



CITY of NOVI CITY COUNCIL

Agenda Item 2
May 8, 2017

SUBJECT: Approval of Resolution authorizing application from EJ Brooks Company, Inc. dba Brooks Utility Products for an Industrial Facilities Tax Exemption Certificate for an approximately 85,000 square foot facility to be located at 43043 West Nine Mile Road and related Agreement concerning Industrial Facilities Tax Abatement.

SUBMITTING DEPARTMENT: City Assessor

CITY MANAGER APPROVAL:

BACKGROUND INFORMATION:

Introduction and History

An application has been filed by EJ Brooks Company, Inc. dba Brooks Utility Products ("the applicant") for an Industrial Facilities Tax Exception Certificate (IFEC) for real property and personal property to be located on parcel 50-22-35-101-022, also identified as 43043 West Nine Mile Road. The property's legal description is as follows:

T1N, R8E, SEC 35 PART OF NW 1/4 BEG AT PT DIST N 89-42-30 E 831.40 FT FROM NW SEC COR, TH N 89-42-30 E 415 FT, TH S 00-21-00 W 173.40 FT, TH N 89-42-30 E 75 FT, TH S 00-21-00 W 754.52 FT, TH N 73-45-23 W 509.44 FT, TH N 00-21-00 E 782.92 FT TO BEG 9.32 A

The parcel of land is situated within the 43043 West Nine Mile Road, LLC Industrial Development District, established on April 24, 2017.

The request was submitted by the applicant on February 21, 2017.

The real property improvement investment is \$1,947,852 and the personal property investment is \$445,000, for a total investment of \$2,392,852.¹ The real property consists of a real property improvements within an existing 85,000± above grade square foot building used as a manufacturing and headquarters facility.² The personal property consists of a variety of related furniture, fixtures, and related IT systems.

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

Because this is a new location for the applicant, this project will result in 0 jobs being retained at this facility. This new facility will result in an expected 109 new jobs created at this facility with employees coming over from its existing facility in Plymouth, Michigan. Granting this request will

¹ Per attached listing.

² See included Supplemental Questions responding to the City's Policy.

result in an increase in the tax base of the city and should bring economic benefits to the city and to other service oriented businesses.

Ownership and Term of Abatement

The applicant is leasing the real property and will be purchasing the personal property as owner. The lease is for 7.0 years which covers the business residence requirement within the City's tax incentive agreement to remain at the property two years after the expiration of the IFEC certificate.

The applicant is requesting a 5-year abatement, and has signed the City's 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 5-year maximum the potential real and personal property tax savings for the applicant will be approximately \$196,000, over the term of the certificate. Additional real and personal property tax revenue for the city will be approximately \$44,000, over the term of the certificate.

Due to the passage of personal property tax laws in 2014, there is a probability that the personal property will be exempt for ad valorem taxes. This being assumed the total tax savings for real property to the applicant is approximately \$182,000 over the term of the certificate. Additional real property tax revenue for the city will be approximately \$39,000 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.
- 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 5-year abatement; with the term of the abatement beginning on 12/31/2017 and ending on 12/30/2022. 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.

RECOMMENDED ACTION: Approval of Resolution authorizing application from EJ Brooks Company, Inc. dba Brooks Utility Products for a 5-year Industrial Facilities Tax Exemption and Agreement concerning Industrial Facilities Tax Abatement subject to approval by the State Tax Commission pursuant to Public Act 198.

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) EJ Brooks Company, Inc dba Brooks Utility Products	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 335313
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 43045 West Nine Mile Road, Novi, MI 48375	▶ 1d. City/Township/Village (indicate which) City of Novi
▶ 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 Novi	
▶ 1e. County Oakland	
▶ 3b. School Code 26130	
▶ 4. Amount of years requested for exemption (1-12 Years) 5 years	

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

One-story, masonry industrial building, originally built in 1968 comprised of 85,000 square feet to be used for manufacturing of electrical utility products. A detailed list of costs for both real estate improvements and personal property investments is attached.

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	▶ \$1,947,852 Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total	▶ \$445,000 Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	▶ \$2,392,852 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 ▶	03/21/2017	05/31/2018	▶ <input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements ▶	07/01/2017	05/31/2018	▶ <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. -0-	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. 109
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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)	▶ 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input type="checkbox"/> No
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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 Kathleen Vanston	13b. Telephone Number 248.615.5782	13c. Fax Number 248.477.2583	13d. E-mail Address kvanston@brooksupg.com
14a. Name of Contact Person Kathleen Vanston	14b. Telephone Number 248.615.5782	14c. Fax Number 248.477.2583	14d. E-mail Address kvanston@brooksupg.com
▶ 15a. Name of Company Officer (No Authorized Agents) Jeffrey Hanft			
15b. Signature of Company Officer (No Authorized Agents) <i>Jeffrey Hanft</i>		15c. Fax Number 248.477.2583	15d. Date 3/22/17
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 23847 Industrial Park Dr., Farmington Hills MI 48335		15f. Telephone Number 248.477.0040	15g. E-mail Address jhanft@brooksupg.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

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

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

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

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

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

Local Unit: Mail one original and one copy of the completed application and all required attachments to:

**Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909**

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

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



REAL PROPERTY EXPENSE

Begin Date	End Date	Description	Expense
3/24/2017	12/31/2017	Labor, Permits, Architect, Equipment Rentals, Repairs, Demolition	\$165,393
5/1/2017	5/17/2017	Exterior Remodel front Fascia, Doors, Roof Supports	\$39,350
5/17/2017	6/1/2017	Parking Lot Repairs, Resurfacing, Restriping	\$39,195
3/21/2017	4/4/2017	Masonry-Labor, Materials, Repairs, Concrete	\$28,700
3/29/2017	5/12/2017	Carpentry, Metals, Millwork, Doors/Windows, Block, Railing, Offices, Partitions	\$128,814
3/31/2017	4/28/2017	Millwork-Restrooms, toilet partition & accessories, Cafeteria counter tops and cabinets	\$18,400
4/24/2017	5/10/2017	Labor, Materials, Man Doors, Overhead Doors	\$42,208
5/4/2017	5/17/2017	Labor, Materials, Paint all areas of manufacturing & office space	\$149,881
5/22/2017	5/26/2017	Labor, Materials, Flooring in Office Areas	\$86,757
4/5/2017	5/29/2017	Labor, Materials, Fire Suppression Entire Building & Fire Alarm	\$229,420
4/5/2017	5/29/2017	Labor, Materials, Plumbing, Sump Pump, Restrooms, Hot Water Heaters, Drains	\$40,225
5/1/2017	5/24/2017	Labor, Materials, HVAC units office area & highbay heating	\$193,200
4/5/2017	5/25/2017	Labor, Materials, Electrical, receptacles, heating, cooling, building	\$150,560
3/1/2018	5/31/2018	Labor, Materials, Air Conditioning Manufacturing Facility	\$267,750
6/15/2017	12/31/2017	Security & IT Networking - Labor, materials, installation, fire suppression, building security	\$30,000
6/15/2017	12/31/2017	Electrical - Labor, Permits, Materials for wiring of electrical drops & machine installation, project management	\$223,000
5/25/2017	12/31/2017	Labor, Materials, LED lighting	\$50,000
6/15/2017	8/31/2017	Air Compressor Installation & Hook Up Lines	\$50,000
6/15/2017	8/31/2017	Air Drop Installation & Hook Up Lines	\$15,000
REAL PROPERTY TOTAL			\$1,947,852

PERSONAL PROPERTY EXPENSE

Begin Date	End Date	Description	Expense
7/1/2017	8/15/2017	Telephone System & hand sets	\$20,000
8/1/2017	9/15/2017	Inventory racking	\$15,000
8/1/2017	8/31/2017	Engineering-Cubicles, table & lockers	\$20,000
8/1/2017	8/31/2017	Conference room- chairs & tables	\$15,000
8/1/2017	8/31/2017	Customer Service-Cubicles, tables, benches, chairs & lockers	\$30,000
8/1/2017	8/31/2017	Cafeteria(tables, chairs, refrigerator, microwaves, ice machine)	\$25,000
1/1/2018	5/31/2018	Tooling for expanded business capacity due to size of facility, work to be brought back in-house	\$300,000
12/1/2017	12/31/2017	New forklift for expanded business capacity	\$20,000
PERSONAL PROPERTY TOTAL			\$445,000
GRAND TOTAL			\$2,392,852



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

Name of firm requesting abatement: E.J. Brooks Co. Inc. / dba Brooks Utility Products
Contact Person: Kathleen Vanston
Address: 23847 Industrial Park Dr., Farmington Hills, MI 48335
Phone: 248.756.1253 Email: Kvanston@brooksupg.com

Please answer the following questions as completely as possible.

1. How many acres does the project include? 9
2. How many new jobs would be brought to the City of Novi? 101
 - a. Average salary range of new hires? \$1,335/week

Is this an expansion project of an existing business in Novi? Yes No

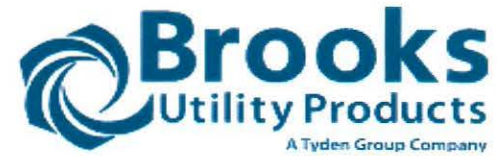
Is this project coming from within the State of Michigan? Yes No

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 - Abatement
 New Job Creation
 43045 W Nine Mile Rd



Position Description	Year 1		Year 2		Year 3		3 Yr Total New Jobs
	New Jobs	Avg Weekly Wage	New Jobs	Avg Weekly Wage	New Jobs	Avg Weekly Wage	
Professional (Fin, Pur, Admin, HR, IT)	7	\$1,942					7
Technical (Engineers)	7	\$1,560	1	\$1,607			8
Sales & Marketing	11	\$1,635	1	\$1,684	1	\$1,735	13
Managerial (QC, Plt, Inv)	6	\$1,547					6
Customer Service	7	\$846					7
Laborers (Skilled)	4	\$1,280	4	\$1,318	4	\$1,358	12
Laborers (Unskilled)	59	\$535	2	\$551	2	\$568	63
Total	101	\$1,335	8	\$1,290	7	\$1,220	116

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

E.J. Brooks/DBA Brooks Utility Products, hereinafter referred to as the "Company," located at 43045 West 9 Mile Road, Novi, MI 48375

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) 50-22-35-101-022

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 10th 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 tax years.
 - b. Tax abatement term of over eight (8) years (including extensions) = length of the abatement certificate AND an additional four 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.

- 8. 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.
- 9. 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.
- 10. The Agreement will be interpreted, construed, and enforced in all respects in accordance with the laws of the State of Michigan.
- 11. 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:

Jeffrey J. Hanft
SIGNATURE

Jeff Hanft
PRINT NAME

COMPANY REPRESENTATIVE:

BY: Kathleen Vanston

ITS: CFO

DATED: 02/20/17

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: _____

**CITY OF NOVI
RESOLUTION
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR EJ BROOKS COMPANY INC DBA BROOKS UTILITY PRODUCTS**

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 **8 day of May, 2017**.

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 **24th day of April, 2017**, the City of Novi, established an Industrial Development District, commonly referred to as the **43043 West Nine Mile, LLC Industrial Development District**; and

WHEREAS, **EJ Brooks Company Inc dba Brooks Utility Products** 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 **43043 West Nine Mile, LLC Industrial Development District**; and

WHEREAS, before acting on said application, the City Council of Novi held a hearing on the **24th day of April, 2017** 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 **21st day of February, 2017**, 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 **EJ Brooks Company, Inc dba Brooks Utility Products** for an Industrial Facilities Exemption Certificate with respect to a **New Facility** on the following described parcel of real property situated within the **43043 West Nine Mile Road Industrial Development District**; to wit;

The real property parcel the facility is located on is identified as tax parcel 50-22-35-101-022, having an address **43043 Nine Mile Road**, City of Novi, MI 48375, including:

T1N, R8E, SEC 35 PART OF NW 1/4 BEG AT PT DIST N 89-42-30 E 831.40 FT FROM NW SEC COR, TH N 89-42-30 E 415 FT, TH S 00-21-00 W 173.40 FT, TH N 89-42-30 E 75 FT, TH S 00-21-00 W 754.52 FT, TH N 73-45-23 W 509.44 FT, TH N 00-21-00 E 782.92 FT TO BEG 9.32 A

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 **five (5) years**, and the starting date for the certificate is **December 31, 2017** and the ending date is **December 30, 2022**.

4. The total project investment approved is **\$2,392,852**.

5. EJ Brooks Company, Inc dba Brooks Utility Products agrees to operate the facility for which the Industrial Facilities Exemption Certificate is granted for the term of the certificate, plus an additional **two 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 **8th day of May, 2017**.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 8th day of May, 2017**.

Cortney Hanson, City Clerk

Proposed Project EJ Brooks Investment \$1,947,852 Taxable Value \$973,926

Summary of Previously Approve and Proposed PA 198 Projects

Real and Personal Property Tax Estimate

Total Increase By Fiscal Year Ended

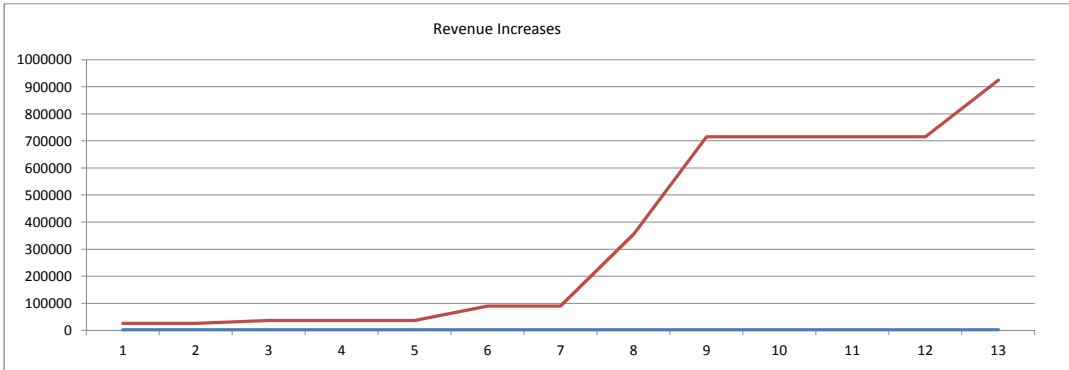
	Mills**	Annual Tax Bill	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	Total Increase Revenues
General	4.9925	\$ 4,862	\$ 2,431	\$ 2,431	\$ 3,437	\$ 3,437	\$ 3,437	\$ 14,158	\$ 14,158	\$ 39,043	\$ 72,979	\$ 72,979	\$ 72,979	\$ 72,979	\$ 92,723	\$ 467,171
Streets	1.4923	\$ 1,453	\$ 727	\$ 727	\$ 1,027	\$ 1,027	\$ 1,027	\$ 11,749	\$ 11,749	\$ 19,187	\$ 29,331	\$ 29,331	\$ 29,331	\$ 29,331	\$ 35,232	\$ 199,775
Public Safety	1.4208	\$ 1,384	\$ 692	\$ 692	\$ 978	\$ 978	\$ 978	\$ 11,699	\$ 11,699	\$ 18,781	\$ 28,439	\$ 28,439	\$ 28,439	\$ 28,439	\$ 34,058	\$ 194,313
Parks & Rec	0.3836	\$ 374	\$ 187	\$ 187	\$ 264	\$ 264	\$ 264	\$ 10,985	\$ 10,985	\$ 12,897	\$ 15,505	\$ 15,505	\$ 15,505	\$ 15,505	\$ 17,022	\$ 115,076
Drain	0.1006	\$ 98	\$ 49	\$ 49	\$ 69	\$ 69	\$ 69	\$ 10,791	\$ 10,791	\$ 11,292	\$ 11,976	\$ 11,976	\$ 11,976	\$ 11,976	\$ 12,374	\$ 93,456
CIP	1.0000	\$ 974	\$ 487	\$ 487	\$ 688	\$ 688	\$ 688	\$ 11,410	\$ 11,410	\$ 16,394	\$ 23,192	\$ 23,192	\$ 23,192	\$ 23,192	\$ 27,146	
Library	0.7678	\$ 748	\$ 374	\$ 374	\$ 529	\$ 529	\$ 529	\$ 11,250	\$ 11,250	\$ 15,077	\$ 20,296	\$ 20,296	\$ 20,296	\$ 20,296	\$ 23,332	\$ 144,427
Debt Library***	0.3800	\$ 370	\$ 185	\$ 185	\$ 262	\$ 262	\$ 262	\$ 10,983	\$ 10,983	\$ 12,877	\$ 15,460	\$ 15,460	\$ 15,460	\$ -	\$ 1,503	\$ 83,881
City	10.5376	\$ 10,263	\$ 5,131	\$ 5,131	\$ 7,253	\$ 7,253	\$ 7,253	\$ 17,975	\$ 17,975	\$ 70,499	\$ 142,129	\$ 142,129	\$ 142,129	\$ 142,129	\$ 183,800	\$ 890,787
School (Novi)	33.0560	\$ 32,194	\$ 16,097	\$ 16,097	\$ 22,754	\$ 22,754	\$ 22,754	\$ 33,475	\$ 33,475	\$ 198,242	\$ 422,940	\$ 422,940	\$ 422,940	\$ 422,940	\$ 553,663	\$ 2,611,070
County	4.5778	\$ 4,458	\$ 2,229	\$ 2,229	\$ 3,151	\$ 3,151	\$ 3,151	\$ 13,872	\$ 13,872	\$ 36,690	\$ 67,808	\$ 67,808	\$ 67,808	\$ 67,808	\$ 85,911	\$ 435,490
OCC	1.5707	\$ 1,530	\$ 765	\$ 765	\$ 1,081	\$ 1,081	\$ 1,081	\$ 11,803	\$ 11,803	\$ 19,632	\$ 30,309	\$ 30,309	\$ 30,309	\$ 30,309	\$ 36,520	\$ 205,764
ISD	3.3398	\$ 3,253	\$ 1,626	\$ 1,626	\$ 2,299	\$ 2,299	\$ 2,299	\$ 13,020	\$ 13,020	\$ 29,667	\$ 52,370	\$ 52,370	\$ 52,370	\$ 52,370	\$ 65,577	\$ 340,914
Total	53.0819	\$ 51,698	\$ 25,849	\$ 25,849	\$ 36,538	\$ 36,538	\$ 36,538	\$ 90,145	\$ 90,145	\$ 354,731	\$ 715,555	\$ 715,555	\$ 715,555	\$ 715,555	\$ 925,472	\$ 4,484,025

* Starting and future values are based on initial investment in property for consistency of duration of abatement certificate.
 ** Annual tax bill based on the 2016 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	
HCP Land LLC (Tognum)	\$2,384,890	2019-2020	\$63,297	x
Harman Becker	\$9,968,950	2023-2024	\$264,585	x
Harman Becker	\$0	2023-2024	\$0	x
Magna Seating	\$6,935,250	2029-2030	\$184,068	
Stoneridge	\$402,750	2018-2019	\$10,689	x
Boco Enterprises	\$0	2029-2030	\$0	
Daifuku NA Holding	\$0	2029-2030	\$0	
A123 Supplies	\$13,595,000	2029-2030	\$360,824	Proposed
Yafeng Auto	\$4,295,000	2025-2026	\$113,993	Proposed
EJ Brooks	\$973,926	2021-2022	\$25,849	Proposed

Note: Annual tax bill based on the 2016 Tax Year millage rates.



About Brooks Utility Products

Brooks Utility Products, is the consolidated brand of E.J. Brooks Company, Meter Devices Co., and Ekstrom Industries.

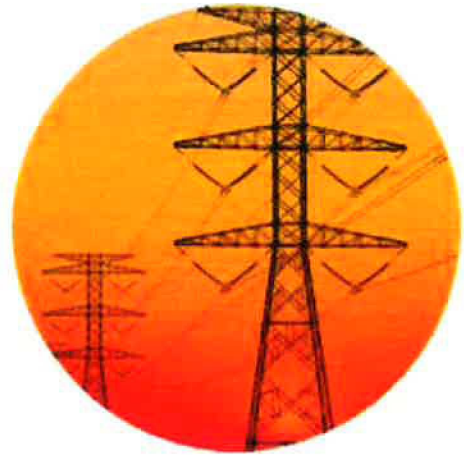
The company traces its beginnings to the founding of E.J. Brooks Company in 1873 as a lead toy manufacturer that quickly evolved into a lead wire seal manufacturer serving to secure the growing railcar and electric meter security markets. In addition to its 140 year history in meter seals and revenue protection Brooks has nearly 100 years of experience in producing test switches, enclosures, adapters, and utility test equipment through its Meter Devices and Ekstrom Industries brands.

Throughout its extensive history Brooks has created a niche in the industry as a company that 'has answers' to utility problems. We actively listen to our customers' metering related challenges and create custom, one-off solutions that generally fill a broader unmet need in the market. The solutions generally fit into one of five broad product categories: Seals Locking Aapters Test Equipment and Enclosures.

Why Choose Brooks?

We have over 140 years of product innovation and quality to utilize in serving your needs. We offer low volume, mass customized solutions to unique and often expensive utility installation challenges. The value we create by solving a problem with an economical product that is produced with a consistently high standard of quality is hard to match. The extensive history, 140 years and counting, that we have in creating solutions is an invaluable resource that you can leverage by counting on Brooks.

We Have Answers!



Industry Affiliations

Brooks UPG is affiliated with the following industry organizations:



International Utilities Revenue Protection Association (IURPA)



South Central Revenue Protection Association (SCRPA)



Northeast Utilities Revenue Protection Association (NURPA)



Western States Utilities Theft Association (WSUTA)



Midwest Energy Theft Association (META)

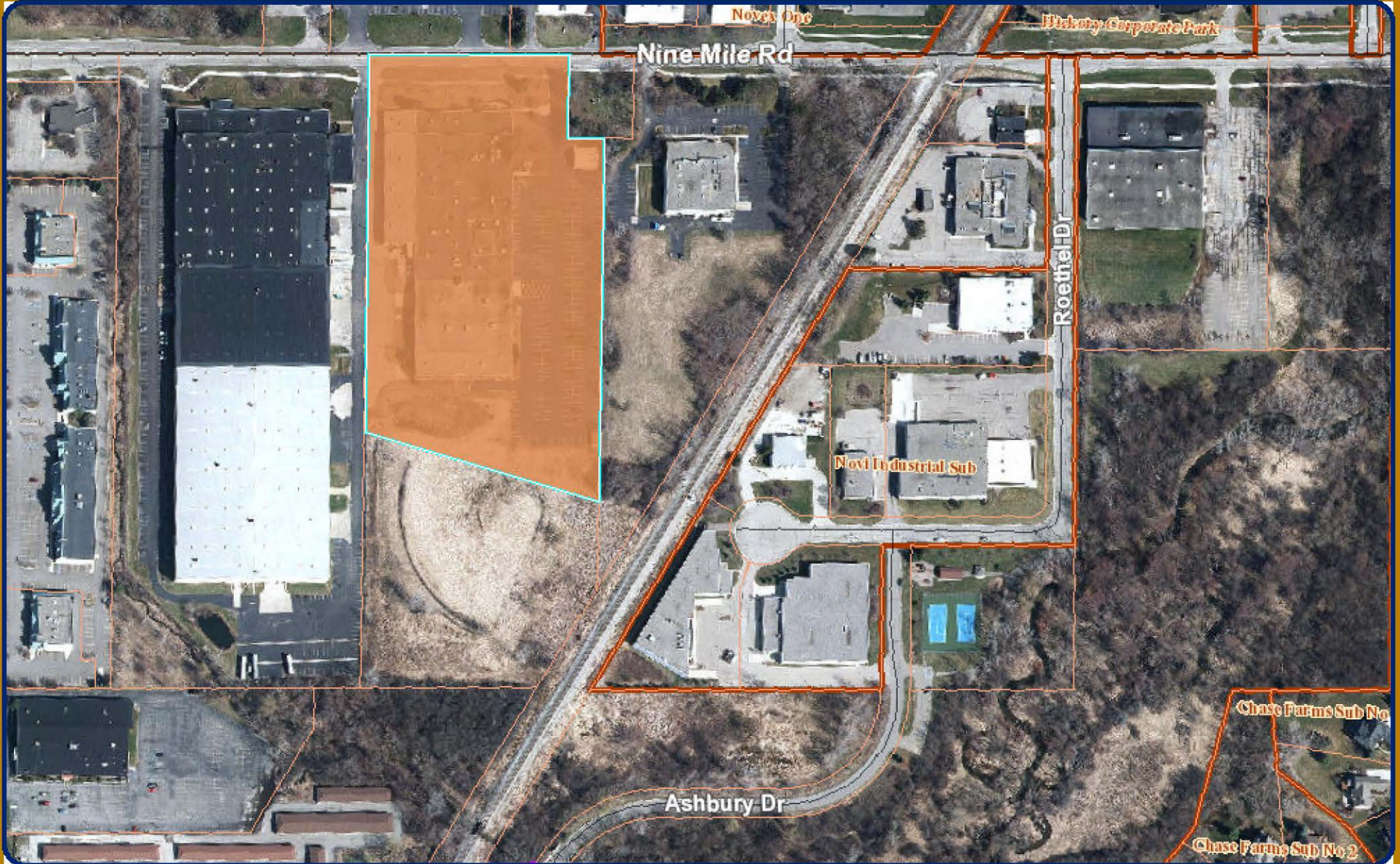


United Kingdom Revenue Protection Association (UKRPA)



Southeastern Utilities Revenue Protection Association (SURPA)

Brooks Utility Products



MAP INTERPRETATION NOTICE

Map information depicted is not intended to replace or substitute for any official or primary source. This map was intended to meet National Map Accuracy Standards and use the most recent, accurate sources available to the people of the City of Novi. Boundary measurements and area calculations are approximate and should not be construed as survey measurements performed by a licensed Michigan Surveyor as defined in Michigan Public Act 132 of 1970 as amended. Please contact the City GIS Manager to confirm source and accuracy information related to this map.



1 inch = 376 feet



Map Print Date:
4/24/2017



City of Novi

45175 Ten Mile Rd
Novi, MI 48375
cityofnovi.org