

EM Submission: EM 1682013

Presented: 10-4-13

Adopted: 10-7-13

By the Emergency Manager

**Resolution Approving an Industrial Facilities Exemption Certificate for  
Oakley Industries Sub Assembly Division, Inc.**

(4333 Matthew Dr. – Public Act 198 of 1974)

A representative of Oakley Industries Sub Assembly Division, Inc. has filed with the City Clerk of the City of Flint, an application for an Industrial Facilities Exemption Certificate.

Pursuant to the requirements of Act 198 of the Public Acts of 1974, as amended, notice of a public hearing to consider the above request, together with a statement that the State equalized valuation of the property proposed to be exempt herein exceeds five percent (5%) of the State Equalized Valuation of the City of Flint, has been given.

The applicant, the City Assessor, and representatives of the affected taxing units have been afforded an opportunity to be heard.

Pursuant to Act 198 of the Public Acts of 1974, as amended, an agreement between the local unit of government and the applicant outlining the conditions/recourses to be upheld during the abatement period must be approved prior to granting of an Industrial Facilities Exemption Certificate by the State Tax Commission.

**IT IS RESOLVED** that the Emergency Manager finds that the State Equalized Valuation of the property to be exempt herein, considered with the aggregate State Equalized Valuation of property exempt under certificates previously granted and currently in force, pursuant to Act 198 of the Public Acts of 1974, as amended, and Act 255 of the Public Acts of 1978, as amended, exceed five percent (5%) of the State Equalized Valuation of the City of Flint.

**IT IS FURTHER RESOLVED**, that:

1. The Emergency Manager finds and determines that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, shall not have the affect of substantially impeding the operation of the City of Flint, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Flint.

2. The Oakley Industries Sub Assembly , Inc. application, for an Industrial Facilities Exemption Certificate, with respect to the following legally described real property located within the established Industrial Development District, to wit:

See attached legal description

be and the same is hereby approved.

3. The Industrial Facilities Exemption Certificate when issued shall be and remain in force and effect for a period of 12 years.

**RESOLVED**, That the appropriate City officials are hereby authorized to execute the Tax Abatement Agreement with the applicant specifying the conditions/recourses of the Industrial Facilities Exemption Certificate.

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Peter M. Bade  
Chief Legal Officer

APPROVED BY FINANCE:

  
\_\_\_\_\_  
Gerald Ambrose  
Finance Director

EM DISPOSITION

Enact ✓

Fail \_\_\_\_\_

Dated 10-7-13

  
\_\_\_\_\_  
Michael K. Brown, Emergency Manager

EXHIBIT "A"

Real Property located in the Township of Flint, Genesee County, Michigan;  
and described as:

The West 50 acres of the Southeast Quarter of Section 33, Township 7 North, Range 6 East;

Also, the South three-quarters of the Southwest Quarter of Section 33, excepting therefrom the South five-sevenths of the South 88 rods of the West 40 rods thereof; also, excepting the entire plat of Edson's Acres except the North 60 feet of Lot 7; excepting also a parcel beginning at a point on the South line of Section 33 which is 1519 feet East of the Southwest corner of the Section, thence North 16 rods, thence East 445 feet, thence South 16 rods, thence West along said Section line 445 feet to the point of beginning; also the East 110 acres of the Southeast Quarter of Section 33, Township 7 North, Range 6 East; excepting therefrom Lots 12, 13, and 14 of the recorded plat of Algoe's Swartz Creek Estate; and excepting from the Southeast corner thereof a rectangular parcel of property running 1320 feet North and South, and 495 feet East and West.

Containing 226 plus or minus acres and:

A 15 acre parcel of land located in the Southeast corner of the entire property described below running 495 feet East and West and 1320 feet North and South.

The West 50 acres of the Southeast Quarter of Section 33, Township 7 North, Range 6 East; also, the South three-quarters of the Southwest Quarter of Section 33, excepting therefrom the South five-sevenths of the South 88 rods of the West 40 rods thereof; also, excepting the entire plat of Edson's Acres except the North 60 feet of Lot 7; excepting also a parcel beginning at a point on the South line 60 feet of Lot 7; excepting also a parcel beginning at a point on the South line of Section 33 which is 1519 feet East of the Southwest corner of the Section, thence North 16 rods, thence East 445 feet, thence South 16 rods, thence West along said Section line 445 feet to the point of beginning; also the East 110 acres of the Southeast Quarter of Section 33, Township 7 North, Range 6 East; excepting therefrom Lots 12, 13 and 14 of the recorded plat of Algoe's Swartz Creek Estate.

For a total of 241 plus or minus acres.

## RESOLUTION STAFF REVIEW FORM

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### **DATE**

September 16, 2013

### **Agenda Item Title:**

Resolution Approving an Industrial Facilities Exemption Certificate  
(Oakley Industries, Sub Assembly Division, Inc.)

### **Prepared By**

The Department of Community and Economic Development

### **Background/Summary of Proposed Action:**

This resolution proposes to approve an Industrial Facilities Exemption Certificate for Oakley Industries Sub Assembly Division, Inc. on its investment of \$1,524,600 in new personal.

Oakley is an assembler, supplying tire and wheel assemblies to the General Motors Truck Assembly plant in Flint, MI. The company plans to invest \$1,524,600 to install production equipment for cut-to-length weights with manual apply, assembly bead exercising (load simulation), and light duty match mounting. Additional equipment upgrades are also planned

This new investment in personal property will allow the company to increase its workforce by 6 employees for a total workforce of 45. The average wage rate for the new positions is \$14.81 per hour.

### **Financial Implications (Analysis):**

The company plans to invest approximately \$1,524,600 in personal property, machinery and equipment. Under Public Act 198, approval of an Industrial Facilities Exemption Certificate affords the holder an assessment of its new investment of real and personal property at 50 percent of the calculated true cash value.

The Industrial park within which Oakley Industries is located is owned by the City of Flint, but situated within Flint Township. According to the 1998 ***Memorandum of Understanding (MOA)*** between the two units of government, "revenues" including real and personal property taxes are to be collected by the City and allocated on a 50-50 basis between the City and Township. The ***Memorandum*** also allows the City to grant any type of tax abatement provided that the approval does not result in *less than* the current effective Flint Township ad valorem tax rate. Therefore, if the IFEC is approved, the City is obligated to pay the Township its 5.6423 mills or \$4,299, for the first year the IFEC is in effect.

City Property Taxes Collected Year 1	\$6,134.23
Less Taxes to Flint Twshp Per MOA	\$4,299.00
<b>Balance to Flint</b>	<b>\$1,835.23</b>

Generally, from year to year, personal property decreases in value, resulting in a decrease in taxes collected and an overall decrease in the amount of property tax revenue collected. The amount of the taxes received by the Township annually will be an amount equal to the percentage reduction in overall property taxes collected.

**Budgeted Expenditure:** Yes \_\_\_\_\_ No X \_\_\_\_\_ **Please explain, if no:** N/A

**Account #:**

Reviewed and approved by C. Dotson \_\_\_\_\_ N/A \_\_\_\_\_  
**Date**

**Pre-encumbered:** Yes \_\_\_\_\_ No \_\_\_\_\_ **Requisition #** \_\_\_\_\_  
N/A

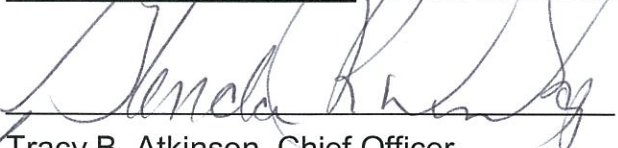
**Suspension/Debarment (EPLS)** Yes \_\_\_\_\_ N/A \_\_\_\_\_

Please complete the *Suspension and Debarment Disclosure Form*. It is available in the shared drive for grants administration: \DCED\Forms\Good Standing Form-EPLS. Attach relevant information to the resolution per form instructions.

**Other Implications (i.e., collective bargaining:**

There are no known implications

**Staff Recommendation:** Administration recommends approval

  
Tracy B. Atkinson, Chief Officer

  
David Solis, Director  
Planning & Development