



Scan QR code or go to
www.cityofboyne.com
click on Boards & Commissions for complete
agenda packets & minutes for each board

BOYNE CITY ECONOMIC DEVELOPMENT CORPORATION

Monday, July 8, 2013 -Noon
Precision Edge, 1448 Lexamar Dr., Boyne City, MI 49712

1. CALL MEETING TO ORDER

2. ROLL CALL

Excused Absences

3. READING AND APPROVAL OF MINUTES

Approval of April 15, 2013 meeting minutes

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

5. CORRESPONDENCE

6. REPORTS OF OFFICERS, BOARDS, AND STANDING COMMITTEES

7. UNFINISHED BUSINESS

- a. Park Business update
- b. Other
 - LexaMar site storage
 - Internet Options

8. NEW BUSINESS

- a. IFEC
 - Classic Instruments
 - Precision Edge
- b. Other

9. GOOD OF THE ORDER

10. ANNOUNCEMENT

The next regular meeting is scheduled for September 9, 2013

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
APRIL 15, 2013**

MINUTES OF THE **BOYNE CITY ECONOMIC DEVELOPMENT CORPORATION** SPECIAL MEETING DULY CALLED AND HELD ON MONDAY, APRIL 15, 2013, AT 12:00 NOON, AT CLASSIC INSTRUMENTS 826 MOLL DRIVE, BOYNE CITY.

CALL TO ORDER

Vice Chair Copeland called the meeting to order at 12:00 p.m.

ROLL CALL

Present: Pat Anzell, Kelly Bellant, Michael Cain, Richard Copeland, Michelle Cortright
Absent: Pete Friedrich (arrived 12:05 pm.) Marilea Grom (arrived 12:10 pm.)
Ralph Gillett
Staff: Recording Secretary Karen Seeley
Public: Four

NEW BUSINESS

Classic Instruments Final Site plan review:

At this time Josette Lory has asked to be excused from the discussion, board approved. Ron Hannah of Classic Instruments reviewed the updated site plans with the board. The expansion will be 80'x100' and a rendering of the building was reviewed by the board. They will add 22 additional parking spaces. Board discussion/questions: What is the estimated completion date? August 2013. Will you continue the façade across the addition? No plans at this time to include that. Board would like to see continuation of the façade. At this point, the covered bays get in the way of unloading trucks. There are functionality issues and added costs with the continuation of the facade. \$20,000 in façade improvements versus a part time person may not be money well spent at this time. The board also suggested using low sodium lighting. **Friedrich moved Cain seconded** to recommend some design elements to tie the buildings together along Moll Drive and to use LED lighting and stay away from down packs. Lory abstained **MOTION CARRIED.**

MOTION

**EXCUSED ABSENCE
MOTION**

Cortright moved Grom seconded to excuse Ralph Gillett from today's meeting. **MOTION CARRIED**

The April 15, 2013 Economic Development Corporation meeting was adjourned at 12:43 p.m.

**ADJOURNMENT
MOTION**

Karen Seeley, Recording Secretary

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:

<u>Points</u>	<u>Year of Abatement</u>
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 if project commitments are not maintained.

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

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of P.A. 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.

Signature of Clerk <i>Cindy Grace</i>		Date received by Local Unit <i>6-7-13</i>
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) <i>CLASSIC INSTRUMENTS</i>		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) <i>3345</i>	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) <i>826 MOLL DRIVE, BOYNE CITY, MI 49712</i>		1d. City/Township/Village (Indicate which) <i>BOYNE CITY</i>	1e. County <i>CHARLEVOIX</i>
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Research and Development (Sec. 2(9))		3a. School District where facility is located <i>BOYNE CITY</i>	
<input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Rehabilitation (Sec. 3(1))		3b. School Code <i>15030</i>	
4. Amount of years requested for exemption (1-12 Years) <i>12</i>			

5. Thoroughly describe the project for which exemption is sought: Real Property (Type of Improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional page(s) if more room is needed).

CLASSIC INSTRUMENTS WAS PREVIOUSLY LEASING SPACE AT 1299 M-75 SOUTH AND WAS NOTIFIED OF TERMINATION OF LEASE ON AUG 31, 2013. ORIGINAL BUILDING AT 826 MOLL DRIVE WAS PURCHASED, BUT ADDITIONAL SPACE REQUIRED ONCE LEASE WAS UP AT 1299 M-75 S. EXPANSION IS 80' X 100' STEEL CONSTRUCTION, MOLL DRIVE SIDE WITH MATCHING SIDING AND FACADES TO EXISTING BUILDING. COVERED PORCH WEST SIDE. PERMEABLE CONCRETE PARKING LOT, ASPHALT APPROACH, EXCAVATING AND ENGINEERING TO CORRECT DRAINAGE ISSUES. PERSONAL PROPERTY - PALLET RACKING

6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun	<i>547 886</i>
6b. Cost of machinery, equipment, furniture and fixtures. * Attach itemized listing with month, day and year of beginning of installation plus total costs	<i>1500</i>
6c. Total Project Costs * Round Costs to Nearest Dollar	<i>549 386</i>
	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	<i>6/01/13</i>	<i>10/1/13</i>	<input type="checkbox"/> Owned <input checked="" type="checkbox"/> Leased
Personal Property Improvements	<i>5/01/13</i>	<i>10/1/13</i>	<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: *21*

10. No. of new jobs at this facility expected to create within 2 years of completion: *5*

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

a. SEV of Real Property (excluding land) _____

b. SEV of Personal Property (excluding inventory) _____

c. Total SEV _____

12a. Check the type of District the facility is located in:
 Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit)

12c. Is this application for a speculative building (Sec. 3(8))?
 Yes No

APPLICANT CERTIFICATION - complete all boxes.

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

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

13a. Preparer Name <i>RON HANNA</i>	13b. Telephone Number <i>(231) 582-0461</i>	13c. Fax Number <i>(231) 582-3114</i>	13d. E-mail Address <i>RON@CLASSICINSTRUMENTS.COM</i>
14a. Name of Contact Person <i>Ron Hanna</i>	14b. Telephone Number <i>(231) 582-0461</i>	14c. Fax Number <i>(231) 582-3114</i>	14d. E-mail Address <i>RON@CLASSICINSTRUMENTS.COM</i>
15a. Name of Company Officer (No Authorized Agents) <i>A. JOHN D. McLeod III</i>			
15b. Signature of Company Officer (No Authorized Agents) <i>[Signature]</i>		15c. Fax Number <i>231 582 3114</i>	15d. Date <i>6/7/13</i>
15e. Mailing Address (Street, City, State, ZIP Code) <i>P.O. Box 411 BYRNE CITY MI 49712</i>		15f. Telephone Number <i>231 582 0461</i>	15g. E-mail Address <i>JOHN@CLASSICINSTRUMENTS.COM</i>

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.

<p>16. Action taken by local government unit</p> <p><input type="checkbox"/> Abatement Approved for _____ Years (1-12) After Completion <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input type="checkbox"/> Denied (Include Resolution Denying)</p>	<p>16b. The State Tax Commission Requires the following documents be filed for an administratively complete application:</p> <p>Check or Indicate N/A if Not Applicable</p> <p><input type="checkbox"/> 1. Original Application plus attachments, and one complete copy</p> <p><input type="checkbox"/> 2. Resolution establishing district</p> <p><input type="checkbox"/> 3. Resolution approving/denying application.</p> <p><input type="checkbox"/> 4. Letter of Agreement (Signed by local unit and applicant)</p> <p><input type="checkbox"/> 5. Affidavit of Fees (Signed by local unit and applicant)</p> <p><input type="checkbox"/> 6. Building Permit for real improvements if project has already begun</p> <p><input type="checkbox"/> 7. Equipment List with dates of beginning of installation</p> <p><input type="checkbox"/> 8. Form 3222 (If applicable)</p> <p><input type="checkbox"/> 9. Speculative building resolution and affidavits (If applicable)</p>
16a. Documents Required to be on file with the Local Unit Check or Indicate N/A if Not Applicable	
<p><input type="checkbox"/> 1. Notice to the public prior to hearing establishing a district.</p> <p><input type="checkbox"/> 2. Notice to taxing authorities of opportunity for a hearing.</p> <p><input type="checkbox"/> 3. List of taxing authorities notified for district and application action.</p> <p><input type="checkbox"/> 4. Lease Agreement showing applicants tax liability.</p>	
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 48909-7871

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

STATE OF MICHIGAN				
▶ LUCI Code	▶ Begin Date Real	▶ Begin Date Personal	▶ End Date Real	▶ End Date Personal

5/24/13

Classic Instruments

Application for Tax Abatement on Building Expansion – Supporting document for Abatement Criteria Formula

1. Jobs Created or Retained (Retained: 21, expected in 2 years: 4-5)
 - a. Number of Jobs - Score 26
 - i. Classic Instruments was close to moving from Boyne City to Gaylord until Moll Drive property was purchased
 - ii. Moll Drive building is not large enough to contain all of Classic Instruments operations
 - iii. Lease at 1299 M-75 South is expired as of August 31, 2013
 - iv. As a result, Classic Instruments would be forced to another location without this expansion
 - b. Wages - Score 20
 - i. 25 jobs x \$14.00/hr = \$325
 - c. Stability – Score 10
 - i. Classic Instruments employment is very stable and employees like to work here
 1. Low unemployment tax rate
 2. Minimal turnover, most from relocations
 3. Even during slow economic times, all employees retained
 4. Employees have relocated to Boyne City for positions at Classic Instruments
2. Investment – Score 5
 - a. Expansion project as budgeted is \$549,000 (see attached spreadsheet)
3. Industry – Score 10
 - a. Classic Instruments is a draw for people visiting the area
 - i. Annual Car Show and appreciation day
 - ii. Many visitors stop at the plant and the building
 - iii. Some customers come up for help with installation and/or troubleshooting
 - b. Stable market segment of hobbyists
 - c. Classic Instruments sales have increased, even in poor economic times
4. Building Exterior Appearance – Score 10
 - a. Moll Drive side of building will be finished with matching siding and trim to the existing building
 - b. Balance of building steel exterior, closest available match
 - c. Additional expenses incurred by Classic Instruments to add peaks over the doors to satisfy LDFA/EDC board suggestion. These are strictly aesthetic and serve no purpose for our building

- d. Tip of the Mitt Watershed is working on our landscape plan
 - e. Extension of covered lean to on the west side of building adds significant expense
 - f. Use of west side lawn for car shows and events, extensive landscaping
 - g. Classic Instruments will incur significant expenses in correcting drainage and landscape issues left from previous owner
 - h. The first permeable concrete parking surface in northern Michigan
5. Other – Score 5
- a. Raised money for Boyne City Police Bike Patrol
 - b. Participate in Boyne Thunder car show
 - c. Assist neighboring businesses when within our capabilities
 - d. Assisted in startup of manufacturing and machining classes
 - e. Hosted our Appreciation Day that is increasing in attendance and bringing people to the area
 - f. Significant donations to Women's Resource Center
 - g. Classic Instruments does many projects for Charity, including gauge sets or trophies or displays to be auctioned for veterans groups, cancer fund raisers, and many others
 - h. Assisted Boyne High School Robotics team in their design competition

**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:

Signed:  _____
Print Name: JOHN D. McLEOD III
Title: COO
Date: 6/6/13

Building Project

Item	Status	Cost	Revised	Responsibility	Due Date
Initial Contractor Meeting	Complete 4/1/13		5/22/2013		
Gather Subcontractor Bids				Brock	4/19/2013
Preliminary Zoning/Planning Meeting	Complete 4/15/13			Ron/John	4/8/2013
Renderings/Building Elevation Drawings	Complete 4/15/13			Brock/Classic	4/11/2013
Zoning/Planning Approval Meeting	Complete 4/15/13			Ron	4/15/2013
Project Status/Budget Meeting				Team	4/11/2013
Determine Heating Cooling Plan	Forced Air, Radiant. Complete 4/15/13			Classic	4/19/2013
Site Engineering/Drainage				Brock	
Drainage Plan					
Survey/Topo	Complete 4/15			CI/NDG	FED is paying
Soil Boring/Geotech	Complete 4/15			CI/NDG	4/19/2013
Final Construction Drawings					
Parking Lot Engineering					
Front Pond Enlarge/Lower Pipe					
All Engineering		10,000		CI/NDG R&B Excavating Brock	Included in Excavating Includes \$3600
Contact Charlevoix County Soil Erosion	Ron emailed M Seehya for requirements 4/19				
Finalize Parking Lot Design					
Finish Excavating and Stone					
Permeable Concrete Lot		32,000		R&B Excavating Bayko Concrete	Yes, included, up to 8"
Building Construction					
Prints	included			Brock	
Foundation	included			- Brock	
Choose Color				- Brock	
Steel	Finalize vendor of building			- CI	
Electrical - Internal and Disconnect/Panel		119,597			
Interior Walls		35,000		Ed	Ed's expected end price
Layout				- Brock	Included
Mechanical				- Devin	5/6/2013
Excavating				- Brock	
Permits				- FED-R&B	
Door Location				- Brock	
Exit Lights				- Devin	
Choose Garage Doors	Incl in electrical			- Ed	
Approach Concrete Pad	Checking with Brock			- Ed	
Decorative Fascia	TBD - not likely			FED- Bayko	
Bathrooms	Add bathroom in main building	10,643		Cliff	Includes fixtures.
Mechanical Room Location					
Lighting	Incl in electrical				
Phona/Internet Cabling	Incl in electrical			- Ed/Classic	
Asphalt (Drive, Existing drive, truck pit)	Ron's estimate	19,200		H&D	FED to include
Excavating		21,000		R&B	Included in FED Quote
Concrete - Foundation, Approach, Piers, Under Awning		55,000		Bayko	Need to work this price down
Decorative Peak Awning		3,800		FED	Included in FED quote, do we need it?
Reinforce Existing Roof for Snow		7,500		FED	Is this a good number?
Roofing		42,275		FED/KawkaIn	Any opportunity?
Doors and Windows	Need to clarify	3,800		FED	Add windows
Garage Doors and Fire Doors	Fire door included	11,975		FED	
Firewall	3 hour barrier	6,500		FED	
Interior Finishing	100 x 20, 20 x 47, 20 x 13 office	18,400		FED	
Awning West Side		17,000		FED	
Anchor Bolts		500		FED	Is this a good number?
Material Testing		1,000		FED	
Site Supervision		5,000		FED	Topic for discussion
Architect		5,000		FED	
Permits		9,000		FED	Might come down how much?
Gravel Base for Asphalt		2,800		FED/R&B Excavating	
Transformer Move	Consumers	8,112		Classic/Consumers	FED to include in draw
Temporary Disconnect	Included in Electrical Quote			- Ed	
Enclose Front	Construction			Cliff	\$24k, not doing now
	Electrical, Heater			CI/Ed	\$3000, not doing now
Landscaping	TOMWC providing estimate 4/19	3,200			Budget included in FED Quote
Passage to New building ?	Additional excavating	500		R&B	
Move					
Machine Shop					
Customs					

Production Line Inventory Racks/Mezzanine Computers/IT Offices Bathrooms	Moving Mezzanine included?	1,000	Included in price
Finish Racks Paint Floor Sealer Internal walls	Do we finance racks? Included FED	1,500	Classic
Plumbing	Need prints.	18,950	
Additional Sewer Tap	4"	3,600	Not Included, M Cain working on it
HVAC	2 forced air, 2 tube. Includes AC.	35,000	Included in FED quote.
FEO Overhead and Profit contingency		40,534	
TOTAL:		549,386	

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) 373-2408.

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) Precision Edge Surgical Products Co. LLC	▶ 1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 3841
▶ 1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 1448 Lexamar Dr. Boyne City, MI 49712	▶ 1d. City/Township/Village (indicate which) Boyne City
▶ 2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))	▶ 1e. County Charlevoix ▶ 3a. School District where facility is located Boyne Falls ▶ 3b. School Code 15030
	▶ 4. Amount of years requested for exemption (1-12 Years) 12

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.

New Investment in additional Machinery & Equipment to continue the growth of the manufacturing operations at the Boyne City facility for Precision Edge Surgical Products Co. LLC. This company is a supplier of cutting tools to the medical industry.

6a. Cost of land and building improvements (excluding cost of land) * 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 * Attach itemized listing with month, day and year of beginning of installation, plus total	▶ \$2,459,872.00 Personal Property Costs
6c. Total Project Costs * Round Costs to Nearest Dollar	▶ \$2,459,872.00 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 ▶	_____	_____	▶ <input type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶	1/1/13	12/31/14	▶ <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, **39** ▶ 10. No. of new jobs at this facility expected to create within 2 years of completion, **30**

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	_____

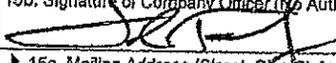
▶ 12a. Check the type of District the facility is located in:
 Industrial Development District Plant Rehabilitation District

▶ 12b. Date district was established by local government unit (contact local unit) **7/23/85** ▶ 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 Katie Pepin	13b. Telephone Number (906) 632-5626	13c. Fax Number (906) 632-5619	13d. E-mail Address katie.pepin@precisionedge.co
14a. Name of Contact Person Katie Pepin	14b. Telephone Number (906) 632-5626	14c. Fax Number (906) 632-5619	14d. E-mail Address katie.pepin@precisionedge.co
▶ 15a. Name of Company Officer (No Authorized Agents) John Truckey			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (906) 632-5619	15d. Date 6-25-13
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 415 W. 12th Ave. Sault Ste. Marie, MI 49783		15f. Telephone Number (906) 632-4800	15g. E-mail Address john.truckey@precisionedge.c

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: Check or Indicate N/A if Not Applicable <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 Check or Indicate N/A if Not Applicable <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 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

Precision Edge Surgical
Status update on 1st Industrial Facility Tax Exemption Request as of May 31, 2013

	As of Date of Exemption Certificate (Aug 11)	As of Date Certificate Awarded Jan 2012	As of May 31, 2013
# Employees	2	12	39
Net Increase		10	27
Investment in Land, Bldg & Improvements	Estimate on Application 2,605,834	Actual 1,760,692	Actual 2,730,730
Investment in Machinery, Equipment, Furniture & Fixtures	2,959,210	332,776	2,193,962 * & %
Investment in Machinery & Equipment not on 1st Abatement			2,068,933 * & #
Total Investment	<u>5,565,044</u>	<u>2,093,468</u>	<u>6,993,625</u>

* Includes equipment transferred to Boyne City Plant from Sault - Gross amount of \$1,539,045 & Net amount of \$574,232
 Total transfers related to 1st Exemption Certificate were \$343,598 Gross thus remainder make up much of Equip line below.

% Thus still open on 1st Exemption Certificate is approximately \$835,000 in Equipment - this is different equipment from what is listed on the application for 2nd Exemption Certificate

Of the investments not on the 1st Exemption Certificate \$359,600 are assets purchased recently and thus are part of the 6 month look back and included in 2nd Exemption Certificate request. The remainder was reported on Parcel 051-900-092-00 as fully taxable personal property.