K |

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: initial spirit bottling will include whiskey, rum and vodka.
Future plans include product line extension to include brandy, wine, beer, and sodas. As the business grows, it may be more cost efficient for the corporation to also add distillation capability rather than purchase of spirits. Distribution will include nationwide distribution and gradually expand to export capability.

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

Currently, an associated company has 6 manufacturing plants in India, Nepal and Australia. This plant offers the opportunity to expand the product line to the USA and use Norton Shores as the North American hub for the business. Earlier plans were to build the plant in Florida or Texas but it was decided that Michigan provided a better opportunity.

9. Any other areas in which the City may assist your company:
We are open to and solicit any opportunities for community support.

By

Robert E. Jureta

Title President

Date _____

Lynne A. Fuller, City Clerk
Michael Huston, Finance Director
2011

City of Norton Shores
4814 Henry Street
Norton Shores MI 49441

RE: Act 198 Agreement with the City of Norton Shores

Bio Care Spirits USA, Inc. (The Company) has submitted an application to the City of Norton Shores (City) for the granting of:

_____ Industrial Facilities Exemption Certificate (IFE) pursuant to P.A. 198

To encourage the granting of the tax abatement and in recognition of the investment the City will be making toward the economic growth of the Company and thus the community, I hereby agree on behalf of the Company:

1. The attached information sheet is an integral part of this agreement and outlines the investment the Company intends to make.
2. The Company will submit a letter to the City no later than January 10th immediately following the second year after the issuance of the abatement certifying:
 - a. Number of jobs created or retained
 - b. Actual cost for real property acquisitions
 - c. If the number of jobs created or total project cost differ from that described in the information sheet, a disclosure explaining the variance is required.
3. The Company will recertify the current employment information outlined above every year through the expiration of the abatement.
4. The Company understands that if employment has not been retained or reached, or the expansion or improvement was not substantially completed as described in the application and information sheet, the City has the right to reduce the term or revoke the tax abatement.
5. The Company understands that if property taxes are not paid and do not remain current, the City has the right to reduce the term or revoke the tax abatement.
6. If the applicant appeals its assessment of property, the City reserves the right to revoke any Act 198 tax abatements currently in place and will require the applicant to pay the affected taxing units an amount equal to those taxes that would have been paid had the abatement not been in effect. Also, the City shall consider an applicant's history related to tax appeals when it considers future tax abatement requests.

7. The applicant shall remain with the local unit during the period of time for which the abatement has been approved and, if the applicant relocates, substantially reduces employment and/or operations, or closes the facility, the applicant shall pay to the affected taxing units an amount equal to those taxes it would have paid had the abatement not been in effect.

By the signatures below, representatives of both the Company and City acknowledge their responsibilities towards the successful completion of the project. It is understood certain economic conditions may delay or even prohibit the maintenance of the Company's goals. Prior to any City action concerning the reduction or revocation of a tax abatement, or recapture of abated taxes, the Company will have the right to a public hearing before the City Council.

WITNESS:

Keith J. McEvoy

WITNESS:

2015

Bio Care Spirits USA, Inc.

Company Name

16093 Terrace Rd., Spring Lake, MI 49456

Company Address

By: Robert E. Gierstra

Title: President

Date: 2/27/17

ACKNOWLEDGED BY THE
CITY OF NORTON SHORES

By: _____

Title: Mayor

Date: _____

City of Norton Shores
4814 Henry Street
Norton Shores MI 49441

RE: Act 198 Application

Bio Care Spirits USA, Inc. (The Company) has submitted an application
to the City of Norton Shores (City) for the granting of:
Industrial Facilities Exemption Certificate (IFE) pursuant to P.A. 198

In accordance with STC Bulletin No. 3 dated January 16, 1998, we do hereby affirm that
no payment of any kind in excess of the fee allowed by Act 198, as amended, has been
made or promised in exchange for favorable consideration of an exemption certificate.

WITNESS:

Keith L. McEoy

WITNESS:

Bio Care Spirits USA, Inc.

Company Name

16093 Terrace Rd., Spring Lake, MI 49456

Company Address

By:

Robert E. Lisenha

Title: President

Date:

2/27/17

ACKNOWLEDGED BY THE
CITY OF NORTON SHORES

By: _____

Title: Mayor

Date: _____

2015

Bio Care Spirits USA, Inc. Briefing

Our Tagline- Don't drink if you can... drink Bio if you Do



The Problem with Alcohol-

- It is well known that alcohol can have an adverse effect on the human body. When you drink alcohol, it's absorbed into your bloodstream and affects every part of your body. In the long term, this can put your health at serious risk.

Our Solution-

- Dr. B. Srinivasa Amarnath, a holistic medical doctor in India is well aware that flowering plants contain powerful bio-alkaloids that can have significant physiological effect on the human body.
- Examples of some well known bio-alkaloids include caffeine, codeine, ephedrine, morphine, nicotine, and quinine.
- He has spent 18 years developing a protocol that uses all-natural bio-alkaloid herbs & spices as additives to blended spirits to minimize the adverse effects of alcohol consumption. Blends may have up to 16 different natural additions.
- His proprietary protocols do not use any synthetic flavoring or colors, and they maintain the same level of alcohol content as typical commercial beverages.
- He has been well recognized for his efforts in India. He has received a national award presented by the President of India in recognition of his contribution to the field of holistic medicine.
- The products have been successfully marketed overseas as offering less damaging effects on the body than traditional alcohol containing products.

Marketing Plan

- This plant is a wholesale bottling and packaging plant.
- Our primary customer will be the distributors that are or will be part of the Bio team...Natural Spirits...for both domestic and export.... we are their exclusive bottling plant for North & South America, and Europe.
- We intend to develop our own brands in addition to supplying the Natural Spirits distribution network.
- We will offer contract bottling and packaging to other distilleries that do not have bottling capability or may need additional capacity.

Technology

- Bio Care Spirits USA has access to Natural Spirits confidential and proprietary intellectual property regarding blending recipes, trademarks, and service marks.
- We are working in conjunction with Natural Spirits to develop manufacturing equipment specifications, equipment process controls, process knowhow, operational training, and quality control standards which will allow us to meet our production requirements and avoid product shortages.
- We will have the benefit of having 1 or 2 employees of Natural Spirits supplement our laboratory staff for quality control purposes, as well as helping with master blending.

Norton Shores Manufacturing Plant

- We have leased a manufacturing site in Norton Shores and are commencing the build-out of the premises. We expect to be operational in October.
- The Norton Shores plant is planned to be the main manufacturing plant for the Bio Care Spirits product line. We worked very hard to convince Natural Spirits to consider West Michigan as a bottling and production location. Other locations that were considered and ultimately rejected were Florida and Texas. We emphasized the very pure water that is available to us from Lake Michigan as well as the strong West Michigan work ethic.
- We intend to initially bottle whiskey, rum, and vodka product lines.
- As we grow, we will add brandy, tequila, beer, wine, and soda product lines.
- The products will be both for the domestic and export markets.

Personnel Table

- We intend to hire people and provide jobs to the community.
- Our initial planning is to add 23 positions over the first 2 years, then 15-20 positions/year after that as we meet our growth projections.
- Initial positions will include HR, Accounting, Sales, Plant Supervision, Shipping/Receiving, bottling line workers, QC inspectors, and material handling.

- Dr Amarnath has established manufacturing plants in India, Nepal, and Australia to produce a range of bio-alkaloid containing products including whiskey, rum, vodka, brandy, tequila, beer, wine, and soda.

Competitive Products-

- Many competitive products have added flavors to appeal to taste buds, and this has served as a differentiator across the spectrum of spirit products.
- Many of these products include a range of artificial chemical additions as a low cost way to give the beverage more kick, bite, etc.
- The Alcohol & Tobacco Tax & Trade Bureau allows low levels of these artificial chemicals in alcoholic beverages... their website (TTB.gov) lists 353 allowable artificial ingredients. Included in this listing is:
 - *Monosodium Glutamate (MSG) – alcohol is already addictive with some people, but MSG adds to the problem*
 - *Propylene Glycol (an ingredient found in anti-freeze)*
 - *Calcium Disodium EDTA (made from formaldehyde, sodium cyanide, and Ethylenediamine)*
 - *Many different types of sulfites and anti-microbial preservatives (linked to allergies and asthma)*
 - *Natural Flavors (can come from anything natural including a beavers anal gland)*
 - *High Fructose Corn Syrup*
 - *GMO Sugars – Dextrose, Corn Syrup*
 - *Caramel Coloring (Class III or IV made from ammonia and classified as carcinogen)*

The Bio Care Spirits Advantage

- Bio Care Spirits benefits from its affiliation with Dr. Amarnath and his many years of commitment to the concept of producing consumable spirits more amenable to the human body. This gives the Bio Care Spirits brand high credibility.
- We do not believe his 18 years of research and development can be easily replicated by a competitor in a timely manner.
- An additional advantage is that the Bio family of products will be promoted as all-natural without any artificial ingredients. We intend to market our products as all-natural but we will not make assertions that these products are a "cure".
- We would expect that an all-natural product would have less deleterious effects than one using artificial ingredients.
- To the best of our knowledge, no one has introduced the concept of adding bio-alkaloids to this all-natural array of spirit products to produce a spirit that has a less adverse effect to the human body.
- Numerous blind 3-sample tastings have been held around the country for whiskey, rum, and vodka. The Bio Care line has consistently scored with ~80% approval as the first choice across all 3 product lines.... they taste good !