



CITY of NOVI CITY COUNCIL

Agenda Item 5
November 27, 2017

SUBJECT: Approval of Resolution authorizing application from Production Tool Supply Company LLC dba Berkshire eSupply for an Industrial Facilities Tax Exemption Certificate for an approximately 210,000 square foot facility to be located along 14 Mile Road and related Agreement concerning Industrial Facilities Tax Abatement.

SUBMITTING DEPARTMENT: City Assessor

CITY MANAGER APPROVAL: 

BACKGROUND INFORMATION:

Introduction and History

An application has been filed by Production Tool Supply Company LLC dba Berkshire eSupply. (applicant) for an Industrial Facilities Tax Exception Certificate (IFEC) for real property and personal property to be located on parcels 50-22-01-200-018, 50-22-01-200-026 and 50-22-01-200-027 on 14 Mile Road. The property's legal description is as follows:

The parcels have the following legal descriptions:

50-22-01-200-018

T1N, R8E, SEC 1 E 7 ACRES OF W 20 ACRES OF N 36 ACRES OF NE FRC 1/4 EXC THAT PART OF FOL DESC PCL WHICH LIES NLY OF LINE DESC AS BEG AT PT DIST N 87-24-30 E 914.28 FT & S 02-35-30 E 140 FT FROM N 1/4 COR, TH N 87-24-30 E 212.72 FT, TH N 87-24-30 E 173 FT, TH N 02-35-30 W 25 FT, TH N 87-24-30 E 250 FT, TH N 02-35-30 W 30 FT, TH N 87-24-30 E 100 FT TO PT OF ENDING 5.83 A1-18-94 FR 004

50-22-01-200-026

T1N, R8E, SEC 1 ALL THAT PART OF E 200 FT OF W 13 ACRES OF N 36 ACRES OF NE 1/4 LYING ELY & SLY OF FOL DESC LINE DESC AS BEG AT PT DIST N 87-24-30 E 510.34 FT & S 02-00-18 W 357.82 FT & S 04-53-41 W 49.91 FT & N 85-06-19 W 30 FT & S 04-53-41 W 600 FT & S 85-06-19 E 30 FT & S 04-53-41 W 1100 FT & S 85-06-19 E 410 FT & N 04-53-41 E 800 FT & S 85-06-19 E 20 FT FROM N 1/4 COR, TH N 04-53-41 E 900 FT, TH N 85-06-19 W 20 FT, TH N 04-53-41 E 49.91 FT, TH ALG CURVE TO LEFT, RAD 3958.72 FT, CHORD BEARS N 02-55-51 E 271.35 FT, DIST OF 271.40 FT, TH N 87-24-30 E 210 FT TO POINT OF ENDING 0.60 A10-5-94 FR 003

50-22-01-200-027

T1N, R8E, SEC 1 ALL THAT PART OF S 80 ACRES OF N 116 ACRES OF NE FRC 1/4 WHICH LIES ELY OF FOL DESC LINE BEG AT PT DIST N 87-24-30 E 510.34 FT & S 02-00-18 W 357.82 FT & S 04-53-41 W 49.91 FT & N 85-06-19 W 30 FT & S 04-53-41 W 600 FT & S 85-06-19 E 30 FT & S 04-53-41 W 1100 FT & S 85-06-19 E 410 FT FROM N 1/4 COR, TH N 04-53-41 E 800 FT, TH S 85-06-19 E 20 FT, TH N 04-53-41 E 900 FT TO POINT OF ENDING EXC BEG AT SE COR OF SD S 80 ACRES OF N 116 ACRES OF

NE FRC 1/4 TH N 500 FT, TH W 250 FT, TH S 100 FT, TH W 400 FT, TH S 400 FT, TH E
650 FT TO BEG 50.60 A10-5-94 FR 007

Total acres is approximately 60.2 acres

The parcels of land is situated within the SEHN Novi LLC Industrial Development District, established on November 27, 2017. The request was submitted by the applicant on October 10, 2017.

The real property improvement investment is \$35,000,000 and the personal property investment is \$10,000,000, for a total investment of \$45,000,000.¹ The real property consists of a real property improvements with a proposed 210,000± square foot facility.

This property will serve as a logistical "just-in-time" optimization center and will be developed as a state-of-the-art construction and configured into approximately 210,000 square feet of offices, warehousing and distribution facilities. Approximately \$35,000,000 will be used for the cost into the building improvements, not including costs associated with purchasing the land.

The land is pending a current purchase agreement set to close in late December 2017/early January 2018 due to continuing due diligence efforts. Any resolution approved by City Council to move forward the abatement application will include a directive to Assessor Lohmeier to hold said resolution for a period up to 90 days until closing of property purchase by applicant of IFEC before sending the resolution and approved application to the State of Michigan as the applicant must be the owner of the property. This condition of the resolution being approved has been fully discussed with applicant.

The project proposed in this application would be eligible for consideration of an IFEC under the provision of the City's Property Tax Incentive Policy (Policy) and Public Act 198 and as identified as a *New Facility*. The above applied for real property and personal property improvements meet the City's Policy for both real property and personal property.

Because this is a new location for the applicant, this project will result in 0 jobs being retained at this facility. This new facility will result in an expected 240 new jobs created at this facility.² Granting this request will result in an increase in the tax base of the city and should bring economic benefits to the city and to other service oriented businesses.

Term of Abatement

The applicant is requesting a 12-year abatement, and has signed the City's incentive agreement which requires the additional four (4) years of business residence after the certificate expires.

Tax Delinquencies and Savings

To the best of staff's knowledge, there are no delinquent taxes owed by the applicant within the City of Novi.

If this abatement is granted for the 12-year maximum the potential real and personal property tax savings for the applicant will be approximately \$5,075,000, over the term of the certificate. Additional real and personal property tax revenue for the city will be approximately \$1,200,000, over the term of the certificate. Due to the passage of personal property tax laws in 2014, there is a strong probability that the personal property will be exempt immediately for ad valorem taxes. This being assumed the additional real property tax revenue for the city will be approximately \$1,040,000 over the term of the certificate.

¹ See attached listing.

² See included Supplemental Questions responding to the City's Policy.

At the end of the certificate's life the property subject to the abatement will be added to the City's ad valorem assessment roll and taxed at its full respective millage rates, unless the abatement is extended by City Council. However, because the limit for an IFEC is 12 years, the an extension of this abatement of real property would require a change in the statute.

Other Abatements in the City

The applicant does not have any other abatements within the City of Novi.

Pending Appeals

To the best of staff's knowledge, there is no outstanding and/or pending appeal(s) involving the property that is the subject of this application within the city of Novi. Furthermore, there is no outstanding and/or pending appeal(s) involving the applicant filing for this tax incentive within the city.

Based on reviewing the application and the City's property tax incentive policy, the applicant qualifies for a 12-year abatement; with the term of the abatement beginning on 12/31/2018 and ending on 12/30/2030. The City's business residency requirement states with this duration of an abatement certificate the applicant must remain at the facility for an additional four (4) years after the certificate expires.

RECOMMENDED ACTION: Approval of Resolution authorizing application by Production Tools Supply Company LLC dba Berkshire eSupply for a 12-year Industrial Facilities Tax Exemption and Agreement concerning Industrial Facilities Tax Abatement subject to approval by the State Tax Commission pursuant to Public Act 198.

**CITY OF NOVI
RESOLUTION
APPROVING AN INDUSTRIAL FACILITIES EXEMPTION CERTIFICATE
FOR PRODUCTION TOOL SUPPLY COMPANY LLC DBA BERKSHIRE eSUPPLY**

At a regular meeting of the City Council of the City of Novi, Oakland County, Michigan, held in the Council Chambers at 45175 Ten Mile Road, Novi MI 48375 on the **27th day of November, 2017**.

The following resolution was offered by Council Member _____ and supported by Council Member _____

WHEREAS, pursuant to P.A. 198, 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on the **27th day of November, 2017**, the City of Novi, established an Industrial Development District, commonly referred to as the **SEHN Novi LLC Industrial Development District**; and

WHEREAS, **Production Tool Supply Company LLC dba Berkshire eSupply** has filed an application for an Industrial Facility Exemption Certificate with the Clerk of the City of Novi with respect to proposed new **real property** and **personal property** within the **SEHN Novi LLC Industrial Development District**; and

WHEREAS, before acting on said application, the City Council of Novi held a hearing on the **27th day of November, 2017** at a regularly scheduled meeting, at which time the applicant, the assessor, and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application; and

WHEREAS, construction of the facility real property and installation of new personal property has not begun earlier than six (6) months before **10th day of October, 2017**, the date of the acceptance of the application for the Industrial Facility Exemption Certificate; and

WHEREAS, completion of **the real property and personal property** is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent the loss of employment in Novi; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Novi 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 personal and real property thus exempted.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of Novi that:

1. The City Council of Novi finds and determines that the granting of this Industrial Facilities Exemption Certificate, together with the aggregate amount of the certificates previously granted and currently in force, under PA 198 of 1974, and PA 225 of 1978, **shall not** have the effect of substantially impeding the operation of the City of Novi, or of impairing the financial soundness of a taxing unit which levies ad valorem property taxes in the City of Novi.
2. The application from **Production Tool Supply Company LLC dba Berkshire eSupply** for an Industrial Facilities Exemption Certificate with respect to a **New Facility** on the following described parcel of real property situated within the **SEHN Novi LLC Industrial Development District**; to wit;

I, the undersigned, the duly appointed City Clerk for the City of Novi, Oakland County, Michigan do hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Novi City Council held on the **27th day of November, 2017.**

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 27th day of November, 2017.**

Cortney Hanson, City Clerk

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, call (517) 373-3302.

To be completed by Clerk of Local Government Unit	
Signature of Clerk	Date Received by Local Unit <u>10/10/17</u>
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) Production Tool Supply Company dba Berkshire eSupply		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 333515, 4225, 5084, 5085, 423830, 423840, 493110	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 14 Mile Road, Novi, MI 48377		1d. City/Township/Village (indicate which) Novi	1e. County Oakland
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(5)) <input type="checkbox"/> Transfer <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(6)) <input type="checkbox"/> Research and Development (Sec. 2(10)) <input type="checkbox"/> Increase/Amendment		3a. School District where facility is located Walled Lake Consolidated	3b. School Code 63290
		4. Amount of years requested for exemption (1-12 Years) 12 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.

The property is comprised of three vacant parcels of land. The property will be developed into a state-of-the-art 210,000 square foot warehousing and distribution facility and corporate headquarters for Berkshire eSupply as the owner of both the real and personal property. The facility will operate as a "just-in-time" distribution facility and logistical optimization center for distribution of products manufactured by related Berkshire Hathway industries. See attached.

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.	▶ <u>\$35,000,000.00</u> 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	▶ <u>\$10,000,000.00</u> Personal Property Costs
6c. Total Project Costs _____ * Round Costs to Nearest Dollar	▶ <u>\$45,000,000.00</u> 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	▶ <u>4/15/18</u>	<u>5/1/19</u>	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements	▶ <u>9/1/18</u>	<u>5/1/19</u>	▶ <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. 0	10. No. of new jobs at this facility expected to create within 2 years of completion. 240, see attached Jobs Table
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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) 10/23/17	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 Nicholas G. Maloof	13b. Telephone Number (248) 203-9898	13c. Fax Number (248) 647-0526	13d. E-mail Address ngm@associatedenvironmental.net
14a. Name of Contact Person Craig Fishel	14b. Telephone Number (734) 934-4920	14c. Fax Number (586) 755-4921	14d. E-mail Address cfishel@pts-tools.com
▶ 15a. Name of Company Officer (No Authorized Agents) Craig Fishel, Empowered Official, Production Tool Supply Company dba Berkshire eSupply			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (586) 755-4921	15d. Date October 9, 2017
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 8655 East 8 Mile Road, Warren, MI 48089		15f. Telephone Number (800) 270-5779	15g. E-mail Address cfishel@pts-tools.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 63213	16d. School Code 63290
17. Name of Local Government Body City of Novi	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original 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, and that any leases show sufficient tax liability.

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:

**Michigan Department of Treasury
State Tax Commission
PO Box 30471
Lansing, MI 48909**

(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

Berkshire eSupply: Real Property Costs

Begin Date	End Date	Description of Costs	Cost
4/15/2018	12/31/2018	Architectural, Engineering, Pre-Construction, title work, Land due diligence	\$1,294,993.05
		Remaining balance of Arch & Engineering services (March 31, 2018 Building Permit), order long lead items	\$697,303.95
		Permits, Water & Sewer Fees, Builders Risk Insurance, Land Survey, Zoning Variances, Plan Approval	
4/20/2018	5/25/2018	April 1, 2018 Clearing & Grubbing of site, May 1, 2018 Site Dirt Work begins & mass grading	\$820,410.00
		Labor and Materials for the following: Soil Controls, Earthwork, Building Pad Stone	
5/26/2018	12/31/2018	Hard Construction Costs	\$19,316,191.00
		Labor and Materials for the following: Sedimentation Separation Structures, Foundations, Slab on Grade, Slab on Deck, Steel Erection, Rough Carpentry, Begin Exterior Façade, Masonry, Pump Room, Structural Footing	
1/1/2019	5/1/2019	Remaining Construction Costs through June 2019	\$12,871,102.00
		Labor and Materials for the following: Asphalt Paving, Sidewalks/Truck Aprons, Concrete Curbing, Site Fencing, Dumpster Enclosures, Entry Monument Sign, Finish Carpentry, Elevators, Plumbing, Fire Suppression, Electrical	
		Finished Concrete, HVAC, Lighting, Doors, Security, Paint and Finish Schedules, Finish Exterior Façade, Parking Lot Install	
		Low Voltage & Audio Visual Labor, Landscaping & Hardscaping, Irrigation, Final Inspections Complete	
		Certificate of Occupancy- June 30, 2019	
		REAL PROPERTY GRAND TOTAL:	\$35,000,000.00

Berkshire eSupply: Personal Property Costs

Begin Date	End Date	Description of Costs	Cost
9/1/2018	12/31/2018	4 th Quarter Pre-Order of Automation Equipment	\$2,002,000.00
1/1/2019	5/1/2019	Procure remaining personal property items and balance of Automation Equipment- final purchase and installation	\$7,998,000.00
		Labor and Materials for the following: Automation Equipment, IT & AV Equipment, Office Furniture & FF&E	
		Security Gate, Security System, Natural Gas Back Generator, Industrial Compressor	
		All Equipment installed by Temporary Certificate of Occupancy- June 30, 2019	
		PERSONAL PROPERTY GRAND TOTAL:	\$10,000,000.00
		TOTAL REAL AND PROPERTY PERSONAL PROPERTY GRAND TOTAL:	\$45,000,000.00

This Grand Total DOES NOT include the cost of land acquisition which is an additional \$3,000,000.00.

**INDUSTRIAL FACILITIES EXEMPTION APPLICATION
AFFIDAVIT OF FEES**

In accordance with State Tax Commission Bulletin No. 3, dated January 1998, the City of Novi and the Applicant for Industry Facilities Exemption Certificate, by and through their respective representatives, do hereby swear and affirm that no payment of any kind, whether they be referred to as "fees", "payments in lieu of taxes", "donations," or by any other like terms, in excess of the application fee allowed by Public Act 323 of 1996, as amended, has been made or promised in exchange for favorable consideration of an exemption certificate application.

City of Novi

Signed: _____

Printed Name: Cortney Hanson

Title: City Clerk

Dated: _____

Production Tool Supply Company LLC d/b/a Berkshire "Supply
Company/Applicant Name

Signed:  _____

Printed Name: Craig Fishel

Title: Empowered Official

Dated: October , 2017

CITY OF NOVI
TAX INCENTIVE AGREEMENT
CONCERNING
INDUSTRIAL FACILITIES TAX ABATEMENT

The City of Novi ("City"), located at 45175 W. Ten Mile Road, Novi, Michigan 48375, and the below mentioned Company (collectively, "the Parties"), agree as follows:

Recitals

Production Tool Supply Company LLC d/b/a Bershire "Supply" hereinafter referred to as the "Company," located at 8655 East 8 Mile Road, Warren, MI 48089

has submitted an application to City Council for the granting of an Industrial Facility Exemption Certificate (IFEC), pursuant to Michigan Public Act 198, of 1974, as amended. The property the application pertains to (the "Property") is currently and commonly referred to by its assessment parcel number(s) Parcel Nos. 50-22-01-200-027, 50-22-01-200-018, and 50-22-01-200-026

and is located within an approved Industrial Development District ("Eligible District").

The City and the Company desire to enter into this Tax Incentive Agreement ("Agreement") as required by MCL 207.572, and for the purpose of setting forth the terms and conditions under which an IFEC may be approved by the City Council and may be approved and issued by the State Tax Commission for the facility proposed to be exempt from *ad valorem* real and personal property taxation.

The Company submitted an application for issuance ("Application") of an IFEC for the facility, as provided for in PA 198, of 1974, as amended. The Application is incorporated as part of this Agreement by reference.

Therefore, in consideration of the forgoing, the Parties now enter into this Agreement.

Terms and Conditions

In recognition of the granting of the IFEC by City Council and the benefit of the tax savings for the Company, and the economic growth of the City, I hereby agree on behalf of the Company to the following:

1. The Company will furnish notification of the completion of the facility to the City Assessor and the State Tax Commission, within 30 days of the date of completion. If there is no construction progress for a facility under construction for more than 180 days, the Company will notify the City Assessor of its reasons for delay.
2. Within 90 days of the date of completion of the facility, the Company will report:
 - a. The final cost of the facility to the City Assessor and the State Tax Commission including, if applicable, and:
 - i. a detailed listing of the new personal property acquired for the facility, including item description, type, identification, year of acquisition and all costs for its purchase and installation; and
 - ii. a detailed listing of the constructed real property, including all direct and indirect costs associated with its completion; and
 - iii. the number of jobs created by completion of the facility, not including jobs transferred from other locations.

If the actual project costs are more than 10% less than the estimated costs given in the application, or if the number of jobs created are less than the number estimated in the application, the Company will provide the city assessor with a written explanation.

3. No later than the 10th day of March of each year, beginning the year following the first tax year effective by the IFEC and throughout the term of this Agreement, the Company shall submit a report ("Annual Report") to the City Assessor and City Clerk stating the average number of jobs in the Eligible District for the preceding year, computed as the average number of actual jobs existing on a quarterly basis for the calendar year preceding the Annual Report. During the term of this Agreement, the City may upon reasonable advance notice, during reasonable times and subject to reasonable restrictions (including but not limited to confidentiality restrictions), review and audit the information presented by the Company to determine compliance with this Agreement.
4. As a condition of receiving an IFEC, or an extension and/or transfer of an existing certificate, pursuant to the city's tax abatement policy, the company agrees to operate the facility for which the IFEC is granted for the term of the IFEC according to the following schedule:
 - a. Tax abatement term of up to eight (8) years (including extensions) = length of abatement certificate AND an additional two (2) tax years.
 - b. Tax abatement term of over eight (8) years (including extensions) = length of the abatement certificate AND an additional four (4) tax years.

5. As a condition of receiving the IFEC, or an extension of an existing certificate, pursuant to this policy, the Company agrees to operate the facility for which the IFEC is granted for the term of the IFEC, which is in accordance with the Resolution approving the IFEC approved by the City Council, plus business residence time period required, in tax years, after the date of expiration of the IFEC.
6. The Company further understands that if it vacates or fails to operate the facility for which the IFEC is granted for the period of time as outlined above, that the company is liable for repayment of all property tax savings benefiting the Company due to the existence of the IFEC, beginning with the initial effective year of the IFEC. In addition, the Company will be liable for repayment of all future tax savings if there are any remaining years in the term of the IFEC, under the provisions of Section 21(2) of Public Act 198, 1974 as amended. These provisions may be waived by the City Council at the request of the Company for justifiable cause.
7. The Company further agrees to pay its abated real and personal property taxes timely and without penalty. In addition, the Company agrees to inform the City Assessor and the City Treasurer of any plans to relocate the company from any location within the City, 30 days prior to the relocation. If any of the foregoing amounts are not paid within sixty (60) days from when the taxes are due to the City, the City may institute a civil action against the Company, and the City shall be entitled to recover the taxes due and any penalties and interests accrued. In addition, the Company shall be all court costs and attorneys' fees incurred by the City in connection with such civil action if the City prevails in collecting at least fifty (50%) percent of the funds sought to be recovered in the action.
8. The Company agrees to notify the City Assessor and City Treasurer of any change in the ownership of the Company's real and personal property assets or a majority share of the Company's stocks. For the purposes of this agreement, a new owner or lessee shall be defined as follows:
 - a. For those IFECs that pertain to real property improvements, the term "new owner or lessee" shall be defined as follows:
 - i. A new entity that acquires, owns and occupies or leases and occupies the facility after the existing certificate holder has physically moved from or vacated the facility.
 - OR
 - ii. An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns and occupies or leases and occupies that facility.

b. For those IFECs pertaining to personal property, the term "new owner or lessee" shall be defined as follows:

i. A new entity that acquires from the existing certificate holder entity the ownership of the facility or leasehold interest in the facility and which keep the facility at its current location.

OR

ii. An entity that acquires an ownership interest of more than 50% in the existing certificate holder entity that owns or leases the facility.

9. Whenever there is a new owner or lessee, as defined above, of any real or personal property for which an IFEC has been granted, the new owner or lessee shall make application for a transfer of the certificate to the new owner or lessee immediately, but no longer than six (6) months after a change in ownership occurs. The City Council may grant requests to transfer existing certificates, after review, provided requests are consistent with the City's adopted Tax Incentive Policy, or any amendments made to the policy, that is in effect at the time a request for a transfer is made. An updated tax incentive agreement shall accompany any request for a transfer of a certificate to a new owner or lessee.

10. The Company further agrees to abide by all other City ordinances, including its building and zoning codes, during the construction and operation of the facility.

11. The Agreement will be interpreted, construed, and enforced in all respects in accordance with the laws of the State of Michigan.

12. The Parties acknowledge that each of them has consulted with attorneys and counselors regarding this Agreement and that the City and the Company have equally participated in the drafting of this Agreement. The Company acknowledges that the terms, conditions, requirements, and obligations of the IFEC and this Agreement are lawful and are reasonable in consideration for the benefits the Company has determined that it will achieve by issuance of the IFEC, and the Company agrees that it shall not be permitted to claim that the City is not authorized by law and/or equity to enforce any provision of this Agreement.

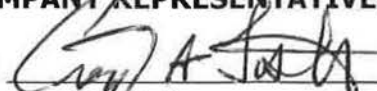
By the signatures of representatives of both the Company and the City below, it is understood that both the Company's investment in the project and the City's investment through the granting of the IFEC is to encourage the economic growth of all.

WITNESS:


SIGNATURE

Timothy M. Clark
PRINT NAME

COMPANY REPRESENTATIVE:

BY: 
Craig Fishel

ITS: Empowered Official

DATED: October 9, 2017

ACKNOWLEDGED BY THE CITY OF NOVI:

WITNESS:

SIGNATURE

PRINT NAME

BY: _____
ROBERT J. GATT

ITS: MAYOR

DATED: _____

WITNESS:

SIGNATURE

PRINT NAME

BY: _____
CORTNEY HANSON

ITS: CITY CLERK

DATED: _____

Production Tool Supply Company LLC d/b/a Berkshire eSupply

Project Summary – Supplemental Information

Prepared for City of Novi
RE: Industrial Facilities Tax Exemption Application
October 9, 2017

The following information is to supplement Section 5 of the Michigan Department of Treasury Form 1012 (Rev. 04-14), which states:

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.

Section 5 Supplemental Information

Business Operations

Production Tool Supply Company LLC d/b/a Berkshire eSupply ("Berkshire eSupply") is a newly launched business venture in the spirit of Industry 4.0 with the entrepreneurial passion and blue-collar work ethic rooted in a Michigan company that has been an integral part of the manufacturing community for over 67 years. On August 7, 2017 Berkshire eSupply announced the acquisition of the wholesale division of Production Tool Supply, headquartered in Warren, Michigan. Through a short-term joint venture, Berkshire eSupply and the Production Tool Supply family of companies will become a wholly owned subsidiary within the group of companies held by the multinational conglomerate holding company, Berkshire Hathaway led by Chief Executive Officer and Founder Warren Buffet, one of the most renowned investors in history.

Berkshire eSupply is an industry leader in the support of industrial manufacturing throughout Michigan, the United States and North America. By connecting thousands of manufacturers and suppliers to distributors and consumers in manufacturing industries across the world, Berkshire eSupply offers access to over one million (1,000,000) industrial products and a precision Logistical Optimization Center providing just-in-time inventory management and material handling. Additionally, Berkshire eSupply provides support for the vast network of industrial suppliers across North America with customized, leading edge, multi-media marketing programs, eCommerce platforms and data driven Web content, Mobile Applications, Industrial Vending and Inventory Management Systems and production and distribution of traditional Catalogs and other printed marketing materials.

Community Involvement and Support

Production Tool Supply has supported many charities in the local and regional community through donations, as well as partnering with Gleaners/Gleaners Community Food Bank (www.gcfb.org) for Canned Food Drives and Marine Toys for Tots Foundation (www.toysfortots.org) for annual Christmas gift collections distributed to local families in need. The company is also proud of its participation in the Detroit Thanksgiving Day Parade with employees and their families walking and providing resources to The Parade Company (www.theparade.org) and the company has been a supporter of the 8 Mile Boulevard Association (www.eightmile.org) in many beautification projects. Berkshire eSupply intends to continue the strong tradition of community involvement and support championed by Production Tool Supply with its proposed move to Novi and Oakland County.

Property Description and Design Standards

The Property being developed for the proposed Project has numerous engineering, logistical and financial challenges associated with the intended site development activities. These challenges include difficulties with the Property itself due to topography/grade changes, wetlands, woodlands and the lack of municipal utilities located near the Property as well as challenges related to constructing the site improvements. Berkshire eSupply is very conscious of the natural environment and amenities the Property contains and has spent hundreds of hours and a very large amount of resources to design, align and position the project development footprint to preserve the natural environment and minimize impact to the Property. In addition the visual aesthetics of the vertical improvements will feature designs and building materials that help the buildings meld with their natural environment. Berkshire eSupply intends to install energy efficient HVAC and lighting systems and other improvements to further minimize the energy and carbon footprint of the proposed Project. Although the project will not be submitted for an official Leadership in Energy and Environmental Design (LEED)* rating from the United States Green Building Council (USGBC) due to cost and timing constraints, Berkshire eSupply intends to follow many of those principals towards sustainable design when designing and constructing the Project.

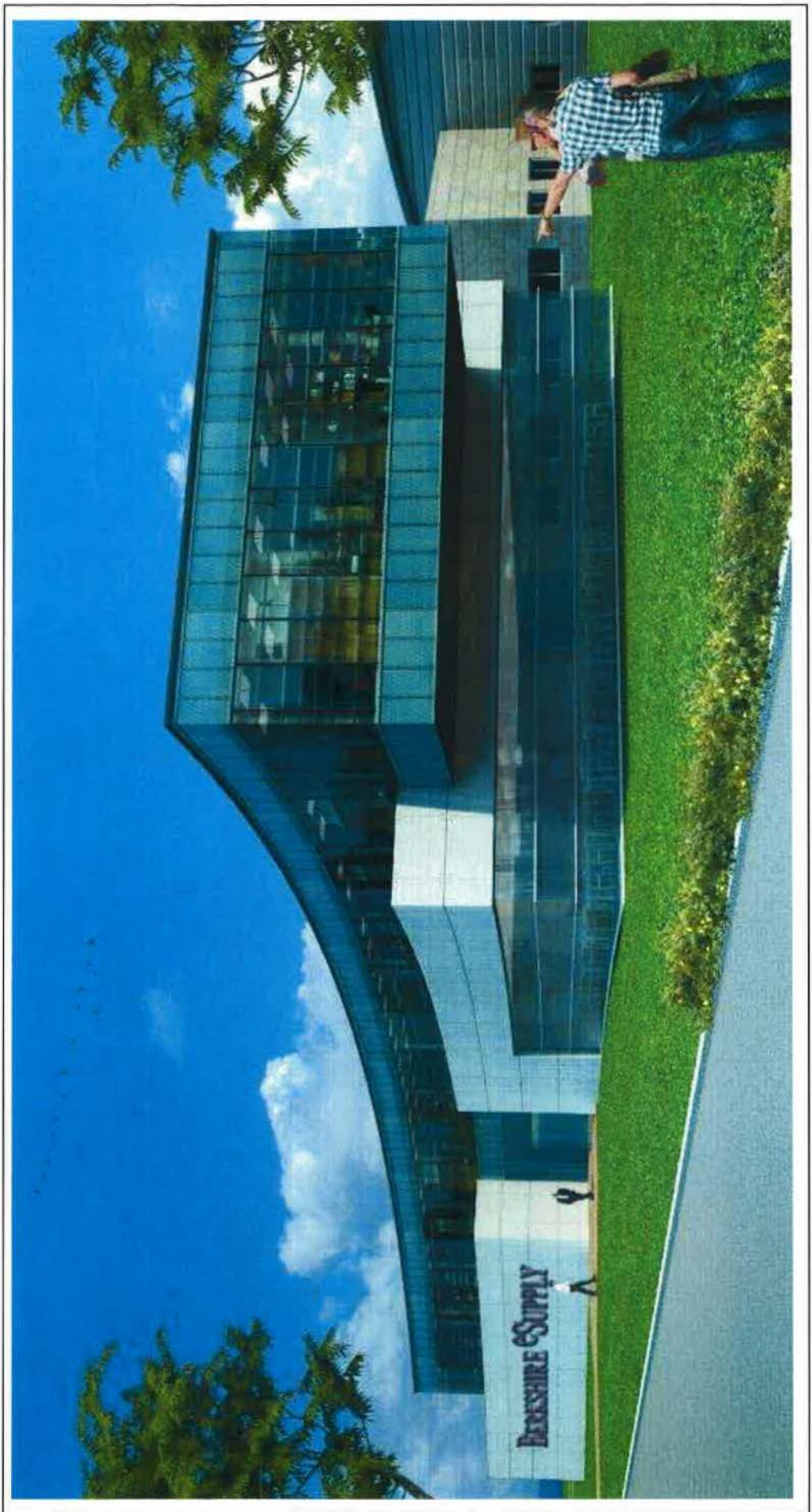
*Leadership in Energy and Environmental Design (LEED) is a rating system devised by the United States Green Building Council (USGBC) to evaluate the environmental performance of a building and encourage market transformation towards sustainable design.

Project Description

The primary use of the North American Headquarters and Fulfillment Center proposed for the Property in Novi is to embark on a 5 year business expansion with expectations of tripling its current business. This international Fortune 100 Company will utilize the proposed Project as corporate offices, training-teaching-collaborative work space, auditorium and show room as well as a state of the art, highly automated fulfillment center providing inventory management and logistics for thousands of manufacturers in the industrial sector including companies within the Berkshire Hathaway group, such as the IMC Group of companies. IMC is a wholly owned subsidiary in the Berkshire Hathaway family and is the second largest company for metalworking products in the world. Comprised of 13 companies including Iscar, Ingersoll and Tungaloy, they produce a dynamic comprehensive line of precision carbide metalworking tools. Berkshire eSupply is a national distributor for Iscar and supports the regional distribution of products from IMC and other companies through its network of local distributors such as Production Tool Supply and other independent distributors in the United States, Canada, Mexico and expanding around the world. The North American Headquarters and ecosystem will serve as a show piece for the business as the industry moves from a traditional brick & mortar model to an eCommerce model driven by the principals of Industry 4.0. The facility appearance and functionality will rival all international world headquarters and will conduct seminars and technical training to showcase the products Berkshire eSupply supports. The fulfillment center on the Property will serve as a conceptual laboratory to develop a highly automated eCommerce model serving as a prototype that will eventually be scaled up and lead to larger standalone fulfillment centers strategically located across North America. The facility expects to initially employ an estimated 250 people between the Headquarters and Fulfillment Center with additional jobs created with the expected business expansion.

Site Plans and Renderings of the proposed Project are included as attachments to this Project Summary.







MEMORANDUM

TO:	Ms. Janay Jenkins, Department of Treasury, Property Services Division Mr. Michael Lohmeier, City of Novi Assessor
FROM:	Nicholas G. Maloof, President and General Counsel, Associated Environmental Services, LLC
CC:	Mr. Alan Weber, Director, City of Novi Economic Development Mr. Drew Coleman, Business Development Manager, Michigan Economic Development Corporation Ms. Irene Spanos, Oakland County Economic Development Mr. Chuck Elder, Empowered Official, Berkshire eSupply Mr. Craig Fishel, CFO, Berkshire eSupply Mr. Mike Sabrosky, Oliver / Hatcher Construction
RE:	SIC Codes and Explanation for the Industrial Facilities Tax Abatement Application for Berkshire eSupply for the property located at M-5 and 14 Mile Road, Novi, Michigan

Pursuant to the request of Mr. Michael Lohmeier, City of Novi Assessor requesting an explanation of how Berkshire eSupply qualifies under the definition of industrial property MCL 207.552, please find the following.

Introduction

Production Tool Supply Company LLC d/b/a Berkshire eSupply is the prospective owner through a Purchase Agreement dated August 2017 of Parcel Nos. 50-22-01-200-027, 50-22-01-200-018, and 50-22-01-200-026 (approx. 60.2 acres) located in the City of Novi, Michigan (the "Property").

Berkshire eSupply (the "Applicant") has submitted an Industrial Facilities Tax Abatement ("IFTA") Application requesting approval of an Industrial Facilities Exemption Certificate (the "IFEC") for the real and/or personal property investment Applicant intends to make in conjunction with the development, construction and occupancy of the Property for its new Novi Corporate Headquarters and eFulfillment Warehouse/Laboratory facility (the "Project").

Based on the foregoing, we present the following explanation of the categories under which Berkshire eSupply Property/Project qualifies under the "PLANT REHABILITATION AND INDUSTRIAL DEVELOPMENT DISTRICTS (EXCERPT), Public Act 198 of 1974, as amended ("P.A. 198"). Please see the complete statute, as well as more specifically, under MCL §207.552, at [http://www.legislature.mi.gov/\(S\(01ats3togpnbivica0zctm0r\)\)/mileg.aspx?page=getObject&objectName=mcl-Act-198-of-1974](http://www.legislature.mi.gov/(S(01ats3togpnbivica0zctm0r))/mileg.aspx?page=getObject&objectName=mcl-Act-198-of-1974).

It should be noted that Production Tool Supply Company LLC d/b/a Berkshire eSupply will own the real and personal property directly. In addition, Production Tool Supply Company LLC d/b/a Berkshire eSupply is under the same ownership as the related Berkshire Hathaway manufacturing operation.

The project qualifies under multiple different sub-sections of MCL §207.552 (the P.A. 198 statute). In addition, numerous other municipalities, the Michigan Economic Development Corporation (MEDC), as well as the Treasury Department/State Tax Commission have approved very similar projects under the same sections of P.A. 198.

The overall Berkshire eSupply site operations include the following general activities:

- Warehousing and Storage;
- Warehousing, Storage and Distribution of Products Manufactured by a Berkshire eSupply related Manufacturing Facility owned by its' parent company Berkshire Hathaway;

- Trucking, Transportation and Logistics;
- Logistical Optimization Center;
- Just-in-time Delivery of Goods; and
- Warehouse Office Operations

SIC and NAICS Classifications

The proposed Project operations have been compared to the Standard Industrial Classification (SIC) and the North American Industry Classification System (NAICS) (see www.naics.com). In addition, as previously provided to AES in support of other P.A. 198 projects by Ms. Janay Jenkins, Michigan Department of Treasury Property Services Division, a query of the US Department of Labor Occupational Safety and Health Administration Standard Industrial Classification (SIC) System Search page (see <https://www.osha.gov/pls/imis/sicsearch.html>) was conducted.

Project Analysis

The Property/Project qualifies under MCL 207.552 as follows:

1. Under MCL 207.552(2)(2) "Facility" means either a replacement facility, a new facility, or, if applicable by its usage, a speculative building.

The Project is a "New Facility."

2. Under MCL 207.552(2)(5) "New facility" means new *industrial property* other than a replacement facility to be built in a plant rehabilitation district or industrial development district.

The Project is a new industrial property to be located in an industrial development district (IDD) to be approved by the City of Novi, Oakland County, Michigan. The property is 60.2 acres of industrial property proposed to be developed with an approximately 210,000 square foot building, 100% of the use will be for just-in-time delivery, warehousing, storage, distribution, and logistics operations with related warehouse office and corporate office operations.

3. Under MCL 207.552(2)(7): *"Industrial property" means land improvements, buildings, structures, and other real property, and machinery, equipment, furniture, and fixtures or any part or accessory whether completed or in the process of construction comprising an integrated whole, the primary purpose and use of which is the engaging in a high-technology activity, operation of a strategic response center, operation of a motorsports entertainment complex, operation of a logistical optimization center, operation of qualified commercial activity, operation of a major distribution and logistics facility, the manufacture of goods or materials, creation or synthesis of biodiesel fuel, or the processing of goods and materials by physical or chemical change; property acquired, constructed, altered, or installed due to the passage of proposal A in 1976; the operation of a hydro-electric dam by a private company other than a public utility; or agricultural processing facilities. Industrial property includes facilities related to a manufacturing operation under the same ownership, including, but not limited to, office, engineering, research and development, warehousing, or parts distribution facilities.* Industrial property also includes research and development laboratories of companies other than those companies that manufacture the products developed from their research activities and research development laboratories of a manufacturing company that are unrelated to the products of the company.

Specifically, as highlighted above in *italic underlined text*, the Production Tool Supply Company LLC d/b/a Berkshire eSupply Property/Project specifically qualifies under MCL 207.552(2)(7) as the project is comprised of, and primary purpose and use of which is, the following:

- The facility is related to a manufacturing operation (Cutting Tool and Machine Tool Accessory Manufacturing; SIC Code 333515) owned by a Berkshire eSupply related entity, which processes goods and materials by physical or chemical change;
- Operation of a logistical optimization center; and
- Operation of a major distribution and logistics facility providing just-in-time delivery of goods.

Further, the Project qualifies as "...warehousing or parts distribution facilities..." as the Project warehouse operations are related to a manufacturing operation under the same ownership. Related SIC Codes include 4225, 5084 and 5085. Related NAICS Codes include 423830, 423840, 493110, 493190 and 488991. These classifications include:

4225 General Warehousing and Storage

Establishments primarily engaged in the warehousing and storage of a general line of goods. General warehousing and storage, miniwarehouse warehousing, warehousing, self-storage.

https://www.osha.gov/pls/imis/sic_manual.display?id=908&tab=description

5084 Industrial Machinery and Equipment

This U.S. industry comprises establishments primarily engaged in the wholesale distribution of industrial machinery and equipment, not elsewhere classified. Examples include metalworking tools such as drills, taps, dies, grinding wheels, and machine tool accessories.

https://www.osha.gov/pls/imis/sic_manual.display?id=987&tab=description

5085 Industrial Supplies

This U.S. industry comprises establishments primarily engaged in the wholesale distribution of industrial supplies, not elsewhere classified. Examples include abrasives, industrial diamonds, mill supplies and seals, gaskets, and packing.

https://www.osha.gov/pls/imis/sic_manual.display?id=988&tab=description

423830 Industrial Machinery and Equipment Merchant Wholesalers

This U.S. industry comprises establishments primarily engaged in the merchant wholesale distribution of specialized machinery, equipment, and related parts generally used in manufacturing, oil well, and warehousing activities. Examples include fluid power transmission equipment merchant wholesalers, metalworking machinery and equipment merchant wholesalers, food processing machinery and equipment merchant wholesalers, oil well machinery and equipment merchant wholesalers, and material handling machinery and equipment merchant wholesalers.

<https://www.naics.com/naics-code-description/?code=423830>

423840 Industrial Supplies Merchant Wholesalers

This U.S. industry comprises establishments primarily engaged in the merchant wholesale distribution of supplies for machinery and equipment generally used in manufacturing, oil well, and warehousing activities. Examples include industrial containers merchant wholesalers, refractory materials (e.g., brick, blocks, shapes) merchant wholesalers, industrial diamonds merchant wholesalers, welding supplies (except welding gases) merchant wholesalers, and printing inks merchant wholesalers.

<https://www.naics.com/naics-code-description/?code=423840>

493110 General Warehousing and Storage

This industry comprises establishments primarily engaged in operating merchandise warehousing and storage facilities. These establishments generally handle goods in containers, such as boxes, barrels, and/or drums, using equipment, such as forklifts, pallets, and racks. They are not specialized in handling bulk products of any particular type, size, or quantity of goods or products.

<https://www.naics.com/naics-code-description/?code=493110>

493190 Other Warehousing and Storage

This industry comprises establishments primarily engaged in operating warehousing and storage facilities (except general merchandise, refrigerated, and farm product warehousing and storage).

<https://www.naics.com/naics-code-description/?code=493190>

488991 Packing and Crating

This U.S. industry comprises establishments primarily engaged in packing, crating, and otherwise preparing goods for transportation.

<https://www.naics.com/naics-code-description/?code=488991>

3. Under MCL 207.522(2)(11) "Manufacture of goods or materials" or "processing of goods or materials" means any type of operation that would be conducted by an entity included in the classifications provided by sector 31-33 — manufacturing, of the North American industry classification system, United States, 1997, published by the office of management and budget, regardless of whether the entity conducting that operation is included in that manual.

The Property/Project qualifies as industrial property under MCL 207.552(2)(7) as, "Industrial property includes facilities related to a manufacturing operation under the same ownership..." Berkshire Hathaway is a manufacturer of goods or materials and processor of goods or materials as the operations being conducted off-site that will send their product to the Production Tool Supply Company LLC d/b/a Berkshire eSupply Property/Project are included in the classifications provided by sector 31-33 — manufacturing, of the North American industry classification system, United States, 1997, published by the office of management and budget. This classification includes:

333515 Cutting Tool and Machine Tool Accessory Manufacturing

This U.S. industry comprises establishments primarily engaged in manufacturing accessories and attachments for metal cutting and metal forming machine tools. Examples include knives and bits for metalworking lathes, planers, and shapers manufacturing; measuring attachments (e.g., sine bars) for machine tool manufacturing; Metalworking drill bits manufacturing; and taps and dies (i.e., machine tool accessories) manufacturing.

<https://www.naics.com/naics-code-description/?code=333515>

4. Under MCL 207.552(2)(13) "Logistical optimization center" means a sorting and distribution center that optimizes transportation and uses just-in-time inventory management and material handling.

The Project is a sorting and distribution center that optimizes transportation of products and uses just-in-time inventory management and material handling to distribute products in the Midwest. The operations to be conducted on-site are included in the classifications provided by SIC Codes 4225, 5084 and 5085 as well as Codes 423830 and 423840 of the North American industry classification system, United States, 1997, published by the office of management and budget. These classifications include:

4225 General Warehousing and Storage

Establishments primarily engaged in the warehousing and storage of a general line of goods. General warehousing and storage, miniwarehouse warehousing, warehousing, self-storage.

https://www.osha.gov/pls/imis/sic_manual.display?id=908&tab=description

5084 Industrial Machinery and Equipment

This U.S. industry comprises establishments primarily engaged in the wholesale distribution of industrial machinery and equipment, not elsewhere classified. Examples include metalworking tools such as drills, taps, dies, grinding wheels, and machine tool accessories.

https://www.osha.gov/pls/imis/sic_manual.display?id=987&tab=description

5085 Industrial Supplies

This U.S. industry comprises establishments primarily engaged in the wholesale distribution of industrial supplies, not elsewhere classified. Examples include abrasives, industrial diamonds, mill supplies and seals, gaskets, and packing.

https://www.osha.gov/pls/imis/sic_manual.display?id=988&tab=description

423830 Industrial Machinery and Equipment Merchant Wholesalers

This U.S. industry comprises establishments primarily engaged in the merchant wholesale distribution of specialized machinery, equipment, and related parts generally used in manufacturing, oil well, and warehousing activities. Examples include fluid power transmission equipment merchant wholesalers, metalworking machinery and equipment merchant wholesalers, food processing machinery and equipment merchant wholesalers, oil well machinery and equipment merchant wholesalers, and material handling machinery and equipment merchant wholesalers.

<https://www.naics.com/naics-code-description/?code=423830>

423840 Industrial Supplies Merchant Wholesalers

This U.S. industry comprises establishments primarily engaged in the merchant wholesale distribution of supplies for machinery and equipment generally used in manufacturing, oil well, and warehousing activities. Examples include industrial containers merchant wholesalers, refractory materials (e.g., brick, blocks, shapes) merchant wholesalers, industrial diamonds merchant wholesalers, welding supplies (except welding gases) merchant wholesalers, and printing inks merchant wholesalers.

<https://www.naics.com/naics-code-description/?code=423840>

5. Under MCL 207.552(11) "Manufacture of goods or materials" or "processing of goods or materials" means any type of operation that would be conducted by an entity included in the classifications provided by sector 31-33 — manufacturing, of the North American industry classification system, United States, 1997, published by the office of management and budget, regardless of whether the entity conducting that operation is included in that manual.

Inclusive of the foregoing Items 1-5, above, the Property/Project qualify as there are related and owned business operations qualifying under the following North American Industry Classification System (NAICS) Code: 333515 Cutting Tool and Machine Tool Accessory Manufacturing. This classification states, "This U.S. industry comprises establishments primarily engaged in manufacturing accessories and attachments for metal cutting and metal forming machine tools. Examples include knives and bits for metalworking lathes, planers, and shapers manufacturing; measuring attachments (e.g., sine bars) for machine tool manufacturing; Metalworking drill bits manufacturing; and taps and dies (i.e., machine tool accessories) manufacturing." The Berkshire eSupply operations meet this classification.

Conclusion

Based on and inclusive of the foregoing Items 1-5, above, the proposed Production Tool Supply Company LLC d/b/a Berkshire eSupply operations qualify under multiple categories and designations under MCL §207.552 (P.A. 198).

Should you have any additional questions, please feel free to contact our office (248) 203-9898.

Thank you for your consideration of this Memorandum.

SIC/NAICS Research Summary of References

4225 General Warehousing and Storage

Establishments primarily engaged in the warehousing and storage of a general line of goods. General warehousing and storage, miniwarehouse warehousing, warehousing, self-storage.

https://www.osha.gov/pls/imis/sic_manual.display?id=908&tab=description

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This U.S. industry comprises establishments primarily engaged in the wholesale distribution of industrial machinery and equipment, not elsewhere classified. Examples include metalworking tools such as drills, taps, dies, grinding wheels, and machine tool accessories.

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<https://www.naics.com/naics-code-description/?code=333515>

423830 Industrial Machinery and Equipment Merchant Wholesalers

This U.S. industry comprises establishments primarily engaged in the merchant wholesale distribution of specialized machinery, equipment, and related parts generally used in manufacturing, oil well, and warehousing activities. Examples include fluid power transmission equipment merchant wholesalers, metalworking machinery and equipment merchant wholesalers, food processing machinery and equipment merchant wholesalers, oil well machinery and equipment merchant wholesalers, and material handling machinery and equipment merchant wholesalers.

<https://www.naics.com/naics-code-description/?code=423830>

423840 Industrial Supplies Merchant Wholesalers

This U.S. industry comprises establishments primarily engaged in the merchant wholesale distribution of supplies for machinery and equipment generally used in manufacturing, oil well, and warehousing activities. Examples include industrial containers merchant wholesalers, refractory materials (e.g., brick, blocks, shapes) merchant wholesalers, industrial diamonds merchant wholesalers, welding supplies (except welding gases) merchant wholesalers, and printing inks merchant wholesalers.

<https://www.naics.com/naics-code-description/?code=423840>

488991 Packing and Crating

This U.S. industry comprises establishments primarily engaged in packing, crating, and otherwise preparing goods for transportation.

<https://www.naics.com/naics-code-description/?code=488991>

493110 General Warehousing and Storage

This industry comprises establishments primarily engaged in operating merchandise warehousing and storage facilities. These establishments generally handle goods in containers, such as boxes, barrels, and/or drums, using equipment, such as forklifts, pallets, and racks. They are not specialized in handling bulk products of any particular type, size, or quantity of goods or products.

<https://www.naics.com/naics-code-description/?code=493110>

493190 Other Warehousing and Storage

This industry comprises establishments primarily engaged in operating warehousing and storage facilities (except general merchandise, refrigerated, and farm product warehousing and storage).

<https://www.naics.com/naics-code-description/?code=493190>



Tax Abatement Submittal Form

The City of Novi asks that all firms requesting more information about tax abatements for their new or existing business fill out this form.

Please return completed form by mail to:
Victor Cardenas
45175 W. Ten Mile Road
Novi, MI 48375

or by email to: vcardenas@cityofnovi.org

Name of firm requesting abatement: Production Tool Supply Company d/b/a Berkshire eSupply
Contact Person: Craig Fishel, Empowered Official
Address: 8655 East 8 Mile Road, Warren, MI 48089
Phone: (734) 934-4920 Email: cfishel@pts-tools.com

Please answer the following questions as completely as possible.

1. How many acres does the project include? 60.2
2. How many new jobs would be brought to the City of Novi? 240
 - a. Average salary range of new hires? \$17.00/hour to \$58.00/hour

Is this an expansion project of an existing business in Novi? Yes No

Is this project coming from within the State of Michigan? Yes No

If you answered No, please indicate the origin state? _____

Is the headquarters on the site of the facility for which you are requesting abatement?

Yes X No _____

*The proposed development Project will be the corporate headquarters for the Berkshire eSupply business operations.

City of Novi Property Tax Policy Supplemental Questions

Date: October 7, 2017

Applicant Name: Production Tool Supply Company LLC d/b/a/ Berkshire eSupply

This form has been started to assist the applicant in addressing the areas questioned within the city's abatement policy. This is only to be used as a starting guide. It is suggested the applicant provide as much written responses and documentation as necessary to assist the City Council in its determinations that the applicant needs the abatement and the background regarding the business activities it provides.

The following criteria will be used to evaluate requests for tax abatement and determination of the number of years of the abatement. The City Council reserves the right to modify the tax abatement criteria to reflect changing objectives, priorities or conditions of the community. All of the following items would need to be initially addressed by the applicant before consideration can move forward.

You must provide support for the following areas.

A. Has the applicant begun construction or installation of its project starting or exceeding more than 6 months before filing its application with the city? Provide history and support that for abatement application was received by the City no greater than 6 months from project construction/installation. Provide proof the application pertains to a project located within an established plant rehabilitation district or industrial development district or the means for establishing said district.

The Applicant has not started construction of the proposed Project.

B. Does the applicant or entity have any outstanding property taxes owed relating to this project or any other properties within the city? AS relevant, provide parcel numbers and outstanding taxes owed.

No, Applicant does not have any outstanding taxes owed to the City of Novi.

C. If the facility is leased, will the number of years requested for the abatement including its business residence requirement (i.e., years identified in incentive agreement post certificate

expiration) exceed the number of tax years (i.e., December 31 for subsequent year) stated in the lease? Lease period MUST NOT include any options of renewal or release. Identify at minimum lease execution date, commencement date, ending date. Provide city with copy of complete lease as executed.

The proposed facility will not be leased, but owned by Applicant.

D. Is there any pending or current litigation, including but not limited to property tax appeals, against the City by the applicant or any of its agents?

No, Applicant does not have any pending or current litigation, including but not limited to property tax appeals, against the City of Novi by the applicant or any of its agents.

E. Is the abatement application for the current phase of the project? Provide summary of the construction/installation which is identified by the application including a breakdown of beginning construction/installation date (D/M/Y), ending construction date (D/M/Y), type of construction/installation, and estimated cost associated by the application. Provide description of reasoning for the project and its need by the applicant.

The abatement application is for the current phase of the project. The Application for Industrial Facilities Tax Exemption Certificate, Michigan Department of Treasury Form 1012 is attached to this document to provide a summary of the proposed construction/installation related to the Project.

F. How is the project fiscally beneficial to Novi from a tax revenue standpoint? How will the project provide a potential to increase employment opportunities for citizens of the community? Provide sufficient information for the city to understand the due diligence efforts of why the applicant is initiating this project. Some examples may include: income salaries and range of salaries of new employees serving the Novi area; greater contribution of supporting residential and non-residential properties (groceries, gas, clothing, etc). Response is not a substitute for providing detailed employment breakdown as required and relating to application.

The proposed Project will be fiscally beneficial to Novi from a tax revenue standpoint as it will generate millions of dollars of new property tax revenue over the Projects' useful life. In addition, the proposed Project will bring 240 new jobs to the City of Novi, increasing employment opportunities for citizens of Novi and the surrounding communities. Attached in support of the Project is a Jobs Table summarizing the projected income salaries and range of salaries of new employees working at the proposed new Novi facility. In addition to generating new property taxes, projected 240 new employees will likely frequent nearby restaurants, gas stations, retail locations and other local venues.

G. Would the company locate or expand in the city if the tax abatement was not available? Provide support for cost/benefit analysis of the savings.

No, Production Tool Supply Company d/b/a Berkshire eSupply will not locate in the City of Novi without the approval of the tax abatement. The Property being developed for the proposed Project has numerous engineering, logistical and financial challenges associated with the intended site development activities. These challenges include difficulties with the Property itself due to topography/grade changes, wetlands, woodlands and the lack of municipal utilities located near the Property as well as challenges related to constructing the site improvements.

The Purchase Agreement between the Applicant and current property owner/seller is conditioned upon Due Diligence activities being satisfactory to the Applicant. These Due Diligence activities include, amongst other requirements, that the City of Novi approve the Industrial Facilities Tax Abatement application and the Site Plan/Entitlements. In addition, the Applicant has identified several alternate sites within Oakland County should the City of Novi not approve the request for Industrial Facilities Tax Abatement.

H. Has the company developed the necessary cost disparity between expanding or locating in Novi and any and all other alternative locations outside the community? Provide support for cost analysis developed.

Please see the response provided in G, above.

I. What is the long term impact of the project on Novi's economy, particularly in both real and personal property? Provide support of business contributions. Examples may include, but not limited to curing property-related economic obsolescence, revitalizing property and surrounding property tax base, increase property and surrounding property tax base, assisting city in its economic vision of area.

The Property being targeted for development of the Project has been vacant and undeveloped for many years due to topography/grade changes, wetlands, woodlands and the lack of municipal utilities located near the Property as well as challenges related to constructing the proposed site improvements. The proposed Project is a very high quality development proposed by a Fortune 100 Company comprised of well experienced investors. The Project will provide considerable long range benefit to the City of Novi and surrounding community as the Corporate Headquarters and Warehouse/eCommerce Lab of Berkshire eSupply. In addition, Applicant is projecting the need for an expansion of the new facility between two and five years after completion of the Project. The expansion is expected to add another 75 high wage high-skill jobs.

The Project being proposed for the Property is expected to develop a long vacant and unproductive industrially zoned property within the City of Novi and entail a total investment of \$40,000,000 or more for site development, vertical construction and fixtures, furniture and equipment, which will most likely result in an increase in property values for the surrounding properties as well as result

in a direct increase in the property tax base of the Property, thus assisting City of Novi in realizing its economic vision for the geographic area in the vicinity of the Property.

J. What are the contributions the business and its employees made to communities where it is currently located (i.e., are they a good neighbor. do they get involved in civic activities)? Provide list both from company and employee contributions.

Production Tool Supply has supported many charities in the local and regional community through donations, as well as partnering with Gleaners/Gleaners Community Food Bank (www.gcfb.org) for Canned Food Drives and Marine Toys for Tots Foundation (www.toysfortots.org) for annual Christmas gift collections distributed to local families in need. The company is also proud of its participation in the Detroit Thanksgiving Day Parade with employees and their families walking and providing resources to The Parade Company (www.theparade.org) and the company has been a supporter of the 8 Mile Boulevard Association (www.eightmile.org) in many beautification projects. Berkshire eSupply intends to continue the strong tradition of community involvement and support championed by Production Tool Supply with its proposed move to Novi and Oakland County.

K. Will the applicant lend to diversification and increase of the city's tax base for developing both real and personal? Provide support.

Please see the prior responses.

L. Will the project provide enhanced opportunities for the existing business community? Provide support for response.

It is likely that the both the business operation itself as well as the projected 240 new employees will utilize local businesses. Please see F, above.

M. How will the project provide corporate ongoing profitability, viability and vitality? Demonstrate proof, including but not limited to increases in net profit, by percentage, and in real dollars for the last three corporate fiscal years and forecast years.

Production Tool Supply has been a successful, profitable Michigan company for over 66 Years. Founded by D. Dan Kahn in 1951 the company has continually been an innovator in the industrial supply industry and expanded its share in the marketplace through both organic growth and acquisitions. Since 2012 Production Tool has charted a course of aggressive expansion with the acquisitions of NNT Company Inc., located in Itasca, Illinois (December 2012), Specialty Tool Inc. with locations in Ft. Wayne and Indianapolis, Indiana (May 2013), KM Tool Supply in Menomonee Falls, Wisconsin (September 2013), Marshall Tool & Supply with locations in Chatsworth, California, Seattle, Washington and Phoenix, Arizona. (May 2014). Jonas Service & Supply of Green Bay, Wisconsin was acquired in August 2015, followed by the acquisition of McDermott Tool of

Columbus, Indiana in December 2016. With several more acquisitions now actively being pursued, the strategy of growth and acquisition is planned to continue.

Production Tool's relationships with its suppliers and customer's and strong management team have been a strength and a key driver of the business expansion over the years. It was through a long supplier relationship with Iscar and the IMC Group that led to Berkshire Hathaway's interest in acquiring a company with such a long track record of success as Production Tool. While Production Tool already has significant resources, the potential partnership with a company as prestigious as Berkshire Hathaway led by a man as successful and universally respected as Warren Buffet was a decision made with a long term focus towards a successful, aggressively growing future. Berkshire Hathaway's strategy of managing their businesses on an unusually decentralized basis with minimal involvement from their corporate headquarters in the day-to-day business activities of the operating business was perfectly aligned with the retention of Production Tool's long term upper management staff with average tenure at the company of 29 years. The continuity of a successful business, driven by an experienced, dynamic management team, coupled with an aggressive growth strategy and the significant resources of Berkshire Hathaway have positioned Berkshire "Supply for a limitless future.

PTS' revenue and profitability have remained strong for the past recent years even in the face of the significant economic downturn that has taken place in the Oil & Gas industry across North America for going on 3 years now. A significant portion of the PTS business portfolio is rooted in the O&G industry in the southwest United States and across Canada. Although total revenue and profitability for the PTS group of companies declined due that economic impact for the year ended December 31, 2016, the preceding years of 2015, 2014, 2013 and 2012 resulted in year over year revenue growth of +1% for 2015, +23% for 2014, +16% for 2013 and +20% for 2012. Profitability has followed a similar trajectory with strong results for 2016 even despite the widespread economic decline. Profitability for the preceding years of 2015, 2014, 2013 and 2012 were more closely aligned with revenue growth noted previously.

N. How will the project impact the community in terms of benefits outweighing the taxes forgone by the city? Applicant must provide a fiscal impact analysis that demonstrates the positive impacts to the community and where the benefits outweigh the abated amount in taxes for the duration of the abatement.

Please see the attached City of Novi IFTA Real Property Only Cash Flow Table that calculates the increased taxes paid during the requested 12 Year Abatement Period as well as for an additional 17 years thereafter. Even during the tax abatement period, the City of Novi receives a significant increase in new property taxes that were not being paid previously as the Project did not exist and therefore could not generate the taxes. In addition, once the 12 year abatement expires, the City of Novi will be collecting 100% of the significant new taxes directly generated from the Project.

O. How will the applicant comply with the required yearly abatement compliance review?

The Applicant will provide information to the City of Novi that is relevant to Applicant's achieving the intended employment and investment goals for the Project that are approved as part of the tax

Abatement. This information could be included in some type of IFT Status Letter or Report to the City Clerk summarizing the following:

- The number of new jobs projected in the IFT application and the actual number of new jobs created;
- If the projection for creation and/or retention of jobs was not reached, providing an explanation;
- The estimated Project cost estimated in the application and the actual Project cost; and
- If the actual project costs differ substantially from projected cost, give explanation.

The above information could be prepared by the Applicant and submitted to the City Clerk for review and, if any arise, questions.

P. What assurances does the applicant make to commit itself to the community for the entire term of the tax abatement and into the future? Evidence of this involvement would occur at time abatement is awarded to applicant.

The Applicant is investing a significant amount of money into the Property and Project, over \$40,000,000. Please see the responses to A through P, above.

Q. Will granting of the industrial facilities exemption certificate, considered together with the aggregate amount of industrial facilities exemption certificates previously granted and currently in force, have the effect of substantially impeding the operation of the City? Demonstrate whether the change would be greater or less than 5%.

According to information provided to Applicant in conversations with City of Novi officials, the Project and prior existing projects will not and do have the effect of substantially impeding the operation of the City.

Production Tool Supply Company LLC

d/b/a Berkshire eSupply

Proposed New Warehouse/eCommerce Lab and Corporate Headquarters

14 Mile Road

Novi, MI 48377

Proposed New Jobs Table



Estimated New Jobs at New Berkshire eSupply Facility				
	End of Year 1		End of Year 2	
	2019		2020	
	New Jobs Created	Average Weekly Wage	New Jobs Created	Average Weekly Wage
Management/Professional	45.5	\$105,560.00	19.5	\$45,240.00
Office	66.5	\$66,500.00	28.5	\$28,500.00
Skilled Labor	10.5	\$11,340.00	4.5	\$4,860.00
Semi-Skilled Labor	45.5	\$30,940.00	19.5	\$13,260.00
Un-Skilled Labor	0.0	\$0.00	0.0	\$0.00
Estimated Total	168.0	\$214,340.00	72.0	\$91,860.00

Total New Jobs	240.0
Total Weekly Payroll	\$306,200.00
Total Annual Payroll	\$15,922,400.00

All jobs and payroll information provided by Production Tool Supply Company LLC d/b/a Berkshire eSupply on 10/5/17; updated 10/8/17

TABLE 5
BERKSHIRE SUPPLY CORPORATE HEADQUARTERS AND FULFILLMENT LAB DEVELOPMENT P.A. 198 IFT ABATEMENT CASH FLOW STATEMENT
CITY OF NOVI, OAKLAND COUNTY, MICHIGAN 11/9/2017

YEAR	IFT Year													2030	2031	2032	2033	2034	2035
	Base Year	1	2	3	4	5	6	7	8	9	10	11	12						
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
REAL PROPERTY VALUE ADDITIONS (Taxable Value)	\$10,750,000	\$10,750,000																	
TAXABLE VALUE																			
REAL PROPERTY TAXABLE VALUE - COMMERCIAL	\$1,007,720	\$11,767,797	\$22,835,475	\$22,861,830	\$23,080,448	\$23,321,353	\$23,554,566	\$23,790,112	\$24,028,013	\$24,268,293	\$24,510,978	\$24,758,086	\$25,003,647	\$25,253,683	\$25,508,220	\$25,761,282	\$26,018,895	\$26,279,084	\$26,541,875
TOTAL EST. TAXABLE VALUE	\$1,007,720	\$11,767,797	\$22,835,475	\$22,861,830	\$23,080,448	\$23,321,353	\$23,554,566	\$23,790,112	\$24,028,013	\$24,268,293	\$24,510,978	\$24,758,086	\$25,003,647	\$25,253,683	\$25,508,220	\$25,761,282	\$26,018,895	\$26,279,084	\$26,541,875
2017 Millage Rates	LOCAL TAXES																		
0.1966	\$198	\$2,314	\$4,450	\$4,495	\$4,540	\$4,585	\$4,631	\$4,677	\$4,724	\$4,771	\$4,819	\$4,867	\$4,916	\$4,965	\$5,015	\$5,065	\$5,115	\$5,166	\$5,218
3.1113	\$3,135	\$36,613	\$70,426	\$71,130	\$71,841	\$72,560	\$73,285	\$74,018	\$74,758	\$75,500	\$76,251	\$77,007	\$77,769	\$78,537	\$79,308	\$80,081	\$80,856	\$81,632	\$82,409
1.5555	\$1,568	\$18,305	\$35,209	\$35,562	\$35,917	\$36,278	\$36,639	\$37,006	\$37,376	\$37,749	\$38,127	\$38,508	\$38,893	\$39,282	\$39,675	\$40,072	\$40,472	\$40,877	\$41,286
4.9206	\$4,959	\$57,905	\$111,360	\$112,484	\$113,619	\$114,755	\$115,893	\$117,032	\$118,173	\$119,315	\$120,459	\$121,605	\$122,753	\$123,903	\$125,055	\$126,209	\$127,366	\$128,525	\$129,686
1.4708	\$1,482	\$17,308	\$33,252	\$33,625	\$33,991	\$34,361	\$34,734	\$35,110	\$35,489	\$35,870	\$36,253	\$36,639	\$37,027	\$37,418	\$37,811	\$38,206	\$38,603	\$39,002	\$39,403
1.4003	\$1,411	\$16,478	\$31,898	\$32,013	\$32,134	\$32,261	\$32,393	\$32,531	\$32,674	\$32,821	\$32,971	\$33,124	\$33,280	\$33,439	\$33,600	\$33,764	\$33,930	\$34,100	\$34,272
0.3780	\$381	\$4,448	\$8,556	\$8,642	\$8,728	\$8,815	\$8,904	\$8,993	\$9,083	\$9,173	\$9,265	\$9,358	\$9,451	\$9,546	\$9,641	\$9,737	\$9,834	\$9,932	\$10,031
0.2648	\$267	\$3,110	\$5,994	\$6,054	\$6,114	\$6,175	\$6,237	\$6,300	\$6,363	\$6,426	\$6,491	\$6,555	\$6,620	\$6,686	\$6,752	\$6,818	\$6,885	\$6,952	\$7,020
0.7567	\$763	\$8,905	\$17,126	\$17,300	\$17,473	\$17,647	\$17,824	\$18,002	\$18,182	\$18,364	\$18,547	\$18,732	\$18,918	\$19,106	\$19,295	\$19,486	\$19,678	\$19,872	\$20,068
0.3608	\$364	\$4,246	\$8,167	\$8,249	\$8,331	\$8,414	\$8,498	\$8,583	\$8,668	\$8,754	\$8,841	\$8,929	\$9,017	\$9,107	\$9,200	\$9,293	\$9,388	\$9,484	\$9,581
0.9856	\$993	\$11,590	\$22,310	\$22,533	\$22,758	\$22,986	\$23,215	\$23,446	\$23,680	\$23,919	\$24,158	\$24,400	\$24,644	\$24,891	\$25,139	\$25,390	\$25,644	\$25,901	\$26,160
4.0400	\$4,071	\$47,542	\$91,447	\$92,362	\$93,285	\$94,218	\$95,160	\$96,112	\$97,073	\$98,044	\$99,024	\$100,015	\$101,015	\$102,025	\$103,045	\$104,076	\$105,116	\$106,167	\$107,229
0.2352	\$241	\$2,815	\$5,414	\$5,499	\$5,583	\$5,678	\$5,774	\$5,870	\$5,967	\$6,064	\$6,162	\$6,261	\$6,361	\$6,461	\$6,562	\$6,664	\$6,767	\$6,871	\$6,976
0.2148	\$218	\$2,525	\$4,858	\$4,906	\$4,955	\$5,005	\$5,055	\$5,105	\$5,156	\$5,208	\$5,260	\$5,313	\$5,368	\$5,421	\$5,475	\$5,529	\$5,584	\$5,639	\$5,695
0.0990	\$100	\$1,165	\$2,241	\$2,263	\$2,286	\$2,309	\$2,332	\$2,355	\$2,379	\$2,403	\$2,427	\$2,451	\$2,475	\$2,500	\$2,525	\$2,550	\$2,576	\$2,602	\$2,628
0.1981	\$200	\$2,331	\$4,484	\$4,529	\$4,574	\$4,620	\$4,666	\$4,713	\$4,760	\$4,808	\$4,856	\$4,904	\$4,953	\$5,003	\$5,053	\$5,103	\$5,154	\$5,206	\$5,258
20.1919	\$20,348	\$237,614	\$457,053	\$461,624	\$466,240	\$470,902	\$475,611	\$480,365	\$485,171	\$490,023	\$494,926	\$499,879	\$504,874	\$509,920	\$515,019	\$520,169	\$525,371	\$530,625	\$535,931
2017 Millage Rates	SCHOOL TAXES																		
17.7417	\$17,879	\$208,781	\$401,592	\$405,808	\$409,964	\$414,160	\$418,396	\$422,677	\$426,998	\$431,361	\$435,766	\$440,215	\$444,707	\$449,243	\$453,824	\$458,449	\$463,119	\$467,834	\$472,594
4.5279	\$4,529	\$53,283	\$102,491	\$103,516	\$104,551	\$105,597	\$106,653	\$107,719	\$108,796	\$109,884	\$110,983	\$112,093	\$113,214	\$114,346	\$115,489	\$116,644	\$117,811	\$118,989	\$120,179
0.4998	\$499	\$5,762	\$11,082	\$11,193	\$11,305	\$11,418	\$11,532	\$11,648	\$11,764	\$11,882	\$12,001	\$12,121	\$12,242	\$12,364	\$12,488	\$12,613	\$12,739	\$12,866	\$12,995
8.0000	\$8,000	\$96,000	\$185,813	\$187,117	\$188,431	\$189,745	\$191,059	\$192,373	\$193,687	\$195,001	\$196,315	\$197,629	\$198,943	\$200,257	\$201,571	\$202,885	\$204,199	\$205,513	\$206,827
28.7592	\$28,961	\$338,432	\$650,978	\$657,488	\$664,063	\$670,703	\$677,414	\$684,195	\$691,046	\$697,967	\$704,948	\$711,989	\$719,090	\$726,251	\$733,473	\$740,756	\$75,283	\$75,765	\$76,323
49.9811	\$49,981	\$597,647	\$1,108,031	\$1,118,112	\$1,128,303	\$1,138,605	\$1,149,018	\$1,159,542	\$1,170,178	\$1,180,926	\$1,191,786	\$1,202,758	\$1,213,842	\$1,225,038	\$1,236,346	\$1,247,766	\$1,259,298	\$1,270,942	\$1,282,698
2017 Millage Rates	IFTA ABATABLE TAXES (TOTAL NEW VALUE MINUS LAND VALUE)																		
0.1966	\$2,115	\$4,252	\$4,297	\$4,341	\$4,387	\$4,433	\$4,479	\$4,526	\$4,573	\$4,621	\$4,669	\$4,718	\$4,767	\$4,816	\$4,867	\$4,917	\$4,968	\$5,020	
3.1113	\$33,478	\$67,290	\$67,995	\$68,708	\$69,424	\$70,150	\$70,883	\$71,623	\$72,371	\$73,128	\$73,895	\$74,673	\$75,461	\$76,259	\$77,067	\$77,885	\$78,713	\$79,551	
1.5555	\$15,737	\$33,642	\$33,994	\$34,350	\$34,709	\$35,072	\$35,438	\$35,809	\$36,185	\$36,565	\$36,948	\$37,335	\$37,726	\$38,120	\$38,517	\$38,917	\$39,320	\$39,726	
4.9206	\$52,046	\$106,422	\$107,535	\$108,660	\$109,796	\$110,944	\$112,103	\$113,274	\$114,456	\$115,650	\$116,856	\$118,074	\$119,305	\$120,547	\$121,802	\$123,070	\$124,351	\$125,644	
1.4708	\$15,826	\$31,810	\$32,143	\$32,479	\$32,819	\$33,162	\$33,508	\$33,858	\$34,211	\$34,569	\$34,929	\$35,292	\$35,659	\$36,029	\$36,402	\$36,778	\$37,157	\$37,539	
1.4003	\$15,017	\$30,285	\$30,602	\$30,922	\$31,246	\$31,572	\$31,902	\$32,235	\$32,572	\$32,912	\$33,255	\$33,601	\$33,950	\$34,302	\$34,658	\$35,017	\$35,379	\$35,744	
0.3780	\$4,087	\$8,175	\$8,261	\$8,347	\$8,433	\$8,520	\$8,607	\$8,695	\$8,784	\$8,873	\$8,963	\$9,054	\$9,146	\$9,239	\$9,333	\$9,428	\$9,524	\$9,621	
0.2648	\$2,649	\$5,727	\$5,787	\$5,848	\$5,909	\$5,970	\$6,033	\$6,096	\$6,159	\$6,224	\$6,289	\$6,354	\$6,420	\$6,487	\$6,555	\$6,623	\$6,692	\$6,761	
0.7567	\$761	\$8,142	\$16,386	\$16,537	\$16,710	\$16,885	\$17,061	\$17,239	\$17,419	\$17,601	\$17,785	\$17,970	\$18,158	\$18,347	\$18,538	\$18,731	\$18,926	\$19,123	\$19,322
0.3608	\$3,682	\$7,803	\$7,885	\$7,967	\$8,051	\$8,135	\$8,220	\$8,306	\$8,392	\$8,480	\$8,568	\$8,658	\$8,748	\$8,839	\$8,931	\$9,024	\$9,118	\$9,213	
0.9856	\$10,605	\$21,316	\$21,539	\$21,765	\$21,992	\$22,222	\$22,454	\$22,689	\$22,926	\$23,165	\$23,406	\$23,649	\$23,894	\$24,141	\$24,390	\$24,641	\$24,894	\$25,149	
4.0400	\$4,071	\$47,542	\$91,447	\$92,362	\$93,285	\$94,218	\$95,160	\$96,112	\$97,073	\$98,044	\$99,024	\$100,015	\$101,015	\$102,025	\$103,045	\$104,076	\$105,116	\$106,167	
0.2352	\$241	\$2,815	\$5,414	\$5,499	\$5,583	\$5,678	\$5,774	\$5,870	\$5,967	\$6,064	\$6,162	\$6,261	\$6,361	\$6,461	\$6,562	\$6,664	\$6,767	\$6,871	
0.2148	\$218	\$2,525	\$4,858	\$4,906	\$4,955	\$5,005	\$5,055	\$5,105	\$5,156	\$5,208	\$5,260	\$5,313	\$5,368	\$5,421	\$5,475	\$5,529	\$5,584	\$5,639	
0.0990	\$100	\$1,165	\$2,241	\$2,263	\$2,286	\$2,309	\$2,332	\$2,355	\$2,379	\$2,403	\$2,427	\$2,451	\$2,475	\$2,500	\$2,525	\$2,550	\$2,576	\$2,602	
0.1981	\$200	\$2,331	\$4,484	\$4,529	\$4,574	\$4,620	\$4,666	\$4,713	\$4,760	\$4,808	\$4,856	\$4,904	\$4,953	\$5,003	\$5,053	\$5,103	\$5,154	\$5,206	
20.1919	\$20,348	\$237,614	\$457,053	\$461,624	\$466,240	\$470,902	\$475,611	\$480,365	\$485,171	\$490,023	\$494,926	\$499,879	\$504,874	\$509,920	\$515,019	\$520,169	\$525,371	\$530,625	
49.9811	\$49,981	\$597,647	\$1,108,031	\$1,118,112	\$1,128,303	\$1,138,605	\$1,149,018	\$1,159,542	\$1,170,178	\$1,180,926	\$1,191,786	\$1,202,758	\$1,213,842	\$1,225,038	\$1,236,346	\$1,247,766	\$1,259,298	\$1,270,942	
2017 Millage Rates	SCHOOL TAXES																		
17.7417	\$17,879	\$208,781	\$401,592	\$405,808	\$409,964	\$414,160	\$418,396	\$422,677	\$426,998	\$431,361	\$435,766	\$440,215	\$444,707	\$449,243	\$453,824	\$458,449	\$463,119	\$467,834	
4.5279	\$4,529	\$53,283	\$102,491	\$103,516	\$104,551	\$105,597	\$106,653	\$107,719	\$108,796	\$109,884	\$110,983	\$112,093	\$113,214	\$114,346	\$115,489	\$116,644	\$117,811	\$118,989	
0.4998	\$499	\$5,762	\$11,082	\$11,193	\$11,305	\$11,418	\$11,532	\$11,648	\$11,764	\$11,882	\$12,001	\$12,121	\$12,2						

2036 19	2037 20	2038 21	2039 22	2040 23	2041 24	2042 25	2043 26	2044 27	2045 28	2046 29	2047 30	Total
\$28,607,294	\$27,075,366	\$27,346,120	\$27,619,581	\$27,895,777	\$28,174,735	\$28,456,482	\$28,741,047	\$29,028,458	\$29,318,742	\$29,611,030	\$29,908,049	
\$28,607,294	\$27,075,366	\$27,346,120	\$27,619,581	\$27,895,777	\$28,174,735	\$28,456,482	\$28,741,047	\$29,028,458	\$29,318,742	\$29,611,030	\$29,908,049	
\$5,270	\$5,323	\$5,376	\$5,430	\$5,484	\$5,539	\$5,595	\$5,650	\$5,707	\$5,764	\$5,822	\$5,880	\$151,172
\$63,406	\$84,240	\$85,082	\$85,933	\$86,792	\$87,660	\$88,537	\$89,422	\$90,316	\$91,219	\$92,132	\$93,053	\$2,392,382
\$41,699	\$42,116	\$42,537	\$42,962	\$43,392	\$43,828	\$44,269	\$44,707	\$45,154	\$45,605	\$46,061	\$46,522	\$1,196,076
\$131,998	\$133,227	\$134,559	\$135,905	\$137,264	\$138,637	\$140,023	\$141,423	\$142,837	\$144,268	\$145,708	\$147,166	\$3,763,813
\$39,428	\$39,822	\$40,221	\$40,623	\$41,029	\$41,439	\$41,854	\$42,272	\$42,695	\$43,122	\$43,553	\$43,989	\$1,130,947
\$37,538	\$37,914	\$38,293	\$38,676	\$39,062	\$39,453	\$39,848	\$40,246	\$40,649	\$41,055	\$41,466	\$41,880	\$1,078,737
\$10,133	\$10,234	\$10,337	\$10,440	\$10,545	\$10,650	\$10,757	\$10,864	\$10,973	\$11,082	\$11,193	\$11,305	\$290,657
\$7,099	\$7,170	\$7,241	\$7,314	\$7,387	\$7,461	\$7,535	\$7,611	\$7,687	\$7,764	\$7,841	\$7,920	\$203,614
\$20,285	\$20,486	\$20,693	\$20,900	\$21,109	\$21,320	\$21,533	\$21,748	\$21,968	\$22,195	\$22,427	\$22,663	\$581,852
\$9,672	\$9,769	\$9,866	\$9,965	\$10,065	\$10,166	\$10,267	\$10,370	\$10,473	\$10,578	\$10,684	\$10,791	\$277,431
\$26,421	\$26,685	\$26,952	\$27,222	\$27,494	\$27,769	\$28,047	\$28,327	\$28,610	\$28,897	\$29,186	\$29,477	\$757,861
\$108,301	\$109,384	\$110,478	\$111,583	\$112,699	\$113,826	\$114,964	\$116,114	\$117,275	\$118,448	\$119,632	\$120,829	\$3,106,490
\$6,412	\$6,476	\$6,541	\$6,607	\$6,673	\$6,739	\$6,807	\$6,875	\$6,944	\$7,013	\$7,083	\$7,154	\$183,929
\$5,753	\$5,810	\$5,868	\$5,927	\$5,986	\$6,046	\$6,107	\$6,168	\$6,230	\$6,292	\$6,355	\$6,418	\$165,013
\$2,854	\$2,880	\$2,907	\$2,934	\$2,962	\$2,989	\$3,017	\$3,045	\$3,074	\$3,103	\$3,132	\$3,161	\$76,124
\$5,311	\$5,364	\$5,417	\$5,471	\$5,526	\$5,581	\$5,637	\$5,694	\$5,751	\$5,808	\$5,866	\$5,925	\$152,328
\$541,290	\$546,703	\$552,170	\$557,692	\$563,269	\$568,901	\$574,590	\$580,338	\$586,140	\$592,001	\$597,921	\$603,900	\$15,526,223
\$475,607	\$480,363	\$485,167	\$490,018	\$494,919	\$499,868	\$504,866	\$509,915	\$515,014	\$520,164	\$525,366	\$530,620	\$13,642,182
\$121,381	\$122,595	\$123,820	\$125,059	\$126,309	\$127,572	\$128,848	\$130,137	\$131,438	\$132,752	\$134,080	\$135,421	\$3,481,663
\$13,125	\$13,256	\$13,389	\$13,523	\$13,658	\$13,794	\$13,932	\$14,072	\$14,212	\$14,354	\$14,498	\$14,643	\$376,470
\$180,844	\$182,452	\$184,077	\$185,717	\$187,375	\$189,048	\$190,739	\$192,448	\$194,171	\$195,912	\$197,672	\$199,448	\$4,613,599
\$770,958	\$778,666	\$786,453	\$794,317	\$802,260	\$810,283	\$818,386	\$826,570	\$834,835	\$843,184	\$851,615	\$860,132	\$22,113,904
\$1,312,247	\$1,325,369	\$1,338,823	\$1,352,609	\$1,366,529	\$1,379,184	\$1,392,976	\$1,406,906	\$1,420,975	\$1,435,186	\$1,449,537	\$1,464,032	\$37,640,127
\$5,072	\$5,125	\$5,178	\$5,232	\$5,286	\$5,341	\$5,396	\$5,452	\$5,509	\$5,566	\$5,624	\$5,682	\$145,229
\$80,270	\$81,104	\$81,947	\$82,797	\$83,657	\$84,526	\$85,401	\$86,287	\$87,181	\$88,084	\$88,996	\$89,918	\$2,298,322
\$40,131	\$40,548	\$40,969	\$41,395	\$41,824	\$42,258	\$42,697	\$43,139	\$43,586	\$44,038	\$44,494	\$44,954	\$1,149,050
\$128,949	\$128,268	\$128,601	\$130,946	\$132,305	\$133,678	\$135,064	\$136,465	\$137,879	\$139,307	\$140,750	\$142,207	\$3,634,855
\$37,946	\$38,340	\$38,739	\$39,141	\$39,547	\$39,957	\$40,372	\$40,790	\$41,213	\$41,640	\$42,071	\$42,507	\$1,086,482
\$36,127	\$36,503	\$36,882	\$37,265	\$37,651	\$38,042	\$38,437	\$38,835	\$39,237	\$39,644	\$40,054	\$40,469	\$1,034,404
\$9,752	\$9,854	\$9,956	\$10,059	\$10,164	\$10,269	\$10,376	\$10,483	\$10,592	\$10,702	\$10,812	\$10,924	\$279,229
\$6,832	\$6,803	\$6,974	\$7,047	\$7,120	\$7,194	\$7,268	\$7,344	\$7,420	\$7,497	\$7,574	\$7,653	\$195,868
\$19,523	\$19,725	\$19,930	\$20,137	\$20,346	\$20,557	\$20,770	\$20,986	\$21,203	\$21,423	\$21,645	\$21,869	\$558,976
\$9,308	\$9,405	\$9,503	\$9,602	\$9,701	\$9,802	\$9,904	\$10,006	\$10,110	\$10,215	\$10,320	\$10,427	\$268,524
\$25,428	\$25,692	\$25,959	\$26,229	\$26,501	\$26,776	\$27,054	\$27,334	\$27,617	\$27,903	\$28,192	\$28,484	\$728,064
\$104,230	\$105,313	\$106,407	\$107,512	\$108,628	\$109,755	\$110,893	\$112,043	\$113,204	\$114,377	\$115,561	\$116,757	\$2,984,355
\$6,171	\$6,235	\$6,300	\$6,368	\$6,432	\$6,498	\$6,566	\$6,634	\$6,703	\$6,772	\$6,842	\$6,913	\$176,697
\$6,537	\$6,594	\$6,652	\$6,711	\$6,770	\$6,830	\$6,891	\$6,952	\$7,013	\$7,076	\$7,138	\$7,202	\$158,525
\$2,554	\$2,581	\$2,608	\$2,635	\$2,662	\$2,690	\$2,717	\$2,746	\$2,774	\$2,803	\$2,832	\$2,861	\$21,161
\$5,111	\$5,164	\$5,218	\$5,272	\$5,327	\$5,382	\$5,438	\$5,494	\$5,551	\$5,608	\$5,666	\$5,725	\$146,337
												\$6,789,672
												\$2,284,836
\$820,842	\$826,386	\$831,822	\$837,344	\$842,921	\$848,654	\$854,343	\$860,089	\$865,792	\$871,663	\$877,673	\$883,663	\$9,148,117
\$457,728	\$462,484	\$467,288	\$472,140	\$477,040	\$481,989	\$486,988	\$492,036	\$497,136	\$502,288	\$507,487	\$512,741	\$13,119,138
\$116,819	\$118,032	\$119,259	\$120,498	\$121,746	\$123,010	\$124,285	\$125,574	\$126,875	\$128,189	\$129,517	\$130,858	\$3,344,767
\$12,631	\$12,763	\$12,895	\$13,029	\$13,164	\$13,301	\$13,439	\$13,578	\$13,719	\$13,861	\$14,005	\$14,150	\$361,666
\$154,797	\$156,406	\$158,030	\$159,671	\$161,328	\$163,002	\$164,693	\$166,400	\$168,124	\$169,868	\$171,625	\$173,402	\$4,432,210
												\$8,217,709
												\$4,108,866
												\$6,993,891
												\$6,993,891
\$741,976	\$749,885	\$757,471	\$765,336	\$773,279	\$781,302	\$789,404	\$797,688	\$806,054	\$814,503	\$822,634	\$831,180	\$13,040,974

BERKSHIRE eSUPPLY

October 6, 2017

City Clerk
City of Novi
45175 West 10 Mile Road
Novi, MI 48375

RE: **Berkshire eSupply** Corporate Headquarters & eCommerce Development Center

Dear Mayor and City Council:

Production Tool Supply Company LLC d/b/a Berkshire eSupply is the prospective owner through a Purchase Agreement dated August 2017 of Parcel Nos. 50-22-01-200-027, 50-22-01-200-018, and 50-22-01-200-026 (approx. 60.2 acres) located in the City of Novi, Michigan (the "Property").

SEHN NOVI LLC, the current owner of the Property, has requested through a letter dated September 29, 2017, that the Novi City Council establish an Industrial Development District ("IDD") for the Property pursuant to P.A. 198 of 1974, as amended, MCL §207.554.

Berkshire eSupply (the "Applicant") has submitted an Industrial Facilities Tax Abatement ("IFTA") Application requesting approval of an Industrial Facilities Exemption Certificate (the "IFEC") for the real and/or personal property investment Applicant intends to make in conjunction with the development, construction and occupancy of the Property the Owner intends to sell to the Applicant for its new Novi Corporate Headquarters & eCommerce development center (the "Project").

Subject to the completion of due diligence activities, including City Council establishing the IDD and approving the IFTA and IFEC, the purchase/sale transaction is scheduled to close in December 2017.

We would greatly appreciate the City Council moving forward on the IFTA and IFEC approval, subject to the transaction closing, as your approval is a pre-requisite to closing on the Property and moving forward with the Project.

Sincerely,



Craig Fishel
Chief Financial Officer
Berkshire eSupply
8655 East 8 Mile Road
Warren, MI 48089
T (734) 934-4920

Summary of Previously Approve and Proposed PA 198 Projects

Proposed Data Related to Production Tool Supply Company dba Berkshire eSupply

Property Tax Estimate

Total Increase By Fiscal Year Ended

	<u>Mills**</u>	<u>Annual Tax Bill</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>	<u>Total Increase Revenues</u>
General	4.9925	\$ 45,223	\$ 29,570	\$ 29,570	\$ 32,002	\$ 32,002	\$ 76,611	\$ 76,611	\$ 87,332	\$ 87,332	\$ 87,332	\$ 87,332	\$ 164,318	\$ 230,614	\$ 1,020,626
Streets	1.4923	\$ 13,518	\$ 8,839	\$ 8,839	\$ 9,566	\$ 9,566	\$ 22,900	\$ 22,900	\$ 26,104	\$ 26,104	\$ 26,104	\$ 26,104	\$ 49,116	\$ 68,933	\$ 305,074
Public Safety	1.4208	\$ 12,870	\$ 8,415	\$ 8,415	\$ 9,107	\$ 9,107	\$ 21,802	\$ 21,802	\$ 24,854	\$ 24,854	\$ 24,854	\$ 24,854	\$ 46,763	\$ 65,630	\$ 290,457
Parks & Rec	0.3836	\$ 3,475	\$ 2,272	\$ 2,272	\$ 2,459	\$ 2,459	\$ 5,886	\$ 5,886	\$ 6,710	\$ 6,710	\$ 6,710	\$ 6,710	\$ 12,625	\$ 17,719	\$ 78,420
Drain	0.1006	\$ 911	\$ 596	\$ 596	\$ 645	\$ 645	\$ 1,544	\$ 1,544	\$ 1,760	\$ 1,760	\$ 1,760	\$ 1,760	\$ 3,311	\$ 4,647	\$ 20,566
CIP	1.0000	\$ 9,058	\$ 5,923	\$ 5,923	\$ 6,410	\$ 6,410	\$ 15,345	\$ 15,345	\$ 17,493	\$ 17,493	\$ 17,493	\$ -	\$ -	\$ -	\$ 107,834
Library	0.7678	\$ 6,955	\$ 4,548	\$ 4,548	\$ 4,922	\$ 4,922	\$ 11,782	\$ 11,782	\$ 13,431	\$ 13,431	\$ 13,431	\$ 13,431	\$ 25,271	\$ 35,466	\$ 156,963
Debt Library***	0.3800	\$ 3,442	\$ 2,251	\$ 2,251	\$ 2,436	\$ 2,436	\$ 5,831	\$ 5,831	\$ 6,647	\$ 6,647	\$ 6,647	\$ 6,647	\$ 12,507	\$ 17,553	\$ 77,684
City	10.5376	\$ 95,453	\$ 62,414	\$ 62,414	\$ 67,545	\$ 67,545	\$ 161,701	\$ 161,701	\$ 184,331	\$ 184,331	\$ 184,331	\$ 166,838	\$ 313,911	\$ 440,562	\$ 2,057,623
School (Novi)	28.7592	\$ 260,509	\$ 170,340	\$ 170,340	\$ 184,344	\$ 184,344	\$ 441,314	\$ 441,314	\$ 503,075	\$ 503,075	\$ 503,075	\$ 503,075	\$ 946,552	\$ 1,328,450	\$ 5,879,296
County	4.7880	\$ 43,371	\$ 28,359	\$ 28,359	\$ 30,691	\$ 30,691	\$ 73,473	\$ 73,473	\$ 83,755	\$ 83,755	\$ 83,755	\$ 83,755	\$ 157,588	\$ 221,168	\$ 978,820
OCC	1.5555	\$ 14,090	\$ 9,213	\$ 9,213	\$ 9,971	\$ 9,971	\$ 23,869	\$ 23,869	\$ 27,210	\$ 27,210	\$ 27,210	\$ 27,210	\$ 51,196	\$ 71,852	\$ 317,994
ISD	3.3079	\$ 29,964	\$ 19,593	\$ 19,593	\$ 21,203	\$ 21,203	\$ 50,760	\$ 50,760	\$ 57,864	\$ 57,864	\$ 57,864	\$ 57,864	\$ 134,850	\$ 178,776	\$ 728,194
Total	48.9482	\$ 443,386	\$ 289,918	\$ 289,918	\$ 313,754	\$ 313,754	\$ 751,117	\$ 751,117	\$ 856,234	\$ 856,234	\$ 856,234	\$ 838,741	\$ 1,604,097	\$ 2,240,808	\$ 9,961,926

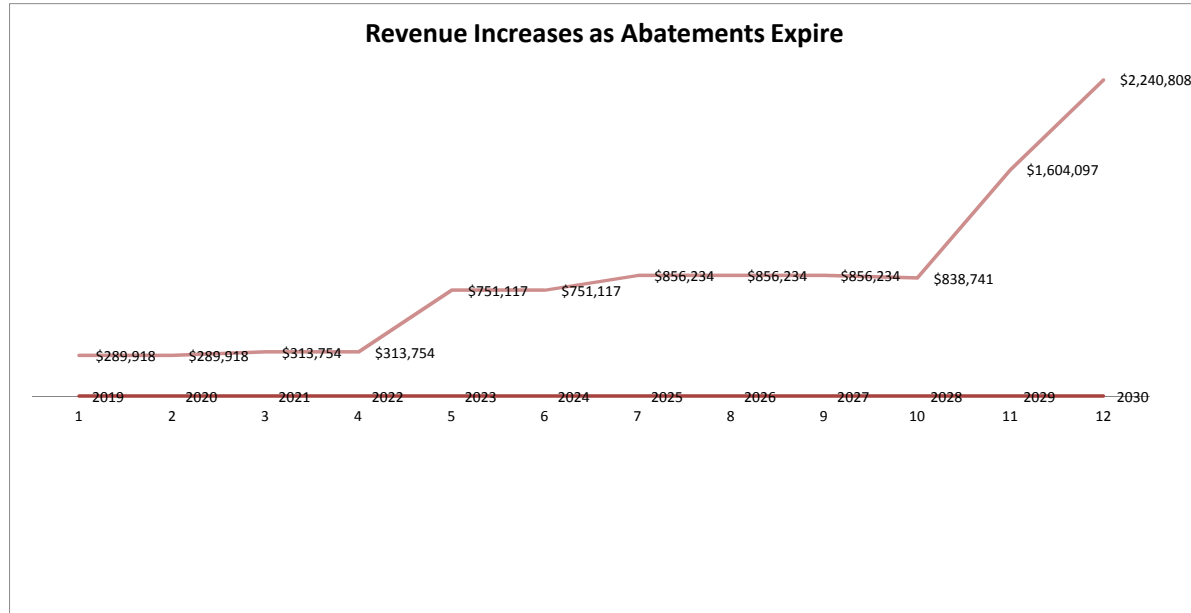
* Starting and future values are based on initial investment in property with annual 1.5% increases for inflation.

** Annual tax bill based on the 2017 Tax Year millage rates, including 1.000 CIP.

*** Current Debt Millages scheduled to fall off in future fiscal years

The City's current abatements and when they are set to expire are as follows:

<u>Name</u>	<u>Taxable Value**</u>	<u>Fiscal Year Expiration</u>	<u>Revenue Increase At Expiration</u>	
HCP Land LLC (Tognum)	\$2,384,890	2019-2020	\$58,368	
Harman Becker	\$9,968,950	2023-2024	\$243,981	
Magna Seating	\$6,935,250	2029-2030	\$169,734	
Stoneridge	\$402,750	2018-2019	\$9,857	
Boco Enterprises	\$5,000,000	2029-2030	\$122,371	
Daifuku NA Holding	\$5,307,500	2029-2030	\$129,896	
A123 Supplies	\$13,598,000	2029-2030	\$332,799	Proposed
Yafeng Auto	\$4,295,000	2025-2026	\$105,116	Proposed
EJ Brooks	\$973,926	2021-2022	\$23,836	Proposed
Hino Motors	\$7,901,500	2023-2024	\$193,382	Proposed
Hanon Systems	\$9,058,278	2030-2031	\$221,693	Proposed
Production Tool Supply	\$17,500,000	2030-2031	\$428,297	Proposed



Proposed Data Related to Production Tool Supply Company dba Berkshire eSupply

The following summary is additional information related to the abatement.

Total estimated investment and estimated taxable value*: Investment \$35,000,000 Taxable (50%) \$17,500,000 (investment value added at application cost)

Property Tax Estimate

			Total Incentive By Year (50%)												
			2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	
Mills**	Annual Tax Bill		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Total Incentive
General	4.9925	\$87,369	\$43,684	\$44,340	\$45,005	\$45,680	\$46,365	\$47,060	\$47,766	\$48,483	\$49,210	\$49,948	\$50,698	\$51,458	\$ 569,697
Streets	1.4923	\$26,115	\$13,058	\$13,253	\$13,452	\$13,654	\$13,859	\$14,067	\$14,278	\$14,492	\$14,709	\$14,930	\$15,154	\$15,381	\$ 170,287
Public Safety	1.4208	\$24,864	\$12,432	\$12,618	\$12,808	\$13,000	\$13,195	\$13,393	\$13,594	\$13,798	\$14,005	\$14,215	\$14,428	\$14,644	\$ 162,128
Parks & Rec	0.3836	\$6,713	\$3,357	\$3,407	\$3,458	\$3,510	\$3,562	\$3,616	\$3,670	\$3,725	\$3,781	\$3,838	\$3,895	\$3,954	\$ 43,773
Drain	0.1006	\$1,761	\$880	\$893	\$907	\$920	\$934	\$948	\$963	\$977	\$992	\$1,006	\$1,022	\$1,037	\$ 11,480
CIP	1.0000	\$17,500	\$8,750	\$8,881	\$9,014	\$9,150	\$9,287	\$9,426	\$9,568	\$9,711	\$9,857	\$0	\$0	\$0	\$ 83,644
Library	0.7678	\$13,437	\$6,718	\$6,819	\$6,921	\$7,025	\$7,131	\$7,237	\$7,346	\$7,456	\$7,568	\$7,682	\$7,797	\$7,914	\$ 87,614
Debt Library ***	0.3800	\$6,650	\$3,325	\$3,375	\$3,425	\$3,477	\$3,529	\$3,582	\$3,636	\$3,690	\$3,746	\$3,802	\$3,859	\$3,917	\$ 43,362
City	10.5376	\$184,408	\$92,204	\$93,587	\$94,991	\$96,416	\$97,862	\$99,330	\$100,820	\$102,332	\$103,867	\$95,420	\$96,852	\$98,305	1,171,985
School (Novi)	28.7592	\$503,286	\$251,643	\$255,418	\$259,249	\$263,138	\$267,085	\$271,091	\$275,157	\$279,285	\$283,474	\$287,726	\$292,042	\$296,423	3,281,730
County	4.7880	\$83,790	\$41,895	\$42,523	\$43,161	\$43,809	\$44,466	\$45,133	\$45,810	\$46,497	\$47,194	\$47,902	\$48,621	\$49,350	546,362
OCC	1.5555	\$27,221	\$13,611	\$13,815	\$14,022	\$14,232	\$14,446	\$14,663	\$14,882	\$15,106	\$15,332	\$15,562	\$15,796	\$16,033	177,499
ISD	3.3079	\$57,888	\$28,944	\$29,378	\$29,819	\$30,266	\$30,720	\$31,181	\$31,649	\$32,123	\$32,605	\$33,094	\$33,591	\$34,095	377,466
Total	48.9482	\$856,594	\$428,297	\$434,721	\$441,242	\$447,861	\$454,579	\$461,397	\$468,318	\$475,343	\$482,473	\$479,706	\$486,901	\$494,205	\$ 5,555,042

* Starting and future values are based on initial investment in property with annual 1.5% increases for inflation.

** Annual tax bill based on the 2017 Tax Year millage rates, including 1.000 CIP.

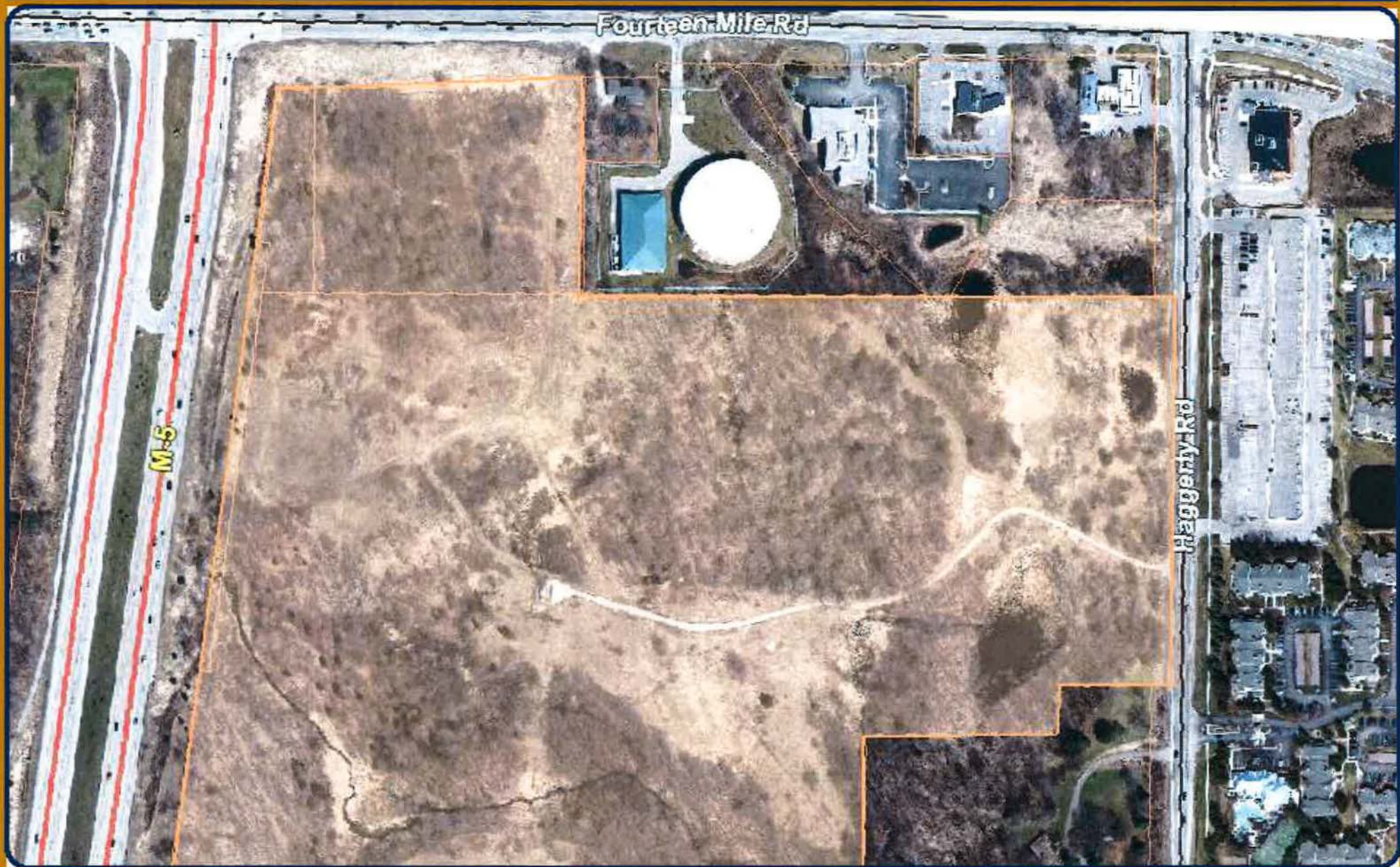
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Harman Becker	IN-14-100-400	\$9,968,950	2023-2024	\$243,981
Magna Seating	IN-15-100-195	\$6,935,250	2029-2030	\$169,734
Stoneridge	IN-16-100-095	\$402,750	2018-2019	\$9,857
Boco Enterprises	IN-16-100-096	\$5,000,000	2029-2030	\$122,371
Daifuku NA Holding	IN-16-100-145	\$5,307,500	2029-2030	\$129,896
A123 Supplies, LLC****		\$13,598,000	2029-2030	\$332,799
Yanfeng Auto****		\$4,295,000	2025-2026	\$105,116
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Hino Motors***		\$7,901,500	2023-2024	\$193,382
Hanon Systems***		\$9,058,278	2030-2031	\$221,693
Production Tool Supply***		\$17,500,000	2030-2031	\$428,297

Parcel ID 50-22-01-200-018, 26 & 27

Berkshire eSupply



MAP INTERPRETATION NOTES

This map is an interpretation of the parcel boundaries as shown on the parcel map. It is not a legal document. The map was prepared by the City of Novi, Michigan. It is not intended to be used as a legal document. It is not intended to be used as a legal document. It is not intended to be used as a legal document.



1 inch = 376 feet



Map Print Date:
11/15/2017



City of Novi
45175 Ten Mile Rd
Novi, MI 48375
cityofnovi.org