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)	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code)	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location)	▶ 1d. City/Township/Village (indicate which)	▶ 1e. County
▶ 2. Type of Approval Requested ☐ New (Sec. 2(5)) ☐ Transfer ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(6)) ☐ Research and Development (Sec. 2(10)) ☐ Increase/Amendment	▶ 3a. School District where facility is located 4. Amount of years requested for exemption (1-12 Years)	▶ 3b. School Code

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.

6a. Cost of land and building improvements (excluding cost of land) ..... ▶ _____ Real Property Costs
* 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 ..... ▶ _____ Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation, plus total

6c. Total Project Costs ..... ▶ _____ Total of Real & Personal Costs
* Round Costs to Nearest Dollar

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 ▶	_____	_____	▶ ☐ Owned ☐ Leased
Personal Property Improvements ▶	_____	_____	▶ ☐ Owned ☐ 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.	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion.

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	13b. Telephone Number	13c. Fax Number	13d. E-mail Address
14a. Name of Contact Person	14b. Telephone Number	14c. Fax Number	14d. E-mail Address
▶ 15a. Name of Company Officer (No Authorized Agents)			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date
▶ 15e. Mailing Address (Street, City, State, ZIP Code)		15f. Telephone Number	15g. E-mail Address

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

☐ Abatement Approved for _____ Yrs Real (1-12), _____ Yrs Pers (1-12)

After Completion ☐ Yes ☐ No

☐ Denied (Include Resolution Denying)

16a. Documents Required to be on file with the Local Unit

Check or Indicate N/A if Not Applicable

- ☐ 1. Notice to the public prior to hearing establishing a district.
- ☐ 2. Notice to taxing authorities of opportunity for a hearing.
- ☐ 3. List of taxing authorities notified for district and application action.
- ☐ 4. Lease Agreement showing applicants tax liability.

16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:

Check or Indicate N/A if Not Applicable

- ☐ 1. Original Application plus attachments, and one complete copy
- ☐ 2. Resolution establishing district
- ☐ 3. Resolution approving/denying application.
- ☐ 4. Letter of Agreement (Signed by local unit and applicant)
- ☐ 5. Affidavit of Fees (Signed by local unit and applicant)
- ☐ 6. Building Permit for real improvements if project has already begun
- ☐ 7. Equipment List with dates of beginning of installation
- ☐ 8. Form 3222 (if applicable)
- ☐ 9. Speculative building resolution and affidavits (if applicable)

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

Instruction for Completing Form 1012, *Industrial Facilities Tax Exemption (IFT) Application*

The completed original application form 1012 and all required attachments, **MUST** be filed with the clerk of the local unit of government where the facility is or will be located. Complete applications must be received by the State Tax Commission by October 31 to ensure processing and certification for the following tax year. Applications received after the October 31 deadline will be processed as expeditiously as possible.

Please note that attachments listed on the application in number 16a are to be retained by the local unit of government, and attachments listed in number 16b are to be included with the application when forwarding to the State Tax Commission (STC).

(Before commencement of a project the local unit of government must establish a district, or the applicant must request in writing a district be established, in order to qualify for an IFT abatement. Applications and attachments must be received by the local unit of government **within six months of commencement of project.)**

The following information is required on separate documents attached to form 1012 by the applicant and provided to the local unit of government (city, township or village). (Providing an accurate school district where the facility is located is vital.):

1. Legal description of the real property on which the facility is or will be located. Also provide property identification number if available.
2. Personal Property Requirements: Complete list of new machinery, equipment, furniture and fixtures which will be used in the facility. The list should include description, **beginning date of installation** or expected installation by **month/day/year**, and costs or expected costs (see sample). Detail listing of machinery and equipment **must match amount shown** on question 6b of the application. Personal property applications must have attached a certified statement/affidavit as proof of the beginning date of installation (see sample).
3. Real Property Requirements: Proof of date the construction started (groundbreaking). Applicant must include one of the following if the project has already begun; building permit, footings inspection report, or certified statement/affidavit from contractor indicating exact date of commencement.
4. Complete copy of lease agreement as executed, if applicable, verifying lessee (applicant) has direct ad valorem real and/or personal property tax liability. The applicant must have real and/or personal property tax liability to qualify for an IFT abatement on leased property. If applying for a real property tax exemption on leased property, the lease must run the full length of time the abatement is granted by the local unit of government. Tax liability for leased property should be determined before sending to the STC.

The following information is required of the local unit of government: [Please note that only items 2, 4, 5, 6, & 7 below are forwarded to the State Tax Commission with the application, along with items 2 & 3 from above. The original is required by the STC. The remaining items are to be retained at the local unit of government for future reference. **(The local unit must verify that the school district listed on all IFT applications is correct.)**]

1. A copy of the notice to the general public and the certified notice to the property owners concerning the establishment of the district.
2. **Certified copy of the resolution establishing the Industrial Development District (IDD) or Plant Rehabilitation District (PRD), which includes a legal description of the district (see sample). If the district was not established prior to the commencement of construction, the local unit shall include a certified copy or date stamped copy of the written request to establish the district.**
3. Copy of the notice and the certified letters to the taxing authorities regarding the hearing to approve the application.
4. **Certified copy of the resolution approving the application. The resolution must include the number of years the local unit is granting the abatement and the statement "the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of (governmental unit), or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in (governmental unit – see sample).**

5. **Letter of Agreement (signed by the local unit of government and the applicant per P.A. 334 of 1993 (see sample).**
6. **Affidavit of Fees (signed by the local unit of government and the applicant), (Bulletin 3, January 16, 1998). This statement may be incorporated into the Letter of Agreement (see sample).**
7. **Treasury Form 3222 (if applicable - Fiscal Statement for Tax Abatement Request.**

The following information is required for rehabilitation applications in addition to the above requirements:

1. A listing of existing machinery, equipment, furniture and fixtures which will be replaced or renovated. This listing should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs.
2. A rehabilitation application must include a statement from the Assessor showing the taxable valuation of the plant rehabilitation district, separately stated for real property (EXCLUDING LAND) and personal property. Attach a statement from the assessor indicating the obsolescence of the property being rehabilitated.

The following information is required for speculative building applications in addition to the above requirements:

1. A certified copy of the resolution to establish a speculative building.
2. A statement of non-occupancy from the owner and the assessor. Please refer to the following Web site for P.A. 198 of 1974:

Please refer to the following Web site for P.A. 198 of 1974: **www.legislature.mi.gov/**. For more information and Frequently Asked Questions, visit our Web site at **www.michigan.gov/propertytaxexemptions**.

For guaranteed receipt by the State Tax Commission, it is recommended that applications and attachments are sent by certified mail.

CITY OF ROMULUS
COUNTY OF WAYNE
STATE OF MICHIGAN

AGREEMENT
INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE

(the "Company") has submitted an application to the **City of Romulus** (the "Municipality") for an Industrial Facilities Tax Exemption Certificate ("IFTEC") pursuant to Michigan Public Acts 198 of 1974, as amended.

As consideration for the granting of the IFTEC and in recognition of the investment the Municipality will be making toward the economic growth of the Company and thus the economic growth of the Municipality, the Company and the Municipality hereby agree to the following terms and conditions:

1. No later than December 31 of the year following the "effective" date and each December 31 thereafter for the term of the agreement, the company shall submit a report to the Municipality stating:

a. The number of new jobs promised by the IFTEC application and the actual number of new jobs created.

b. If the IFTEC was granted on the basis of job retention, the number of employees at the time of the application and the current number of employees.

c. If projection for creation or retention of jobs was not reached, give explanation.

d. The estimated project cost given in the application and the actual project cost.

e. If actual project costs differ by more than 10% from projected cost, give explanation.

2. The Company agrees that if employment has not been retained or reached as stated in the application or the construction and/or expansion project has not been completed or expenditures made are less than ninety (90%) from the projected costs as described in the application, the legislative body has the right to petition the State Tax Commission for revocation of the IFTEC.

3. The Company agrees that it shall not report machinery or equipment covered under the IFTEC as idled for the purpose of property taxes for the term of the IFTEC.

4. The Company agrees that if it chooses to leave the Municipality, that permission to relocate outside the Municipality shall not be granted unless and until the Company demonstrates that it has exhausted all attempts to relocate within the Municipality and/or find a new tenant for the property being vacated.

5. The Company also agrees that if it chooses to relocate the facility outside the industrial development district during the period in which the IFTEC is in effect, the company is liable to the Municipality for an amount equal to the difference between the Industrial Facilities Tax to be paid by the Company for that facility for the tax years remaining under the IFTEC and the general ad valorem property tax that the Company would have paid if the Company did not have an IFTEC in effect for those years on the facility. If the Municipality determines that it is in its best interests, it may forgive the liability of the Company under this section. Payment required under this section shall include interest on such amount at a rate set monthly based on the auction rate of 91 day discount treasury bill rate for the first Monday of each month, plus one percent as established by the Michigan Department of Treasury for the refund of taxes ordered by the Michigan Tax Tribunal.

6. It is further agreed that if the Company fails to comply with the terms of this agreement, it shall be considered a breach of a material term of this agreement and shall be considered grounds for revocation of the IFTEC.

7. The applicant shall submit to the City any and all amendments to the lease of the subject property within (20) days of any such amendment.

8. In the event of the termination of the lease agreement or the removal of any clauses requiring the Applicant to pay 100% of the property taxes on the subject property, prior to the expiration of the IFTEC, the abatement certificate shall be revoked as of December 30 in the year of any such lease termination or amendment.

9. The Company agrees that it shall not appeal its ad valorem real or personal property tax assessments during the terms of this agreement, except for current year increases over the prior year assessment.

By signatures of representatives of both the Company and the Municipality below, it is understood and agreed that both the Company's investment in the project and the Municipality's investment through the granting of the IFTEC is to encourage the economic growth of the parties. It is also acknowledged that economic factors beyond the Company's control can, at times, prohibit the maintenance of the Company's targeted status. It is understood that if such conditions exist at the time of the designated Company reports, the governing body of the Municipality will carefully evaluate the Company's situation and will inform the Company if any action is considered in order to give the Company an opportunity for correction.

The Municipality shall give notice by certified mail to the Company of any hearing regarding the proposed revocation or reduction of the term of the IFTEC. Such notice shall be delivered no less the fifteen (15) days prior to such hearing.

In addition, we do swear and affirm by our signatures below that "no payment of any kind in excess of the fee allowed by Public Act 198 of 1974, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of an exemption certificate application".

Witness

_____ BY_____

_____ Title_____

Date_____

Witness CITY OF ROMULUS

_____ BY_____

_____ Title_____

Date_____

TAX ABATEMENT GUIDELINES
CITY OF ROMULUS

(Adopted by City Council October 08, 2007)

Introduction

The following summarizes the **CITY OF ROMULUS** guidelines, with regard to the establishment of new and expanded industrial facilities under Public Act 198 of 1974, as amended.

Public Act 198, the Plant Rehabilitation and Industrial Development Districts Act, was adopted by the State of Michigan as a means of providing industry a stimulus to create and maintain jobs in the form of significant tax incentives. It allows new plants the opportunity to receive an exemption of approximately fifty percent of property taxes on the taxable value of new real and personal property for a maximum period of twelve years.

The Romulus City Council may establish industrial development districts and approve the granting of exemption certificates. The Council must find that the granting of the certificate, when considered together with other certificates previously granted will not substantially impede the operation of the local government unit or impair the financial soundness of the taxing unit prior to the granting of the certificate.

Fees

A $500 non-refundable fee is required with each request to establish an Industrial Development District
A $1,000 non-refundable application fee is required with each tax abatement application.

Contact Information

Questions concerning Act 198 industrial facilities tax exemption certificates can be directed to the Community Development Department or the Department of Assessment, City of Romulus, 11111 Wayne Road, Romulus, MI 48174. The telephone numbers are (734) 942-7545 and (734) 942-7520 respectively.

Goals and Objectives

The Romulus City Council will evaluate all Act 198 applications utilizing the following goals and objectives:

- To expand the City of Romulus' tax base.
- To encourage development that will increase the economic vitality of the community
- To create and retain employment
- The applicant meets current financial obligations to Romulus, is in compliance with all applicable state and local codes and ordinances and has no pending litigation against the City of Romulus including appeals to the Michigan Tax Tribunal

The above-mentioned objectives are not intended to be exhaustive. The City of Romulus Council reserves the right to consider such additional goals and criteria as are consistent with the interests of the City of Romulus.

Criteria for Granting Industrial Facilities Exemption Certificates

Section 16 of Public Act 198 of 1974 provides that the legislative body of the local governmental unit shall determine the duration of an Industrial Facilities Tax Exemption Certificate (tax abatement). The City of Romulus Council shall make this determination based on careful consideration of the following criteria.

The City Council retains the authority for the final determination of the appropriateness of any I.F.T.E.C. and is not bound to using only the following when acting on a specific abatement request.

The certificate may be revoked in the event that the purposes for which the certificate was issued are not being fulfilled as a result of the failure of the holder to proceed in good faith with the replacement, restoration or construction or operation of the replacement facility or new facility, or to abide by any other terms of its Agreement with the City. All applicants will be required to execute an agreement with the City that provides for all the pertinent terms under which the City is approving the application.

CRITERIA

1. That the project will expand the tax base of the City of Romulus

Cost of proposed project and improvements:	
Less than $ 250,000	00
$ 250,000 to $ 499,000	05
$500,000 to $1,999,999	10
$2,000,000 to $2,499,000	15
$3,000,000 to $4,999,999	20
$5,000,000 and over	25

2. That the project has selected Romulus for their location

Project expanding from within Romulus	10
Project coming from outside the State of Michigan	10
Project coming from within the State of Michigan	05

3. The applicant for the abatement owns/leases the land on which they plan to locate

The applicant is the property owner	10
The applicant is a lessee (7 or more years) of the property	10
The applicant is a lessee (3 – 6 years) of the property	05

4. The main headquarters of the applicant is the site for which the abatement is requested

No	00
Yes, office portion of building less than 25%	05
Yes, office portion of building 25% or more	10

5. That the project will produce jobs for the community

Number of *new* jobs brought into Romulus	
Five jobs or fewer	00
Between six and eleven jobs	05
Between twelve and twenty jobs	10
Between twenty-one and fifty jobs	15
More than fifty jobs	20

Number of jobs retained	
Five jobs or fewer	00
Between six and eleven jobs	02
Between twelve and twenty jobs	05
Between twenty-one and fifty jobs	07
More than fifty jobs	10

6. That the project is primarily composed of manufacturing* or research & development based on percentage of building allocated to such:

Less than fifty percent	00
Fifty to seventy-five percent	05
Greater than seventy-five percent	10

warehousing, distribution, and packaging associated with said activities shall not be considered manufacturing

7. That the project provides additional community benefit 0 - 10
(for example)

a) creative landscaping design, preservation of natural features in keeping with City ordinances, but significantly greater than what is required
b) architecture and design in keeping with the design of the community and significantly greater than what is required by the City ordinances
c) applicant can demonstrate a history of significant community involvement and support in their current location as well as a commitment to support the Romulus community in the future by being involved in civic activities
d) other conditions or unique circumstances favorable to the Romulus community

TOTAL POINTS	**MAXIMUM YEARS**
96 and above	12
83 – 95	10
70 – 82	08
57 – 69	06
46 - 56	04
35 – 45	02
Less than 35	00

Tax Abatement Application – Check List of Attachments & Documents

To be submitted by the **applicant** (submit four copies except as noted):

- ❑ PA 198 Application (submit one (1) original signed application)
- ❑ Drawing of the property (copy of reduced site plan)
- ❑ Legal description of the property (copy of deed or exhibit sheet with legal)
- ❑ List of new equipment to be purchased and date of acquisition
- ❑ List of existing equipment
- ❑ Tax abatement agreement with City of Romulus (2 signed originals)
- ❑ Copy of the Building permit
- ❑ IFTEC Application Fee - $1,000 check made payable to City of Romulus

To be completed by the **City of Romulus**

- ❑ Copy of published notice on hearing to approve application
- ❑ Certified copy of resolution establishing industrial development district
- ❑ Map of district's perimeters, with location of facility indicated.
- ❑ Certified copy of resolution approving PA 198 application
- ❑ List of other taxing units who received notices
- ❑ Copies of notices to other units

For Frequently Asked Questions, please see www. michigan.gov/treasury and type "Industrial Facility Exemption" in the search box. Click "search" and select the first link when the page appears.

CITY OF ROMULUS
TAX ABATEMENT APPLICATION
SUPPLEMENTAL INFORMATION

Name of firm requesting abatement _____

Contact person with firm _____

Phone _____ Date _____

Please answer completely each of the following questions regarding the facility for which you are requesting an industrial facilities tax exemption certificate. A completed version of this form must be returned to the City of Romulus with your application.

1. What is the total cost of the project? _____

2. Are you expanding this project from within the City of Romulus? _____

   Are you relocating this project from a state other than Michigan? _____

   If yes, what state? _____

3. Do you own or lease the property? If leasing, what is length of lease? _____

   _____

4. Is the headquarters of your company on the site of the facility for which you are requesting the tax exemption/abatement? _____

   If yes, what portion of the building is office? _____

5. How many new jobs are being brought into the City by this project? _____

   How many Romulus jobs are being retained? _____

6. What % of the building is allocated to manufacturing or R & D? _____

7. Comments regarding additional community benefits_____

   _____