



September 27, 2019

Council Meeting of October 15, 2019

Subject: Industrial Facilities Tax Exemption
Certificate – Renishaw Fixturing Solutions,
LLC, 5500 Grand Haven Road

The Honorable Mayor
and
Members of the City Council

Ladies and Gentlemen:

A public hearing has been scheduled for the October 15, 2019 City Council meeting to consider an application from Renishaw Fixturing Solutions, LLC for a new Industrial Facilities Tax Exemption Certificate for real property in the amount of \$6,293,637 on the property located at 5500 Grand Haven Road.

Attached is an analysis of the equalized value of real and personal property presently exempted along with the amount applied for in the current application from Renishaw Fixturing Solutions, LLC. If approved, the City will initially receive \$17,229 in additional taxes and abate \$17,229 in taxes for the real property included in this application. First year taxes for all jurisdictions will total \$97,464.

The company is relocating from the City of Grand Haven and will bring 38 full-time jobs to Norton Shores. They plan to increase the number of employees to 60 by 2032 and have made sure this location has adequate room for expansion in the future.

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 5500 Grand Haven Road as an Industrial Development District; and

WHEREAS, Renishaw Fixturing Solutions, LLC has filed an application for Industrial Facilities Exemption Certificate with respect to real property within the Industrial Development District; and

WHEREAS, before acting on said application, the City of Norton Shores held a hearing on October 15, 2019 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 Renishaw Fixturing Solutions, LLC 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 at the Norton Shores Branch Library, 705 Seminole Road, on the 15th day of October 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

STATE EQUALIZED VALUE ANALYSIS

I. Active PA-198 as of December 31, 2018

PA-198 Real @ \$9,684,700
PA-198 Personal @ \$2,611,200

TOTAL: \$12,295,900

II. Estimated SEV of Applications approved after December 31, 2018

<u>Company</u>	<u>Real</u>	<u>Personal</u>	<u>Total</u>	<u>Approved</u>
Blue Photon Technology	\$1,395,694	-0-	\$1,395,694	9/17/19

TOTAL TO DATE: \$1,395,694

III. Estimated SEV for current applicant – Renishaw Fixturing Solutions, LLC:

TOTAL: \$3,146,819

<u>City's Total SEV</u>	<u>SEV Exempted</u>	<u>Percent of SEV Exempted</u>
\$1,067,703,500	\$16,838,413	1.58%

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 Stubbins</i>	Date Received by Local Unit <i>9/26/2019</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) <i>Renishaw Fixturing Solutions, LLC</i>	1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <i>3499</i>	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <i>5500 Grand Haven Rd Norton Shores, MI: 49441</i>	1d. City/Township/Village (indicate which) <i>Norton Shores</i>	1e. County <i>Missaukee</i>
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 <i>Mona Shores</i>	3b. School Code <i>61060</i>
	4. Amount of years requested for exemption (1-12 Years) <i>12</i>	

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.

6a. Cost of land and building improvements (excluding cost of land)	<i>\$6,293,637</i>
* 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	Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation, plus total	<i>\$6,293,637</i>
6c. Total Project Costs	Total of Real & Personal Costs
* Round Costs to Nearest Dollar	

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.

	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>		
Real Property Improvements	<i>4/1/2019</i>	<i>2/1/2020</i>	<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. <i>38</i>	10. No. of new jobs at this facility expected to create within 2 years of completion. <i>3-5</i>
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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)
3/21/2019

12c. Is this application for a speculative building (Sec. 3(8))?
 Yes 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 <i>Alex Welch</i>	13b. Telephone Number <i>616-847-6045</i>	13c. Fax Number	13d. E-mail Address <i>Alex.welch@renishaw.com</i>
14a. Name of Contact Person <i>Alex Welch</i>	14b. Telephone Number <i>616-847-6045</i>	14c. Fax Number	14d. E-mail Address <i>Alex.welch@renishaw.com</i>
▶ 15a. Name of Company Officer (No Authorized Agents) <i>Alex Welch</i>			
15b. Signature of Company Officer (No Authorized Agents) <i>[Signature]</i>		15c. Fax Number	15d. Date <i>9/17/19</i>
▶ 15e. Mailing Address (Street, City, State, ZIP Code) <i>1809 Industrial Park Dr Grand Haven, Mi 49417</i>		15f. Telephone Number <i>616-847-6045</i>	15g. E-mail Address <i>Alex.welch@renishaw.com</i>

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. 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 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

City of Norton Shores
4814 Henry Street
Norton Shores MI 49441

RE: Act 198 and/or 328 Agreement with the City of Norton Shores

Renishaw Fixturing Solutions, LLC (Company) hereby submits application to the City of Norton Shores (City) for the granting of:

- Industrial Facilities Exemption Certificate (IFE) pursuant to P.A. 198
 Exemption of New Personal Property pursuant to P.A. 328

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 shall provide a letter to the City no later than January 10th following the second year after the issuance of the abatement certifying:
 - a. Number of jobs created or retained
 - b. Actual cost for both real and personal 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 real and personal 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 or Act 328 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; and, further

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 and/or 328, as amended, has been made or promised in exchange for favorable consideration of an exemption certificate.

Company Name: Renishaw Fixturing Solutions, LLC

Company Address: 5500 Grand Haven Rd

Norton Shores, Mi 49441

WITNESS:

Dil G. S. J.

by:

[Signature]

Date:

9/17/19

Title: Finance Manager Company Renishaw Fixturing Solutions

WITNESS:

by:

Date:

Gary L. Nelund
Mayor, City of Norton Shores

WITNESS:

by:

Date:

Shelly Stibitz
City Clerk, City of Norton Shores

5. Number of years requested for tax exemption: 12

How will the number of years benefit the company? _____

The 12-year time period will allow additional growth and expansion of current business,

as well as enable the addition of new metrology products, while getting involved

in the Norton Shores/Muskegon area.

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 _____

7. Long-range plans for the company: Significantly grow our capabilities as the manufacturing center of excellence in the Western Michigan, enabling both business expansion and the growth of our local workforce.

8. Any additional information you feel may be helpful in processing your application for City Council consideration: Renishaw is one of the world's leading engineering and scientific companies, with expertise in precision measurement across a wide range of industries. Our new location in Norton Shores is designed to be the manufacturing Center of Excellence, and we look forward to becoming a strong member of the community.

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

Assist in identification of future talent to grow our workforce in Western Mi

By Alex Welch
Title Finance Manager
Date, 9/17/19