

EM Submission: EME 0322013

Presented: 10/24/13

Adopted: 10/25/13

By the Emergency Manager:

**Resolution Approving an Industrial Facilities Exemption Certificate**  
(GM L.L.C.)

GM L.L.C. 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.

**THEREFORE BE IT RESOLVED** That the Emergency Manager of the City of Flint 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.

**BE IT 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 GM L.L.C. 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 in addition to a two year construction period.

**RESOLVED**, That the Emergency Manager is authorized to execute the Tax Abatement Agreement with the applicant specifying the conditions/recourses of the Industrial Facilities Exemption Certificate.

APPROVED AS TO FORM:

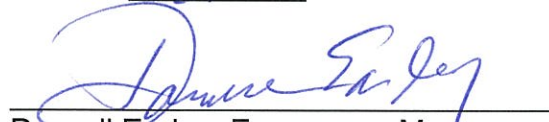
  
\_\_\_\_\_  
Peter M. Bade, City Legal Officer

APPROVED AS TO FINANCES:

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

EFM DISPOSITION:

ENACT   *x*        REFER TO COUNCIL \_\_\_\_\_      FAIL \_\_\_\_\_

  
\_\_\_\_\_  
Darnell Earley, Emergency Manager

DATED:   10-25-13

LEGAL DESCRIPTION

Part of Secs 23 & 26, T7N, R6E beg at the S.E. Cor of sd sec 26th Wly alg the Sly line of sd sec to the Wly Corporation limits line of the City of Flint; th Nly alg sd Wly line 1,100 ft; th Wly parl with Sly line of sd sec 84.24 ft to the Ely R.W. line of Hwy I-75 exit ramp; Th Nly alg sd Ely R/W line to the Corporation limits line of the City of Flint (Sd Corp. limits line being 701.75 ft Nly from & parl with E & W 1/4 line of sd sec); this Ely, & NEly alg sd corp. line to ther Sly line of sd sec 23; th Wly alg sd Sly line to Sely R/W line of Grand Trunk Western Railroad; Th NEly alg sd SEly R/W line to Ely line of sd sec; Th Sly alg Ely line of sd secs 23 & 26 to the point of beginning.

PROPERTY TAX PARCELS: Personal: 30934-6  
Real: 25-10-26-400-001-3

New Proposed Flint Paint shop

Flint Assembly

Flint Engine

Flint Metal

## RESOLUTION STAFF REVIEW FORM

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**DATE –**

October 18, 2013

**Agenda Item Title:**

Resolution Approving an Industrial Facilities Exemption Certificate (GM L.L.C.)

**Prepared By**

The Department of Community and Economic Development

**Background/Summary of Proposed Action:**

The purpose for this resolution is to consider approval of an Industrial Facilities Exemption Certificate for GM L.L.C on new construction at its GM Flint Assembly plant.

GM L.L.C. proposes to invest approximately \$124,500,000 on the construction of an 850,000 sq ft paint shop. The proposed building would be constructed within GM's Van Slyke Road Complex and adjacent to the existing engine and truck assembly facilities. The shop will allow its workers to paint vehicles from operations at the truck assembly plant. The paint shop is scheduled to be operational by 2016

GM L.L.C. is requesting an Industrial Facilities Exemption Certificate (tax abatement) on its new investment in the construction of the paint shop. The new investment would result in the retention of 135 jobs and the creation of an additional twelve (15).

**Financial Implications (Analysis):**

Under Public Act 198, a recipient 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. Under the proposed \$124,500,000 investment in real property, the City of Flint will realize estimated property tax revenue as follows:

City Property Taxes Abated – Year 1	\$ 594,488
Other Flint Area Taxes Abated – Year 1	\$ 925,063
Total Taxes Abated – Year 1	\$ 1,519,551
Taxes paid by GM – Yr 1 (includes State School Mills not abated)	\$ 1,893,051

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

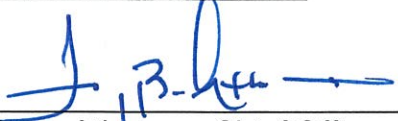
**Account #:** - Reviewed and approved by Carissa Dotson N/A  
Date \_\_\_\_\_

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


**Other Implications (i.e., collective bargaining):** There are no known implications

**Staff Recommendation:** The Administration recommends approval.

**Supervisor Approval:**

A handwritten signature in blue ink, appearing to read "T. Atkinson", written over a horizontal line.

Tracy Atkinson, Chief Officer

A handwritten signature in blue ink, appearing to read "David Alexander Solis", written over a horizontal line.

David Solis, Planning and Development  
Director