

February 24, 2014

Mayor Jenkins opened the regular meeting of the Gaylord City Council with prayer by Council Member Sharrard at 7:00 p.m. on Monday, February 24, 2014, in the City Council Chambers, located in the Gaylord City Hall, 305 East Main Street, Gaylord, Michigan. The Pledge of Allegiance followed the invocation.

Members Present: Campbell, Duczkowski, Jenkins, Johnson, Mankowski, Sharrard and Wishart.
Members Absent: None.

Motion by Duczkowski, supported by Campbell, to dispense with the reading of the minutes of the previous meeting and to accept them as presented.

Ayes: Unanimous. Motion carried.

Mayor Jenkins convened the public hearing at 7:02 p.m. to receive public comment on the proposed 2014 Community Development Block Grant (CDBG) application for funding from the Michigan Economic Development Corporation to assist the AMI-Gaylord Job Training Project, on the request for a P.A. 198 Industrial Facilities Tax Exemption by AMI Industries, Inc. and a Personal Property Tax Exemption as provided for by P.A. 328.

City Manager Duff, described the scope of the training project, source and amount of funds to be expended. Mayor Jenkins solicited comments from the Council and public. Councilman Wishart asked what AMI produces. Ratcliffe responded that AMI is an OEM that produces brake and fuel line bundles for the auto industry. Mayor Jenkins asked if there will be one or more shifts. Ratcliffe responded that there would initially be one shift, but the capacity was there for additional shifts over time. A member of the audience asked if the jobs being discussed were new jobs or transfers from AMI's Lewiston facility. Ratcliffe responded that these would be new jobs. There were no other questions or comments regarding the CDBG project by those in attendance at the meeting nor was any written comment received prior to the meeting.

City Manager Duff explained AMI's request for an Industrial Facilities Exemption as provided for by P.A. 198, which was being requested for a period of seven (7) years. Mr. Duff explained that the exemption would provide for a 50% abatement of taxes levied on all real property, with the exception of land, which would be taxed at 100%. Mr. Duff further explained that AMI is requesting an exemption on personal property taxes at a level of 100% also for a seven (7) year period. Mr. Duff explained all taxing authorities had received notice of the requests by AMI and subsequent public hearings.

After taking public comments on the CDBG Job Training Grant, the PA 198 and PA 328 Industrial Facilities Tax Exemption for AMI, as well as hearing other City reports and Public Comments, Mayor Jenkins closed the public hearing for the proposed CDBG application for funding from the Michigan Economic Development Corporation at 7:39 p.m.

Motion by Wishart, supported by Campbell, WHEREAS, assisting the location or expansion of companies that create new jobs is a priority for the City of Gaylord; and, WHEREAS, the proposed AMI-Gaylord Job Training Project will assist the creation of new manufacturing jobs in the City of Gaylord and is consistent with the City's Master Plan; and, WHEREAS, the Michigan Economic Development

Corporation (MEDC) offers grant funds for assisting companies with job training; and, WHEREAS, the City of Gaylord has requested Community Development Block Grant (CDBG) funding in the amount of \$650,000 from the MEDC; and, WHEREAS, the proposed project is consistent with the local community development plan as described in the application and that at least 51% of the beneficiaries of the proposed project would be low and moderate income persons; and, WHEREAS, no project costs will be incurred prior to a formal grant award, completion of the environmental review procedures and a formal, written authorization to incur costs is received from the MEDC. THEREFORE, BE IT RESOLVED that the City of Gaylord authorizes submittal of a CDBG Application in the amount of \$650,000 for the AMI-Gaylord Job Training Project. FURTHER, BE IT RESOLVED that Joseph P. Duff, City Manager is authorized to execute the application form and attachments on behalf of the City, sign the grant agreement, and serve as the certifying officer for the environmental review.

Ayes: Unanimous. Motion carried.

Motion by Mankowski, supported by Duczkowski, WHEREAS, pursuant to P.A. 198 of 1974, M.C.L., 207.551 es. seq., (the Act) after a duly noticed public hearing held on May 16, 1977, the Gaylord City Council by resolution established the City of Gaylord Air Industrial Park Industrial Development District, as requested by the Gaylord Industrial Development Corporation; and, WHEREAS, AMI Industries, Inc. has filed an application for an Industrial Facilities Exemption Certificate with respect to the installation and operation of a manufacturing facility in a speculative building as defined by Section 3 (8) (b) i-iii of the Act, to be located within the City of Gaylord Air Industrial Park Industrial Development District; and, WHEREAS, before acting on said application, the City Council held a hearing on February 24, 2014 in the City Council Chambers, located in the City Hall, 305 East Main Street, in the City of Gaylord, Michigan, at 7:00 p.m., at which hearing 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, Completion of the facility 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 the City of Gaylord; and, WHEREAS, the building is an existing building on an improved parcel of industrial property used for the manufacturing of goods or materials or processing of goods or materials; that no other such building has been awarded an industrial facilities exemption certificate under Section 3 (8) (b) of the Act; that the building has been unoccupied for at least 4 years immediately preceding the date the certificate is issued; that the building is in an industrial development district created before January 1, 2011; and that the building is located in a county with a population of more than 22,000 and less than 24,500 containing a city with a population of more than 3,600 according to the last decennial census; and, WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Gaylord, 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 the City of Gaylord that:

1. The City Council finds and determines that the granting of the Industrial Facilities Exemption Certificate considered together with the aggregate amount of certificates previously granted and currently in force under Act No. 198 of the Public Acts of 1974 and Act No. 255 of the Public Acts of 1978, shall not have the effect of substantially impeding operation of the City of Gaylord, or impairing the financial soundness of a taxing unit which levies ad valorem taxes in the City of Gaylord.

2. The application of AMI Industries, Inc. for an Industrial Facilities Exemption Certificate with respect to new development on the following described parcel of real property situated within the City of Gaylord Air Industrial Park Industrial Development District, to wit:

LOTS 12,13,14,15,16,17 & 18 GAYLORD AIR INDUSTRIAL PARK NO. 1. SEC 8 T30N R3W,
City of Gaylord, Otsego County, Michigan, known as 1782 O'Rourke Blvd.

Be and the same is hereby approved.

3. The Industrial Facilities Exemption Certificate when issued shall be and remain in force and effect for a period of seven (7) years after completion.

Ayes: Unanimous. Motion carried.

Motion by Sharrard, supported by Campbell, to enter into a P.A. 198 Industrial Facilities Agreement with AMI Industries, Inc., for an industrial manufacturing facility located at 1716/1746 O'Rourke Blvd., Gaylord, Michigan.

Ayes: Unanimous. Motion carried.

Motion by Campbell, supported by Duczkowski, WHEREAS, pursuant to P.A. 328 of 1998, as amended, after a duly noticed public hearing held on May 16, 1977, the Gaylord City Council, an eligible distressed area as defined in Section 11 of the State Housing Development Authority Act of P.A. 346 of 1966, by Resolution, established City of Gaylord Air Industrial Park Industrial Development District; and, WHEREAS, the applicant AMI Industries, Inc., a manufacturer and eligible business, has filed an application for Exemption of New Personal Property; and, WHEREAS, before acting on said application, the Gaylord City Council held a public hearing held on Monday, February 24, 2013 in the City Council Chambers, located in the City Hall, 305 East Main Street, in the City of Gaylord, Michigan, at 7:00 p.m., at which hearing 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, NOW, THEREFORE, BE IT RESOLVED by the Gaylord City Council that:

1. The City Council finds and determines that the granting of the Exemption of New Personal Property currently in force under P.A. 328 of 1998, as amended, shall not have the effect of substantially impeding the operation, or impairing the financial soundness of the taxing unit which levies ad valorem property taxes in the (governmental unit); and,
2. The New Personal Property Exemption when issued shall be, and remain in force and effective for a period of seven (7) years, beginning December 31, 2014, and ending December 30, 2021; and,
3. The Application submitted by AMI Industries, Inc., is for an Exemption of New Personal Property that will be located in the following described parcel of real estate situated within the City of Gaylord, in the City of Gaylord Air Industrial Park Industrial Development District, established on May 16, 1977;

Legal Description of Property

Lots 12,13,14,15,16,17 & 18 of the Gaylord Air Industrial Park No. 1, Section 8 T30N
R3W, City of Gaylord, Otsego County, Michigan

Ayes: Unanimous. Motion carried.

Motion by Mankowski, supported by Campbell, to accept the recommendation of the Personnel Committee and to adopt the Personnel Policy, as presented, for the purchase of MERS Service Credits by City employees.

Ayes: Unanimous. Motion carried.

Motion to adjourn.

Meeting adjourned at 7:50 p.m.

Rebecca Curtis, City Clerk

John Jenkins, Mayor