

**CITY OF WIXOM
49045 PONTIAC TRAIL
REGULAR CITY COUNCIL MEETING MINUTES
TUESDAY, FEBRUARY 25, 2020**

Mayor Beagle called the meeting to order at 7:01 p.m. and the Pledge of Allegiance was recited.

Present:

Mayor: P. Beagle
Deputy Mayor: T. Rzeznik
Councilmembers: P. Behrmann
K. Gottschall
T. Gronlund-Fox
P. Sharpe
R. Smiley

AGENDA CHANGES: (None)

PUBLIC HEARING:

1.) Public Hearing for BKG Beck LLC Request to Establish an Industrial Development District for 30303 Beck Road

Mayor Beagle read the Rules for Public Speaking at a Public Hearing. He then opened the Public Hearing at 7:03 p.m.

Mr. Brown explained that this tax abatement request is a little bit of an unusual situation and has not been done exactly like this in the City. We have two applicants. BKG Beck LLC developed and constructed a speculative building in Wixom a few years ago at 30303 Beck Road. It has remained vacant since it was constructed. It has been a source of concern for us that it has been vacant for that period of time. We have the opportunity to have these applicants come before us with an opportunity to fill it. BKG Beck LLC put in an application to request that an Industrial Development District be established covering the property. The second aspect of their application is to recognize the building as a speculative building. It was constructed without a tenant in mind and it has not had a tenant since it was constructed. There is also an application from a prospective tenant, Bluewater Technologies Group, Inc., for a tax exempt certificate on the speculative building and a tax exempt certificate for their tenant improvements that they are proposing. If the District is established, then we can consider the rest. There was a requirement for individual public hearings on all of these items. There was also a requirement for resolutions from the Council for specific purposes.

Councilmember Smiley asked if it was items one and two that make it unique or the combination of all four. Mr. Brown said that the real thing that is unique is that we are doing it on a speculative building. The State has indicated that as long as the building has remained vacant since its construction this was possible. This has happened in Oakland County before, but never in the City of Wixom.

Councilmember Gronlund-Fox asked why the tenant improvements and the real property weren't together as one tax abatement. Mr. Brown said that because the building was constructed in prior years and the tenant improvements would be

happening in the future, the difference in time resulted in the need to have two separate processes.

John Tracy, CEO of Bluewater Technologies, stated that their company is a different kind of company. They are engineers, audio techs, video techs, software developers, graphic designers, project managers. They are proud of their history and their family heritage, going back 34 years. They have about 220 employees with five offices in four states. They have a group who will literally design, consult, construct and install museums. The real value of having these four mature and growing business units is that it positions them uniquely with their customers to provide solutions to help them connect with their employees and customers by supporting sensory storytelling through digital and visual canvasses. Some of their clients include Ford Motor Company, General Motors, Walmart, Carhartt, and Wells Fargo. What truly differentiates them from other companies is their culture. They consider every one of their employees as family members. They go out of their way to make sure their employees have a very unique experience when they walk through the door. It is full of energy and full of fun.

He said that their vision at Bluewater is to make people smile. If they interact with someone and they are smiling at the end, they know they did something right. They have been awarded several Great Places to Work awards. Everything that you see (technology, lighting, staging, audio equipment, etc.) at the GM section of the Auto Show is Bluewater.

They have a headquarters in Southfield. They were outgrowing the building in Southfield, so they had to expand to a building in Farmington Hills. They want to bring everybody under one roof to a more state of the art headquarters that provides ability for them to grow. They will bring 160 new jobs to the City of Wixom with several more of them being added over three to five years. They are signing a 15-year lease. Their growth plan is very realistic and impressive. They expect revenue growth to be between 15 and 20% year over year over the next three years.

Mr. Tracy said this is not just about bringing revenue and jobs to the City of Wixom. The majority of the shareholders of Bluewater live in the greater Wixom area. He lives in Commerce and his son just graduated from Walled Lake Western High School. They hired a teacher who just retired from Walled Lake Western. Just the other day he was looking at townhouses across the street. He said they were going to be here for the long haul. He stated that they will have a broader impact through charity and community involvement. That is important to them. They have a program called Bluewater Gives and they work with several charitable causes throughout the State of Michigan, mostly local, and they help support through volunteering. Every holiday season they adopt a needy family.

He said they would provide a much more diverse business landscape. They are a very unique, technology-based company. They will be providing new opportunities to the Wixom community for at least fifteen years. They are anxious to utilize the talent that exists here and they will help grow the technological expertise in this area. They are excited about the opportunity to come to Wixom. They need to make continued investments to grow and to hire more folks. To do so, it is

imperative that they get this tax abatement. He asked the Council to approve the Tax Abatement Review Committee's recommendation.

Mayor Beagle explained that the City recently received an application for Industrial Facilities Tax Exemption Certificate submission that included multiple applications, from two different parties. This public hearing is to address the application from BKG Beck LLC which requested two actions in accordance with Public Act 198 of 1974, as amended. Specifically, this public hearing will cover the request from BKG Beck LLC to establish an Industrial Development District at 30303 Beck Road under Public Act 198 of 1974 as amended. Establishing an IDD would then allow the Council to consider the issuance of Industrial Facilities Tax Exemption Certificates for the building and the tenant improvement as applied for by the prospective tenant of the building at 30303 Beck Road, Bluewater Technologies Group, Inc.

Seeing no other comments, the Public Hearing was closed at 7:20 p.m.

2.) Public Hearing for BKG Beck LLC Request to Recognize the Building at 30303 Beck Road as a Speculative Building

Mayor Beagle opened the Public Hearing at 7:21 p.m.

He said that the City recently received an application for Industrial Facilities Tax Exemption Certificate submission that included multiple applications from two different parties. This public hearing is to address the application from BKG Beck LLC which requested two actions in accordance with Public Act 198 of 1974 as amended. Specifically, this public hearing will cover the request from BKG Beck LLC to recognize the building at 30303 Beck Road, previously constructed in 2018, as a speculative building for the purpose of establishing an Industrial Development District at the location and considering Public Act 198 tax abatement requests on said building.

Seeing no other comments, the Public Hearing was closed at 7:22 p.m.

3.) Public Hearing for Bluewater Technologies Group, Inc. Request for an Industrial Facilities Exemption for the Speculative Building at 30303 Beck Road

Mayor Beagle opened the Public Hearing at 7:22 p.m.

He said that the City recently received an application for Industrial Facilities Tax Exemption Certificate submission that included multiple applications from two different parties. This public hearing is to address the application from Bluewater Technologies Group, Inc. which requests the issuance of an Industrial Facilities Exemption Certificate under Public Act 198 of 1974 for the previously constructed building at 30303 Beck Road. The cost of construction of this building, previously completed in 2018, is estimated at \$6,173,193 as reflected on the application. The value of any IFEC on this building will be dependent on the actual valuation of the building. The Council will consider a proposed resolution to authorize the issuance of an eight year IFEC to Bluewater for the previously constructed speculative building located at 30303 Beck Road.

Seeing no other comments, the Public Hearing was closed at 7:23 p.m.

4.) Public Hearing for Bluewater Technologies Group, Inc. Request for an Industrial Facilities Exemption Certificate for Tenant Improvements to 30303 Beck Road

Mayor Beagle opened the Public Hearing at 7:23 p.m.

He said that the City recently received an application for Industrial Facilities Tax Exemption Certificate submission that included multiple applications from two different parties. This public hearing is to address the application from Bluewater Technologies Group, Inc. which requests the issuance of an Industrial Facilities Exemption Certificate under Public Act 198 of 1974 for the tenant improvements to the previously constructed building at 30303 Beck Road. The cost of the tenant improvements, as reflected on the application, is \$2,650,000. The value of any IFEC on these tenant improvements will be dependent on the increase on the actual valuation of the building resulting from the tenant improvements. After the public hearing is held, the Council can consider the proposed resolution to issue the eight year IFEC for the tenant improvements at 30303 Beck Road.

Vance McCormick, 2098 Hopkins, said the Northridge Estates subdivision has some questions about the tax abatements. They wondered how much the abatement was and how long it would last. Councilmember Gottschall replied that the recommendation was for eight years for each of these. The tenant improvements section was a little over \$2 million and the actual shell of the building was \$6 million. Mr. McCormick asked if the taxes were about \$2 million. Councilmember Gottschall said that was the valuation of the improvements. Mr. McCormick asked how that money would be made up. He said he could understand a brand new company just starting out getting a tax abatement. If it was an established company, why would they need a tax abatement. Mayor Beagle said that they made the application and that was reviewed by the Tax Abatement Review Committee. That Committee made the recommendation to the Council.

Councilmember Sharpe reminded the Council that the intent of the public hearing was for people to express their concerns and voice their opinions. The Council will then take everything they have heard into consideration when we get to the New Business item.

Seeing no other comments, the Public Hearing was closed at 7:27 p.m.

MINUTES:

CM-02-22-20: Moved and seconded by Councilmembers Behrmann and Gronlund-Fox to approve the Regular City Council meeting minutes of February 11, 2020.

Councilmember Gottschall had two corrections.

Vote:

Motion Carried

CORRESPONDENCE: (None)

CALL TO THE PUBLIC: (None)

CITY MANAGER REPORTS:

1.) Departmental Reports – January 2020

There were no comments regarding these reports.

CONSENT AGENDA:

CM-02-23-20: Motion and seconded made by Councilmembers Smiley and Gronlund-Fox to approve the Consent Agenda as presented which included:

- 1.) Approval to receive and file:
 - a. Planning Commission Minutes of December 2, 2019
- 2.) Acceptance of a Water Main Easement and Sanitary Sewer Easement Granted from MJC Stonegate Village, LLC for Property Located at 1915 Charms Road for One Dollar (\$1.00)
- 3.) Acceptance of the Water Main Easement Granted by 49231 Alpha Drive, LLC (Motor City Car Wash) Located at 49231 Alpha Drive for One Dollar (\$1.00)
- 4.) Approval of the 2020 Permit Application for a Public Fireworks Display in the City of Wixom by Great Lakes Fireworks, LLC of Eastpointe, Michigan and Authorize the Mayor to Sign the Fireworks Permit on Behalf of the City

Vote:

Motion Carried

UNFINISHED BUSINESS: (None)

NEW BUSINESS:

1.) Recommendation to Adopt a Resolution Authorizing the Establishment of an Industrial Development District at 30303 Beck Road in Accordance with Public Act 198 of 1974, as amended, and as Requested by BKG Beck LLC

CM-02-24-20: Moved and seconded by Councilmember Smiley and Deputy Mayor Rzeznik to adopt the following Resolution authorizing the establishment of an Industrial Development District at 30303 Beck Road in accordance with Public Act 198 of 1974, as amended, and as requested by BKG Beck LLC.

RESOLUTION 2020-04 APPROVING INDUSTRIAL DEVELOPMENT DISTRICT

WHEREAS, pursuant to Section 4 of Act No. 198 of the Public Acts of 1974, as amended (“Act 198”), this Council has the authority to establish industrial development districts within the boundaries of the City of Wixom (the “City”); and

WHEREAS, the City has adopted practices and procedures relating to the establishment, continuation and cancellation of such industrial development districts; and

WHEREAS, in accordance with Section 4 of Act 198, a proposal was made regarding the establishment of an industrial development district encompassing land situated in the City more particularly described in Exhibit A attached hereto and incorporated by reference herein, which are herein defined as the “City of Wixom Industrial Development District No. 2020-01” (the “District”); and

WHEREAS, written notice has been given by certified mail to BKG Beck LLC of the Council's pending action on this resolution and its right to a hearing on the establishment of the District as proposed; and

WHEREAS, notice has been given to all interested owners, residents and taxpayers in the City of a public hearing on the establishment of the District as proposed; and

WHEREAS, pursuant to the requirements of Section 4 of Act 198, on Tuesday, February 25, 2020 a public hearing was held on the establishment of the District as proposed, at which time BKG Beck LLC and other taxpayers and residents of the City had an opportunity to be heard (a copy of all statements both written and oral made at such hearing being on file with this City Council), and a representative of BKG Beck LLC attended said hearing and acknowledged receipt of notice of such hearing on behalf of the said petitioner;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WIXOM AS FOLLOWS:

1. The District is hereby established as proposed, subject to the City's customary practices and procedures with respect to such districts referred to in the preambles of this resolution, such District to consist of the area described in Exhibit A attached hereto.
2. The District is hereby designated as the "CITY OF WIXOM INDUSTRIAL DEVELOPMENT DISTRICT NO. 2020-01"
3. Nothing herein shall be read to imply either the approval of or the making of any finding or determination in respect to an application by Bluewater Technologies Group, Inc. for an Industrial Facilities Exemption Certificate for property subsequently located or to be located within the District, the granting of any such Certificate being the subject of separate and independent proceedings, consideration and review standards by this Council pursuant to the provisions of Section 9 and the provisions of Act 198. This Council reserves the right under Act 198 to disapprove of any such application for an Industrial Facilities Exemption Certificate in accordance with Section 9 and the other provisions of Act 198.
4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Mr. Brown indicated that New Business #1-5 related to the Public Hearings that were held tonight. He said the Tax Abatement Review Committee met on February 7, 2020 to review these requests. They had three applications from the two different parties all pertaining to the property 30303 Beck Road, Wixom, MI. The tax abatement would be on the 84,440 square foot shell building and on the tenant improvements to the building. He said the Council received a memorandum with attachments in regards to this which included the applications, investment analysis, pictures of the location, etc. He noted that this was a unique abatement as it was the first time they encountered an abatement request on a building that was already constructed. He said the administration consulted with Oakland County and the State of Michigan on the permissibility and the advisability of the request. They received positive feedback regarding the potential tenant of the building, Bluewater Technologies Group, Inc. He added that administration recommended that Council proceed in accordance with the Tax Abatement Review Committee's recommendation which was to honor the exemption for the building and the tenant improvements.

Deputy Mayor Rzeznik indicated that municipalities had several tools for promoting economic development and the establishment of an Industrial Development District was one of those tools.

Councilmember Behrmann clarified that the applicant was still going to have to pay taxes. Mr. Brown confirmed. Mr. Brown said there was no shortfall as it was a matter of trying to attract someone to the City that could go elsewhere. He said if the abatement was passed, you would give up 50% of the tax revenue realizing a portion of the tax revenue gave them incentive to come and do business within the community. He added that this situation was a little more unique because they had a previously constructed building that was paying taxes to the City. He said their current taxable value on the building was \$155,000 and would require giving up some revenue but the idea was the same with any other abatement as you hoped to get a facility built or filled to attract jobs and people to the community. Councilmember Behrmann commented that the City would continue to receive Personal Property Tax. Mr. Brown confirmed but it was irrelevant because there was no exemption on that.

Councilmember Sharpe thanked Mr. Brown for taking the time to explain this to him earlier today as he was new to the dais and was not familiar with this. He asked if they were to establish an Industrial Development District and should something fall through, could they revert back to the previous designation. Mr. Brown said they could.

Councilmember Gottschall added that if things were to go sideways, but the Industrial Development District stayed, technically someone could apply for an abatement at the State level without asking the City.

Vote:

Motion Carried

2.) Recommendation to Adopt a Resolution Recognizing the Previously Constructed Building at 30303 Beck Road as a Speculative Building in Accordance with Public Act 198 of 1974, as amended, and as Requested by BKG Beck LLC

CM-02-25-20: Moved and seconded by Councilmembers Gottschall and Smiley to adopt the following resolution recognizing the previously constructed building at 30303 Beck Road as a speculative building in accordance with Public Act 198 of 1974, as amended, and as requested by BKG Beck LLC.

RESOLUTION 2020-05 RECOGNIZING A SPECULATIVE BUILDING

WHEREAS, pursuant to Section 4 of Act No. 198 of the Public Acts of 1974, as amended ("Act 198"), this Council has the authority to recognize buildings constructed in the City but not yet occupied as speculative buildings as allowed under Public Act 198, as amended; and

WHEREAS, the City has adopted practices and procedures relating to the granting of tax abatements under Public Act 198 as amended; and

WHEREAS, in accordance with Public Act 198 as amended, an application was submitted by BKG Beck LLC requesting that their building at 30303 Beck Road (the "Building"), land more particularly described in Exhibit A attached hereto and incorporated by reference herein, be recognized as a speculative building; and

WHEREAS, written notice has been given by certified mail to BKG Beck LLC of the Council's pending action on this resolution and its right to a hearing on their request; and

WHEREAS, notice has been given to all interested owners, residents and taxpayers in the City of this public hearing on the recognition of the Building as a speculative building; and

WHEREAS, pursuant to the requirements of Section 4 of Act 198, on Tuesday, February 25, 2020 a public hearing was held on the recognition of the Building as a speculative building, at which time BKG Beck LLC and other taxpayers and residents of the City had an opportunity to be heard (a copy of all statements both written and oral made at such hearing being on file with this City Council), and a representative of BKG Beck LLC attended said hearing and acknowledged receipt of notice of such hearing on behalf of the said petitioner;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WIXOM AS FOLLOWS:

1. The Building is hereby recognized as a speculative building.
2. Nothing herein shall be read to imply either the approval of or the making of any finding or determination in respect to an application by Bluewater Technologies Group, Inc. for an Industrial Facilities Exemption Certificate for the Building or any tenant improvements to the Building, the granting of any such Certificate being the subject of separate and independent proceedings, consideration and review standards by this Council pursuant to the provisions of Section 9 and the provisions of Act 198. This Council reserves the right under Act 198 to disapprove of any such application for an Industrial Facilities Exemption Certificate in accordance with Section 9 and the other provisions of Act 198.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Mr. Brown said the basic summary given with New Business #1 applied to this agenda item. He indicated that the purpose of this particular action was to recognize the building at 30303 Beck Road, Wixom, MI as a speculative building meaning that it was constructed but never inhabited by any other business.

Councilmember Smiley thought it was worth mentioning that the building did not even have a floor and the building would need a lot of modifications in order to get it suitable for Bluewater.

Councilmember Sharpe said he was a member of the Planning Commission when the construction of this building was approved as a speculative building. The Planning Commission was surprised because this building was constructed so fast. He believed that it was built with the expectation that it would be occupied. He felt the building would look better filled.

Councilmember Behrmann wondered what exterior changes would be made. Mr. Tracy said they would be adding a lot more windows to the building.

Vote:

Motion Carried

3.) Recommendation to Adopt a Resolution Authorizing the Issuance of an Eight (8) Year Industrial Facilities Exemption Certificate for Real Property Consisting of the Speculative Building at 30303 Beck Road in Accordance with Public Act 198 of 1974, as amended, and as Requested by Bluewater Technologies Group, Inc.

CM-02-26-20: Moved and seconded by Councilmembers Behrmann and Smiley to adopt the following resolution authorizing the issuance of an eight (8) year Industrial Facilities Exemption Certificate for real property consisting of the speculative building at 30303 Beck Road in accordance with Public Act 198 of 1974, as amended, and as requested by Bluewater Technologies Group, Inc.

**RESOLUTION 2020-06 APPROVING
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE**

WHEREAS, the City has established the Industrial Development District No. 2020-01 (the "District"); and

WHEREAS, the City has recognized the building located within the District as a speculative building; and

WHEREAS, the City Clerk has received an Application for Industrial Facilities Exemption Certificate from Bluewater Technologies Group, Inc. dated January 28, 2020 which application, for the purpose of Act No. 198, Public Acts of Michigan, 1974, as amended ("Act 198"), is deemed filed upon the establishment by the City Council of the District within the City of Wixom; and

WHEREAS, the City has notified in writing the Assessor of the City of Wixom as well as the legislative body of each taxing unit which levies ad valorem property taxes in the local government unit in which the proposed facility is to be located, i.e. the City of Wixom, and advised each of them that the said Application has been received; and

WHEREAS, the City Council has afforded Bluewater Technologies Group, Inc., the Assessor, and a representative of each of the affected taxing units an opportunity for a hearing on this Application and said hearing having in fact been conducted at 7:00 p.m. on Tuesday, February 25, 2020 at the Wixom City Hall, 49045 Pontiac Trail, Wixom, Michigan.

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Wixom, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WIXOM AS FOLLOWS:

1. That the City Council on the basis of the information received from the applicant, Bluewater Technologies Group, Inc., finds and determines: (a) that the granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of industrial facilities exemption certificates previously granted and currently in force, shall not have the effect of substantially impeding the operation of the City of Wixom or impairing the financial soundness of any taxing unit that levies an ad valorem property tax in the local government unit in which the facility is to be located; and (b) Bluewater Technologies Group, Inc. has fully complied with the requirements of Section 9 and the other provisions of Act 198.
2. That the City Council hereby approves the Application for Industrial Facilities Exemption Certificate from Bluewater Technologies Group, Inc. covering the speculative building located within the District, for a period of eight (8) years for said real property, effective as of December 31 following the date the Certificate is issued by the Michigan State Tax Commission, as the same may

- be supplemented by a new certificate issued in accordance with Section 16(a) of Act 198 and with the Letter of Agreement (hereinafter defined);
3. That in accordance with the requirements of Section 22 of Act 198, wherein a written agreement between Bluewater Technologies Group, Inc. and the City is required in order to clarify the understanding and the commitment between Bluewater Technologies Group, Inc. and the City as a condition of approval of an Industrial Facility Exemption Certificate, the Council hereby authorizes the Mayor and the City Clerk to sign such Letter of Agreement as duly executed and delivered by Bluewater Technologies Group, Inc. ("Letter of Agreement"), and such Letter of Agreement is hereby incorporated in this resolution in full by reference as part of the documentation required to complete the application for the Industrial Facility Exemption Certificate; and further that the City Clerk is authorized and directed to file a copy of the Letter of Agreement with the Michigan Department of Treasury in accordance with Public Act 198.
 4. That the City Clerk shall forward a copy of the Application and this Resolution to the State Tax Commission for further consideration upon the payment by Bluewater Technologies Group, Inc. of the City's expenses incurred in connection with the consideration of Bluewater Technologies Group, Inc. application.
 5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

Mr. Brown specified the cost of the speculative building was the basis for the Industrial Facility Exemption Certificate but it would ultimately be based on the taxable value of the property. The Tax Abatement Review Committee asked for an eight-year abatement and roughly \$80,000 per year, over the next eight years, on the speculative building. He said the investment on the City's portion that was forgoing on tax revenue was \$20,376 per year over eight years.

Councilmember Gottschall said he supported new construction abatements as he was in favor of attracting and building business. He wished they had this discussion years ago when the building was in the planning phase because conversations in regards to the aesthetics of the building could have been made at that time. He hoped adding windows would make the building not stand out so much. He believed it felt like the City was being asked to get a deal done because things did not work out immediately; however, he was still in favor of this.

Deputy Mayor Rzeznik explained that this particular building had been part of his fuel to get Beck Road widened as it was an 84,000 square foot building sitting vacant. He felt that some tax money was better than none. He thought the benefits of attracting 160 employees to the City meant businesses would benefit from additional patrons and people may move to the City. One challenge he wanted to note was they had eight existing abatements and only one of the existing applicants lived up to their vow to support the local programming. He challenged Mr. Tracy of Bluewater to support the City, DDA and Parks and Recreation. Mr. Tracy accepted the challenge and gave his word that he would give his support. Deputy Mayor Rzeznik hoped they would incorporate some of the students from Oakland Technical Center into their operations.

Councilmember Gronlund-Fox was happy to hear they were in support of the community. She recalled that 162 employees would be transferred to this location. She wondered if they would be moving into the area. Mr. Tracy believed that some

of them would. Councilmember Gronlund-Fox asked what type of jobs would be created. Mr. Tracy indicated they would be tech-based.

Councilmember Smiley supported this tax abatement and felt it was a nice fit for both parties.

Councilmember Behrmann was in support of this and their commitment to supporting the City. He asked how many jobs in terms of space could that facility hold. Mr. Tracy thought there would be plenty of room for 200 employees and should they need to expand, the facility accommodated their needs.

Vote:

Motion Carried

4.) Recommendation to Adopt a Resolution Authorizing the Issuance of an Eight (8) Year Industrial Facilities Exemption Certificate for Tenant Improvements to the Speculative Building at 30303 Beck Road in Accordance with Public Act 198 of 1974, as amended, and as Requested by Bluewater Technologies Group, Inc.

CM-02-27-20: Moved and seconded by Councilmember Smiley and Deputy Mayor Rzeznik to adopt the following resolution authorizing the issuance of an eight (8) year Industrial Facilities Exemption Certificate for tenant improvements to the speculative building at 30303 Beck Road in accordance with Public Act 198 of 1974, as amended, and as requested by Bluewater Technologies Group, Inc.

**RESOLUTION 2020-07 APPROVING
INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE**

WHEREAS, the City has established the Industrial Development District No. 2020-01 (the "District"); and

WHEREAS, the City has recognized the building located within the District as a speculative building; and

WHEREAS, the City Clerk has received an Application for Industrial Facilities Exemption Certificate from Bluewater Technologies Group, Inc. dated January 28, 2020 which application, for the purpose of Act No. 198, Public Acts of Michigan, 1974, as amended ("Act 198"), is deemed filed upon the establishment by the City Council of the District within the City of Wixom; and

WHEREAS, the City has notified in writing the Assessor of the City of Wixom as well as the legislative body of each taxing unit which levies ad valorem property taxes in the local government unit in which the proposed facility is to be located, i.e. the City of Wixom, and advised each of them that the said Application has been received; and

WHEREAS, the City Council has afforded Bluewater Technologies Group, Inc., the Assessor, and a representative of each of the affected taxing units an opportunity for a hearing on this Application and said hearing having in fact been conducted at 7:00 p.m. on Tuesday, February 25, 2020 at the Wixom City Hall, 49045 Pontiac Trail, Wixom, Michigan.

WHEREAS, the aggregate SEV of real property exempt from ad valorem taxes within the City of Wixom, after granting this certificate, will not exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF WIXOM AS FOLLOWS:

1. That the City Council on the basis of the information received from the applicant, Bluewater Technologies Group, Inc., finds and determines: (a) that the granting of the Industrial Facilities Exemption Certificate, considered together with the aggregate amount of industrial facilities exemption certificates previously granted and currently in force, shall not have the effect of substantially impeding the operation of the City of Wixom or impairing the financial soundness of any taxing unit that levies an ad valorem property tax in the local government unit in which the facility is to be located; and (b) Bluewater Technologies Group, Inc. has fully complied with the requirements of Section 9 and the other provisions of Act 198.
2. That the City Council hereby approves the Application for Industrial Facilities Exemption Certificate from Bluewater Technologies Group, Inc. covering the tenant improvements to the speculative building located within the District, for a period of eight (8) years for said real property, effective as of December 31 following the date the Certificate is issued by the Michigan State Tax Commission, as the same may be supplemented by a new certificate issued in accordance with Section 16(a) of Act 198 and with the Letter of Agreement (hereinafter defined);
3. That in accordance with the requirements of Section 22 of Act 198, wherein a written agreement between Bluewater Technologies Group, Inc. and the City is required in order to clarify the understanding and the commitment between Bluewater Technologies Group, Inc. and the City as a condition of approval of an Industrial Facility Exemption Certificate, the Council hereby authorizes the Mayor and the City Clerk to sign such Letter of Agreement as duly executed and delivered by Bluewater Technologies Group, Inc. ("Letter of Agreement"), and such Letter of Agreement is hereby incorporated in this resolution in full by reference as part of the documentation required to complete the application for the Industrial Facility Exemption Certificate; and further that the City Clerk is authorized and directed to file a copy of the Letter of Agreement with the Michigan Department of Treasury in accordance with Public Act 198.
4. That the City Clerk shall forward a copy of the Application and this Resolution to the State Tax Commission for further consideration upon the payment by Bluewater Technologies Group, Inc. of the City's expenses incurred in connection with the consideration of Bluewater Technologies Group, Inc. application.
5. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

Mr. Brown stated that this was the second Industrial Facilities Exemption request in association with the second application from Bluewater Technologies Group. He indicated that the cost of the building was \$6,173,000 and the cost of the tenant improvements was \$2,650,000. He said there was an associated value to that as well. The total value of the two was \$913,915 as presently projected. He commented that the eight-year investment for the City was estimated at \$233,000 in total. The split between the two pieces made up that value. The tenant improvements were around \$274,000 in value to the company, and about a \$70,000 investment on the City part over the entire eight years. The value of the Industrial Facility Certificate was estimated as the actual value would depend on how much the property value increased with the tentative improvements.

Vote:

Motion Carried

5.) Recommendation to Authorize a Letter of Agreement with Bluewater Technologies Group, Inc. Regarding Industrial Facilities Exemption Certificates and Authorize the Execution of the Agreement by the Mayor and City Clerk

CM-02-28-20: Moved and seconded by Deputy Mayor Rzeznik and Councilmember Smiley to authorize a Letter of Agreement with Bluewater Technologies Group, Inc. regarding Industrial Facilities Exemption Certificates and authorize the Mayor and City Clerk to execute the Agreement on behalf of the City.

Mr. Brown said the certificates would be issued for eight years under the agreement. He added that Bluewater planned to add an additional 40 full time jobs at the facility and attempt the City as vendors for their other business. The agreement said they would submit a yearly schedule in compliance relative to the job projections. He stated Bluewater was devoted in supporting the Walled Lake Consolidated School District, Oakland Technical Center and the City of Wixom. He added that if Bluewater was to move out of the City before the term was over there was a payback requirement.

Vote:

Motion Carried

6.) Authorization to Purchase an Influent Pump Station Pump (Flygt 320) to Replace Pump 1 from Kennedy Industries of Milford, Michigan as the Sole Source Provider for \$40,975.00

CM-02-29-20: Moved and seconded by Deputy Mayor Rzeznik and Councilmember Smiley to authorize the purchase of an influent pump station pump (Flygt 320) to replace Pump 1 from Kennedy Industries of Milford, Michigan as the sole source provider for \$40,975.00.

Councilmember Gottschall suggested they needed to amend the motion to waive the bid as it was a sole source provider. Mr. Sikma agreed. He said originally, they planned on repairing the pump but the cost of the repairs exceeded 50%. He distinguished that the warranty for a repaired pump was six months and three years with a replacement.

CM-02-29-20: Moved and seconded by Deputy Mayor Rzeznik and Councilmember Smiley to amend the motion to authorize waiving of the bid process and purchase of an influent pump station pump (Flygt 320) to replace Pump 1 from Kennedy Industries of Milford, Michigan as the sole source provider for \$40,975.00.

Deputy Mayor Rzeznik wondered what the expected lifespan was of the new pump. Mr. Sikma said the lifespan was around ten years. They were utilizing the pumps more than ever before so it may not last as long.

Councilmember Behrmann recalled the past reports similar to this circumstance noted if the amount was budgeted or an amendment needed to be made. He asked if the pump was in the budget already. Mr. Sikma said this pump was part of the ten-year capital plan but the replacement for that came a little early. The finances would come from the enterprise fund from the wastewater treatment plant.

Vote:

Motion Carried

7.) Recommendation to Award a Bid to Posh Window Fashions & Interiors, LLC, Southfield, MI for the Replacement of Window Treatments at City Hall in the Amount of \$8,653.53

CM-02-30-20: Moved and seconded by Deputy Mayor Rzeznik and Councilmember Sharpe to award the bid to Posh Window Fashions & Interiors, LLC, Southfield MI, for the replacement of window treatments at City Hall in the amount of \$8,653.53.

Councilmember Gottschall asked if the current window treatments were old or not functioning. Ms. Magee said the treatments were old as they were installed in 1992 but they still worked. She added that this purchase was already locked into the Capital Plan and the amount being asked for was under the projected budget. Councilmember Gottschall felt that this was a relatively small amount overall but he was not in favor of this as the current blinds were still in working condition.

Councilmember Sharpe asked why administration was asking for new treatments. Mr. Brown said that for the same reason they would replace carpeting that may be functioning but the appearance gave a bad image. He felt that the current blinds had yellowed in color and were no longer white. He noted that they already replaced paint, carpet and furniture so they wanted to be consistent in their improvements in trying to enhance the appearance of the building.

Councilmember Rzeznik was aware the existing blinds were the old vertical technology. He noticed while driving by that some of them were opened but catawampus and didn't look appealing. Ms. Magee indicated the new blinds would be roller shades similar to the blinds at the Community Center.

**Roll Call Vote: (6) AYES- Beagle, Behrmann, Gronlund-Fox, Rzeznik, Sharp, Smiley
(1) NAY- Gottschall**

Motion Carried

CALL TO THE PUBLIC: (None)

CITY MANAGER COMMENTS:

Mr. Brown stated that the next Council meeting will be held on Wednesday, March 11th, because of the election being held on March 10th. We have six City employees who are celebrating years of service with the City. Those range from one year to 29 years. He congratulated all of them. He mentioned that the annual Lakes Area Chamber of Commerce State of the Lakes is on Tuesday, March 31. Once we get a formal invitation, he will pass that on to Council. He said that we are very excited that the Beck Road Widening Task Force work is continuing to have an impact. We got together with the City of Novi and Northville Township, to recruit them into a group of communities to work to widening Beck Road from sometimes two lanes or three lanes to five lanes. The first step in that process is the filing of an INFRA grant that was just completed yesterday. He thanked everybody who was on the Beck Road Widening Task Force. The projected cost of the overpass over the

railroad at Beck Road is \$22,265,000 and there will be a local match required if we are successful. It will require other grant sources to continue this project even if we are successful on this INFRA grant. We recently participated in a Washington DC lobbying trip where we met with our congressional members and members of the Department of Transportation. He thought the trip was excellent and improved our chances of being successful on this grant and future grants. Everything is coming together for us to have an opportunity for us to find out where we stand on this pretty quickly.

COUNCIL COMMENTS:

Councilmember Smiley welcomed Bluewater Technologies and thanked the Tax Abatement Review Committee for the work that they did on this project. He appreciated the work that Mr. Brown and the staff did on the weekend. Congresswoman Haley Stevens visited Sarah Banks Middle School last week for a Mental Health Town Hall meeting. He appreciated her visit, as well as the mental health professionals who were on the panel. The Wine Tasting is this Friday. There is a snow day for the Walled Lake Schools tomorrow so be careful out there. He noted that he will be missing the March 11th Council meeting and asked to be excused. Lastly, he wondered if the budget dates had been determined yet. Mr. Brown said that those dates have not been established yet but they will be coming soon.

Mr. Brown added that when the Walled Lake School District is closed, so is the Senior Center. There will not be any senior activities tomorrow.

Councilmember Behrmann said he was excited to see that building get developed. He wished Bluewater Technologies nothing but the best and welcomed them to Wixom. He noted that the Airline Trail ends at Wixom Road and the sidewalk project came before Council a few months ago. It was decided not to go down Wixom on the east side at that time. He wondered if there had been any movement on a crosswalk there so it is safe. He has seen people crossing there without the crosswalk. Mr. Brown said we would have to take a look at that to see how advisable that would be. Typically there would be a signal there as part of the Trailway. Councilmember Behrmann suggested adding a barrier so people aren't coming out onto the street. Mr. Brown said he would take a look at that. In the long run, we want to get that next phase completed and that would be part of the next process.

Deputy Mayor Rzeznik added that during the Block Party, he erected a temporary sign telling people to head south to the signal. He knew the Council had defeated the sidewalk but he thought maybe people could go down the dirt path. He hoped people would be aware that there is a safe crossing at the light.

Councilmember Gottschall thought there was a painted crosswalk there. When the project was still in the planning phase, he remembered going to a meeting on the City's behalf. There was a map of where the signals would go and that was one of the locations. He thought we needed to get with the Trailway Council and hold their feet to the fire to get a HAWK signal there. It is a safety issue. He hoped the sidewalks would be included for the 2020 projects as well. Mr. Brown stated that it

wasn't that the sidewalk was rejected. It was rejected at that time for not having gone out for bid.

Councilmember Gottschall said there was some confusion or discussion earlier with the public hearings and having people ask questions. That also occurs quite frequently with our Call to the Public sessions. He understood from a resident or citizen perspective, it is tough to come to Council meetings and know exactly what you need to talk about if you don't have the information the Council has. He wanted to revisit, now that we have new Council members, the option of putting our Council packets online before meetings, excluding the confidential information. That way, when people come to our meetings to speak about a topic, they have the same information that the Council is working from. Next he mentioned that when you purchase a property and close, you have 45 days to submit the Property Transfer Affidavits. Most municipalities will fine you \$5 per day up to a total of \$200 if that is not done within those 45 days. It is an obvious incentive to turn your paperwork in on time so that the City knows who the owner of the property is and how to get in touch with them. Recently he visited the Construction and Development Services Department and he noticed that one was three weeks shy of owning the property for an entire year. Staff told him that happens quite frequently. It was the Council's decision back in the 1990's to waive those fees. He thought we needed to revisit that decision so people will turn their paperwork in on time.

Councilmember Sharpe thanked Mr. Brown and the staff for explaining the tax abatement process. He thought the fact that we wrapped it up quickly was an indicator of what a good job he did in preparing the Council. He welcomed Bluewater Technology and looked forward to a minimum of 15 years of their residency on Beck Road.

Councilmember Gronlund-Fox welcomed Bluewater Technologies. She thought they would love Wixom. It is a great community. She thanked Mr. Brown for all of the work that he did on the process. She congratulated those celebrating work anniversaries. She wished the City Clerk good luck on the election.

Deputy Mayor Rzeznik extended a warm welcome to Bluewater Technologies. It will be exciting to see some activity there and what they will bring to Wixom. He thanked Mr. Brown and Ms. Magee for doing some research for him. He requested that the staff go out to the other companies who have received tax abatements to remind them that one of the commitments they made was to support the community. He found only one that had done so. It was interesting and disappointing because the City investment is significant. Everyone says that they are going to contribute to the community, but few do. He said that if any of the Councilmembers would like additional information on the Signal Prioritization, he would be happy to provide it. Lastly, he hoped everyone had a safe drive tomorrow in the snow.

Mayor Beagle welcomed Bluewater and said he was looking forward to the next 15 years of working with them. He thanked and congratulated the six work anniversary employees. He pointed out that Melissa Harrison is celebrating 24 years and Jay Westervelt was celebrating 29 years. That was great that we have people who have

worked here for almost 30 years. He thanked Mr. Brown. He was putting a lot of time in and he stayed here on a Sunday to get this done for us. It was really appreciated.

ADJOURNMENT:

The meeting was adjourned at 8:30 p.m.

Catherine Buck
City Clerk

Approved 3-11-2020
