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BOYNE CITY ECONOMIC DEVELOPMENT CORPORATION

Monday May 14, 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 March 19, 2012

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

8. NEW BUSINESS

- a. IFEC extension
- Sim-Tech
- b. Election of Officers
- c. Other

9. GOOD OF THE ORDER

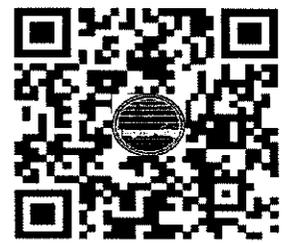
10. ANNOUNCEMENTS

The next regular meeting is scheduled for July 9, 2012

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
March 19, 2012

MINUTES OF THE BOYNE CITY ECONOMIC DEVELOPMENT CORPORATION MEETING DULY CALLED AND HELD ON MONDAY, MARCH 19, 2012, AT 12:00 NOON.

CALL TO ORDER

Chair Gillett called the meeting to order at 12:03 p.m.

OATH OF OFFICE

Recording Secretary Seeley swore in new member Josette Lory

ROLL CALL

Present: Pat Anzell, Michael Cain, Michelle Cortright, Ralph Gillett, Marilea Grom and Josette Lory

Absent: Richard Copeland (arrived 12:04 p.m.) and Pete Friedrich

Staff: DPW Supervisor Andy Kovolski, Planner/Zoning Administrator Scott McPherson, Main Street Manager Hugh Conklin and Recording Secretary Karen Seeley

Public: Three, including one member of the press

EXCUSED ABSENCE

Cain moved Grom seconded PASSED UNANIMOUSLY to excuse Pete Friedrich.

APPROVAL OF MINUTES

Cortright moved Anzell seconded PASSED UNANIMOUSLY to approve the minutes of January 16, 2012 and February 9, 2012 as presented.

MOTION

None

HEARING CITIZENS COMMENTS

CORRESPONDENCE

Thank you note for the sponsorship from the Boyne City High School Blaze robotics team.

UNFINISHED BUSINESS

Park Business update:

Kirkland Products – Hugh Conklin, Chair of the concerned citizens committee gave the board an update on the RFP's (request for proposals) to acquire guidelines/parameters associated to items listed on Kirkland Products conditional use permit approval of 2008, that included a number of components. They received two responses. They have interviewed UP Engineers, and plan to interview RSG Resource Systems, Thursday, March 22nd at noon. The committee will meet again at 6:00 p.m. to discuss the two proposals. Board discussion followed with questions regarding the firms that submitted the RFP's and their expertise; and if smaller companies will be able to bid on specific components of the proposals. The board agreed not to take action and wait for a recommendation from the citizens committee.

Conklin stressed that mitigation is very important. City Manager reported that Kirkland Products are on a four week shut down at this time and have received an extension from the DEQ until June.

- **Precision Edge:** Is up and running with two ten hour shifts starting at 4:00 a.m.
- **Temprel Products:** Located in phase I has been sold to Forberg Scientific, Inc.
- City Manager Cain suggested the board think about hosting a kind of “business after hours” for the businesses in the Industrial Park, this spring or early summer.

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. Mr. Koteskey has stated that there is no change to the last application, the additional time is necessary to maintain what they already have. This will be a formal request on the next agenda, and we will have to go through the same process, public hearing and notices. The board received all the information from the initial IFEC for their review.

GOOD OF THE ORDER None

ADJOURNMENT

The March 19, 2012 Economic Development Corporation meeting was adjourned at 12:28 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.

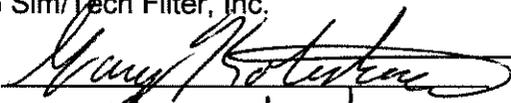
The Company further understands that if it chooses to leave the City without permission for the relocation during years one through five of the IFEC, the governing body has the right to, and may, recapture from the Company 100% of the taxes abated during the prior three tax years; or if during years 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 IFEC. 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: _____

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 <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))	▶ 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)..... * 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	▶ _____ Personal Property Costs
6c. Total Project Costs..... * 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.

	<u>Begin Date (M/D/Y)</u>	<u>End Date (M/D/Y)</u>		
Real Property Improvements	▶ _____	_____	▶ <input type="checkbox"/> Owned	<input type="checkbox"/> Leased
Personal Property Improvements	▶ _____	_____	▶ <input 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. equivalent of 6 full time jobs	▶ 10. No. of new jobs at this facility expected to create within 2 years of completion.
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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:

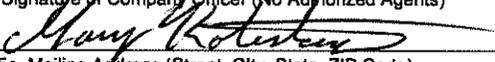
Industrial Development District Plant Rehabilitation District

▶ 12b. Date district was established by local government unit (contact local unit) 8/29/00	▶ 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 Gary Koteskey	13b. Telephone Number (231) 582-1020	13c. Fax Number (231) 582-7324	13d. E-mail Address gary@gag-simtech.com
14a. Name of Contact Person Gary Koteskey	14b. Telephone Number (231) 582-1020	14c. Fax Number (231) 582-7324	14d. E-mail Address 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 (231) 582-7324	15d. Date 4/16/12
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 1455 Lexamar Drive, Boyne City, MI 49712		15f. Telephone Number (231) 582-1020	15g. E-mail Address 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 <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

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. Siml Tech Filters Inc.

Signed: *Mary L. Koteskey*
Print Name: *Gary L. Koteskey*
Title: *President*
Date: *4/16/12*

1. Site inspections shall be done by the zoning administrator or other staff. A written report of the site inspection shall be orally presented to the Planning Commission at a public meeting or hearing on the site.
 2. If desired, no more than one member of the Planning Commission may accompany the zoning administrator or staff on a site inspection.
- C. Not Voting On the Same Issue Twice.
1. Any member of the Planning Commission shall avoid situations where they are sitting in judgment and voting on a decision which they had a part in making. As used here, sitting in judgment and voting on a decision which they had a part in making, at a minimum shall include, but not necessarily be limited to, the following:
 - a. When the appeal is of an administrative or other decision by Planning Commission and the member of the Planning Commission sits both on the Commission and Zoning Board of Appeals.
 - b. When the appeal is of an administrative or other decision by any committee of the Planning Commission, City Commission, or other committee and the member of the Commission sits both on that committee and Zoning Board of Appeals or both on the Planning Commission and Zoning Board of Appeals.
 - c. When the case is an administrative decision which was decided by the Planning Commission and sent to the City Commission for further action, and the member of the Planning Commission sits both on the Commission and City Commission.
- D. Accepting gifts.
1. Gifts shall not be accepted by a member of the Planning Commission or liaisons from anyone connected with an agenda item before the Planning Commission.
 2. As used here, gifts, shall mean cash, any tangible item, or service, regardless of value; and food valued over \$10.
 3. This section does not apply to the Planning Commission accepting gifts for the exercise of its functions pursuant to M.C.L. 125.3823(3), §23(3) of the Planning Act.
- E. Spokesperson for the Planning Commission.
1. Free and open debate should take place on issues before the Planning Commission. Such debate shall only occur at meetings of the Planning Commission.
 2. Once a vote is taken and an issue is decided by vote, the duty of each member of the Planning Commission is to represent the position reflected by the outcome of the vote. Minority reports and requests for reconsideration may take place only at an open meeting of the Planning Commission.
 3. From time-to-time, or on a specific issue the Planning Commission may appoint a spokesperson for the Planning Commission for all matters which occur outside of the meetings of the Planning Commission.

4. **Officers**

- A. Selection. At the regular meeting in May of each year, the Planning Commission shall select from its membership a Chair and Vice-Chair. Officers are eligible for reelection. In the event the office of the Chair becomes vacant, the Vice-Chair shall succeed to this office for the unexpired term and the Planning Commission shall select a successor to the office of Vice-Chair for the unexpired term.
- B. Tenure. The Chair and Vice-Chair shall take office following their selection and shall hold office for a term of one year or until their successors are selected and assume office.
- C. Chair's Duties. The Chair retains his or her ability to discuss, make motions and vote on issues before the Planning Commission. The Chair shall: