

Charter Township of Clinton

APPLICATION TO **TRANSFER** INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

Charter Township of Clinton



OFFICERS:

Robert J. Cannon
Supervisor

George Fitzgerald
Clerk

William J. Sowerby
Treasurer

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Kenneth Pearl

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DEPARTMENT OF ASSESSING

ASSESSOR

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CIVIC CENTER

40700 Romeo Plank Road
Clinton Twp., MI 48038-2900
Phone: (586) 286-9468
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CHARTER TOWNSHIP OF CLINTON MACOMB COUNTY, MICHIGAN

Application for Transfer of Industrial Facilities Exemption Certificate

TO THE APPLICANT:

The Charter Township of Clinton has established the following policy for its review and consideration of each application for an Industrial Facilities Exemption Certificate.

CONTACT PERSON FOR PROCEDURAL INFORMATION:

At State Level:

Sarah Miller
Exemption Program Section
State Tax Commission
P. O. Box 30471
Lansing, Michigan 48909-7971
(517) 373-3272 - Phone
(517) 373-3553 - FAX

At Township Level:

Sharon E. Schaffner, Assessing Administrator
Charter Township of Clinton
40700 Romeo Plank Road
Clinton Township, Michigan 48038
(586) 723-8014 - Phone
(586) 286-9390 - FAX

POLICIES:

1. An Industrial Facilities Exemption Certificate means the Certificate and the limits of Tax Abatement as prescribed in Act 198 of the Michigan Acts of 1974, as amended.
2. The application attached is a preliminary review questionnaire along with the State application and supporting documents. The applicant may be required to submit additional information and documentation in support of its application for tax abatement as may be deemed necessary or appropriate in the discretion of the Charter Township of Clinton Board of Trustees and/or Economic Development Corporation.

CHARTER TOWNSHIP OF CLINTON
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE POLICY (CONT.)

3. The acceptance for filing of this application by the Charter Township of Clinton does not imply an approval will be granted for this request. *The Charter Township of Clinton Board of Trustees constitutes the approving body for the Charter Township of Clinton and its decision is further subject to approval by the Michigan State Tax Commission as prescribed by law.*
4. The Charter Township of Clinton Board of Trustees shall have each application reviewed by the Township Assessor for compliance with Public Act 198 of 1974 as amended. The Assessor shall forward the application to the Economic Development Corporation, who shall review and make a recommendation to the Board of Trustees for final action.
5. No Industrial Facilities Exemption Certificate can be granted until the Charter Township of Clinton Board of Trustees establishes an appropriate plant rehabilitation district or industrial development district, as required for the type of development concerned. No such district can or will be established by the Charter Township of Clinton Board of Trustees in any portion of the Township except in strict conformity with the applicable zoning of land for such use.
6. An Industrial Facilities Exemption Certificate will not be granted unless the Charter Township of Clinton Board of Trustees, in its discretion, determines:
 - a. The commencement of the restoration, replacement or construction of the facility occurred not earlier than *six months before* the filing of the application for the certificate.
 - b. The application relates to the construction, restoration, or replacement program which when completed constitutes a new or replacement facility within the meaning of the plant rehabilitation and industrial development district Act 198 of the Michigan Public Acts 1974, as amended, and which shall be situated within a plant's rehabilitation district or industrial development district established by the Charter Township of Clinton Board of Trustees.
 - c. Completion of the facility is calculated to, and will at the time of issuance of the certificate have the reasonable likelihood to create employment, retain employment or prevent a loss of employment in the Charter Township of Clinton.
 - d. Completion of the facility does not constitute merely the addition of machinery and equipment for the purpose of increasing productivity capacity but rather is primarily for the purpose and will primarily have the effect of restoration, replacement or updating the technology of obsolete industrial property. An increase in productive capacity, even though significant, shall not constitute an impediment to the issuance of a certificate if other criteria in this policy and the law are met. This provision shall not apply to a new facility.

CHARTER TOWNSHIP OF CLINTON
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE POLICY (CONT.)

- e. The granting of the certificate will not place an undue burden upon the taxpayers of the Charter Township of Clinton, including the school districts and the County of Macomb.
7. An original application and four (4) copies (total of five complete sets) shall be submitted to the Charter Township of Clinton Clerk accompanied by an application fee of **\$1,500.00. *The Clerk shall refer the application to the Charter Township of Clinton Assessor for review and recommendation to the Economic Development Corporation.*** The Economic Development Corporation shall then submit recommendation to the Charter Township of Clinton Board of Trustees for final action. In the event the applicant does not qualify for transfer of exemption for any reason, the applicant may be refunded, upon written request, within 60 days of said denial, 50% (\$750.00) of the transfer application fee.
8. On June 18, 1990, the Charter Township of Clinton Board of Trustees adopted a policy through resolution of the Township Board to limit the grant of an Industrial Facilities Exemption Certificate to a period of not exceeding one (1) year where the applicant or any shareholder, general partner or owner of the applicant has outstanding (or is a shareholder, general partner or owner of an entity who has outstanding) delinquent real or personal taxes.
9. As of December 31, 1993, the Legislature approved P.A. 334 of 1993 which amends the Industrial Facilities Act, and requires all applicants to complete the attached Letter of Agreement.
10. As of January 1, 1998, the State Tax Commission shall require that there be attached to all exemption certificate applications an Affidavit, signed by an official of Clinton Township and by a representative of the applicant, which states that no payment of any kind in excess of the fee allowed by Act 198, as amended, has been made or promised in exchange for favorable consideration of an exemption certificate application.

Charter Township of Clinton
Economic Development Corporation

**APPLICATION FOR
TRANSFER OF AN
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE**

① APPLICANT INFORMATION

Business name _____

Address _____

Telephone _____ Fax _____

Represented by _____
(include address and telephone, if different from above)

② PROJECT INFORMATION

Transfer of:

Real Property Component

Personal Property Component

Date of occupancy _____ Date equipment moved _____

Location of facility _____

Current zoning of project site: I-1 Light Industrial I-2 Heavy industrial Other: _____

Name of Industrial Development District _____

Please describe nature of Applicant's business _____

3 COMPANY INFORMATION

Company Partners/Officers/Directors and their home addresses

_____	_____
_____	_____
_____	_____
_____	_____

Shareholders and their addresses

_____	_____
_____	_____
_____	_____

If any of the above Partners/Officers/Directors are affiliated with any other company, please give name, company name, and company address

_____	_____	_____
_____	_____	_____
_____	_____	_____

List all community involvement by the applicant and its Partners/Officers/Directors *(Examples include: Kiwanis, Lions, Rotary, Goodfellows, Chamber of Commerce, etc.)* NOTE: The EDC is particularly interested in Applicants actively involved in their community. A strong participation in community service will assist in determining the period of tax abatement recommended for approval.)

When did applicant begin operation of business in Clinton Township? _____

Previous location(s) of applicant's business _____

List previous tax abatements received in Clinton Township or elsewhere _____

4 SPECIFIC INFORMATION

Certificate number _____

Originally issued to _____

Expiration date of the certificate _____

Number of years remaining on the certificate _____

Project values approved by State Tax Commission: Real Property _____

Personal Property _____

TOTAL value being transferred by applicant _____

5 EMPLOYMENT INFORMATION

Number of existing employees prior to transfer request _____

Number of new employees to be hired as a result of this transfer _____

Estimated number of employees who will be residents of Clinton Township _____

Is the applicant employing (or planning to employ) students and/or residents attending local schools and colleges? Has the applicant contacted any Clinton Township schools regarding cooperative training programs? Please explain:

6 COMMUNITY IMPACT INFORMATION

Describe the benefits this facility will provide to the Charter Township of Clinton, its residents and businesses

Describe anticipated new business and/or industry that will develop in Clinton Township as a result of transferring this tax abatement

Reason for this exemption request _____

State any additional information which will assist in reviewing and deciding this application

SIGNED: _____

DATE: _____

TITLE: _____

CLERK'S ACKNOWLEDGMENT OF RECEIPT

The foregoing application and accompanying application fee of One Thousand Five Hundred (\$1,500) Dollars was received on this _____ day of _____, _____.

GEORGE FITZGERALD, Clerk
Charter Township of Clinton

PLEASE READ!

- A) Contact the Township Assessor's office to determine if you are using the latest revision of the application and to review the application process. Applications and instructions are periodically updated.
- B) FOR BUILDING TRANSFERS: The application should be filed immediately upon occupancy of the building. FOR PERSONAL PROPERTY TRANSFERS: The application can be filed prior to moving the equipment or immediately thereafter.
- D) File one (1) original and four (4) copies (total of five complete sets) of the application along with an application fee of One Thousand Five Hundred (\$1,500) Dollars with the Township Clerk's office. Retain a copy of the application for your records.

INSTRUCTIONS FOR COMPLETING MICHIGAN DEPARTMENT OF TREASURY STATE TAX COMMISSION FORM 1012 (Rev. 4/04)

- 1a. Enter the name of the company applying for abatement. Applicant must be the occupant and operator of the facility.
- 1b. Enter four digit Standard Industrial Classification Code. This code is found in the 1987 Standard Industrial Classification Manual available at the Township Assessor's office.
- 1c. Enter the street number and street name for the **new location** of the facility.
- 1d. Enter Clinton Township.
- 1e. Enter Macomb.
- 2. Check **Transfer** as type of approval requested.
- 3a. Enter the appropriate school district name for the location of the facility.
- 3b. Enter the five digit school code:

Clintondale	50070	L'Anse Creuse	50140
Chippewa Valley	50080	Mount Clemens	50160
Fraser	50100		
- 4. Enter number of years remaining on the Industrial Facilities Exemption Certificate.
- 5. Refer to the certificate number and describe what the transfer application is for (building, addition, and/or personal property). Describe the proposed use of the facility. Attach additional pages if necessary.
- 6a. Enter the real property costs that were submitted on the original application for tax abatement. This information is available from the Assessor's Office.

- 6b. Enter the personal property costs that were submitted on the original application for tax abatement. This information is available from the Assessor's Office.
- 6c. Enter the total project cost by adding together the real and personal property costs.
7. For Real Property Improvements the Begin and End dates should coincide with the move-in dates. For Personal Property Improvements the Begin and End dates should reflect the dates the equipment was moved.
If the building is leased, please attach a complete copy of the current lease agreement as executed, verifying lessee has direct tax liability to Clinton Township (**Exhibit 1**). Language that states real and personal property taxes are paid "as additional rent" or "paid to landlord" is unacceptable.
8. Check the **No** box.
9. Enter number of existing employees who will continue to work at the project site as a result of this request for transfer of tax abatement.
10. Enter number of anticipated new employees to be hired by applicant.
- 11a. Skip.
- 11b. Skip.
- 11c. Skip.
- 12a. Check box for Industrial Development District.
- 12b. Enter date the Industrial Development District was established.
- 12c. Check the **No** box.

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- 13a. Enter the name of person who prepared the application.
- 13b. Enter the preparer's telephone number.
- 13c. Enter the preparer's fax number.
- 13d. Enter preparer's email address.
- 14a. Enter name of person who should be contacted to attend meetings, answer questions, etc.
- 14b. Enter the contact person's telephone number.
- 14c. Enter the contact person's fax number.

- 14d. Enter the contact person's email address.
- 15a. Enter the name of the company officer that will be signing the application.
- 15b. Signature of the company officer.
- 15c. Enter date the application was signed by the company officer.
- 15d. Enter the mailing address of the company.
- 15e. Enter the company's telephone number.
- 15f. Enter the company's email address.

OTHER ATTACHMENTS

- 16. Attach a copy of the Resolution Establishing Industrial Development District and identify as ***Exhibit 2***.
- 17. Attach the Letter of Agreement initialed, signed, and dated by the owner or president of the company and identified as ***Exhibit 3***.
- 18. Attach the Affidavit of Fees signed/dated by the company officer and identified as ***Exhibit 4***.
- 19. If the company does not have a previous Industrial Facilities Exemption Certificate, please include a copy of the Worker's Compensation Insurance policy page displaying worker codes and descriptions. This will be identified as ***Exhibit 5***.
- 20. The following exhibits will be provided by the Clerk's Office:
 - Exhibit 6*** Copy of the notice and certified letter to taxing authorities regarding the hearing to approve the application.
 - Exhibit 7*** Certified copy of the resolution approving the application.
- 21. Township Assessor will include Treasury form 3222 Fiscal Statement for Tax Abatement Request if required.
- 22. Upon preliminary completion of the application and preparation of exhibits, contact the Township Assessor's Office to schedule a meeting to review the application.
- 23. The completed application will be presented to the Clinton Township Economic Development Corporation for review and recommendation to the Township Board. Upon approval of the Township Board, the application will be forwarded to the State Tax for final approval.

REQUIRED EXHIBITS FOR STC APPLICATION

Transfer of Industrial Facilities Exemption Certificate

This list will assist you in submitting the necessary attachments

→ DO NOT INCLUDE THIS LIST
WHEN SUBMITTING APPLICATION
THIS IS A CHECK LIST ONLY

EXHIBIT 1 - Copy of current executed lease agreement for building (if applicable). See complete instructions on page 2 of 5 (#7)

***EXHIBIT 2 - (Available from Clinton Township Assessor's Office)
Certified copy of the resolution establishing the Industrial Development District including the legal description of the district***

EXHIBIT 3 - Letter of Agreement signed by applicant's owner or president

NOTE: You may use the blank Letter of Agreement form provided with this application packet

EXHIBIT 4 - Affidavit of Fees signed by applicant

NOTE: You may use the blank Affidavit of Fees form provided with this application packet

EXHIBIT 5 - First time applicants must attach a copy of their Worker's Compensation policy displaying worker codes and descriptions

EXHIBIT 6 - (Supplied by Clinton Township Clerk's Office)
Copy of the notice and certified letter to taxing authorities regarding the hearing to approve the application

EXHIBIT 7 - (Supplied by Clinton Township Clerk's Office)
Certified copy of the resolution approving the application

LETTER OF AGREEMENT

TRANSFER OF INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE

(NOTE: This is an important agreement required by Public Act 334 of 1993.

Please read carefully and initial each item.

This agreement must be signed by the owner or president of the company.)

Mr. George Fitzgerald, Clerk
Charter Township of Clinton
40700 Romeo Plank Road
Clinton Township, Michigan 48038

RE: Agreement with the Charter Township of Clinton

Dear Mr. Fitzgerald:

_____ (the “Company”) has submitted an application to you for the transfer of an Industrial Facilities Tax Exemption Certificate (IFEC) pursuant to Michigan Public Acts of 1974, as amended.

To encourage the granting of the IFEC and in recognition of the investment the Charter Township of Clinton (the “Township”) will be making toward the economic growth of the Company, and thus, the economic growth of the Township, I hereby agree on behalf of the Company to the following:

- _____ initials
- 1.** No later than the 10th day of January immediately following the second year after the transfer date of the IFEC, the Company shall submit a letter to the Clinton Township Assessor’s Office stating:
 - a.** The number of new jobs *promised* in the IFEC application and the *actual* number of new jobs created.
 - b.** If the IFEC was granted on the basis of job retention, the number of employees at the time of the application and current number of employees.
 - c.** If projection for creation or retention of jobs was not reached, give explanation.
 - d.** An IFEC issued for personal property will require that Exhibit 2c of the original application be attached to the Personal Property Statement filed with the Township each and every year, indicating any disposals from the original list submitted.

 - 2.** The Company agrees that all ad valorem real and personal property taxes, specific IFT real and personal property taxes, and special assessments shall be paid in a timely manner, and by the signing of this Letter of Agreement acknowledges that failure to pay in a timely manner may result in the adoption of
- _____ initials

a resolution by the Township Board requesting the State Tax Commission to revoke the IFT. The company further agrees to a lien being placed on that real estate and/or personal property covered by this Industrial Facility Exemption Certificate which said lien shall carry interest at the rate of nine (9%) percent per annum and shall be collectable as by foreclosure on mortgages in equity, by advertisement, and or by judicial foreclosure and any foreclosure shall include an amount of reasonable attorney fees and costs to the Township.

_____ initials 3. The Company agrees to complete and submit all required annual Personal Property Statements to the Charter Township of Clinton Assessor's Office by the required due date. Failure to submit the necessary Statements may result in the adoption of a resolution by the Township Board requesting the State Tax Commission to revoke the IFEC.

_____ initials 4. By endorsement of this Agreement, the Company understands that prior to relocating to another community the Company shall contact the Clinton Township Economic Development Corporation (EDC) Relocation Committee to assist in finding a suitable building or parcel for development within Clinton Township.

If the Company chooses to leave Clinton Township for relocation prior to the end of the term of the IFEC, the Township Board has the right to recapture from the Company up to and including the total amount of the taxes abated by the IFEC if it determines that the Company is intentionally removing itself from Clinton Township for the primary purpose of gaining favorable tax and/or other benefits or treatment from another municipality.

In the event the Company leaves the Charter Township of Clinton, or in the event that employee projections have not been 75% complied with, other than for reasons of economic hardship and/or necessity or other valid reasons as determined by Clinton Township, the Township in its sole discretion may recapture the entire amount of taxes abated by the IFEC or take other action, including but not limited to reduction in the term, or a recapture in part of previous taxes abated. In the event employee projections have not been substantially complied with, Clinton Township shall notify the Company in writing and schedule the hearing no earlier than 45 days following such notice before the Board of Trustees prior to the Township exercising any of the remedies herein. The Company shall be entitled to present additional documentation, information and explanations regarding alleged non-compliance. In the event Clinton Township elects to recapture taxes previously abated by the IFEC, the Township shall prepare and record a lien against the property for the total amount of taxes previously abated plus interest at the rate of 8% per annum compounded annually from the time the lien was recorded until it is paid. The lien shall be payable in full at any time the property or any portion thereof is sold or transferred. In addition, payments shall be collected in the same manner as ad valorem real property taxes annually with the December tax bill in equal installments computed by dividing the outstanding abated taxes by the number of years or fraction thereof during which tax abatement occurred.

initials 5. The Company shall allow the Charter Township of Clinton and/or its agent upon reasonable notice the right to review during reasonable business working hours the Company's books and records concerning any and all information supporting the representations made by the Company to the Township in support of its application for tax abatement.

initials 6. In the event the Company fails or refuses to submit to the Charter Township of Clinton all required letters and/or reports set forth herein when due, the Company shall be considered to be in default hereof thereby giving Clinton Township the right to take action to recapture any amount of taxes abated.

initials 7. In the event the applicant does not qualify for transfer of exemption for any reason, the applicant may be refunded, upon written request, within 60 days of said denial, 50% (\$750.00) of the application fee.

By signatures of both the Company and the Charter Township of Clinton below, it is understood that both the Company's investment in the project and the Township's investment through the granting of an IFEC is to encourage the economic growth of each. It is also acknowledged that certain economic conditions 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 Charter Township of Clinton 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.

WITNESSES:

(Company Name)

By: _____

Title: _____
(Owner or President)

Date: _____

WITNESSES:

ACKNOWLEDGED BY
CHARTER TOWNSHIP OF CLINTON

By: _____

Title: _____

Date: _____

AFFIDAVIT OF FEES

By signatures of both the Applicant and the Municipality below, it is understood that no payment of any kind in excess of the fee allowed by Act 198, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of an exemption certification application.

If the State Tax Commission determines after an exemption certificate has been issued that a payment of any kind in excess of the fee allowed by Act 198, as amended, has been made or promised, the State Tax Commission shall revoke the exemption certificate and may pursue other appropriate sanctions against the parties.

This requirement shall apply to all applications received by the State Tax Commission after December 31, 1997.

WITNESSES:

APPLICANT

By: _____

Title: _____

Date: _____

WITNESSES:

ACKNOWLEDGED BY
CHARTER TOWNSHIP OF CLINTON

By: _____

Title: _____

Date: _____

Revised: September 26, 2000