

**CITY OF NOVI CITY COUNCIL**  
**SEPTEMBER 23, 2019**

**SUBJECT:** Consideration of approval of resolution authorizing application from Bluewater Technologies Group, Inc. for an Industrial Facilities Tax Exemption Certificate for new improvements to a parcel of existing vacant land located at 45833 W. Twelve Mile Road and related Agreement concerning Industrial Facilities Tax Abatement.

**SUBMITTING DEPARTMENT:** City Assessor

**BACKGROUND INFORMATION:** Introduction and History

An application has been filed by Bluewater Technologies Group, Inc. (applicant) for an Industrial Facilities Tax Exception Certificate (IFEC) for real property and personal property to be located on parcel 50-22-16-226-003 and at 45833 W. Twelve Mile Road. The property's legal description is as follows:

T1N, R8E, SEC 16 PART OF N 1/2 OF NE 1/4 BEG AT PT DIST E 1155.04 FT FROM N 1/4 COR, TH E 495 FT, TH S 00-53-00 W 880 FT, TH W 495 FT, TH N 00-53-00 E 880 FT TO BEG 10 AMN297A-1;

The parcel of land is situated within the Bluewater Technologies Group, Inc. Industrial Development District, established on September 23, 2019. The request was submitted by the applicant on August 2, 2019.

The real property improvement investment is \$15,835,948 and the personal property investment is \$3,410,550, for a total investment of \$19,246,498.<sup>1</sup> The real property consists of real property improvements including a 90,000 square corporate headquarters facility, having a 30,000 square foot 2-story office area and 60,000 square foot shop area. The tenant signed a 15-year lease, which covers the abatement certificate period and the city's business residence requirement, with a provision they are required to pay property taxes directly to the City. See attached application for further description.

The project proposed in this application would be eligible for consideration of an IFEC under the provision of the City's Property Tax Incentive Policy (Policy) and Public Act 198 and as identified as a *New Facility*. The above applied for real property and

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<sup>1</sup> See attached listing.

personal property improvements meet the City's Policy for both real property and personal property.

Because this is a new facility, this project will result in an expected 193 new jobs created at this site.<sup>2</sup> Granting this request will result in an increase in the tax base of the city and should bring increased economic benefits to the city and to other service oriented businesses.

#### Term of Abatement

The applicant is requesting a 6-year abatement, and has signed the City's incentive agreement which requires the additional two (2) years of business residence after the certificate expires.

#### Tax Delinquencies and Savings

To the best of staff's knowledge, there are no delinquent taxes owed by the applicant within the City of Novi.

If this abatement is granted for the six years request the potential real and personal property tax savings for the applicant will be approximately \$1,357,000, over the term of the certificate. Additional real and personal property tax revenue for the city will be approximately \$256,000, over the term of the certificate.

Due to the passage of personal property tax laws in 2014, there is a possibility that the personal property will be exempt immediately from ad valorem taxes. This being assumed, the additional real property tax revenue for the city will be approximately \$229,000 over the term of the certificate.

At the end of the certificate's life the property subject to the abatement will be added to the City's ad valorem assessment roll and taxed at its full respective millage rates, unless the abatement is extended by City Council.

#### Other Abatements in the City

The applicant does not have any other abatements within the City of Novi.

#### Pending Appeals

To the best of staff's knowledge, there is no outstanding and/or pending appeal(s) involving the property that is the subject of this application within the city of Novi. Furthermore, there is no outstanding and/or pending appeal(s) involving the applicant filing for this tax incentive within the city.

Based on reviewing the application and the City's property tax incentive policy, the applicant qualifies for a 6-year abatement; with the term of the abatement beginning on 12/31/2019 and ending on 12/30/2025. The City's business residency requirement states with this duration of an abatement certificate the applicant must remain at the facility for an additional two (2) years after the certificate expires.

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<sup>2</sup> See included Supplemental Questions responding to the City's Policy.

**RECOMMENDED ACTION:** Approval of resolution authorizing application from Bluewater Technologies Group, Inc. for an Industrial Facilities Tax Exemption Certificate for new improvements to a parcel of existing vacant land located at 45833 W. Twelve Mile Road and related Agreement concerning Industrial Facilities Tax Abatement.

## Summary of Previously Approve and Proposed PA 198 Projects

### Property Tax Estimate

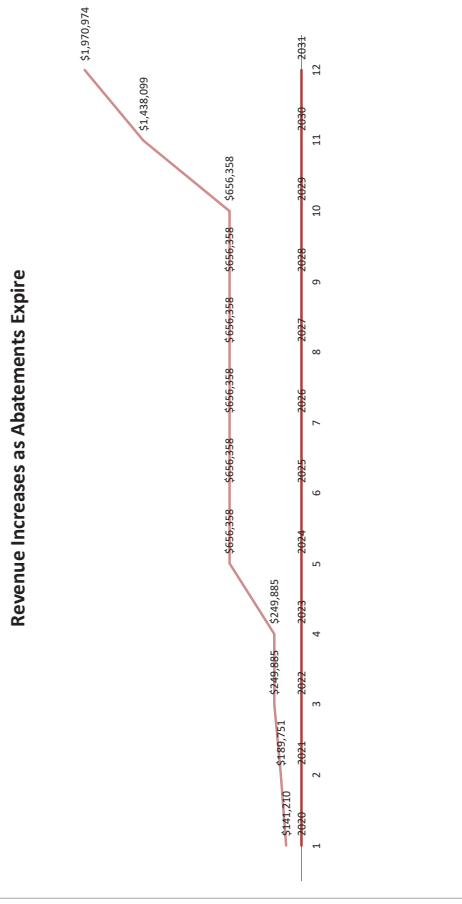
Name	Mills**	Total Increase By Fiscal Year Ended											Total Increase Revenues
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
General	4.925	\$13,574	\$18,240	\$24,020	\$24,020	\$63,092	\$63,092	\$63,092	\$63,092	\$63,092	\$138,236	\$189,458	\$786,096
Streets	1.4923	\$4,057	\$5,452	\$7,180	\$7,180	\$18,859	\$18,859	\$18,859	\$18,859	\$18,859	\$41,320	\$56,630	\$234,971
Public Safety	1.4208	\$3,863	\$5,191	\$6,836	\$6,836	\$17,955	\$17,955	\$17,955	\$17,955	\$17,955	\$39,340	\$53,917	\$223,713
Parks & Rec	0.3836	\$1,043	\$1,401	\$1,846	\$1,846	\$4,848	\$4,848	\$4,848	\$4,848	\$4,848	\$10,621	\$14,557	\$60,400
Drain	1.0158	\$2,741	\$3,653	\$4,811	\$4,811	\$12,637	\$12,637	\$12,637	\$12,637	\$12,637	\$27,689	\$37,818	\$158,840
CP	1.0000	\$2,020	\$2,805	\$3,694	\$3,694	\$9,703	\$9,703	\$9,703	\$9,703	\$9,703	\$21,259	\$29,137	\$117,455
Library	0.7678	\$2,020	\$2,805	\$3,694	\$3,694	\$9,703	\$9,703	\$9,703	\$9,703	\$9,703	\$21,259	\$29,137	\$117,455
Debt Library***	0.3800	\$1,043	\$1,388	\$1,828	\$1,828	\$4,802	\$4,802	\$4,802	\$4,802	\$4,802	\$10,522	\$14,420	\$59,833
City	10.6376	\$38,819	\$50,699	\$66,637	\$66,637	\$173,167	\$173,167	\$173,167	\$173,167	\$173,167	\$381,167	\$512,886	\$2,063,203
School (Nov)	31.8379	\$86,561	\$116,317	\$153,719	\$153,719	\$402,345	\$402,345	\$402,345	\$402,345	\$402,345	\$861,149	\$1,128,109	\$4,563,051
County	4.7785	\$14,439	\$17,458	\$22,990	\$22,990	\$60,387	\$60,387	\$60,387	\$60,387	\$60,387	\$132,110	\$181,337	\$752,401
OCC	1.5303	\$4,661	\$6,191	\$8,113	\$8,113	\$21,339	\$21,339	\$21,339	\$21,339	\$21,339	\$46,372	\$63,073	\$246,954
ISD	3.2329	\$8,847	\$11,888	\$15,655	\$15,655	\$41,120	\$41,120	\$41,120	\$41,120	\$41,120	\$86,096	\$115,480	\$462,344
<b>Total</b>	<b>51.9382</b>	<b>\$144,210</b>	<b>\$189,751</b>	<b>\$249,885</b>	<b>\$249,885</b>	<b>\$656,358</b>	<b>\$656,358</b>	<b>\$656,358</b>	<b>\$656,358</b>	<b>\$656,358</b>	<b>\$1,438,099</b>	<b>\$1,970,974</b>	<b>\$8,177,953</b>

\*\* Starting and future values are based on initial investment in property with annual 1.5% increases for inflation.  
 \*\* Annual tax bill based on the 2018 Tax Year millage rates, including 1.000 CIP.  
 \*\*\* Current Debt Millages scheduled to fall off in future fiscal years

The City's current abatements and when they are set to expire are as follows:

Name	Taxable Value	Fiscal Year Expiration	Revenue Increase At Expiration @50%
HCP Land LLC (Tegnum)	\$2,418,000	2019-2020	\$62,793
Herman Becker	\$10,216,030	2023-2024	\$265,391
Magna Seating	\$71,582,270	2029-2030	\$185,894
Baco Enterprises	\$4,776,400	2029-2030	\$124,059
Dairiku NA Holding	\$4,570,060	2029-2030	\$118,680
AL23 Supplies	\$13,598,000	2029-2030	\$353,128
Yafeng Auto	\$1,662,850	2025-2026	\$43,183
EJ Brooks	\$750,500	2021-2022	\$18,970
Hino Motors	\$5,436,150	2023-2024	\$141,172
Hanon Systems	\$3,019,600	2030-2031	\$78,416
Production Tool Supply	\$17,500,000	2030-2031	\$454,459
Orex Corporation	\$1,869,200	2020-2021	\$48,541
Nachi Robotic Systems	\$1,585,100	2021-2022	\$41,164
Bluemater Technologies Group*	\$7,917,974	2025-2026	\$205,623

\* Proposed project



## Proposed Data Related to Bluewater Technologies Group

Applicant: Bluewater Technologies Group  
 The following summary is additional information related to the abatement.  
 Total estimated investment and estimated taxable value\*: Investment \$15,835,948 Taxable (50%) \$7,917,974 (Investment value added at application cost)

Property Tax Estimate	Total Incentive By Year (50%)												
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	Total Incentive
General	\$39,530	\$19,765	\$20,363	\$20,668	\$20,978	\$21,293	\$0	\$0	\$0	\$0	\$0	\$0	\$123,129
Streets	\$11,816	\$5,908	\$6,087	\$6,178	\$6,271	\$6,365	\$0	\$0	\$0	\$0	\$0	\$0	\$36,804
Public Safety	\$11,250	\$5,625	\$5,709	\$5,882	\$5,970	\$6,060	\$0	\$0	\$0	\$0	\$0	\$0	\$35,041
Parks & Rec	\$3,037	\$1,519	\$1,541	\$1,588	\$1,612	\$1,636	\$0	\$0	\$0	\$0	\$0	\$0	\$9,461
Drain	\$797	\$398	\$404	\$416	\$423	\$429	\$0	\$0	\$0	\$0	\$0	\$0	\$2,481
CIP	\$7,918	\$3,959	\$4,018	\$4,140	\$4,202	\$4,265	\$0	\$0	\$0	\$0	\$0	\$0	\$24,663
Library	\$6,079	\$3,040	\$3,085	\$3,179	\$3,226	\$3,275	\$0	\$0	\$0	\$0	\$0	\$0	\$18,936
Debt Library ***	\$3,009	\$1,504	\$1,527	\$1,573	\$1,597	\$1,621	\$0	\$0	\$0	\$0	\$0	\$0	\$9,372
City	\$83,436	\$41,718	\$42,344	\$43,624	\$44,278	\$44,942	\$0	\$0	\$0	\$0	\$0	\$0	\$259,886
School (Novi)	\$252,092	\$126,046	\$127,937	\$131,803	\$133,780	\$135,787	\$0	\$0	\$0	\$0	\$0	\$0	\$785,209
County	\$37,836	\$18,918	\$19,202	\$19,782	\$20,079	\$20,380	\$0	\$0	\$0	\$0	\$0	\$0	\$117,851
OCC	\$12,117	\$6,058	\$6,149	\$6,335	\$6,430	\$6,527	\$0	\$0	\$0	\$0	\$0	\$0	\$37,741
ISD	\$25,764	\$12,882	\$13,075	\$13,471	\$13,673	\$13,878	\$0	\$0	\$0	\$0	\$0	\$0	\$80,250
<b>Total</b>	<b>\$411,245</b>	<b>\$205,623</b>	<b>\$208,707</b>	<b>\$215,015</b>	<b>\$218,240</b>	<b>\$221,514</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,280,937</b>

\* Starting and future values are based on initial investment in property with annual 1.5% increases for inflation  
 \*\* Annual tax bill based on the 2018 Tax Year millage rates, including 1,000 CIP.  
 \*\*\* Current Debt Millages scheduled to fall off in future fiscal years

The City's current abatements and when they are set to expire are as follows:

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Magna Seating	IN-15-100-195	\$7,158,270	2029-2030	\$185,894
Boco Enterprises	IN-16-100-096	\$4,776,400	2029-2030	\$124,039
Daifuku NA Holding	IN-16-100-145	\$4,570,060	2029-2030	\$118,680
A123 Supplies, LLC	IN-17-100-065	\$13,598,000	2029-2030	\$353,128
Yanfeng Auto	IN-17-100-064	\$1,662,850	2025-2026	\$43,183
EJ Brooks	IN-17-100-074	\$730,500	2021-2022	\$18,970
Hino Motors	IN-17-100-121	\$5,436,150	2023-2024	\$141,172
Hanon Systems	IN-18-100-013	\$3,019,600	2030-2031	\$78,416
Production Tool Supply	IN-18-100-011	\$17,500,000	2030-2031	\$454,459
Oratec Corporation	IN-18-100-012	\$1,869,200	2020-2021	\$48,541
Nachi Robotics	IN-18-100-092	\$1,585,100	2021-2022	\$41,164
Bluewater Technologies****		\$7,917,974	2025-2026	\$205,623

\*\*\*\* Proposed

Above estimates are real property only if applied for after 2016 tax year for EMPF

# 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 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	▶ Date Received by Local Unit
STC Use Only	
▶ Application Number	▶ Date Received by STC

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

▶ 1a. Company Name (Applicant must be the occupant/operator of the facility) <b>Bluewater Technologies Group, Inc.</b>	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>423690, 339950, 423620, 532210, 532490, 561449</b>	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>45833 W. 12 Mile Rd.</b>	▶ 1d. City/Township/Village (indicate which) <b>Novi</b>	▶ 1e. County <b>Oakland</b>
▶ 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Transfer <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input type="checkbox"/> Increase/Amendment	▶ 3a. School District where facility is located <b>Novi Schools</b>	▶ 3b. School Code <b>63100</b>
	▶ 4. Amount of years requested for exemption (1-12 Years) <b>Six (6)</b>	

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

Please see attached Exhibit A and Exhibit B.

6a. Cost of land and building improvements (excluding cost of land) .....	▶ <b>\$ 15,835,948.00</b>
* Attach list of improvements and associated costs.	
* Also attach a copy of building permit if project has already begun.	
6b. Cost of machinery, equipment, furniture and fixtures .....	▶ <b>\$ 3,410,550.00</b>
* Attach itemized listing with month, day and year of beginning of installation, plus total	
6c. Total Project Costs .....	▶ <b>\$ 19,246,498.00</b>
* Round Costs to Nearest Dollar	
<b>Total of Real &amp; Personal Costs</b>	

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>06/03/19</u>	▶ <u>07/31/20</u>	▶ <input type="checkbox"/> Owned	<input checked="" type="checkbox"/> Leased
Personal Property Improvements	▶ <u>03/02/20</u>	▶ <u>12/31/20</u>	▶ <input checked="" type="checkbox"/> Owned	<input type="checkbox"/> Leased

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

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. **Zero**      ▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. **193**

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

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

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

c. Total TV .....


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

▶ 12b. Date district was established by local government unit (contact local unit)      ▶ 12c. Is this application for a speculative building (Sec. 3(8))?  
 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 <b>Jaime McAlear</b>	13b. Telephone Number <b>248-915-5181</b>	13c. Fax Number <b>248-351-2227</b>	13d. E-mail Address <b>jmcalear@bluewatertech.c</b>
14a. Name of Contact Person <b>Jaime McAlear</b>	14b. Telephone Number <b>248-915-5181</b>	14c. Fax Number <b>248-351-2227</b>	14d. E-mail Address <b>jmcalear@bluewatertech.c</b>
▶ 15a. Name of Company Officer (No Authorized Agents) <b>John Tracy</b>			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number <b>248-351-2227</b>	15d. Date <b>8/23/19</b>
▶ 15e. Mailing Address (Street, City, State, ZIP Code) <b>24050 Northwestern Hwy., Southfield, MI, 48075</b>		15f. Telephone Number <b>248-219-8093</b>	15g. E-mail Address <b>jtracy@bluewatertech.com</b>

**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: <b>Check or Indicate N/A if Not Applicable</b> <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 <b>Check or Indicate N/A if Not Applicable</b> <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

## Exhibit A

**General Description of the Facility:** Bluewater's corporate headquarters' will relocate from their current locations in Southfield and Farmington Hills to a new 90,000 sf building, with 30,000 sf allocated for a two-story office (15,000 each floor), and 60,000 sf of warehouse. This new build will be ground up new construction that provides room for future expansion.

**General Description of the Proposed Use:** This new facility will be Bluewater's new corporate headquarters, supporting sales and operational activities. This location's proposed use is for a wide variety of work necessary to support our 4 business units: Audio Visual (AV) Integration Solutions, Event Technology Services, Technology Forward Retail Fixturing and Displays, and branded Exhibits and Environments. Shared service type functions such as accounting, marketing, IT support, etc., will also be housed at this location.

**Nature and Extent of the Construction:** The new location will be a ground-up, new construction facility that provides room for future expansion. The building will include game rooms, exercise room, showers, kitchen and dining room on top of all of the necessary meeting and work space required. Bluewater will leverage its new office and warehouse space to showcase its unique and effective communication solutions that help connect people, business, and ideas.

**Equipment that will be part of the Facility:** This location will house Live Event equipment such as LED tiles, audio gear and racking. The facility will accommodate additional gear and equipment necessary to support our core business products and warehouse functions.



**Exhibit B**

<b>Real Property Costs</b>			
<b>Description</b>	<b>Costs</b>	<b>Begin Date</b>	<b>End Date</b>
<b>Soft Costs</b>			
CBRE Project Management Fee	\$ 190,000.00	6/3/2019	7/31/2020
CBRE Reimbursables	\$ 5,000.00	6/3/2019	7/31/2020
Architect / Engineer Tenant Improvements	\$ 206,600.00	6/6/2019	7/31/2020
Soft Cost Contingency (includes A/E Reimbursables)	\$ 15,000.00	6/6/2019	7/31/2020
Permit Allowance	\$ 40,000.00	11/1/2019	3/1/2020
Developer Soft Costs	\$ 2,073,430.00	6/3/2019	7/31/2020
Developer Management Fee	\$ 1,200,000.00	6/3/2019	7/31/2020
<b>Hard Costs</b>			
Site Improvement	\$ 2,868,452.00	9/2/2019	7/31/2020
Shell/Core	\$ 6,567,466.00	11/1/2019	7/31/2020
Interior Improvements (Tenent Buildout)	\$ 2,670,000.00	3/2/2020	7/31/2020
<b>Real Property Grand Total</b>	<b>\$ 15,835,948.00</b>		

<b>Personal Property Costs</b>			
<b>Description</b>	<b>Costs</b>	<b>Begin Date</b>	<b>End Date</b>
<b>Furniture, Fixtures, and Equipment</b>			
New Furniture - Allowance (workstations)	\$ 200,000.00	3/2/2020	7/31/2020
New Furniture - Allowance (Ancillary)	\$ 75,000.00	3/2/2020	7/31/2020
Warehouse Equipment	TBD	3/2/2020	12/31/2020
Warehouse Racks	TBD	3/2/2020	12/31/2020
<b>IT</b>			
IT Contract - Structured Cabling	\$ 180,000.00	3/2/2020	7/31/2020
MDF-IDF Connection	\$ 9,500.00	3/2/2020	7/31/2020
Switches	\$ 20,000.00	3/2/2020	7/31/2020
UPS	\$ 25,000.00	3/2/2020	7/31/2020
WAP's	\$ 12,000.00	3/2/2020	7/31/2020
Network Equipment	TBD	3/2/2020	7/31/2020
Software Equipment	TBD	3/2/2020	7/31/2020
<b>AV</b>			
Audio-Visual Allowance	\$ 270,000.00	3/2/2020	7/31/2020
Live Event Technology Equipment Investments	\$ 2,000,000.00	3/2/2020	12/31/2020
<b>Security</b>			
Card Access Allowance	\$ 150,000.00	3/2/2020	7/31/2020
CCTV Allowance	\$ 10,000.00	3/2/2020	7/31/2020
<b>Signage</b>			
Interior Signage, Window Film, Exterior Signage	\$ 47,500.00	3/2/2020	7/31/2020
<b>Move Management</b>			
Moving Expenses, Ancillary Supplies	\$ 50,000.00	3/2/2020	7/31/2020
<b>Overall Project Contingency</b>			
Project Contingency	\$ 352,050.00	3/2/2020	7/31/2020
<b>Miscellaneous</b>			
Final Clean - Allowance	\$ 5,000.00	3/2/2020	7/31/2020
Locks/Keys - Allowance	\$ 2,000.00	3/2/2020	7/31/2020
Dumpsters - Allowance	\$ 2,500.00	3/2/2020	7/31/2020
<b>Personal Property Grand Total</b>	<b>\$ 3,410,550.00</b>		
<b>Grand Total</b>	<b>\$ 19,246,498.00</b>		

New Jobs by Year	Year 1			Year 2			Year 3- Projected			
	2020			2021			2022			
	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	New Full Time Jobs Created	Avg. Weekly Wage	Avg. Weekly Employer-Paid Health Care	
Managerial	0		105	0	0	105	0		105	0
Professional	4	1388	105	6	1365	105	1	1249	105	11
Technical	4	1409	105	2	1152	105	3	1312	105	9
Sales	0	2475	105	2	1755	105	1	759	105	3
Clerical	0		105	0		105	0		105	0
Craftsman (skilled)	1	279	105	1	465	105	1	465	105	3
Operators (semi-skilled)	2	602	105	3	898	105	2	1203	105	7
Laborers (unskilled)	0	0	105	2	155	105	0	0	105	2
Service	1	1200	105	3	1200	105	2	1200	105	6
<b>Total</b>	<b>12</b>	<b>\$1,050</b>	<b>\$105</b>	<b>19</b>	<b>\$874</b>	<b>\$105</b>	<b>10</b>	<b>\$884</b>	<b>\$105</b>	<b>41</b>

**Existing Jobs (from Southfield and Farmington Hills to Novi)**

Job Category	Relocated Jobs - 2020 (Year 1)	New Full Time Jobs - 2020 (Year 1)	New Full Time Jobs - 2021 (Year 2)
Jobs	162	12	19
<b>Total</b>	<b>162</b>	<b>12</b>	<b>19</b>
<b>Cummulative New + Relocated Jobs - (Years 1 &amp; 2)</b>			
<b>193</b>			

**CITY OF NOVI**  
**TAX INCENTIVE AGREEMENT**  
**CONCERNING**  
**INDUSTRIAL FACILITIES TAX ABATEMENT**

The City of Novi ("City"), located at 45175 W. Ten Mile Road, Novi, Michigan 48375, and the below mentioned Company (collectively, "the Parties"), agree as follows:

**Recitals**

Bluewater Technologies Group, Inc., hereinafter referred to as the  
"Company," located at 45833 W. 12 Mile Road, Novi, MI

has submitted an application to City Council for the granting of an Industrial Facility Exemption Certificate (IFEC), pursuant to Michigan Public Act 198, of 1974, as amended. The property the application pertains to (the "Property") is currently and commonly referred to by its assessment parcel number(s) 22-16-226-003

and is located within an approved Industrial Development District ("Eligible District").

The City and the Company desire to enter into this Tax Incentive Agreement ("Agreement") as required by MCL 207.572, and for the purpose of setting forth the terms and conditions under which an IFEC may be approved by the City Council and may be approved and issued by the State Tax Commission for the facility proposed to be exempt from *ad valorem* real and personal property taxation.

The Company submitted an application for issuance ("Application") of an IFEC for the facility, as provided for in PA 198, of 1974, as amended. The Application is incorporated as part of this Agreement by reference.

Therefore, in consideration of the forgoing, the Parties now enter into this Agreement.

**Terms and Conditions**

In recognition of the granting of the IFEC by City Council and the benefit of the tax savings for the Company, and the economic growth of the City, I hereby agree on behalf of the Company to the following:

1. The Company will furnish notification of the completion of the facility to the City Assessor and the State Tax Commission, within 30 days of the date of completion. If there is no construction progress for a facility under construction for more than 180 days, the Company will notify the City Assessor of its reasons for delay.
2. Within 90 days of the date of completion of the facility, the Company will report:
  - a. The final cost of the facility to the City Assessor and the State Tax Commission including, if applicable, and:
    - i. a detailed listing of the new personal property acquired for the facility, including item description, type, identification, year of acquisition and all costs for its purchase and installation; and
    - ii. a detailed listing of the constructed real property, including all direct and indirect costs associated with its completion; and
    - iii. the number of jobs created by completion of the facility, not including jobs transferred from other locations.

If the actual project costs are more than 10% less than the estimated costs given in the application, or if the number of jobs created are less than the number estimated in the application, the Company will provide the city assessor with a written explanation.

3. No later than the 10<sup>th</sup> day of March of each year, beginning the year following the first tax year effective by the IFEC and throughout the term of this Agreement, the Company shall submit a report ("Annual Report") to the City Assessor and City Clerk stating the average number of jobs in the Eligible District for the preceding year, computed as the average number of actual jobs existing on a quarterly basis for the calendar year preceding the Annual Report. During the term of this Agreement, the City may upon reasonable advance notice, during reasonable times and subject to reasonable restrictions (including but not limited to confidentiality restrictions), review and audit the information presented by the Company to determine compliance with this Agreement.
4. As a condition of receiving an IFEC, or an extension and/or transfer of an existing certificate, pursuant to the city's tax abatement policy, the company agrees to operate the facility for which the IFEC is granted for the term of the IFEC according to the following schedule:
  - a. Tax abatement term of up to eight (8) years (including extensions) = length of abatement certificate AND an additional two (2) tax years.
  - b. Tax abatement term of over eight (8) years (including extensions) = length of the abatement certificate AND an additional four (4) tax years.

5. As a condition of receiving the IFEC, or an extension of an existing certificate, pursuant to this policy, the Company agrees to operate the facility for which the IFEC is granted for the term of the IFEC, which is in accordance with the Resolution approving the IFEC approved by the City Council, plus business residence time period required, in tax years, after the date of expiration of the IFEC.
6. The Company further understands that if it vacates or fails to operate the facility for which the IFEC is granted for the period of time as outlined above, that the company is liable for repayment of all property tax savings benefiting the Company due to the existence of the IFEC, beginning with the initial effective year of the IFEC. In addition, the Company will be liable for repayment of all future tax savings if there are any remaining years in the term of the IFEC, under the provisions of Section 21(2) of Public Act 198, 1974 as amended. These provisions may be waived by the City Council at the request of the Company for justifiable cause.
7. The Company further agrees to pay its abated real and personal property taxes timely and without penalty. In addition, the Company agrees to inform the City Assessor and the City Treasurer of any plans to relocate the company from any location within the City, 30 days prior to the relocation. If any of the foregoing amounts are not paid within sixty (60) days from when the taxes are due to the City, the City may institute a civil action against the Company, and the City shall be entitled to recover the taxes due and any penalties and interests accrued. In addition, the Company shall be all court costs and attorneys' fees incurred by the City in connection with such civil action if the City prevails in collecting at least fifty (50%) percent of the funds sought to be recovered in the action.
8. The Company agrees to notify the City Assessor and City Treasurer of any change in the ownership of the Company's real and personal property assets or a majority share of the Company's stocks. For the purposes of this agreement, a new owner or lessee shall be defined as follows:
  - a. For those IFECs that pertain to real property improvements, the term "new owner or lessee" shall be defined as follows:
    - i. A new entity that acquires, owns and occupies or leases and occupies the facility after the existing certificate holder has physically moved from or vacated the facility.
  - OR
  - ii. An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns and occupies or leases and occupies that facility.

b. For those IFECs pertaining to personal property, the term "new owner or lessee" shall be defined as follows:

i. A new entity that acquires from the existing certificate holder entity the ownership of the facility or leasehold interest in the facility and which keep the facility at its current location.

OR

ii. An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns or leases the facility.

9. Whenever there is a new owner or lessee, as defined above, of any real or personal property for which an IFEC has been granted, the new owner or lessee shall make application for a transfer of the certificate to the new owner or lessee immediately, but no longer than six (6) months after a change in ownership occurs. The City Council may grant requests to transfer existing certificates, after review, provided requests are consistent with the City's adopted Tax Incentive Policy, or any amendments made to the policy, that is in effect at the time a request for a transfer is made. An updated tax incentive agreement shall accompany any request for a transfer of a certificate to a new owner or lessee.

10. The Company further agrees to abide by all other City ordinances, including its building and zoning codes, during the construction and operation of the facility.

11. The Agreement will be interpreted, construed, and enforced in all respects in accordance with the laws of the State of Michigan.

12. The Parties acknowledge that each of them has consulted with attorneys and counselors regarding this Agreement and that the City and the Company have equally participated in the drafting of this Agreement. The Company acknowledges that the terms, conditions, requirements, and obligations of the IFEC and this Agreement are lawful and are reasonable in consideration for the benefits the Company has determined that it will achieve by issuance of the IFEC, and the Company agrees that it shall not be permitted to claim that the City is not authorized by law and/or equity to enforce any provision of this Agreement.

By the signatures of representatives of both the Company and the City below, it is understood that both the Company's investment in the project and the City's investment through the granting of the IFEC is to encourage the economic growth of all.

WITNESS:

  
\_\_\_\_\_  
SIGNATURE

Satt Cave  
\_\_\_\_\_  
PRINT NAME

**COMPANY REPRESENTATIVE:**

BY:   
\_\_\_\_\_

ITS: CEO  
\_\_\_\_\_

DATED: 8/23/19  
\_\_\_\_\_

**ACKNOWLEDGED BY THE CITY OF NOVI:**

WITNESS:

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

BY: \_\_\_\_\_  
ROBERT J. GATT

ITS: MAYOR

DATED: \_\_\_\_\_

WITNESS:

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

BY: \_\_\_\_\_  
CORTNEY HANSON

ITS: CITY CLERK

DATED: \_\_\_\_\_

**INDUSTRIAL FACILITIES EXEMPTION APPLICATION  
AFFIDAVIT OF FEES**

In accordance with State Tax Commission Bulletin No. 3, dated January 1998, the City of Novi and the Applicant for Industry Facilities Exemption Certificate, by and through their respective representatives, do hereby swear and affirm that no payment of any kind, whether they be referred to as "fees", "payments in lieu of taxes", "donations," or by any other like terms, in excess of the application fee allowed by Public Act 323 of 1996, as amended, has been made or promised in exchange for favorable consideration of an exemption certificate application.

**City of Novi**

Signed: \_\_\_\_\_

Printed Name: Cortney Hanson

Title: City Clerk

Dated: \_\_\_\_\_

\* Bluewater Technologies Group, Inc.  
Company/Applicant Name

Signed: \_\_\_\_\_

Printed Name: John Tray

Title: CEO

Dated: 8/23/19



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MICHIGAN ECONOMIC  
DEVELOPMENT CORPORATION

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April 17, 2019

Mr. John Tracy  
CEO  
Bluewater Technologies Group, Inc.  
24050 Northwestern Highway  
Southfield, MI 48075

Dear Mr. Tracy:

Thank you for giving the Michigan Economic Development Corporation (MEDC) the opportunity to site Bluewater Technologies Group, Inc.'s new development in Novi. Michigan is the best choice for your investment. You will find easy access to a large pool of talented workers, a business-friendly climate, and a well-established transportation system that will allow you to get your products to market quickly and cost-effectively.

Based on the estimated project parameters provided by Bluewater Technologies Group, Inc. (\$34.6 million in qualified capital investment which will create at least 81 new jobs over three years), we are pleased to provide an economic development package of state and local incentives totaling up to an estimated \$2.1 million. Please see the attached "Incentives Profile for Bluewater Technologies Group, Inc." for a more-detailed description of the incentives being offered.

This offer includes up to \$300,000 in funding from the Michigan Business Development Program ("MBDP" or "Program"). The MBDP is designed to provide a grant, loan, or other economic assistance to qualified businesses that make qualified investments or create qualified new jobs, or both, in Michigan. While the Program is operated and funded through the Michigan Strategic Fund ("MSF"), recommendations for awards under the Program are presented by the MEDC to the MSF Board.

Under the MBDP, qualified new jobs are in addition to jobs already located in Michigan. Based on the projected number of jobs and investment anticipated by this project, the MEDC is interested in further exploration of a possible recommendation to the MSF Board for approval of a performance-based grant.

If you decide to accept these proposed incentives, please sign and date this letter in the space designated below, and return it to the MEDC. Your signature constitutes acceptance of the terms and requirements of this proposed incentive package. These incentives remain subject to a business integrity review, background check process, and other general due diligence as may be necessary or required; the results of which must be satisfactory to the MEDC, the Office of the Chief Compliance Officer, and related authorities. The MEDC must receive your written acceptance by **May 17, 2019**; otherwise these proposed incentives and services may be subject to renegotiation. Upon acceptance, the offer will remain active for 90 days while due diligence is conducted and the MSF Board considers approval.

PURE MICHIGAN®

Mr. John Tracy  
April 17, 2019  
Page 2

In summary, the State of Michigan is committed to supporting and growing the business services industry in our state. Bluewater Technologies Group, Inc.'s new development is an important project and we welcome the opportunity to help your company.

If you have any questions or concerns, please do not hesitate to contact Drew Coleman directly, either by phone at (517) 599-3033 or email to [colemamd5@michigan.org](mailto:colemamd5@michigan.org). Mr. Coleman is available to coordinate all aspects of your company's project.

Sincerely,



Stacy Bowerman  
Vice President  
Business Development Projects

**Attachments**

cc: Drew Coleman, MEDC  
Matthew Chasnis, MEDC  
Michael Abdallah, Oakland County Economic Development Services

The undersigned agrees to accept the above incentives and services as proposed by the MEDC subject to the conditions stated in this letter.

  
Company Representative

Date: 5/9/19

**Please Return Written Acceptance to the MEDC:**

**Mail:** Attn: Drew Coleman, 300 North Washington Square, Lansing, Michigan 48913  
**Fax:** (517) 335-0198 | **Email:** [colemamd5@michigan.org](mailto:colemamd5@michigan.org)

## Incentives Profile for Bluewater Technologies Group, Inc.

Incentive	Estimated Value
Michigan Business Development Program	\$300,000
MI Works! Service Centers*	\$525,000
PA 198 Property Tax Abatement ( <i>Real Property; 7 years: 6-year abatement for each year of investment</i> )	\$1,044,000
6 Mill State Education Tax Abatement (7 years)	\$271,000
<b>Total Value of Proposed Incentives</b>	<b>\$2,140,000</b>

**Project Assumptions:**

*\$34.6 million in qualified capital investment and creation of at least 81 new jobs over three years. Acceptance of this incentive package is subject to a business integrity review, background check process, and other general due diligence as required, the results of which are satisfactory to the MEDC, the Office of the Chief Compliance Officer, and related authorities.*

*Proposed incentives are dependent on availability of funds each year through the legislative budget process. Incentive amounts are contingent upon the ability of the project to meet program requirements and are subject to an application review and approval process.*

*\*Please see attached workforce development proposal.*

*Proposed incentives will vary based on actual site selected.*

**Proposed package is available until close of business on May 17, 2019.**



BLUEWATER



# Our Story

Bluewater was founded in 1985 by two brothers: Tom Schoeneberger & Paul Rose. Initially named “BlueWater Visual Services,” the company operated out of the garage at Paul’s family home on Brookside Drive in Southfield, MI. At the time, Bluewater provided simple AV equipment rental — namely TVs on carts.

Rapidly evolving in response to changes in technology and the demands of customers, Bluewater has grown to become one of the most trusted event staging and AV integrators in the country.

From TVs and VCRs on carts in the ’80s, to high-end projection systems and LED video walls in the ’90s, to the interactive elements of the 2000s, Bluewater has always pushed the boundaries of new technology and maintained a focus on excellence. Today, Bluewater continues to push boundaries and pursue excellence by standing behind a firm commitment to our partners success. The resulting commitment has helped us build an impressive client roster, including some of the most well known brands & agencies in the world.



## Fast facts

A little bit of the backstory on our brand.

FOUNDED  
**IN**  
**1985**

**SIX**  
LOCATIONS

**250**  
EMPLOYEES

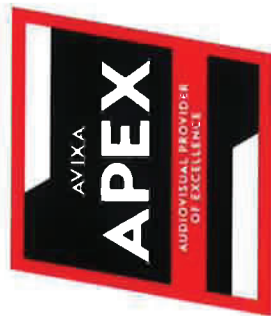
**WOMEN**  
**OWNED**<sup>TM</sup>

New headquarters: Novi, MI



## Awards & Recognition

A little bit of the backstory on our brand.









# Clients we serve

Brand or Agency, we play well with others.



GEORGE P. JOHNSON  
experience marketing



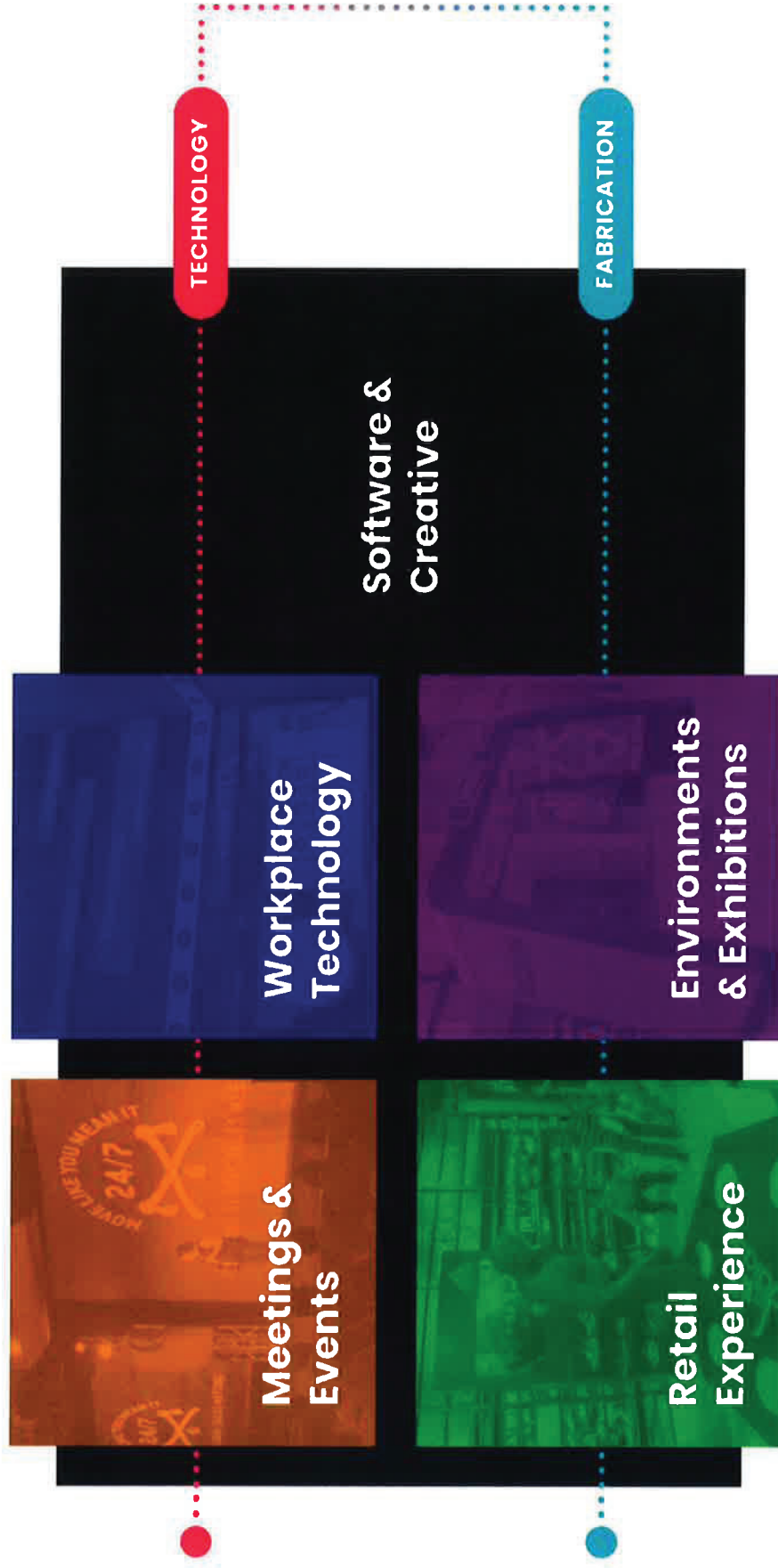


**Mission:** Make people smile.

**Vision:** We're planners, makers  
& innovators - crafting  
moments that connect &  
inspire.



# Our platform

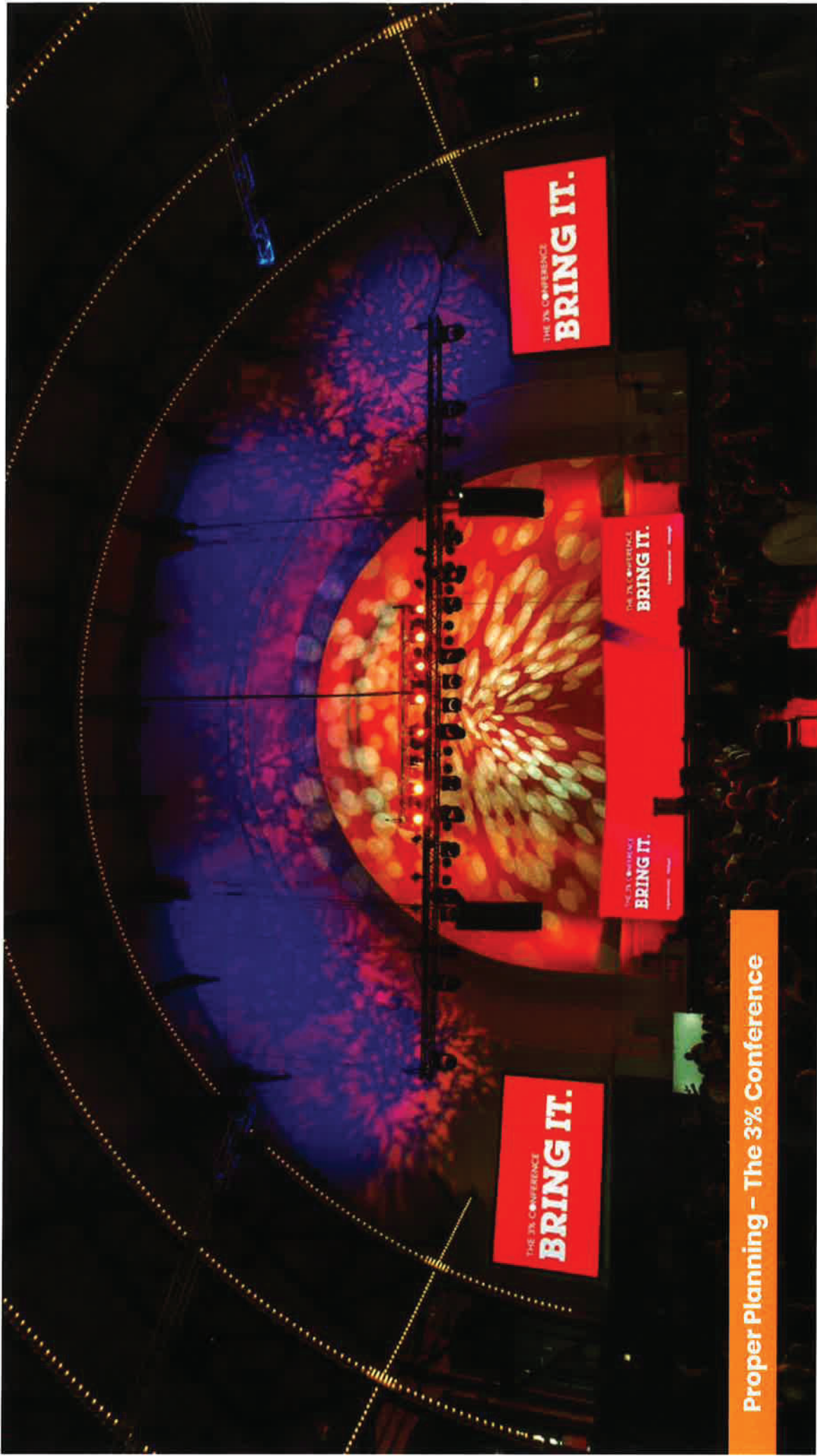




## Meetings & Events Overview

We provide technical support and equipment for events in the corporate communication, tradeshow, touring, and brand activation segments. With a large inventory of equipment, healthy roster of technical talent, and support from our other divisions, we are able to provide a thorough and trustworthy operational experience for our clients.





Proper Planning – The 3% Conference

Walmart.com

Walmart #ReignOn

Walmart.com

FREE 2-Day Shipping

REIGN ON

FREE 2-Day Shipping

Walmart.com

Walmart #ReignOn

FREE 2-Day Shipping

REIGN ON

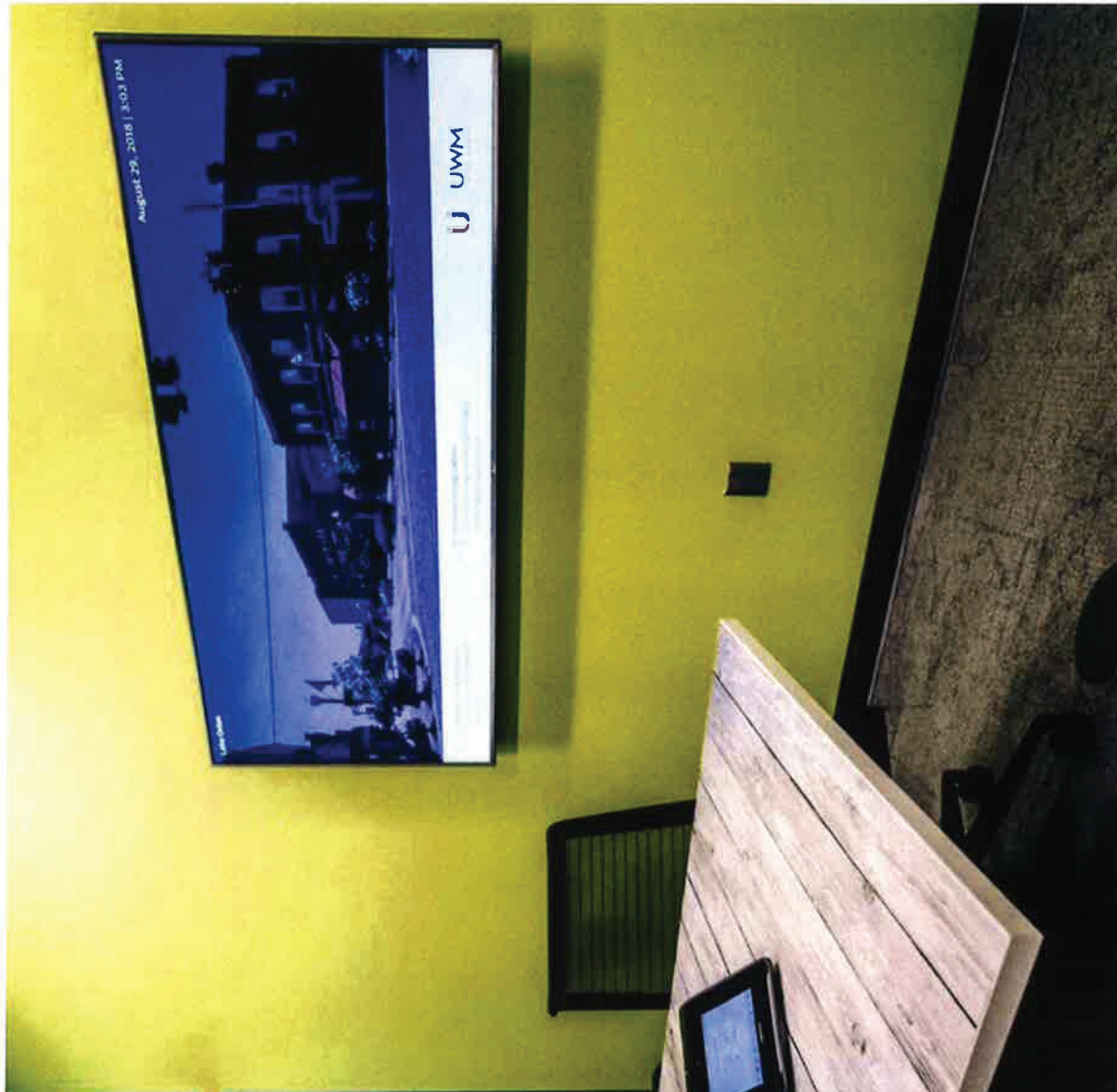
Walmart - Essence Festival

RESTROOMS

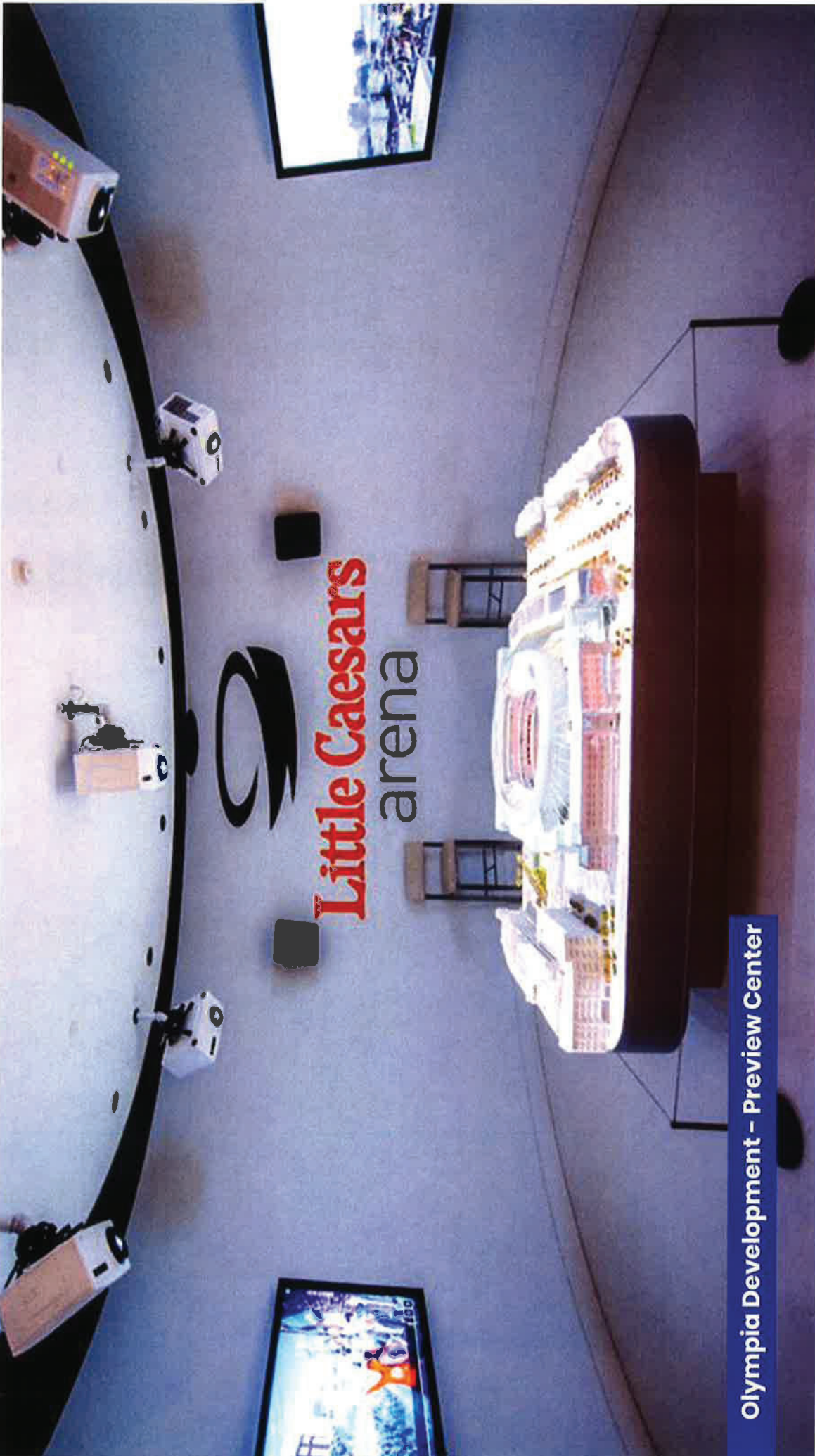
# Systems Integration Overview

We're one of the nation's leading AV integrators. Our clients rely on us to design, install, and support technology packages that enable their workplace. We make conference rooms, boardrooms, training rooms, and lobbies more impactful for the workforce by increasing the communication and the ability to collaborate - regardless of where you are.





United Shore Mortgage - HQ AV

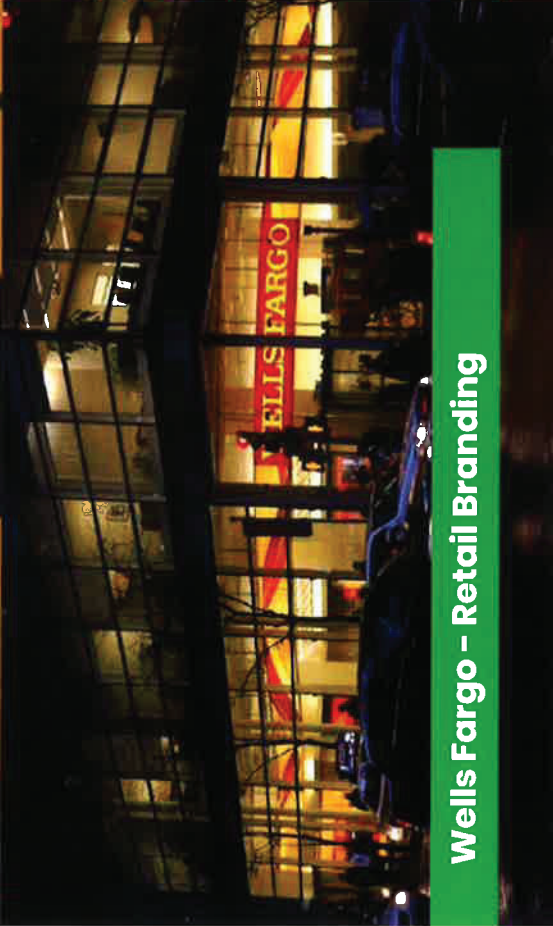


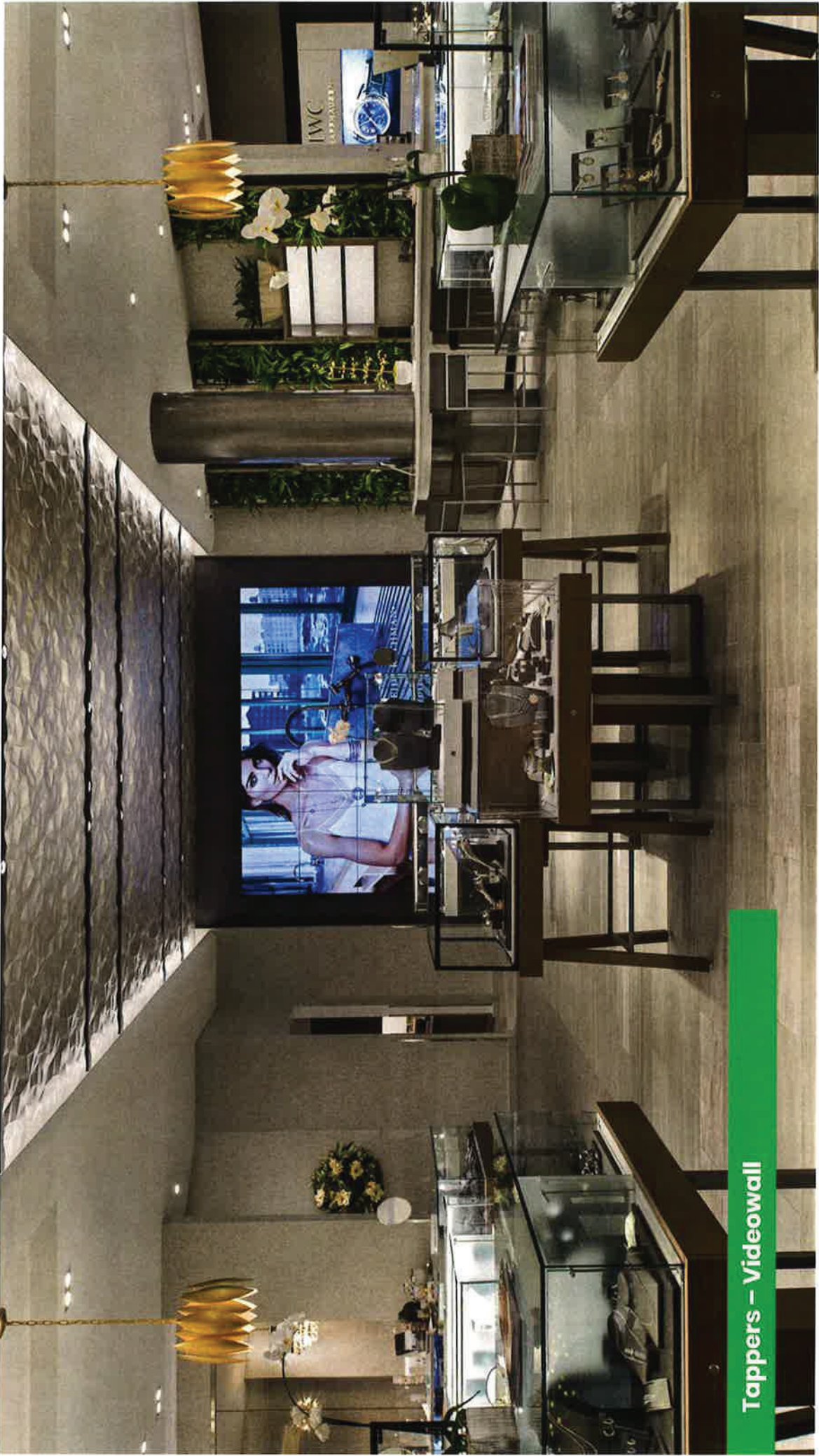
Olympia Development - Preview Center

# Retail Experiences Overview

Technology & Fabrication? Our roots happen to be in both. We're setup to design, engineer, and manufacture our own fixtures in house. From one off environments to programs at scale, we're helping to deliver unforgettable retail experiences. Our technology-forward approach keeps things looking just as good as they function.







Tappers - Videowall

# Environments & Exhibitions Overview

We provide a full range of essential services for the creation of Environments & Exhibitions. This includes project planning, design assist and design build, media, technology, fabrication, and installation. Supported by a rigorous and dynamic organization, our team successfully executes programs around the world.



Union Pacific – Railroad Museum



Underwriters Laboratories - Lobby

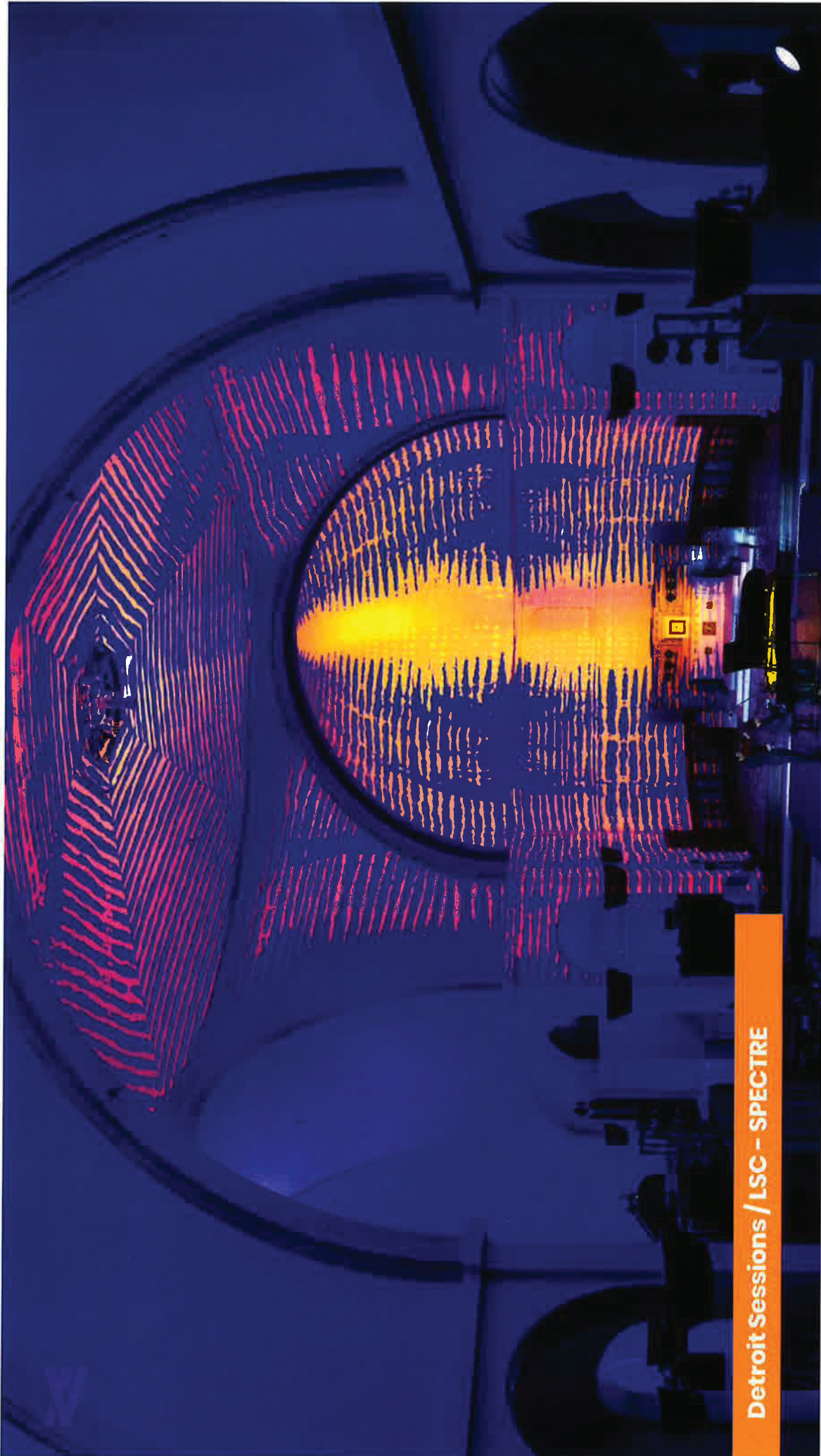


# Bluewater Gives Overview

We are committed to our role as responsible corporate citizens where we can live out our mission and make an impact in the communities in which we serve. In keeping with this promise, we offer Bluewater Gives, a program to help ensure we direct our resources where the most impact will be made. We focus on two objectives: individual contributions and corporate partnerships.



Adopt a Family – Gift Wrapping



Detroit Sessions / LSC - SPECTRE



## Tax Abatement Submittal Form

The City of Novi asks that all firms requesting more information about tax abatements for their new or existing business fill out this form.

Please return completed form by mail to:  
Victor Cardenas  
45175 W. Ten Mile Road  
Novi, MI 48375

or by email to: [vcardenas@cityofnovi.org](mailto:vcardenas@cityofnovi.org)

Name of firm requesting abatement: Bluewater Technologies Group, Inc.

Contact Person: Jaime McAlear

Address: 24050 Northwestern Hwy., Southfield, MI, 48075

Phone: 248-915-5181 Email: jmcalear@bluewatertech.com

Please answer the following questions as completely as possible.

1. How many acres does the project include? 10

2. How many new jobs would be brought to the City of Novi? 193

a. Average salary range of new hires? \$ 55,000

Is this an expansion project of an existing business in Novi? \_Yes\_  No

Is this project coming from within the State of Michigan?  Yes \_\_\_ No

If you answered No, please indicate the origin state? \_\_\_\_\_

Is the headquarters on the site of the facility for which you are requesting abatement?

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

# City of Novi Property Tax Policy Supplemental Questions

Date: August 23, 2019

Applicant Name: Bluewater Technologies Group, Inc.

This form has been started to assist the applicant in addressing the areas questioned within the city's abatement policy. This is only to be used as a starting guide. It is suggested the applicant provide as much written responses and documentation as necessary to assist the City Council in its determinations that the applicant needs the abatement and the background regarding the business activities it provides.

The following criteria will be used to evaluate requests for tax abatement and determination of the number of years of the abatement. The City Council reserves the right to modify the tax abatement criteria to reflect changing objectives, priorities or conditions of the community. All of the following items would need to be initially addressed by the applicant before consideration can move forward.

You must provide support for the following areas.

---

A. Has the applicant begun construction or installation of its project starting or exceeding more than 6 months before filing its application with the city? Provide history and support that for abatement application was received by the City no greater than 6 months from project construction/installation. Provide proof the application pertains to a project located within an established plant rehabilitation district or industrial development district or the means for establishing said district.

**Bluewater Technologies Group, Inc. - Response:** This is accurate. The Project has not started prior to the application and will be located in an industrial development district established prior to the commencement of the Project.

B. Does the applicant or entity have any outstanding property taxes owed relating to this project or any other properties within the city? As relevant, provide parcel numbers and outstanding taxes owed.

**Bluewater Technologies Group, Inc. - Response:** This is accurate. There are no outstanding taxes owed by the applicant or other entity on the Project.

C. If the facility is leased, will the number of years requested for the abatement including its business residence requirement (i.e., years identified in incentive agreement post certificate expiration) exceed the number of tax years (i.e., December 31 for subsequent year) stated in the lease? Lease period MUST NOT include any options of renewal or release. Identify at minimum lease execution date, commencement date, ending date.

**Bluewater Technologies Group, Inc. - Response:** The length of the lease is a 15-year term commencing in 2020 and ending in 2035. The length of the abatement will be less than the lease term.

D. Is there any pending or current litigation, including but not limited to property tax appeals, against the City by the applicant or any of its agents?

**Bluewater Technologies Group, Inc. - Response:** This is accurate. There is no pending or current litigation against the City by the applicant or its agents.

E. Is the abatement application for the current phase of the project? Provide summary of the construction/installation which is identified by the application including a breakdown of beginning construction/installation date (D/M/Y), ending construction date (D/M/Y), type of construction/installation, and estimated cost associated by the application. Provide description of reasoning for the project and its need by the applicant.

**Bluewater Technologies Group, Inc. - Response:** Yes, this is acceptable.

Real Property Improvements: Construction Commencement on 09/01/19. Construction Completion on 07/01/20. Estimated Cost is \$15,835,948.00.

Personal Property Improvements: Commencement on 03/01/20. Completion on 07/01/20. Estimated Cost is \$3,410,550.00.

The reason is to solve for the economic gap. This relocation to Novi is dependent upon the approval of the tax abatement, and Bluewater will not relocate to Novi if the tax abatement is not approved.

F. How is the project fiscally beneficial to Novi from a tax revenue standpoint? How will the project provide a potential to increase employment opportunities for citizens of the community? Provide sufficient information for the city to understand the due diligence efforts of why the applicant is initiating this project. Some examples may include: income salaries and range of salaries of new employees serving the Novi area; greater contribution of supporting residential

and non-residential properties (groceries, gas, clothing, etc). Response is not a substitute for providing detailed employment breakdown as required and relating to application.

**Bluewater Technologies Group, Inc. - Response:** The project will initially add 162 jobs in Novi, which will be relocated from current Bluewater locations in Southfield and Farmington Hills. In addition, the project will create 41 additional jobs in the community over a 3-year period with an average salary of \$55,000. The city will realize additional fiscal benefits including an increase in real and personal property taxes, an increase of local businesses activity (food, retail, etc.) by employees and clients. Bluewater will also partner with local businesses for miscellaneous contract work.

G. Would the company locate or expand in the city of the tax abatement was not available? Provide support for cost/benefit analysis of the savings.

**Bluewater Technologies Group, Inc. - Response:** This relocation to Novi is dependent upon the approval of the tax abatement, and Bluewater will not relocate to Novi if the tax abatement is not approved.

Bluewater has four locations in Michigan, an office in Indiana and a large presence in Ohio. Bluewater has options to relocate to other Michigan locations, Indianapolis, IN or Columbus, OH for their future National Headquarters if the Tax Abatement is not approved. These options align with our growing customer base within these markets and to attract additional clients in these growing locations.

Another local property in Wixom was considered and the property was in an opportunity zone and offered a 12 year tax abatement.

H. Has the company developed the necessary cost disparity between expanding or locating in Novi and any and all other alternative locations outside the community? Provide support for cost analysis developed.

**Bluewater Technologies Group, Inc. - Response:** Yes, significant cost savings could be realized if Bluewater were to relocate to another location. The economic gap between Novi and other selected locales is \$3.2 Million. The gap mostly exists because of Tenant Improvement Costs – Excess to support the business and Personal Property costs for the building to function.

I. What is the long-term impact of the project on Novi's economy, particularly in both real and personal property? Provide support of business contributions. Examples may include, but not limited to curing property-related economic obsolescence, revitalizing property and surrounding property tax base, increase property and surrounding property tax base, assisting city in its economic vision of area.

**Bluewater Technologies Group, Inc. - Response:** The company will relocate 162 employees to Novi and add an additional 41 positions. The project will include a total estimated spend of up to \$34,600,000.00 of real and personal property to the City of Novi.

J. What are the contributions the business and its employees made to communities where it is currently located (i.e., are they a good neighbor. do they get involved in civic activities)? Provide list both from company and employee contributions.

**Bluewater Technologies Group, Inc. - Response:** Bluewater's charitable and community involvement program, *Bluewater Gives*, regularly plans and hosts activities to support local causes, charities and organizations.

Examples Include:

- Employees are encouraged to volunteer 2 days each year for a charity that the employee supports and connects with
- Bluewater sponsors at least 2 charitable organizations and/or causes each year. Examples of this year's partnerships include JDRF (Juvenile Diabetes Research Foundation), Detroit Sessions, and Sam's Scramble.
- In Q4, it is a Bluewater tradition to sponsor a local family that is facing a hardship and provide them a holiday that they will never forget!
- Bluewater raises money for causes throughout the year that are special to our employees- we do this through employee sponsored bake sales, bocce ball tournaments, and other activities that raise awareness, all while having fun!

K. Will the applicant lend to diversification and increase of the city's tax base for developing both real and personal? Provide support.

**Bluewater Technologies Group, Inc. - Response:** Yes. Bluewater will provide differentiation from the auto/ auto supplier sector in Novi and focus on supporting high tech jobs that support a diverse array of industries. Bluewater's customer base and product offering are differentiated (both in client base and geographic reach), which allows for economic stability in certain and uncertain times.

L. Will the project provide enhanced opportunities for the existing business community? Provide support for response.

**Bluewater Technologies Group, Inc. - Response:** Yes. Bluewater often employs local businesses to support project deliverables- examples include contract drivers, marketing and creative needs. We also partner with local small businesses to bring their services to our employees- examples include food trucks, massage and spa services, car washes, etc. Furthermore, we often treat our employees to meals from local businesses when we celebrate 'wins' and achievements.



M. How will the project provide corporate ongoing profitability, viability and vitality? Demonstrate proof, including but not limited to increases in net profit, by percentage, and in real dollars for the last three corporate fiscal years and forecast years.

**Bluewater Technologies Group, Inc. - Response:** Bluewater Technologies Group, Inc. Is focused on diversification of our products and services and expansion of our client reach, is expected to bring steady and aggressive year over year growth.

	<b>Revenue</b>	<b>YOY Growth %</b>	<b>Gross Profit</b>
2020	\$91,829,426	14.81%	\$24,917,905
2021	\$110,101,823	19.90%	\$31,180,365
2022	\$129,831,960	17.92%	\$38,441,392

N. How will the project impact the community in terms of benefits outweighing the taxes forgone by the city? Applicant must provide a fiscal impact analysis that demonstrates the positive impacts to the community and where the benefits outweigh the abated amount in taxes for the duration of the abatement.

**Bluewater Technologies Group, Inc. - Response:** The project property is currently vacant and will be updated to be used as for Bluewater Technologies Group, Inc. headquarters, which will increase the value of the property and increase property tax revenue. The project will include a capital investment of over \$34 million and will have a direct and immediate impact on the tax revenue for the City of Novi. The project also brings 162 new employees to Novi (increasing by 41 over 3 years) which will bring additional revenue to Novi businesses. The Bluewater HQ will also draw partner businesses and clients which will also provide economic benefits to the City.

O. How will the applicant comply with the required yearly abatement compliance review?

**Bluewater Technologies Group, Inc. - Response:** Bluewater will ensure compliance with the terms and conditions. Bluewater's Director of Accounting and Finance and Director of Excellence will be responsible for oversight and compliance.

P. What assurances does the applicant make to commit itself to the community for the entire term of the tax abatement and into the future? Evidence of this involvement would occur at time abatement is awarded to applicant.

**Bluewater Technologies Group, Inc. - Response:** Bluewater has signed a 15-year lease.

Q. Will granting of the industrial facilities exemption certificate, considered together with the aggregate amount of industrial facilities exemption certificates previously granted and currently

in force, have the effect of substantially impeding the operation of the City? Demonstrate whether the change would be greater or less than 5%.

**Bluewater Technologies Group, Inc. - Response:** This project will create 41 new jobs in the community over a 3-year period and transfer 162 jobs from current Bluewater locations. The tax abatement is enabling Bluewater to remain in Michigan and relocate to Novi.

**CITY OF NOVI  
RESOLUTION  
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE  
FOR BLUEWATER TECHNOLOGIES GROUP, INC**

At a regular meeting of the City Council of the City of Novi, Oakland County, Michigan, held in the Council Chambers at 45175 Ten Mile Road, Novi MI 48375 on the **9<sup>th</sup> day of July, 2018**.

The following resolution was offered by Councilperson \_\_\_\_\_ and supported by Councilperson \_\_\_\_\_

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the **23<sup>RD</sup> day of September, 2019**, the City of Novi, established an Industrial Development District, commonly referred to as the **Bluewater Technologies Group, Inc. Industrial Development District**; and

WHEREAS, **Bluewater Technologies Group, Inc.** has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Novi with respect to proposed new **real property** and **personal property** within the **Bluewater Technologies Group, Inc. Industrial Development District**; and

WHEREAS, before acting on said application, the City Council of Novi held a hearing on the **23<sup>RD</sup> day of September, 2019** at a regularly scheduled meeting, at which time 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, construction of the facility real property and installation of new personal property has not begun earlier than six (6) months before **2<sup>nd</sup> day of August, 2019**, the date of the acceptance of the application for the Industrial Facility Exemption Certificate; and

WHEREAS, completion of **the real property and personal property** 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 Novi; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Novi 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.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of Novi that:

1. The City Council of Novi finds and determines that the granting of this Industrial Facilities Exemption Certificate, together with the aggregate amount of the certificates previously granted and currently in force, under PA 198 of 1974, and PA 225 of 1978, **shall not** have the effect of substantially impeding the operation of the City of Novi, or of impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Novi.

2. The application from **Bluewater Technologies Group, Inc.** for an Industrial Facilities Exemption Certificate with respect to a **New Facility** on the following described parcel of real property situated within the **Bluewater Technologies Group, Inc. Industrial Development District**; to wit;

The real property parcel the facility is located on is identified as tax parcel 50-22-16-226-003, having an address **45833 W. Twelve Mile Road**, City of Novi, MI 48375, including:

T1N, R8E, SEC 16 PART OF N 1/2 OF NE 1/4 BEG AT PT DIST E 1155.04 FT FROM N 1/4 COR, TH E 495 FT, TH S 00-53-00 W 880 FT, TH W 495 FT, TH N 00-53-00 E 880 FT TO BEG 10 AMN297A-1;

is hereby approved for **real property and personal property improvements**.

3. The Industrial Facilities Exemption Certificate when issued shall be and remain in force and effect for a period of **six (6) years**, and the starting date for the certificate is **December 31, 2019** and the ending date is **December 30, 2025**.

4. The total project investment approved is **\$19,246,498**.

5. **Bluewater Technologies Group, Inc.** agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two (2) years** after the date of the certificate's expiration.

AYES:  
NAYS:  
ABSENT:  
ABSTENTIONS:

RESOLUTION ADOPTED

STATE OF MICHIGAN)  
  )SS  
COUNTY OF OAKLAND)

I, the undersigned, the duly appointed City Clerk for the City of Novi, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Novi City Council held on the **23<sup>rd</sup> day of September, 2019**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 23<sup>rd</sup> day of September, 2019**.

\_\_\_\_\_  
Cortney Hanson, City Clerk