



## CITY of NOVI CITY COUNCIL

**Agenda Item 1**  
**July 25, 2016**

**SUBJECT:** Approval of Resolution to establish an Industrial Development District and Approving Application for an Industrial Facilities Exemption Certificate for Daifuku North America Holding Company, for an approximately 76,000 square foot facility to be located on Cabot Drive and related Agreement concerning Industrial Facilities Tax Abatement.

**SUBMITTING DEPARTMENT:** Neighborhood and Business Relations

**CITY MANAGER APPROVAL:** 

### **BACKGROUND INFORMATION:**

In 1974 the State Legislature passed Public Act 198, The Plant Rehabilitation and Industrial Development Districts Act (known as the Industrial Facilities Exemption). As amended, the Act provides a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. An Industrial Development District (IDD) or a Plant Rehabilitation District (PRD) must be created before an exemption from taxes can be granted. An Industrial Facilities Exemption (IFE) certificate entitles the facility to exemption from ad valorem real and/or personal property taxes for a term of 1-12 years, subject to the payment of an alternative specific tax known as the Industrial Facilities Tax.

Daifuku North America is the Holding Company for Daifuku in the United States. The parent company, Daifuku LTD was established in Japan in 1937 and is the leading material handling company worldwide for the last two years. Annual revenues exceed \$2.5 billion. Members of the Daifuku team include; Jervis B Webb Company and Daifuku ATec headquartered in Farmington Hills, Michigan, Daifuku America Corporation based in Reynoldsburg, OH with an automotive division for American automotive customers currently based out of Farmington Hills, Michigan. Wynright, based in Chicago, BCS Group, based in New Zealand, Daifuku Logan, based in the United Kingdom, and Elite Line Services (ELS), the largest and most experienced baggage handling system maintenance organization with offices across the United States. Daifuku America Corporation manufactures industrial conveyors including chain conveyors (Unibiltenclosed track, Unibeam 1-beam, power & free, and towline), unit handling (baggage handling, roller, sorting), platform (skid, skillet and slat), Electrified Monorail Systems (EMS) and friction systems out of plants in Boyne City and Harbor Springs, Michigan, and plants in Hamilton Ontario and the Carlisle Plant in South Carolina. These industrial conveyors revolutionized mass production and changed the way automobiles are manufactured. Daifuku ATec manufactures baggage handling conveyor and controls equipment at facilities located in Boyne City and Harbor Springs, Michigan. The 75,000 square foot Boyne plant produces slider bed transport conveyors, pushers, buffer conveyors and merges. The 100,000 square foot Harbor Springs plant produces slope plate, flat plate, vertical sortation units, scale dispatch conveyors, and motor control panels.

Currently located on 12 Mile Road in Farmington Hills, Daifuku is seeking to relocate its North American Headquarters and invest \$15.1 million in a new facility on Cabot Drive north of 13 Mile Road. The facility will be developed and constructed by Northern Equities and owned by Daifuku Holdings. In addition to the 290 members currently employed in southeast Michigan, approximately 33 new positions would be added over the next two years, with an average salary of \$85,000 annually. Daifuku is requesting an abatement of 50% of the ad valorem real and personal property taxes for 12 years in consideration of the 15.1 million investment in a facility they will own. The real property would be \$10,315,000 of the investment with Personal Property valued at \$2,400,000. The balance of the total investment would be the cost of the land and would not qualify for abatement.

The process for approving an abatement involves establishing the Industrial Development District and determining whether to grant an Industrial Facilities Tax Abatement. A public hearing for both were held earlier in this meeting. In preparation for the meeting, Daifuku and City Administration have completed a draft Industrial Facilities Exemption Certificate Agreement that would accompany a Resolution to approve the tax abatement. Both documents are attached for Council's consideration; the Agreement is similar in form to previous agreements approved by the Council.

In total, over twelve years, Daifuku, with a \$15.1 million investment in Novi would receive an abatement of City taxes of \$359,473 and during that time be paying the City of Novi an equal amount. In year 13 the projected revenue to the City would increase by an estimated \$31,451 per year onward.

In addition to the \$15.1 million financial investment and approximately 33 new jobs with an average salary of \$85,000, Daifuku is eager to engage in community partnerships and further establish their roots in Novi.

**RECOMMENDED ACTION:** Approval of Resolution to establish an Industrial Development District and Approving Application for an Industrial Facilities Exemption Certificate for Daifuku North America Holding Company for an approximately 76,000 square foot facility to be located on Cabot Drive and related Agreement concerning Industrial Facilities Tax Abatement, with the form and content of the Agreement to be finalized by the City Manager and City Attorney consistent with the Resolution.

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Burke				
Council Member Casey				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				

**City of Novi**

**County of Oakland, Michigan**

**RESOLUTION ESTABLISHING INDUSTRIAL DEVELOPMENT DISTRICT AND APPROVING APPLICATION OF DAIFUKU NORTH AMERICA HOLDING COMPANY FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE FOR A NEW FACILITY**

Minutes of a Meeting of the City Council of the City of Novi, County of Oakland, Michigan, held in the City Hall of said City on July 25, 2016, at \_\_\_\_\_ o'clock P.M. Prevailing Eastern Time.

PRESENT:

Councilmembers \_\_\_\_\_

ABSENT:

Councilmembers \_\_\_\_\_

The following preamble and Resolution were offered by Councilmember \_\_\_\_\_ and supported by Councilmember \_\_\_\_\_.

**WHEREAS**, pursuant to Act No. 198 of the Public Acts of 1974, as amended, this City Council has the authority to establish "Industrial Development Districts" within the City; and

**WHEREAS**, Daifuku North America Holding Company ("Daifuku") has petitioned this City Council to establish an Industrial Development District on property located in the City of Novi hereinafter described; and

**WHEREAS**, Daifuku seeks to build a facility to house its corporate headquarters, and has requested that the City process the request to establish a district under the provisions of Act 198 as a new facility, which the City has agreed to do; and

**WHEREAS**, written notice has been given by mail to all owners of real property located within the district, and to the public by newspaper advertisement and/or public posting of the hearing on the establishment of the proposed district; and

**WHEREAS**, on July 25, 2016, a public hearing was held at which all of the owners of real property within the proposed Industrial Development District and all residents and taxpayers of the City, and the representatives of other taxing jurisdictions, were afforded an opportunity to be heard thereon; and

**WHEREAS**, the City Council deems it to be in the public interest of the City to establish the Industrial Development District as proposed; and

**WHEREAS**, Daifuku has also filed its application for an Industrial Facilities Exemption Certificate with respect to the improvements within the Industrial Development District; and

**WHEREAS**, 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 at the hearing on July 25, 2016; and

**WHEREAS**, the City Council finds that construction and use of the facility 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 the City of Novi; and

**WHEREAS**, the City Council finds that approval of the IFEC would substantially comply with the Tax Abatement Application Criteria set forth in the City's Tax Abatement Policy, incorporated as part of this Resolution by this reference; and

**WHEREAS**, the City Council has examined whether the State Equalized Valuation (SEV) of the property proposed to be exempt in the Application, considered together with the aggregate SEV of property exempt under 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, exceeds 5% of the state equalized valuation of the City of Novi; and

**WHEREAS**, the City Council finds that granting the 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/or Act No. 255 of the Public Acts of 1978, will not have the

effect of substantially impeding the operation of the City of Novi, or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Novi.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Novi:

A. That the following described parcel of land situated in the City of Novi, County of Oakland, and State of Michigan, to wit:

**Legal Description of Proposed Industrial Development District**

Land situated in the City of Novi, County of Oakland, State of Michigan, and is described as follows:

Land in part of the Southeast 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County Michigan, being more particularly described as: Commencing at the Southeast corner of said Section 1; thence N02°30'06"W, 632.02 feet along the east line of said Section 1; thence S85°30'21"W, 60.04 feet to the west line of Haggerty Road (120' wide); thence along the west line of said Haggerty Road N02°30'06"W, 1589.94 feet; thence S87°29'39"W, 320.91 feet; thence S43°04'21"W, 97.24 feet; thence S01°15'44"E, 108.60 feet; thence S87°29'07"W, 355.89 feet to the POINT OF BEGINNING:

thence S02°30'19"E, 361.12 feet;  
thence S87°36'39"W, 85.30 feet;  
thence N47°49'44"W, 135.60 feet;  
thence S87°02'53"W, 487.71 feet to the east line of Cabot Drive (60' wide);  
thence along said east line N02°57'07"W, 603.80 feet;  
thence N87°02'53"E, 43.61 feet;  
thence S61°56'30"E, 420.91 feet; thence N87°29'41"E, 268.09 feet;  
thence S02°30'19"E, 120.68 feet to the POINT OF BEGINNING.

Containing 7.36 Acres of land more or less.

(Part of Tax Parcel 22-01-400-036)

be and here is established as an Industrial Development District pursuant to the provision of Act No. 198 of the Public Acts of 1974 to be known as the Novi Industrial Development District No. \_\_\_\_.

B. That the application of Daifuku for an Industrial Facilities Exemption Certificate with respect to a new facility to be constructed on the described parcel of real property situated

within the Industrial Development District created herein and new personal property be and the same is hereby approved, for a period of twelve (12) years, for the tax years 2017 through 2028.

C. That subject to and in accordance with the Recitations set forth above the Industrial Facilities Exemption Certificate when issued shall be and remain subject to the terms and conditions of the Agreement Concerning Industrial Facilities Tax Abatement Agreement between Daifuku and the City of Novi attached hereto, and that the Mayor and City Clerk are authorized to execute said Agreement.

**AYES:**

**NAYS:**

RESOLUTION DECLARED ADOPTED.

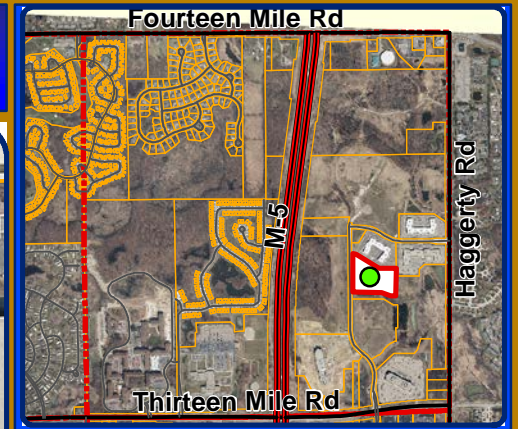
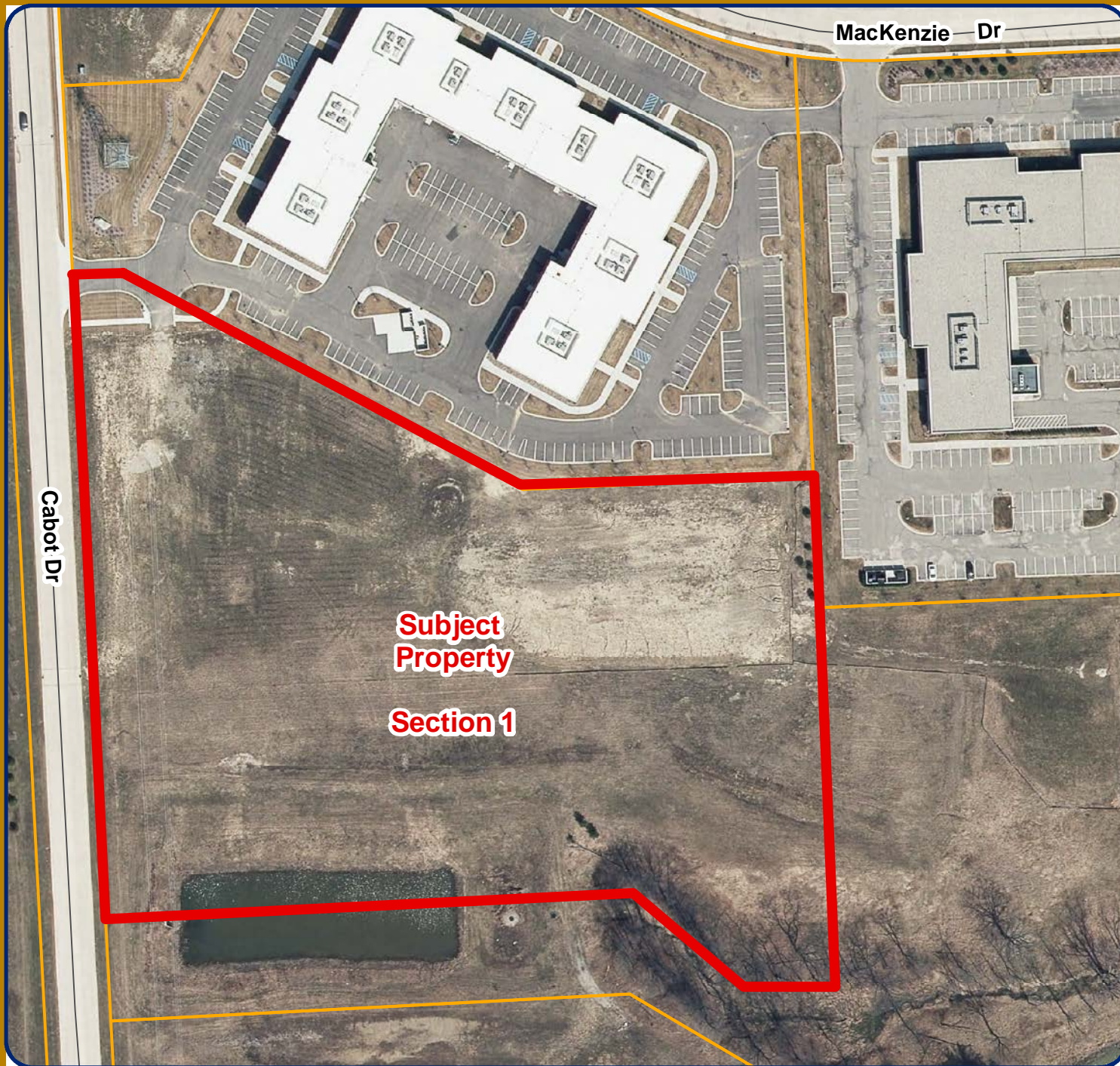
\_\_\_\_\_  
Cortney Hanson, City Clerk

**CERTIFICATION**

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Novi at a regular meeting held this \_\_\_\_ day of \_\_\_\_\_, 2016, and that public notice of said meeting was given pursuant to and in full compliance with Act No. 267, Public Acts of Michigan, 1976, and that the minutes of said meeting have been kept and made available to the public as required by said Act.

\_\_\_\_\_  
Cortney Hanson, City Clerk  
City of Novi

# 16-23 Daifuku Location



Legend  
 Sections

**City of Novi**  
Dept. of Community Development  
City Hall / Civic Center  
45175 W Ten Mile Rd  
Novi, MI 48375  
cityofnovi.org

Map Author: Sri Komaragiri  
Date: 07/08/16  
Project: 16-23 Daifuku  
Version #: 1  
0 25 50 100 150 Feet  
1 inch = 133 feet



**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.



**AGREEMENT CONCERNING**  
**INDUSTRIAL FACILITIES TAX ABATEMENT**

The City of Novi ("City"), located at 45175 W. Ten Mile Road, Novi, Michigan 48375, and Daifuku North America Holding Company ("Company"), a Delaware corporation, located at 34375 W. Twelve Mile Road, Farmington Hills, MI 48331 (collectively, "the Parties"), agree as follows:

Recitals

1. After due notice and deliberation, and taking into consideration the statements received by the City Council at a hearing held on July 25, 2016, the City Council on such date adopted a Resolution for the establishment of an Industrial Development District (the "Eligible District") pursuant to Act 198 of the Public Acts of 1974, as amended (the "Act 198"), for the property described on the Legal Description attached as Exhibit A and made a part of this Agreement (the "Property"), located on Cabot Drive north of Thirteen Mile Road.

2. The Company also submitted an application ("Application") for issuance of an Industrial Facilities Exemption Certificate ("IFEC") for the Property, as provided for in Act 198. The Application is incorporated as part of this Agreement by reference.

3. The Company represented in its Application that it will be the owner of, and will occupy, a two-story building to be constructed on the Property containing approximately 76,547 square feet (the "Investment" or "facility") as a world-class facility to house its world headquarters. Daifuku North America Holding Company is a subsidiary of Daifuku Co. Ltd, a manufacturer of materials handling systems. The Company further represents that the Investment and its occupation and use thereof qualifies as industrial property under Act 198.

4. The City and the Company desire to enter into this Agreement as required by MCL 207.572, and for the purpose of setting forth the terms and conditions under which an industrial facilities exemption certificate (IFEC) shall be approved and issued by the State Tax Commission for the Property proposed to be exempt from *ad valorem* real property taxes and personal property taxes.

Therefore, in consideration of the foregoing, the Parties now enter into this Agreement.

Terms and Conditions

1. Subject to and in accordance with the Recitals set forth above, on July 25, 2016, the City Council adopted a Resolution approving the Company's Application for an abatement of real property taxes related to the Investment pursuant to Act 198 in the Eligible District (the "Resolution") for a period of twelve (12) years, subject to the provisions of this Agreement. A copy of the Resolution is attached as Exhibit B and is incorporated into this Agreement.

2. In consideration of the twelve (12) year abatement of real and personal property taxes for the 2017 through 2028 tax years (imposed based upon taxable values as of December 31, 2016 through December 30, 2028 ("Abatement Period"), the Company represents and warrants that it will own and occupy the facility and locate its corporate headquarters and its related employees and contract personnel, consisting of approximately 320 full-time equivalent employees and contract personnel ("jobs"), to the Eligible District upon completion of the facility, currently expected in August, 2017. The Company agrees that the facility shall be owned and occupied by the Company for the full term of this Agreement. The Company has represented that it will invest approximately \$15,100,000 in the building and related improvements. The Company further represents that, of the approximately 323 full-time existing employees to be relocated to the facility, approximately 33 will be new to the City of Novi as of 2018.

3. Within 90 days of the date of the completion of the facility, the Company will report:

a. The final cost of the facility to the City Assessor and the State Tax Commission, together with a detailed listing of all new personal property acquired for the facility (including a description, type, identification, year of acquisition, and cost of purchase and installation);

b. The number of jobs created by the completion of the facility, not including jobs transferred from other locations.

4. No later than the 10<sup>th</sup> day of March of each year, beginning in the year 2018 through and including the year 2028, the Company shall submit a report ("Annual Report") to the 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, and through the 2028 tax year, the City may, upon reasonable advance notice, during reasonable times and subject to reasonable restrictions (including confidentiality restrictions), review and audit the information presented by the Company to determine compliance with this Agreement.

5. The Company agrees, as a condition of receiving the IFEC, to operate the facility for the full Abatement Period, plus two (2) years. Any other provision of this Agreement notwithstanding, if during the Abatement Period, or within the two (2) years immediately following the Abatement Period, the Company abandons or closes the facility, or relocates a significant portion of the facility's operations outside the Eligible District, or otherwise fails to occupy the facility as contemplated in this Agreement with approximately 320 jobs for two (2) consecutive years, the City may immediately revoke the IFEC, and the Company shall pay to the City the entire amount of the additional taxes, for the entire period that the IFEC was in effect, that the taxing jurisdictions would have received if the IFEC had not been issued. In addition, the Company will be liable for repayment of future tax savings (if any) if there are any remaining years in the term of the IFEC under the provisions of Section 21(2) of Public Act 198 of 1974.

6. If any of the foregoing amounts are not paid within sixty (60) days of receipt of a billing sent for the same to the Company, the City may institute a civil action against the

Company, and the City shall be entitled to recover the amounts stated in the billing described above. In addition, the Company shall pay 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.

7. The City shall not initiate any court action seeking a remedy under Sections 5 and 6 until after both of the following have occurred:

- a. The City has given written notice to the Company declaring a default and specifying the manner in which the Company is in default. The notice shall include an offer to schedule a meeting of the representatives of the City and Company on a date of said notice to discuss the claimed default and how it may be cured; and
- b. Thirty (30) days after the written notice described in Subsection a, above, is received by the Company, if the Company has met with the City and is diligently pursuing a cure, the City shall grant the Company an additional period of thirty (30) days to cure the default, and the City may grant further extensions of this time period in its sole discretion.

8. Any modifications or amendments to this Agreement must be made in writing and approved by the City Council and the Company.

9. The covenants and provisions set forth herein shall bind the successors and assigns of the parties. This Agreement is assignable and transferable by either party, provided that such assignment and transfer by the Company shall be subject to the approval of the City in accordance with Section 21(1) of Act 198.

10. The Agreement will be interpreted, construed, and enforced in all respects in accordance with the laws of the state of Michigan.

11. The Agreement constitutes the entire understanding of the Parties regarding the abatement of real property taxes in the Eligible District and supersedes any other prior writings, agreements, contracts, or understandings between the City and the Company regarding the abatement of real property taxes in the Eligible District.

12. 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.

13. The Parties each represent that the undersigned individuals are authorized to execute this Agreement on behalf of the City and the Company.

14. In the event that any portion or provision of this Agreement is deemed to be unlawful or unenforceable, the unlawful or unenforceable provision shall be stricken and the remaining portions and provisions shall be fully enforced.

15. This Agreement shall become effective upon issuance by the Michigan State Tax Commission of an IFEC to the Company with respect to the facility and shall be null and void and of no force and effect whatsoever if no IFEC is issued by the Michigan State Tax Commission. A duly executed copy of this Agreement shall be filed with the Michigan Department of Treasury.

16. The Company agrees to pay its abated real and personal property taxes timely and without penalty. If the Company files a petition with the Michigan Tax Tribunal to challenge the assessment of the Property during the Abatement Period that does not result in a reduction in the assessment by at least 25%, the Company shall reimburse the City's reasonable costs of defending such action. The Company agrees to pay all amounts due hereunder and under Act 198 and/or the IFEC in a timely manner and shall not allow any such amounts to become delinquent. Failure to pay amounts due hereunder and under Act 198 and/or the IFEC within thirty (30) days after the Company's receipt of a written notice of non-payment which refers to this Section 16 of this Agreement shall constitute a default and shall be grounds of revocation of the IFEC.

17. The Company further agrees to abide by all other City ordinances, including its building and zoning ordinances, during the operation of the facility.

The Parties have executed this Agreement as of the date of the last signature below (the "Effective Date").

DAIFUKU NORTH AMERICA HOLDING, CO.

CITY OF NOVI

\_\_\_\_\_  
By:  
Its:

\_\_\_\_\_  
By: Robert J. Gatt  
Its: Mayor

\_\_\_\_\_, 2016

\_\_\_\_\_, 2016

and

\_\_\_\_\_  
By: Cortney Hanson  
Its: Clerk

\_\_\_\_\_, 2016

**Exhibit A**  
**Legal Description**

See attached.

**Exhibit B**  
**City Council Resolution**

See attached.

VIA ELECTRONIC MAIL

May 19, 2016

City Clerk  
City of Novi  
45175 W. Ten Mile Road  
Novi, MI 48375




Re: Daifuku North America

Dear Clerk,

HCP Land LLC, a Michigan limited liability company (the "Company"), as owner of the property described on Exhibit A attached hereto (the "Property"), hereby requests that the Novi City Council establish an industrial development district for the Property pursuant to Act 198 of 1974, as amended, MCL 207.554.

In the event that the City Council establishes the requested industrial development district, Daifuku North America ("Daifuku") intends to apply for the issuance of an industrial facilities exemption certificate for the real property investment to be made in connection with the construction and occupancy of its new Headquarters to be located at the Property, which the Company intends to sell to Daifuku.

Sincerely yours,

  
Matthew Sosin  
Vice President, HCP Land LLC

**Exhibit A**  
**Legal Description of Proposed Industrial Development District**

Land situated in the City of Novi, County of Oakland, State of Michigan, and is described as follows:

Land in part of the Southeast 1/4 of Section 1, Town 1 North, Range 8 East, City of Novi, Oakland County Michigan, being more particularly described as: Commencing at the Southeast corner of said Section 1; thence N02°30'06"W, 632.02 feet along the east line of said Section 1; thence S85°30'21"W, 60.04 feet to the west line of Haggerty Road (120' wide); thence along the west line of said Haggerty Road N02°30'06"W, 1589.94 feet; thence S87°29'39"W, 320.91 feet; thence S43°04'21"W, 97.24 feet; thence S01°15'44"E, 108.60 feet; thence S87°29'07"W, 355.89 feet to the POINT OF BEGINNING:

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thence S87°02'53"W, 487.71 feet to the east line of Cabot Drive (60' wide);  
thence along said east line N02°57'07"W, 603.80 feet;  
thence N87°02'53"E, 43.61 feet;  
thence S61°56'30"E, 420.91 feet;  
thence N87°29'41"E, 268.09 feet;  
thence S02°30'19"E, 120.68 feet to the POINT OF BEGINNING.

Containing 7.36 Acres of land more or less.

(Part of Tax Parcel 22-01-400-036)



# PURE MICHIGAN®

Steve Arwood  
Chief Executive Officer

December 8, 2015

## EXECUTIVE COMMITTEE

Doug Rothwell  
Chair  
Business Leaders for Michigan

Jeff Noel  
Vice Chair  
Whirlpool Corporation

Lizbeth Ardisana  
ASG Renaissance

David B. Armstrong  
GreenStone Farm Credit Services

Mary Lou Benedek  
Dow Corning Corporation  
Retired

John W. Brown  
Stryker Corporation

Robert Collier  
Council of Michigan Foundations

Stephen Forrest  
University of Michigan

Cindy Larsen  
Muskegon Lakeshore  
Chamber of Commerce

David E. Meador  
DTE Energy

Jeff Metts  
Dowding Industries Inc.

Tom Moran  
Moran Iron Works Inc.

Scott Newman-Bale  
Shorts Brewing Company

Greg Northrup  
Sustainable Partners LLC

Gerald D. Polson  
Oakland County

Chris Rizik  
Renaissance Venture Capital Fund

Anmar Serafin  
Steward Capital Management

Marilyn Schleck  
Kalamazoo Valley  
Community College

David Somerby  
Loomis, Sayles & Company

Dayne Walling  
City of Flint

Mr. John S. Doychich  
Executive Vice President  
Daifuku North America Holding Company  
34375 W. Twelve Mile Road  
Farmington Hills, MI 48331

Dear Mr. Doychich:

Thank you for taking the time to meet with us at the Michigan Economic Development Corporation (MEDC) for a more in-depth conversation regarding ~~Jervis B. Webb's~~ headquarters, allowing us to gain a more thorough understanding of the needs and requirements of this project. **This letter outlines our revised offer and replaces the original offer letter dated November 23, 2015.**

Following our discussion with you, and based on the original estimated project parameters provided, \$15.1 million in qualified capital investment which will create at least 85 new jobs over three years, we are pleased to provide an amended economic development package of state and local incentives now totaling up to \$3.3 million. Please see the revised "Incentives Profile for Jervis B. Webb" attached for a more-detailed description of the incentives being offered.

This offer includes up to \$700,000 in funding from the Michigan Business Development Program ("MBDP" or "Program"). The MBDP is designed to provide a grant, loan, or other economic assistance to qualified businesses that make qualified investments or create qualified new jobs, or both, in Michigan. While the Program is operated and funded through the Michigan Strategic Fund recommendations for awards under the Program are presented by the MEDC to the MSF Board.

Acceptance of this incentive package is subject to a business integrity review, background check process, and other general due diligence as required, the results of which are satisfactory to the MEDC, the Office of the Chief Compliance Officer, and related authorities. If you decide to accept these proposed incentives, please sign and date this letter in the space designated below, then return it to the MEDC. Your signature constitutes acceptance of the terms and requirements of this proposed incentive package. **The MEDC must receive your written acceptance no later than close of business on December 30, 2015.** Otherwise, these proposed incentives and services may be subject to renegotiation.

Again, I want to thank you for allowing the MEDC the opportunity to redesign our incentive package to better meet the needs of your project. We are confident that

Michigan Economic Development Corporation

300 North Washington Square | Lansing, MI 48913 | 888.522.0103 | michiganbusiness.org | michigan.org

*Daifuku North America Holding Company's*

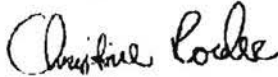
*grant of \$700,000*

Mr. John S. Doychich  
December 8, 2015  
Page 2

*Dai fuka North America Holding Company's  
Michelle*

Michigan can offer all of the elements required to ensure that ~~Jervis B. Webb's~~ headquarters is a success. If you have any questions or concerns, please do not hesitate to contact Michelle Elder directly, either by phone at (517) 243-2727 or email to [elderm@michigan.org](mailto:elderm@michigan.org). Ms. Elder will continue to be available to coordinate all aspects of your company's project.

Sincerely,



Christine Roeder  
Regional Director, Michigan Retention and Growth  
Business Development

**Attachments**

cc: Michelle Elder, MEDC  
Marcia Gebarowski, MEDC  
Alan Weber, Oakland County

The undersigned agrees to accept the above incentives and services of the MEDC subject to the conditions stated in this letter.

  
\_\_\_\_\_  
Mr. John S. Doychich, Executive Vice President

Date: 12/11/15

**Please Return Written Acceptance to the MEDC:**

**Mall:** Attn: Michelle Elder, 300 North Washington Square, Lansing, Michigan 48913  
**Fax:** (517) 335-0198 | **Email:** [elderm@michigan.org](mailto:elderm@michigan.org)

## Incentives Profile for ~~Jervis B. Webb~~

*Daitoku North America Holding Company* *01/17/15*

Incentive	Estimated Values	
	Novi 12 Yr PA 198	Wixom 12 Yr PA 198
Michigan Business Development Program	\$600,000	\$600,000
MBDP - Skills Enhancement Fund	\$100,000	\$100,000
MI Works! Service Centers	\$360,000	\$360,000
PA 198 Property Tax Abatement <i>(Real and Personal Property; 14 years: 12-year abatement for each year of investment)</i>	\$1,593,000	\$1,802,000
6 Mill State Education Tax Abatement <i>(10 and 14 years)</i>	\$439,000	\$439,000
<b>Total Value of Proposed Incentives</b>	<b>\$3,092,000</b>	<b>\$3,301,000</b>

**Project Assumptions:**

\$15.1 million in qualified capital investment and creation of at least 85 new jobs over three years.

Acceptance of this incentive package is subject to a business integrity review, background check process, and other general due diligence as required, the results of which are satisfactory to the MEDC, the Office of the Chief Compliance Officer, and related authorities.

Proposed incentives are dependent on availability of funds each year through the legislative budget process. Incentive amounts are contingent upon the ability of the project to meet program requirements and are subject to an application review and approval process.

Proposed incentives will vary based on actual site selected.

**Proposed package is available until close of business on December 30, 2015.**

# Programs and Incentives

## Financial Programs and Incentives

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### **Michigan Business Development Program**

One of the 21st Century Jobs Fund's economic incentive programs in Michigan administered by the MEDC is the Michigan Business Development Program ("MBDP" or "Program"). The MBDP is designed to provide a grant, loan, or other economic assistance to qualified businesses that make qualified investments, create qualified new jobs, or both, in Michigan. While the Program is operated and funded through the Michigan Strategic Fund (MSF), recommendations for awards under the Program are presented by the MEDC to the MSF Board.

Under the program, qualified new jobs are in addition to jobs already located in Michigan.

Any incentive awarded under the Program is contingent upon several factors, including:

- (i) submission by the Company of a completed application and all other documentation required under the Program;
- (ii) satisfactory community support;
- (iii) available MSF funding;
- (iv) completion of financial review, business integrity review, required background checks, and other business and legal review, and due diligence as required, and the results of which must be satisfactory to the MEDC, the MSF Board, and as applicable, the Chief Compliance Officer;
- (v) approval of an award by the MSF Board; and
- (vi) execution of a final agreement between the Company and the MSF Board containing established milestones and reporting requirements, and all other detailed terms and conditions, required by the MSF Board.

Any funds disbursed to the Company will be subject to a repayment provision, including if the jobs are eliminated.

## Property Tax Incentives

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### **Property Tax Abatement under PA 198 of 1974**

Local units of government have the ability to reduce property taxes on new investment by 50% for manufacturers and high-tech businesses. These abatements can last up to 12 years and can provide relief on both real and personal property taxes. The local unit of government is responsible for approving these abatements and their duration.

### **State Education Tax Abatement**

The MEDC can abate half or all of the 6-mill State Education Tax on new investment when the project presents significant economic benefits to Michigan, and when the project receives a property tax abatement under PA 198 of 1974.

## Workforce Development

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### **Michigan Works!**

Michigan Works! partners with employers and educators to ensure local businesses have the talent they need now and in the future. Your local office can provide assistance for everything

from locating and recruiting potential employees, posting your job openings, screening applicants, and providing training assistance. In some instances, there may be wage subsidies, tax credits or other incentives available to you. Your local Michigan Works! has submitted a customized proposal for your project under separate cover.

## **Pure Michigan Business Connect**

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### **Pure Michigan Business Connect**

Pure Michigan Business Connect (PMBC) creates a targeted experience that helps purchasers meet price-competitive, quality-driven suppliers. Suppliers that have the capacity, certifications, distribution channels and talent to quote and win future contracts. Since 2011, PMBC has setup over 5,000 unique meetings between global purchasers and Michigan suppliers across 20 industries. PMBC has worked with over 200 global purchasers, which has led to over \$2.6 billion in new contracts. Through customized, intelligent outreach, PMBC will work with you to understand procurement demands, supply chain gaps, new business strategies, and innovation interests. Then, connect you to strategic partners in Michigan and all over the world.

PMBC also connects Michigan businesses to professional services across a wide variety of programs and structures. These services include traditional economic development programs in areas like business finance and talent, as well personalized programs such as the PMBC pro bono program. Over 30,000 hours of services are available in areas like legal, accounting, human resources, and information technology. Any business, regardless of size or industry, is encouraged to request these services, which are designed to help companies grow.

MICHIGAN ECONOMIC  
DEVELOPMENT CORPORATION

## MEMORANDUM

**Date:** June 6, 2016

**To:** Delegates of the Michigan Strategic Fund (“MSF”) Board

**From:** Marcia Gebarowski, Senior Business Development Project Manager

**Subject:** Daifuku North America Holdings, Inc. (“Company” or “Applicant”)  
Michigan Business Development Program Performance-based Grant Request

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### Summary

This is a request from the Applicant for a \$700,000 performance-based grant. The project involves the creation of 85 Qualified New Jobs, and a capital investment of up to \$15,150,000 in the city of Novi, Oakland County.

The Company is planning to construct a new headquarters building and transition out of their existing building which the company and their subsidiaries have occupied for over 30 years. The Company owns land near Columbus, Ohio near one of their manufacturing operations. To build a new headquarters in Michigan, Daifuku must acquire land, making the cost for Michigan higher than Ohio. The Company has also indicated a more competitive talent market in southeast Michigan competing for engineering talent with the robust automotive industry.

The State of Ohio also provided a competing incentive proposal to attract the entire headquarters operation.

### Background

The Company is a subsidiary of Daifuku Company Ltd. Established in 1937 in Japan, Daifuku has steadily expanded its business domains, including systems for automotive manufacturing, factory automation and distribution automation, and airport baggage handling systems. As a comprehensive manufacturer of material handling systems, Daifuku is the one of the largest material handling companies in the world.

The Company has multiple subsidiaries; Jervis B. Webb, Wynright Corporation, and Daifuku America Corporation that operate at the existing headquarters and would be part of the move into a new building.

A new headquarters facility will provide the family of companies a building that provides the appropriate amount of space needed as well as create the right image reflective of their corporate culture. There is a correlation of growth in manufacturing production and the headquarters being constructed in Michigan as well. The addition of engineers, sales, and project management positions in Michigan will result in growth in new manufacturing projects at the two Jervis B. Webb facilities in Harbor Springs and Boyne City.

The Company has not received any incentives from the MSF in the past.

The MEDC legal unit has completed a civil and criminal background check for the entity and individuals related to this project.



### **Considerations**

- a) The Applicant is a “Qualified Business”, as defined in MCL 125.2088r(9)(b), that is located and operates in Michigan.
- b) The project will be located in the City of Novi. The city has offered a “staff, financial, or economic commitment to the project” in the form of a property tax abatement related to the Project.
- c) The Applicant has demonstrated a need for the funding. The Company currently owns land in Ohio near one of their manufacturing operations, whereas, land would need to be acquired to build in Michigan. Additionally, the State of Ohio provided a competitive offer of incentives to attract the current operation out of Michigan. This would have resulted in a net loss of over 400 jobs.
- d) The Applicant plans to create 85 Qualified New Jobs above a statewide base employment level of 427.
- e) Pursuant to the program guidelines, the following was taken into consideration for the proposed project: The Company indicates the jobs and investment will begin in 2016, the project involved heavy out-of-state competition with Ohio, where the Company owns land to build, and the State provided a competitive incentive offer; the project will create jobs with wages that exceed county average.

### **Recommendation**

MEDC Staff recommends the following (collectively, “Recommendation”):

- a) Approval of the MBDP Proposal as outlined in the attached term sheet (collectively, “MBDP Proposal”);
- b) Closing the MBDP Proposal, subject to available funding under the MBDP at the time of closing (“Available Funding”), satisfactory completion of due diligence, (collectively, “Due Diligence”), finalization of all MBDP transaction documents; and
- c) Commitment will remain valid for 120 days with approval for MSF Fund Manager to extend the commitment an additional 60 days.

### **Approval Authority – MBDP Support Memo**

**Michigan Economic Development Corporation**

DocuSigned by:  
*Joshua Hundt*

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**Joshua Hundt, Vice President, Business Development Projects**

The Recommendation is approved subject to Available Funding and Completion of Due Diligence, and execution of all MBDP transaction documents, all in accordance with the MBDP and its guidelines.

Note: To utilize the delegation authority granted by the MSF Board, the approval of any two of the MSF President, the MSF Fund Manager or the State Treasurer, are required for this commitment under the MBDP.

**Michigan Strategic Fund**

DocuSigned by:

*Mark Morante*

74461A28E802474...

By: Mark Morante

Its: Fund Manager

DocuSigned by:

*Steven Arwood*

3CF83E82E723468

By: Steven Arwood

Its: Chairperson & President

By: Nick Khouri, State Treasurer

Its: Director



**EXHIBIT A**

Company Name: Daifuku North America Holdings, Inc. and/or its Affiliates

Project Location: City of Novi, Michigan

MBDP Award Amount: Up to \$700,000

MBDP Award Type: Grant

Base Employment Level: Minimum of 400

Total Qualified New Jobs: Minimum of 80

Municipality supporting Project: City of Novi

Disbursement

Milestone Amounts/Dates: Performance-based milestones incremental milestones over a five year period

- 1) Up to \$200,000 upon demonstrated creation of 25 Qualified New Jobs above the base employment level and verification of local support
- 2) Up to \$200,000 upon completion of Disbursement Milestone 1, and upon creation of 25 additional Qualified New Jobs above the base employment level
- 3) Up to \$300,000 upon completion of Disbursement Milestone 1, Milestone 2, and upon creation of 35 additional new jobs above the base employment level

Statutorily required repayment and reporting provisions will be reflected in the transaction documents.



## 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](mailto:vcardenas@cityofnovi.org)

Name of firm requesting abatement: Daifuku North America Holding Company

Contact Person: Tom Miciek

Address: 34375 W. Twelve Mile Road, Farmington Hills, MI 48331

Phone: (248) 553-5270 Email: tmiciek@jerviswebb.com

Please answer the following questions as completely as possible.

1. How many acres does the project include? 7.36
2. How many new jobs would be brought to the City of Novi? 50
  - a. Average salary range of new hires? \$ 925.00 to \$ 2930.00 per <sup>week</sup> month.

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

## 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) <b>Daifuku North America Holding Company</b>		▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <b>6719</b>	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <b>30100 Cabot Drive, Novi, MI 48377</b>		▶ 1d. City/Township/Village (Indicate which) <b>Novi (city)</b>	▶ 1e. County <b>Oakland</b>
▶ 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 <b>Walled Lake</b>	▶ 3b. School Code <b>63290</b>
		▶ 4. Amount of years requested for exemption (1-12 Years) <b>12 years</b>	

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.

See Attached Document

6a. Cost of land and building improvements (excluding cost of land) .....	▶ <u>10,315,000</u>
* Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures .....	▶ <u>2,400,000</u>
* Attach Itemized listing with month, day and year of beginning of installation, plus total	Personal Property Costs
6c. Total Project Costs .....	▶ <u>12,715,000</u>
* Round Costs to Nearest Dollar	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 ▶	9/6/16	8/31/17	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶	6/30/17	8/31/17	▶ <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 <b>290</b>	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion. <b>33</b>
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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) (to be completed by the City)	▶ 12c. Is this application for a speculative building (Sec. 3(8))? <input type="checkbox"/> Yes <input checked="" 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 <b>Tom Miciek</b>	13b. Telephone Number <b>(248) 553-5270</b>	13c. Fax Number <b>(248) 553-1227</b>	13d. E-mail Address <b>tmiciek@jerviswebb.com</b>
14a. Name of Contact Person <b>same as above</b>	14b. Telephone Number	14c. Fax Number	14d. E-mail Address
▶ 15a. Name of Company Officer (No Authorized Agents) <b>John S. Doychich</b>			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number <b>(248) 553-5291</b>	15d. Date <b>06/30/16</b>
▶ 15e. Mailing Address (Street, City, State, ZIP Code) <b>34375 West Twelve Mile, Farmington Hills, MI 48331</b>		15f. Telephone Number <b>(248) 553-1000</b>	15g. E-mail Address <b>jdoychich@jerviswebb.co</b>

**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: <b>Check or Indicate N/A if Not Applicable</b> <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 <b>Check or Indicate N/A if Not Applicable</b> <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



DAIFUKU NORTH AMERICA HOLDING COMPANY  
 34375 West Twelve Mile Road  
 Farmington Hills, MI 48331 USA  
 Phone: (248) 553-1000 Fax: (248) 553-1200  
 www.DaifukuNA.com

**DNAHC – Headquarters Fact Sheet**

**Daifuku North America Holding Company** is a subsidiary of Daifuku Co., Ltd., a leading manufacturer of material handling systems. Established in 1937 in Japan, Daifuku is one of the largest material handling companies in the world. Daifuku North America Holding Company plans to construct a new headquarters building in the City of Novi to benefit from the competitive engineering talent market and robust automotive industry in Southeast Michigan.

Daifuku North America has contracted Northern Equities Group (NEG) to help develop and build the new headquarters in Novi. The facility will be approximately 76,000 sq. ft. just north of 13 Mile Road on Cabot Drive, on 7.36 acres.

The facility will mainly be an office environment for engineers, project managers, customer service, sales and administrative staff. The facility will also have an in-house Demonstration Center that showcases our latest innovations and a state of the art Factory Acceptance Testing (FAT) center that is designed for demonstrations of our control systems.

Daifuku North America Holding Company has committed to creating 85 new jobs in Michigan by the end of 2018, of which 33 will be at the new Novi headquarters location, in managerial, professional, technical, sales, service, and clerical roles. (See chart below for further information regarding jobs to be created.) The balance of the new jobs will be at manufacturing facilities in Michigan in the roles of craftsman, operators, and laborers. Full time employees will receive medical, dental and vision insurance; short-term and long-term disability benefits, 401(k) with company match; paid vacations and holidays, and Workers Compensation Insurance.

<b>Job Category</b>	<b>Expected New Jobs to be Created (2016 Thru 2018)</b>	<b>Average Weekly Wage As of 2018</b>
Managerial	3	\$ 3,100.00
Professional	5	\$ 1,780.00
Technical	18	\$ 1,570.00
Sales	2	\$ 1,450.00
Clerical	2	\$ 980.00
Service	3	\$ 980.00
Craftsman (skilled)	22	\$ 1,450.00
Operators (semi)	19	\$ 980.00
Laborers (unskilled)	11	\$ 665.00
	<b>85</b>	

**Proposed Data Related to Daifuku Request**

The following summary is additional information related to the Proposed Daifuku abatement.

Total estimated investment of \$12,715,000. Estimated taxable value provided by Assessing Department

**Real and Personal Property Tax Estimate**

**Total Incentive By Year**

	Mills*	Annual Tax Bill	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Total Incentive
General	4.9925	\$ 32,564.75	\$ 14,326	\$ 14,212	\$ 14,298	\$ 14,435	\$ 14,599	\$ 14,791	\$ 14,991	\$ 15,229	\$ 15,469	\$ 15,733	\$ 16,001	\$ 16,282	\$ 180,369
Streets	1.4923	9,734	4,282	4,248	4,274	4,315	4,364	4,421	4,481	4,552	4,624	4,703	4,783	4,867	53,914
P&F	1.4208	9,267	4,077	4,045	4,069	4,108	4,155	4,209	4,266	4,334	4,402	4,477	4,554	4,634	51,331
Parks & Rec	0.3836	2,502	1,101	1,092	1,099	1,109	1,122	1,137	1,152	1,170	1,189	1,209	1,229	1,251	13,859
Drain	0.2120	1,383	608	604	607	613	620	628	637	647	657	668	679	691	7,659
Library	0.7678	5,008	2,203	2,186	2,199	2,220	2,245	2,275	2,305	2,342	2,379	2,420	2,461	2,504	27,739
St. Debt**	0.2270	1,481	651	646	650	656	664	673	682	692	703	715	728	740	8,201
2008 Debt**	0.4540	2,961	1,303	1,292	1,300	1,313	1,328	1,345	1,363	1,385	1,407	1,431	1,455	1,481	16,402
<b>City</b>	<b>9.9500</b>	<b>64,901</b>	<b>28,553</b>	<b>28,325</b>	<b>28,495</b>	<b>28,770</b>	<b>29,096</b>	<b>29,479</b>	<b>29,877</b>	<b>30,351</b>	<b>30,831</b>	<b>31,356</b>	<b>31,890</b>	<b>32,451</b>	<b>359,473</b>
School (Walled Lake)	22.9278	149,552	65,794	65,269	65,661	66,294	67,047	67,929	68,845	69,939	71,043	72,254	73,485	74,776	828,335
County	6.3631	41,505	18,260	18,114	18,223	18,398	18,607	18,852	19,106	19,410	19,716	20,053	20,394	20,752	229,886
ISD	3.3398	21,785	9,584	9,508	9,565	9,657	9,766	9,895	10,028	10,188	10,349	10,525	10,704	10,892	120,660
<b>Total</b>	<b>42.5807</b>	<b>\$ 277,743</b>	<b>\$ 122,190</b>	<b>\$ 121,216</b>	<b>\$ 121,944</b>	<b>\$ 123,118</b>	<b>\$ 124,517</b>	<b>\$ 126,155</b>	<b>\$ 127,856</b>	<b>\$ 129,887</b>	<b>\$ 131,938</b>	<b>\$ 134,188</b>	<b>\$ 136,474</b>	<b>\$ 138,871</b>	<b>\$ 1,538,354</b>

\* 2016 Tax Rates

\*\* Current Debt Millage scheduled to fall off in future fiscal years. At the conclusion of the debt millages, the assumption is the mills will be allocated back to the Drain Fund.

The City's current abatements and when they are set to expire are as follows:

Name	Taxable Value ***	Fiscal Year Expiration	City's Revenue Increase At Expiration
TBRO LLC (Suburban)	\$ 7,360,320	2016-2017	\$ 36,508
HCP Land LLC (Tognum)	\$ 2,363,620	2019-2020	\$ 11,724
Harman Becker	\$ 18,500,000	2024-2025	\$ 92,038
Magna	\$ 15,250,000	2028-2029	\$ 75,869
Stoneridge	\$ 1,573,248	2018-2019	\$ 7,827
Boco	\$ 5,770,430	2028-2029	\$ 28,708
Daifuku****	\$ 6,522,733	2028-2029	\$ 32,451

\*\*\*Taxable Value for TBRO LLC and HCP Land LLC as of tax year 2016. Harmon, Magna, Stoneridge, BoCo, and Daifuku are estimated based on total projected investment

\*\*\*\*Listed for illustrated purposes only

**Assessing Estimated Taxable Values**

	Depreciation			Total Taxable Value	
	Prsonal	Rate	Real*		
2017	\$ 581,700		\$ 5,157,500	\$ 5,739,200	1
2018	484,400	83%	5,209,075	5,693,475	2
2019	414,400	71%	5,313,257	5,727,657	3
2020	363,300	62%	5,419,522	5,782,822	4
2021	320,600	55%	5,527,912	5,848,512	5
2022	287,000	49%	5,638,470	5,925,470	6
2023	254,100	44%	5,751,240	6,005,340	7
2024	234,500	40%	5,866,265	6,100,765	8
2025	213,500	37%	5,983,590	6,197,090	9
2026	199,500	34%	6,103,262	6,302,762	10
2027	184,800	32%	6,225,327	6,410,127	11
2028	172,900	30%	6,349,833	6,522,733	12

\*Assumes a 1% rate of inflation for years 1 and 2 and 2% for years 3-12

### Summary of Previously Approved and Proposed PA 198 Projects

Real and Personal Property Tax Estimate

Total Increase By Fiscal Year Ended

	Mills*	Annual Tax Bill	Total Increase By Fiscal Year Ended													Total Increase Revenues			
			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030				
General	4.9925	\$ 32,565	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 16,282	\$ 211,671
Streets	1.4923	9,794	4,867	4,867	4,867	4,867	4,867	4,867	4,867	4,867	4,867	4,867	4,867	4,867	4,867	4,867	4,867	4,867	63,270
P&F	1.4208	9,267	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	60,239
Parks & Rec	0.3836	2,502	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	1,251	16,264
Drain	0.2120	1,383	691	691	691	691	691	691	691	691	691	691	691	691	691	691	691	691	8,988
Library	0.7678	5,008	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	2,504	32,553
St. Debt****	0.2270	1,481	740	740	740	740	740	740	740	740	740	740	740	740	740	740	740	740	9,624
2008 Debt****	0.4540	2,961	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	1,481	19,249
<b>City</b>	<b>9.9500</b>	<b>64,901</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>32,451</b>	<b>421,858</b>
School (Walled Lake)	22.9278	149,552	74,776	74,776	74,776	74,776	74,776	74,776	74,776	74,776	74,776	74,776	74,776	74,776	74,776	74,776	74,776	74,776	972,088
County	6.3631	41,505	20,752	20,752	20,752	20,752	20,752	20,752	20,752	20,752	20,752	20,752	20,752	20,752	20,752	20,752	20,752	20,752	269,781
ISD	3.3398	21,785	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	10,892	141,600
<b>Total</b>	<b>42.5807</b>	<b>\$ 277,743</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 138,871</b>	<b>\$ 1,805,327</b>

The City's current abatements and when they are set to expire are as follows:

Name	Taxable Value**	Fiscal Year Expiration	City's Revenue Increase At Expiration
TBRO LLC (Suburban)	\$ 7,338,310	2016-2017	\$ 36,508
HCP Land LLC (Tognum/MTU)	\$ 2,356,560	2019-2020	\$ 11,724
Harman Becker	\$ 18,500,000	2024-2025	\$ 92,038
Magna	\$ 15,250,000	2028-2029	\$ 75,869
Stoneridge	\$ 1,573,248	2018-2019	\$ 7,827
Boco	\$ 5,770,430	2028-2029	\$ 28,708
Daifuku***	\$ 6,522,733	2028-2029	\$ 32,451 <i>Proposed</i>
	\$ 57,811,282		\$ 285,124

\* 2016 Tax Rates  
 \*\* Taxable Value for TBRO LLC and HCP Land LLC as of tax year 2016. Harmon, Magna, Stoneridge, BoCo, and Daifuku are estimated based on total projected investment  
 \*\*\* Listed for illustrated purposes only  
 \*\*\*\* Current Debt Millage scheduled to fall off in future fiscal years. At the conclusion of the debt millages, the assumption is the mills will be allocated back to the Drain Fund.

	2	3	4	5	6	7	8	9	10	11	12	13	14
Revenue Increases	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871	\$ 138,871



**CITY OF NOVI NOTICE OF PUBLIC HEARING  
CONSIDERATION OF THE ESTABLISHMENT OF AN  
INDUSTRIAL DEVELOPMENT DISTRICT**

**AND**

**CONSIDERATION OF THE ISSUANCE OF AN INDUSTRIAL  
FACILITIES EXEMPTION CERTIFICATE**

**UNDER ACT P.A. 198 OF 1974, AS AMENDED**

Notice is hereby given that Daifuku North America Holding Company has submitted a request to the City of Novi for the establishment of an Industrial Development District under the "Plant Rehabilitation and Industrial Development Act P.A. 198 of 1974," And an application for issuance of an Industrial Facilities Exemption Certificate.

The proposed project is part of Parcel ID No. 50-22-01-400-036, located at 30100 Cabot Drive, described as follows:

T1N, R8E, SEC 1 PART OF SE 1/4 BEG AT PT DIST N 02-30-06 W 632.02 FT & S 85-30-21 W 60.04 FT FROM SE SEC COR, TH S 85-30-21 W 215.71 FT, TH N 02-02-32 W 467.58 FT, TH S 87-57-28 W 162.89 FT, TH S 13-30-29 W 174.90 FT, TH S 41-04-28 W 75.81 FT, TH S 87-29-56 W 312.43 FT, TH S 44-08-59 W 370.51 FT, TH ALG CURVE TO LEFT, RAD 455 FT, CHORD BEARS N 25-41-38 W 177.98 FT, DIST OF 179.14 FT, TH N 53-01-38 E 25.75 FT, TH N 58-31-42 E 86.31 FT, TH ALG CURVE TO LEFT, RAD 250 FT, CHORD BEARS N 45-06-50 E 116 FT, DIST OF 117.06 FT, TH ALG CURVE TO RIGHT, RAD 360 FT, CHORD BEARS N 51-16-46 E 241.29 FT, DIST OF 246.05 FT, TH N 02-57-07 W 203.77 FT, TH N 87-02-53 E 27.77 FT, TH N 02-57-07 W 344.50 FT, TH S 87-02-53 W 69.71 FT, TH N 59-27-20 W 170.63 FT, TH S 87-02-53 W 478 FT, TH N 02-57-07 W 685.59 FT, TH N 87-02-53 E 43.61 FT, TH S 61-56-30 E 420.91 FT, TH N 87-29-41 E 268.09 FT, TH S 02-30-19 E 120.68 FT, TH N 87-29-07 E 355.89 FT, TH N 01-15-44 W 108.60 FT, TH N 43-04-21 E 97.24 FT, TH N 87-29-39 E 320.91 FT, TH S 02-30-06 E 1589.94 FT TO BEG 31.81 A 7-27-15 FR 030

Pursuant to Section 4 (4) of said Act, a public hearing shall be held for the establishment of an Industrial Development District on Monday, July 25, 2016 at 7:00 pm in the Novi City Council Chambers, located at 45175 Ten Mile Road, Novi, Michigan 48375, during which any property owner within the proposed Industrial Development District, and any resident or taxpayer of the City of Novi may appear and be heard in relation to the consideration of the aforementioned Industrial Development District.

Following the public hearing and approval to establish an Industrial Development District, pursuant to Section 5 (2) of said Act, a hearing shall be held for the issuance of an Industrial Facilities Exemption Certificate, during which any property owner within the Industrial Development District, and any resident or taxpayer of the City of Novi may appear and be heard in relation to the consideration of the aforementioned Industrial Facilities Exemption Certificate.

If you have any comments regarding this proposal, they may be presented in writing to the City Clerk's office or at the public hearing.

Cortney Hanson, CMC  
City Clerk





**SENT VIA CERTIFIED MAIL**

**CITY COUNCIL**

**Mayor**  
Bob Gatt

**Mayor Pro Tem**  
Dave Staudt

Andrew Mutch

Wayne M. Wrobel

Laura Marie Casey

Gwen Markham

Brian Burke

**City Manager**  
Peter E. Auger

**City Clerk**  
Cortney Hanson

July 8, 2016

Oakland Community College  
Attn: Chancellor  
2480 Opdyke  
Bloomfield Hills, MI 48304

Dear Chancellor:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Daifuku North America Holding Company and consideration of the issuance of an Industrial Facilities Exemption Certificate will be held on Monday, July 25, 2016 at 7:00 pm, at the City of Novi, Council Chambers, 45175 Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

Sincerely,

*Cortney Hanson*

Cortney Hanson, CMC, CMMC  
City Clerk

**City of Novi**  
45175 Ten Mile Road  
Novi, Michigan 48375  
248.347.0460  
248.347.0577 fax

cityofnovi.org



**SENT VIA CERTIFIED MAIL**

**CITY COUNCIL**

**Mayor**  
Bob Gatt

**Mayor Pro Tem**  
Dave Staudt

Andrew Mutch

Wayne M. Wrobel

Laura Marie Casey

Gwen Markham

Brian Burke

**City Manager**  
Peter E. Auger

**City Clerk**  
Cortney Hanson

July 8, 2016

Oakland Intermediate School District  
Dr. Vickie Markavitch, Supt.  
2111 Pontiac Lake Road  
Waterford, MI 48328

Dear Dr. Markavitch:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Daifuku North America Holding Company and consideration of the issuance of an Industrial Facilities Exemption Certificate will be held on Monday, July 25, 2016 at 7:00 pm, at the City of Novi, Council Chambers, 45175 Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Cortney Hanson, CMC, CMMC  
City Clerk

**City of Novi**  
45175 Ten Mile Road  
Novi, Michigan 48375  
248.347.0460  
248.347.0577 fax

cityofnovi.org



**SENT VIA CERTIFIED MAIL**

**CITY COUNCIL**

July 8, 2016

**Mayor**  
Bob Gatt

**Mayor Pro Tem**  
Dave Staudt

Andrew Mutch

Wayne M. Wrobel

Laura Marie Casey

Gwen Markham

Brian Burke

**City Manager**  
Peter E. Auger

**City Clerk**  
Cortney Hanson

Oakland County Treasurer  
Attn: Andy Meisner  
1200 N. Telegraph, Bldg 12 East  
Pontiac, MI 48341

Dear Mr. Meisner:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Daifuku North America Holding Company and consideration of the issuance of an Industrial Facilities Exemption Certificate will be held on Monday, July 25, 2016 at 7:00 pm, at the City of Novi, Council Chambers, 45175 Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

Sincerely,

*Cortney Hanson*

Cortney Hanson, CMC, CMMC  
City Clerk

**City of Novi**  
45175 Ten Mile Road  
Novi, Michigan 48375  
248.347.0460  
248.347.0577 fax

cityofnovi.org



**SENT VIA CERTIFIED MAIL**

**CITY COUNCIL**

July 8, 2016

**Mayor**  
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**Mayor Pro Tem**  
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Wayne M. Wrobel

Laura Marie Casey

Gwen Markham

Brian Burke

**City Manager**  
Peter E. Auger

**City Clerk**  
Cortney Hanson

Oakland County Equalization Division  
240 Elizabeth Lake Road, Suite 1000W  
Pontiac, MI 48341

To Whom It May Concern:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Daifuku North America Holding Company and consideration of the issuance of an Industrial Facilities Exemption Certificate will be held on Monday, July 25, 2016 at 7:00 pm, at the City of Novi, Council Chambers, 45175 Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

Sincerely,

*Cortney Hanson*

Cortney Hanson, CMC, CMMC  
City Clerk

**City of Novi**  
45175 Ten Mile Road  
Novi, Michigan 48375  
248.347.0460  
248.347.0577 fax

cityofnovi.org



**SENT VIA CERTIFIED MAIL**

**CITY COUNCIL**

July 8, 2016

**Mayor**  
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**Mayor Pro Tem**  
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Laura Marie Casey

Gwen Markham

Brian Burke

**City Manager**  
Peter E. Auger

**City Clerk**  
Cortney Hanson

Walled Lake Consolidated Schools  
Attn: Kenneth Gutman  
850 Ladd Road, Bldg D  
Walled Lake, MI 48390

Dear Mr. Gutman:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Daifuku North America Holding Company and consideration of the issuance of an Industrial Facilities Exemption Certificate will be held on Monday, July 25, 2016 at 7:00 pm, at the City of Novi, Council Chambers, 45175 Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Cortney Hanson, CMC, CMMC  
City Clerk

**City of Novi**  
45175 Ten Mile Road  
Novi, Michigan 48375  
248.347.0460  
248.347.0577 fax

cityofnovi.org



**SENT VIA CERTIFIED MAIL**

**CITY COUNCIL**

July 8, 2016

**Mayor**  
Bob Gatt

**Mayor Pro Tem**  
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Wayne M. Wrobel

Laura Marie Casey

Gwen Markham

Brian Burke

**City Manager**  
Peter E. Auger

**City Clerk**  
Cortney Hanson

HCP Land, LLC  
Attn: Matthew Sosin  
39000 Country Club Dr.  
Farmington Hills, MI 48331

Dear Mr. Sosin:

This letter is to notify you that a public hearing on the establishment of an Industrial Development District for Daifuku North America Holding Company and consideration of the issuance of an Industrial Facilities Exemption Certificate will be held on Monday, July 25, 2016 at 7:00 pm, at the City of Novi, Council Chambers, 45175 Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Cortney Hanson, CMC, CMMC  
City Clerk

**City of Novi**  
45175 Ten Mile Road  
Novi, Michigan 48375  
248.347.0460  
248.347.0577 fax

cityofnovi.org



**SENT VIA CERTIFIED MAIL**

**CITY COUNCIL**

July 8, 2016

**Mayor**  
Bob Gatt

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Gwen Markham

Brian Burke

**City Manager**  
Peter E. Auger

**City Clerk**  
Cortney Hanson

Daifuku North America Holding Company  
Attn: John S. Doychich  
34375 West Twelve Mile  
Farmington Hills, MI 48331

Dear Mr. Doychich:

This letter is to notify you that a public hearing on the establishment of an Industrial Development District for Daifuku North America Holding Company and consideration of the issuance of an Industrial Facilities Exemption Certificate will be held on Monday, July 25, 2016 at 7:00 pm, at the City of Novi, Council Chambers, 45175 Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

Sincerely,

Cortney Hanson, CMC, CMMC  
City Clerk

**City of Novi**  
45175 Ten Mile Road  
Novi, Michigan 48375  
248.347.0460  
248.347.0577 fax

cityofnovi.org



**VIA HAND DELIVERY**

**CITY COUNCIL**

**Mayor**  
Bob Gatt

**Mayor Pro Tem**  
Dave Staudt

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Laura Marie Casey

Gwen Markham

Brian Burke

**City Manager**  
Peter E. Auger

**City Clerk**  
Cortney Hanson

July 8, 2016

City of Novi  
Attn: Kay Shafii, Deputy Assessor  
45175 W. Ten Mile Road  
Novi, MI 48375

Dear Ms. Shafii:

This letter is to notify you as the taxing jurisdiction that a public hearing on the establishment of an Industrial Development District for Daifuku North America Holding Company and consideration of the issuance of an Industrial Facilities Exemption Certificate will be held on Monday, July 25, 2016 at 7:00 pm, at the City of Novi, Council Chambers, 45175 Ten Mile Rd., Novi, MI 48375.

If there are any questions, please contact my office at 248-347-0456.

Sincerely,

*Cortney Hanson*

Cortney Hanson, CMC, CMMC  
City Clerk

cc: Peter Auger, City Manager

**City of Novi**  
45175 Ten Mile Road  
Novi, Michigan 48375  
248.347.0460  
248.347.0577 fax

cityofnovi.org