BOYNE CITY
ECONOMIC DEVELOPMENT CORPORATION

Monday, July 9, 2012 City Hall-Noon
319 N Lake Street, Boyne City, MI 49712

1. **CALL MEETING TO ORDER**

2. **ROLL CALL**
   Excused Absences

3. **READING AND APPROVAL OF MINUTES**
   Approval of May 14, 2012

4. **HEARING CITIZENS PRESENT** (ON NON-AGENDA ITEMS)

5. **CORRESPONDENCE**

6. **REPORTS OF OFFICERS, BOARDS, AND STANDING COMMITTEES**

7. **UNFINISHED BUSINESS**
   a. IFEC extension
      -Sim-Tech
   b. Park Business update
   c. Addition of Kelly Bellent to the March 19, 2012 minutes
      -Kelly was inadvertently left off the roll call for the March 19th minutes.
   d. Other

8. **NEW BUSINESS**
   a. Other

9. **GOOD OF THE ORDER**

10. **ANNOUNCEMENT**
    Classic Instruments ribbon cutting July 14, 2012 11:00 a.m
    Precision Edge Open House September 8, 2012; time TBD

    The next regular meeting is scheduled for September 10, 2012 at Precision Edge, 1448 LexaMar Dr.

11. **ADJOURNMENT**

Individuals with disabilities requiring auxiliary aids or services in order to participate in municipal meetings may contact Boyne City Hall for assistance:
Cindy Grice, City Clerk/Treasurer, 319 North Lake Street, Boyne City, Michigan 49712. (231) 582-0334

Approved_____

MEETING OF May 14, 2012

MINUTES OF THE **BOYNE CITY ECONOMIC DEVELOPMENT CORPORATION** MEETING DULY CALLED AND HELD ON MONDAY, MAY 14, 2012, AT 12:00 NOON.

CALL TO ORDER

Board member Cain called the meeting to order at 12:00 p.m.

ROLL CALL

Present: Pat Anzell, Kelly Bellant, Michael Cain, Michelle Cortright, Pete Friedrich and Josette Lory
Absent: Richard Copeland, Ralph Gillett and Marilea Grom
Staff: Planner/Zoning Administrator Scott McPherson
Recording Secretary Karen Seeley
Public: One

ACTING-CHAIR

With the absence of Chair Gillett and Vice Chair Copeland, **Lory moved, Friedrich seconded PASSED UNAMINOUSLY** to appoint Cortright as acting Chair for today's meetings.

EXCUSED ABSENCE

Cain moved Friedrich seconded PASSED UNANIMOUSLY to excuse Richard Copeland, Ralph Gillett and Marilea Grom.

APPROVAL OF MINUTES
MOTION

Lory moved Anzell seconded PASSED UNANIMOUSLY to approve the minutes of March 19, 2012 as presented.

HEARING CITIZENS COMMENTS

None

CORRESPONDENCE

None

UNFINISHED BUSINESS

Park Business update:

- **Potential Business**: City Manager Michael Cain reported on a possible lot sale. They have met with recent park additions and are well aware of what we did for them, and would like the same. He is asking the board for their initial thoughts. He feels there will be sufficient growth with this company in the future. Our primary goal is to create family sustaining jobs in the community. What are our priorities selling lots or filling lots?
  Board discussion: Have we set a precedent for all lots? Some lots have more value than others. We should review case by case and set parameters to keep in mind when making decisions.

NEW BUSINESS

- IFEC Extension: Sim-Tech's IFEC expired December 31, 2011. They were initially approved for eight years. State law allows them to reapply for the remaining four years. The board had a few questions for Mr. Koteskey, who was not in attendance. **Lory moved Cain seconded, PASSED UNAMINOUSLY** to postpone discussion until the July 9, 2012 and ask Mr. Koteskey to attend.

MOTION

- Election of Officers: **Anzell moved Friedrich seconded PASSED UNAMINOUSLY** to re-appoint Ralph Gillett as Chair

MOTION

Anzell moved Friedrich seconded PASSED UNAMINOUSLY to re-appoint Richard Copeland as Vice Chair.

MOTION

GOOD OF THE ORDER None

ADJOURNMENT The May 15, 2012 Economic Development Corporation meeting was adjourned at 12:35 p.m.

Karen Seeley, Recording Secretary

1455 Lexamar Drive, Boyne City, Michigan 49712
Phone 231-582-1020 Fax 231-582-7324 Email gary@gag-simtech.com Web www.gag-simtech.com

April 18th, 2012

City Manager
City of Boyne City
319 North Lake Street
Boyne City, MI 49712

SUBJECT: Agreement with the City of Boyne City

Dear City Manager:

GAG Sim/Tech Filter (the "Company") has submitted an application to you for the granting of an extension to our existing industrial facilities 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 of the City of Boyne City (the "City"), I hereby agree on behalf of the company to the following:

1. No later than the 10th day of January immediately following the second year after the issuance date of the IFEC extension, the company shall submit a letter to the City stating:

   a. The number of employees at the time of the application and the current number of employees.
   b. If the retention of the jobs was not accomplished, give an explanation.

2. The company further agrees to submit a report regarding the status of employment every two years beginning two years after submission of the letter required in Item 1, on or before December 31. If employment has not remained or exceeded the number given in the application, an explanation for this shall be included. This report shall be submitted the fourth year after the issuance of the IEFC extension.

   In the event Company fails to meet either of the filing deadlines in Items 1 or 2, such failure shall not constitute a fatal exception provided however that Company submits a letter with the required information within 30 days of written request of the City of Boyne City, notifying Company of such failure.

   The Company understands that if employment has not been retained as stated in the application for reasons within the Company's control, and despite good faith effort on the Company's part to meet said obligation, the governing body has the right to reduce the term or revoke the IFEC.

3. The Company agrees to remain within the City for the period of the IFEC in order to retain the benefits of the IFEC unless permission for relocation is granted by the governing body of the City.

   The Company further understands that if it chooses to leave the City without permission for the relocation during years one through five of the IFEC, the governing body has the right to, and may, recapture from the Company 100% of the taxes abated during the prior three tax years; or if during years six through nine 100% of the taxes abated during the prior two tax years; or if during years ten through twelve the Company would have no liability for reimbursement of any taxes abated by the IEFC. With regard to this four year extension, the four years would be years nine through twelve. However, if only the component of the Company which has the abatement leaves the City, this April 18th, 2012 abatement may be rescinded effective at the time of relocation. Furthermore, if due primarily to adverse economic conditions, the Company's business within the Municipality were to be closed and not relocated, in substantial part, outside the Municipality, the Company would have no liability for reimbursement of any taxes abated by the IFEC and the City would automatically rescind the IFEC.

By signatures of representatives of both the Company and the City below, it is understood that both the Company's investment in the project and the City's investment through the granting of an IFEC is to encourage the economic growth of all. 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 City 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.

WITNESS

_____

_____

GAG Sim/Tech Filter, Inc.

BY: _____

TITLE: President

DATE: 4/20/12

WITNESS

_____

_____

ACKNOWLEDGED BY
CITY OF BOYNE CITY

BY: _____

TITLE: _____

DATE: _____

Michigan Department of Treasury
1012 (Rev. 5-07)

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 or would like to request an informational packet, call (517) 373-3272.

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) GAG Sim/Tech Filter, Inc.	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 339999	
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1455 Lexamar Drive, Boyne City, MI, 49712	▶ 1d. City/Township/Village (indicate which) Boyne City	▶ 1e. County Charlevoix
▶ 2. Type of Approval Requested ☒ New (Sec. 2(4)) ☐ Transfer (1 copy only) ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(1)) ☐ Research and Development (Sec. 2(9))	▶ 3a. School District where facility is located Boyne Falls	▶ 3b. School Code 15030
	4. Amount of years requested for exemption (1-12 Years) an extension of 4 years	

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.

Manufacturing and assembly of performance products for the on-site septic industry. This includes pressure filters, passice filters, orifice shields, risers, covers, valve boxes, clean-out sweeps, pressure switches, pump screens, pump filters, sludge samplers, float tree accesories, pipe stands, safety nets, filter vaults, and cut-off saws.

6a. Cost of land and building improvements (excluding cost of land) ▶ _____ Real Property Costs
* Attach list of improvements and associated costs.
* Also attach a copy of building permit if project has already begun.

6b. Cost of machinery, equipment, furniture and fixtures ▶ _____ Personal Property Costs
* Attach itemized listing with month, day and year of beginning of installation, plus total

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

7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.

	Begin Date (M/D/Y)	End Date (M/D/Y)	
Real Property Improvements ▶	_____	_____	▶ ☐ Owned ☐ Leased
Personal Property Improvements ▶	_____	_____	▶ ☐ Owned ☐ Leased

▶ 8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. ☐ Yes ☐ No

▶ 9. No. of existing jobs at this facility that will be retained as a result of this project. equivalent of 6 full time jobs	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion.

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.

a. TV of Real Property (excluding land) _____
b. TV of Personal Property (excluding inventory) _____
c. Total TV _____

▶ 12a. Check the type of District the facility is located in:

☒ Industrial Development District ☐ Plant Rehabilitation District

▶ 12b. Date district was established by local government unit (contact local unit) 8/29/00	▶ 12c. Is this application for a speculative building (Sec. 3(8))? ☐ Yes ☒ No

APPLICANT CERTIFICATION - complete all boxes.

The undersigned, authorized officer of the company making this application certifies that, to the best of his/her knowledge, no information contained herein or in the attachments hereto is false in any way and that all are truly descriptive of the industrial property for which this application is being submitted.

It is further certified that the undersigned is familiar with the provisions of P.A. 198 of 1974, as amended, being Sections 207.551 to 207.572, inclusive, of the Michigan Compiled Laws; and to the best of his/her knowledge and belief, (s)he has complied or will be able to comply with all of the requirements thereof which are prerequisite to the approval of the application by the local unit of government and the issuance of an Industrial Facilities Exemption Certificate by the State Tax Commission.

13a. Preparer Name	13b. Telephone Number	13c. Fax Number	13d. E-mail Address
Gary Koteskey	(231) 582-1020	(231) 582-7324	gary@gag-simtech.com
14a. Name of Contact Person	14b. Telephone Number	14c. Fax Number	14d. E-mail Address
Gary Koteskey	(231) 582-1020	(231) 582-7324	gary@gag-simtech.com
▶ 15a. Name of Company Officer (No Authorized Agents)			
Gary Koteskey			
15b. Signature of Company Officer (No Authorized Agents)		15c. Fax Number	15d. Date
Gary Koteskey		(231) 582-7324	4/16/12
▶ 15e. Mailing Address (Street, City, State, ZIP Code)		15f. Telephone Number	15g. E-mail Address
1455 Lexamar Drive, Boyne City, MI 49712		(231) 582-1020	gary@gag-simtech.com

LOCAL GOVERNMENT ACTION & CERTIFICATION - complete all boxes.

This section must be completed by the clerk of the local governing unit before submitting application to the State Tax Commission. Check items on file at the Local Unit and those included with the submittal.

▶ 16. Action taken by local government unit

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

After Completion ☐ Yes ☐ No

☐ Denied (Include Resolution Denying)

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

Check or Indicate N/A if Not Applicable

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

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

Check or Indicate N/A if Not Applicable

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

16c. LUCI Code	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the 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.

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:

State Tax Commission
Michigan Department of Treasury
P.O. Box 30471
Lansing, MI 48909-7971

(For guaranteed receipt by the STC, it is recommended that applications are sent by certified mail.)

STC USE ONLY				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

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

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

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

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

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

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

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

1. A copy of the notice to the general public and the certified notice to the property owners concerning the establishment of the district.
2. Certified copy of the resolution establishing the Industrial Development District (IDD) or Plant Rehabilitation District (PRD), which includes a legal description of the district (see sample). If the district was not established prior to the commencement of construction, the local unit shall include a certified copy or date stamped copy of the written request to establish the district.
3. Copy of the notice and the certified letters to the taxing authorities regarding the hearing to approve the application.
4. Certified copy of the resolution approving the application. The resolution must include the number of years the local unit is granting the abatement and the statement "the granting of the Industrial Facilities Exemption Certificate shall not have the effect of substantially impeding the operation of (governmental unit), or impairing the financial soundness of a taxing unit which levies ad valorem property taxes in (governmental unit – see sample).
5. Letter of Agreement (signed by the local unit of government and the applicant per P.A. 334 of 1993 (see sample).

6. Affidavit of Fees (signed by the local unit of government and the applicant), (Bulletin 3, January 16, 1998). This statement may be incorporated into the Letter of Agreement (see sample).

7. Treasury Form 3222 (if applicable) - Fiscal Statement for Tax Abatement Request.

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

1. A listing of existing machinery, equipment, furniture and fixtures which will be replaced or renovated. This listing should include description, beginning date of installation or expected installation by month/day/year, and costs or expected costs.

2. A rehabilitation application must include a statement from the Assessor showing the taxable valuation of the plant rehabilitation district, separately stated for real property (EXCLUDING LAND) and personal property. Attach a statement from the assessor indicating the obsolescence of the property being rehabilitated.

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

1. A certified copy of the resolution to establish a speculative building.

2. A statement of non-occupancy from the owner and the assessor.

Please refer to the following Web site for P.A. 198 of 1974: http://www.legislature.mi.gov/.

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

INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE APPLICATION
AFFIDAVIT OF FEES

In accordance with State Tax Commission Bulletin No. 3 dated January 1998, the Local Unit of Government and Applicant for Industrial Facilities Exemption Certificate do hereby swear and affirm by our signatures below that "no payment of any kind in excess of the fee allowed, as amended by Public Act 323 of 1996, has been made or promised in exchange for favorable consideration of an exemption certificate application.

Such payments are contrary to the legislative intent of Act 198 that exemption certificates have the effect of abating all ad valorem property taxes levied by taxing units with the unit of local government which approves the certificate.

Local Unit of Government:

Signed: _____
Print name: _____
Title: _____
Date: _____

Applicant Company: G.A.G. Sim/Tech Filters Inc.

Signed: Gary L. Kotesky
Print Name: Gary L. Kotesky
Title: President
Date: 4/16/12

CITY OF BOYNE CITY

Criteria for IFEC Application Public Act 198-Tax Abatement Policy

Abatement Criteria Formula based on a 100 points maximum scale. (Revised 03-04)

1) JOBS retained and/or created within 2 years of certification
   A) Number of jobs: 1 point per 1 job (30 points maximum) _____

   B) Wages: # of jobs time's average wages. (20 points maximum) _____
      Example: 35 x $12.95 = 453.25

50 to 100	10
101 to 250	15
251 & up	20

   C) Stability: 10 points if jobs are non-seasonal and non-cyclical _____

2) INVESTMENT within 2 years of certificate. (20 points maximum) _____
   Total investment: 1 point for every $100,000 investment in new or rehabilitated plant and/or equipment.

3) INDUSTRY (10 points maximum) _____
   Does it fit community's desires and/or diversification?

4) BUILDING exterior appearance (10 points maximum) _____
   Above and beyond what is required by City ordinance.

5) OTHER (5 points maximum) _____
   Additional points may be awarded for specific community consideration to supplement above numbers 1-4.

TOTAL POINTS _____

Tax abatement will be granted on the following scale:

Points	Year of Abatement
90-100	12
80-89	10
70-79	8
60-69	6
50-59	4

Each abatement project will be reviewed every two years to determine if abatement criteria are being maintained. Abatement may be terminated or reduced of project commitments are not maintained.

Note: Michigan Department of Treasurer Form T-1044 "Fiscal statement for tax abatement requests" must also be completed.

Adopted by the Economic Development Corporation on November 1, 2004

Jan, 2003

CITY OF BOYNE CITY

Criteria for IFEC Applications
Public Act 198 - Tax Abatement Policy

(Revised 3-25-98)

Abatement Criteria (100 Points Maximum)

I. JOBS created within 2 years of certificate (45 Points Maximum)

A. Number of jobs: 1 Point per 5 Jobs (20 Points Maximum)

3

B. Wages: 1 Point per every $0.20/hour over $5.15/hour (15 Points Maximum)

15

C. Stability: 10 Points if jobs are non-seasonal and non-cyclical. (10 Points Maximum)

10

II. INVESTMENTS within 2 years of certificate. (20 points Maximum)

Total Investment: 1 Point for every $200,000 invested in new or rehabilitated plant and equipment. -2

III. INDUSTRY (28 Points Maximum)

A. Type of Industry: Does it fit community's desires, including diversification? (20 Points Maximum)

20

B. Public Services Required: 8 Points if no public expenditures for utilities is required. (8 Points Maximum)

8

IV. BUILDING (7 Points Maximum)

7

Exterior Appearance: 7 Points if effort is planned and developed above what is required.

Jan 2003

Criteria for Industrial Facilities Exemption Applications
(Revised 3-25-98)

V. OTHER (10 Points Maximum)

Up to 10 additional points may be awarded for specific community considerations to supplement Items I-IV.

TOTAL POINTS 10

TAX ABATEMENT WILL BE GRANTED ON THE FOLLOWING SCALE: 75

Points	Years of Abatement
90-100	12
80-89	10
70-79	8
60-69	6
50-59	4

Each abatement project will be reviewed every two years to determine if abatement criteria is being maintained. Abatement may be terminated or reduced if project commitments are not maintained.

NOTE: THE MICHIGAN DEPARTMENT OF TREASURER FORM T-1044

"FISCAL STATEMENT FOR TAX ABATEMENT REQUEST" MUST ALSO BE COMPLETED.

Jan 2003

Approved 4-7-03

MEETING OF JANUARY 6, 2003

MINUTES OF THE BOYNE CITY ECONOMIC DEVELOPMENT CORPORATION MEETING DULY CALLED AND HELD ON MONDAY, JANUARY 6, 2003, IN THE CITY COMMISSION CHAMBERS AT CITY HALL, 319 NORTH LAKE STREET.

CALL TO ORDER

Acting Chair LaPointe called the meeting to order at 12:05 p.m.

ROLL CALL

Present: Michael Cain, Michelle Cortright, Pete Friedrich, Tom LaPointe and Ralph Stowe.

Absent: Pat Anzell, Richard Copeland, Ralph Gillett and Jim Howell (arrived 12:10p.m.).

MEETING ATTENDANCE

Staff: Recording Secretary Karen Seeley, Deputy Clerk Josette Lory and City Planner Tim O'Leary.

Public: There were two people in attendance.

APPROVAL OF MINUTES

Stowe moved Cortright seconded approval of the August 5, 2002 and November 4, 2002 minutes as presented.

GAG SIM/TECH FILTER, INC. IFEC 1455 LEXAMAR DR.

Considerations to recommend the City Commission approve an IFEC (Industrial Facilities Exemption Certificate) application from GAG Sim/Tech Filter, Inc.

Upon board review of the five criteria presented with the IFEC application, LaPointe moved, Friedrich seconded, PASSED UNANIMOUSLY, to recommend the City Commission award an 8 year Industrial Facilities Exemption Certificate to GAG Sim/Tech Filter, Inc. 1455 Lexamar Drive, Boyne City, MI. 49712

DEVELOPMENT PLANS LOT 7, EAST AIR INDUSTRIAL PARK

The board reviewed the site plans from Christopher Furness for Great Lakes Golf & Site Development. After discussion, Stowe moved, LaPointe seconded, PASSED UNANIMOUSLY, to recommend the Planning Commission proceed with the site plan reviewed.

BOARD APPOINTMENT

Stowe moved, Friedrich seconded, PASSED UNANIMOUSLY, to recommend the City Commission reappoint Richard Copeland to the Boyne City Economic Development Committee for a six year term expiring March 11, 2008.

MEETING SCHEDULE

After some discussion, Cain moved, LaPointe seconded, PASSED UNANIMOUSLY, a motion that this the Boyne City Economic Development Corporation meet quarterly,

but reserve the first Monday of each month for special meetings if needed, beginning with the January 2003 meeting.

NEXT MEETING

The next, regular meeting of the Economic Development Corporation is scheduled for Monday, April 7, 2003.

ADJOURNMENT

The January 6, 2003, Economic Development Corporation meeting was adjourned at 12:47 p.m.

Karen Seeley, Recording Secretary

Clerk\boards-commissions\edc\2003\1-6 minutes

MEMORANDUM

Agenda Item 7.C.

Jan 2003

To: Mayor Stackus and City Commissioners

From: Michael Cain, City Manager MC
Sue Hobbs, City Clerk SH

Subject: Industrial Facilities Exemption Certificate for GAG Sim/Tech Filter, Inc.

Date: January 7, 2003

On December 18, Gary Koteskey, of Sim/Tech, filed a request for an Industrial Facilities Exemption Certificate for the new construction and equipment on lot 13, Phase II of the Industrial Park. At the January 6, 2003 meeting, the EDC/LDFA, based on the attached Criteria for IFEC Applications, unanimously recommended approval of an eight year IFEC for Sim/Tech to the City Commission. This certificate would abate 50% of the taxes for Sim/Tech during the eight year period. Because of the Act 425 Agreement with Boyne Valley Township, all taxing units connected with the Township were given notice of the hearing also. There has been no opposition received from any taxing unit.

The building previously received site plan approval from the Planning Board, as well as approval of the landscaping plan.

A very positive aspect to Sim/Tech is that this industry is not tied to the automobile manufacturing, as a lot of local industries are. This variety in product will help to stabilize the local economy, if one element of the economy is experiencing a downturn. The filters and septic systems manufactured by Sim/Tech are a new product. This business has a lot of potential for growth and additional job creation. It is through programs such as the IFECs that small, startup industries have the chance to invest in our community.

The jobs created will not count toward forgiving of the CDBG Loan for construction of the Industrial Park. The provisions of the CDBG Loan included $10,000 forgiven for each new job created in the Park, up to a maximum of $100,000 for 100 new jobs. Currently there have been 140 new jobs in the Park since September, 2000; therefore we have already met the maximum of $100,000. However, the 16 new jobs in the Park will have a positive impact on the local economy, which was a goal when the Park was expanded.

Boyne City currently has ten Certificates in effect; six were issued to Lexamar, Inc., two to Control Engineering, and two to Federal Screw Works. Of these ten, three will expire in 2006.

As you can see by the attached list of jobs created since the beginning of 2001, the City's Industrial Park has been very successful. I believe the Commissioner's willingness to give industries incentive to locate in Boyne City, in part by approval of Exemption Certificates, is a big part of this success. The EDC/LDFA Board was very supportive of this business, as well as the IFEC. It is my recommendation that the City Commission act on their recommendation and approve the Exemption Certificate for Sim/Tech.