



September 10, 2019

Council Meeting of September 17, 2019  
Subject: Industrial Facilities Tax Exemption  
Certificate – Blue Photon Technology &  
Workholding Systems, LLC, 700 E.  
Porter Road

The Honorable Mayor  
and  
Members of the City Council

Ladies and Gentlemen:

A public hearing has been scheduled for the September 17, 2019 City Council meeting to consider an application from Blue Photon Technology & Workholding Systems, LLC for an Industrial Facilities Tax Exemption Certificate for real property in the amount of \$2,791,338 on the property located at 700 E. Porter 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 Blue Photon Technology & Workholding Systems, LLC. If approved, the City will initially receive \$7,641 in additional taxes and abate \$7,641 in taxes for the real property included in this application. First year taxes for all jurisdictions will total \$44,623.

The company is moving from Shelby, Michigan and will bring seven full-time jobs to Norton Shores. They plan to expand in the future adding 8 – 10 additional full-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 700 E. Porter Road as an Industrial Development District; and

WHEREAS, Blue Photon Technology & Workholding Systems, 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 September 17, 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 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 real and personal property thus exempted;
3. The application of Blue Photon Technology & Workholding Systems, 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 twelve (12) 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 17<sup>th</sup> day of September 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.

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Shelly Stibitz, City Clerk



City of Norton Shores  
4814 Henry Street  
Norton Shores MI 49441

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

Blue Photon Technology & Workholding Systems, 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 10<sup>th</sup> 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 32 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: Blue Photon Technology & Workholding Systems, LLC  
Company Address: 1102 Industrial Park Dr.

WITNESS:

by: [Signature] Date: 8.16.19  
Title: President/CEO

WITNESS:

by: \_\_\_\_\_ Date: \_\_\_\_\_  
Gary L. Nelund  
Mayor, City of Norton Shores

WITNESS:

by: \_\_\_\_\_ Date: \_\_\_\_\_  
Shelly Stibitz  
City Clerk, City of Norton Shores



**INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE**  
**INFORMATION SHEET**

**Blue Photon Technology & Workholding Systems, LLC**

**1002 Industrial Park Dr. Shelby, MI 49455**

(Applicant)

(Address)

In order to properly process your application for an Industrial Facilities Exemption Certificate, the following information is requested:

1. The nature of the business and any special or unique properties of the company:

**State of the art workholding manufacturer.**

2. Number of years the firm has been in the community: 0 New Building

Number of years the firm has been in business: 7

3. Number of Employees: Current After Expansion

Full-time 7 8 - 10+

Part-time 1

Called back from layoff

4. Value of Expansion or Improvement:

Land Improvement: \_\_\_\_\_

Building Improvements: \_\_\_\_\_

Machinery and Equipment: \_\_\_\_\_

Furniture and Fixtures: \_\_\_\_\_

*San has sent a separate attachment*

5. Number of years requested for tax exemption: 12

How will the number of years benefit the company? \_\_\_\_\_

**It would allow for increased investment as well as growing and expanding our business.**

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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: \_\_\_\_\_

**Long range plans consist of growing and becoming a contract manufacturer as well as move into other areas of manufacturing.**

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

**Blue Photon started in 2012 with 2 full time employees selling our product that was manufactured by 3<sup>rd</sup> parties. We moved to our current location in Shelby in 2016, where we added 5 full time and 1 part time employees. At this time we brought in new CNC machines and other equipment/technology and started manufacturing our own products; therefore, eliminating the 3<sup>rd</sup> parties. We have since outgrown our Shelby facility! The tax abatement would allow the construction of a new manufacturing facility in Norton Shores. It will help us be able to grow and expand our business which will bring in many additional employees.**

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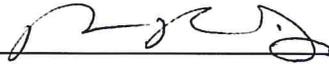
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9. Any other areas in which the City may assist your company:

**Any employee training grants that are available.**

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By  \_\_\_\_\_

Title President/CEO \_\_\_\_\_

Da\_te 8.16.19 \_\_\_\_\_

Shelly Stibitz, City Clerk  
Michael Huston, Finance Director  
rev. 2017

# 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 517-373-3302.

To be completed by Clerk of Local Government Unit	
Signature of Clerk <i>Shirley Stubbins</i>	Date Received by Local Unit <i>August 20, 2019</i>
STC Use Only	
Application Number	Date Received by STC

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

1 a. Company Name (Applicant must be the occupant/operator of the facility) <i>BluePrint Technology + Workholding Systems, LLC</i>		1 b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <i>333515</i>	
1 c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <i>700 E. Packer Rd</i>		1 d. City/Township/Village (indicate which) <i>Norton Shores</i>	1 e. County <i>Mustkegon</i>
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))		3a. School District where facility is located <i>Mchena Shores</i>	3b. School Code <i>61060</i>
Rehabilitation (Sec. 3(6)) Increase/Amendment		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. <i>manufacturer and engineering enc equipment and manual equipment CAD design and engineering software + computers</i>			
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.		<i>2,791,338.22</i>	
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total		Real Property Costs	
6c. Total Project Costs ... * Round Costs to Nearest Dollar		Personal Property Costs	
		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		<i>September 15, 2019</i>	<i>June 30, 2020</i>
Personal Property Improvements			
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. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
9. No. of existing jobs at this facility that will be retained as a result of this project. <i>8</i>		10. No. of new jobs at this facility expected to create within 2 years of completion. <i>1-5+</i>	
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: <input checked="" type="checkbox"/> Industrial Development District <input type="checkbox"/> Plant Rehabilitation District			
12b. Date district was established by local government unit (contact local unit) <i>May 3, 1994</i>		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 <i>Daniel Billings</i>	13b. Telephone Number <i>855-777-2040</i>	13c. Fax Number	13d. E-mail Address <i>dane@bluephotogrip.com</i>
14a. Name of Contact Person <i>Daniel Billings</i>	14b. Telephone Number <i>855-777-2040</i>	14c. Fax Number	14d. E-mail Address <i>Same</i>
▶ 15a. Name of Company Officer (No Authorized Agents) <i>Daniel Billings</i>			
15b. Signature of Company Officer (No Authorized Agents) <i>[Signature]</i>		15c. Fax Number	15d. Date <i>8.16.19</i>
▶ 15e. Mailing Address (Street, City, State, ZIP Code) <i>1002 Industrial Park Dr. Shelby, MI 49455</i>		15f. Telephone Number <i>855-777-2040</i>	15g. E-mail Address <i>dane@bluephotogrip.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 <b>D</b> Abatement Approved for _ _ _ Yrs Real (1-12), _ _ _ Yrs Pers (1-12) After Completion 0 Yes <b>D</b> No <b>D</b> Denied (Include Resolution Denying)	16b. The State Tax Commission Requires the following documents be filed for an administratively complete application <b>Check or Indicate N/A if Not Applicable</b> 1. Original Application plus attachments, and one complete copy 2. Resolution establishing district 3. Resolution approving/denying application. 4. Letter of Agreement (Signed by local unit and applicant) 5. Affidavit of Fees (Signed by local unit and applicant) 6. <b>B</b> <del>Initial</del> <b>Initial</b> improvements if project has already begun 7. Equipment List with dates of beginning of installation 8. Form 3222 (if applicable) 9. Speculative building resolution and affidavits (if applicable)
16a. Documents Required to be on file with the Local Unit Check or Indicate <b>N/A</b> if Not Applicable 1. <b>No</b> <del>he</del> <b>to the p, hnc p, ; o, to heaclog estabUshlog a district</b> 2. Notice to taxing authorities of opportunity for a hearing. 3. List of taxing authorities notified for district and application action. 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 1Gb. 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



## Blue Photon Norton Shores new Bulding Costs

Land	\$75,960.00
Survey	\$1,350.00
Enviromental Survey	\$1,750.00
Construction Cost- Desgn and Build	\$2,791,338.22
New Furniture	\$35,000.00
New equipmemt	\$231,000.00
Total	\$3,136,398.22

## 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>
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TOTAL: \$ \_\_\_\_\_

III. Estimated SEV for current applicant – Blue Photon Technology & Workholding Systems:

TOTAL: \$1,395,694

<u>IV. City's Total SEV</u>	<u>SEV Exempted</u>	<u>Percent of SEV Exempted</u>
\$1,067,703,500	\$13,691,594	1.28%