

# COUNCIL COMMUNICATION

**From:** The City Manager

**Subject:** Revocation of Industrial Facilities Tax Abatement Certificates

**Manager's Recommendation:**

I recommend the revocation of the following Industrial Facilities Tax Exemption Certificates: Professional Assembly Corporation (220 Florence), IFTEC #98-715; Saginaw Rock Products (1701 N. 1<sup>st</sup> Street), IFTEC #99-709; Quality Roll, LLC (1010 Hess), IFTEC #2004-115; and KBC Trading & Processing Company (f/k/a Berger and Company and n/k/a ConAgra Foods) (1741 N. Niagara), IFTEC #98-714.

**Justification:**

The City Assessor and City Treasurer provide an annual report to the Department of Treasury, State Tax Commission, on all Industrial Facilities Tax Exemption Certificates issued for property in the City of Saginaw. The Department of Treasury, State Tax Commission subsequently inquired on the status of several certificates issued which were not included in the annual report and requested that the legislative body formally revoke any inactive Industrial Facilities Tax Exemption Certificates. The City Assessor has reviewed her records which indicate the Industrial Facilities Tax Exemption Certificates issued to the following companies are no longer valid for the reasons set forth below and therefore should be revoked:

**Company Name and Address**

**Reason for Revocation**

Professional Assembly Corporation  
220 Florence  
IFTEC #98-715

Moved to 1400 Weiss in Saginaw Township in 2001.

Saginaw Rock Products  
1701 N. 1<sup>st</sup> Street  
IFTEC #99-709

Sold this equipment in 2003.

Quality Roll, LLC  
1010 Hess  
IFTEC #2004-115

Moved to Buena Vista Township in 2005.

KBC Trading & Processing Company  
1741 N. Niagara  
IFTEC #98-714

Filed equipment as "idle" in 2001; removed equipment from location in 2003; sold business in 2006.

# COUNCIL COMMUNICATION

In addition to the foregoing, simultaneous with the approval of the Industrial Facilities Tax Abatement Certificates, the City of Saginaw entered into an Industrial Facilities Tax Abatement Agreement which gave the City Manager the authority, under certain circumstances, to recommend to City Council to reduce or revoke the Industrial Facilities Tax Exemption Certificate, which include, but are not limited to, abandonment of the facility or relocation of the facility operations outside the City.

The City has complied with its obligations under the Agreement in requesting these certificates be revoked. As such, I recommend City Council adopt the necessary resolution to revoke the foregoing Industrial Facilities Tax Abatement Certificates.

**Council Action:**

This Council Communication is for explanation purposes only of the Resolutions to be adopted.