



CITY of NOVI CITY COUNCIL

**Agenda Item 2
December 18, 2017**

SUBJECT: Approval of Resolution to establish an Industrial Development District by its owner Orotex Corporation for parcel 50-22-26-378-005 at 22475 Venture Drive.

SUBMITTING DEPARTMENT: City Assessor

CITY MANAGER APPROVAL: *[Signature]*

BACKGROUND INFORMATION:

A request to establish an Industrial Development District (IDD) has been submitted on November 16, 2017 by Orotex Corporation (Orotex and owner) for the property identified as 22475 Venture Drive and for parcel having tax ID: 50-22-26-378-005.

The parcel has the following legal description:

T1N, R8E, SEC 26 HICKORY CORPORATE PARK LOTS 3 & 4, ALSO SLY 98.23 FT OF LOT 5 9-8-92 FR 001, 002 & 401-007

Subsequent to filing its request to establish an IDD, Orotex has filed an abatement application for new real property improvements and personal property installations in the amount of approximately \$9,205,000. This existing facility will consist of construction of a 60,000 square foot addition, including related site improvements, along with new related business machinery and equipment. It should be noted that Orotex plans on investing approximately \$10.3 million within 3 years but is only requesting an abatement for the initial 2-year investment.

Orotex is currently in the preliminary planning phase of preparing site plans for the City to review. City staff has met with their team to discuss a Concept Plan, but no formal submittal has yet been made. Attached are some site renderings for City Council to review as a rough rendering of some very preliminary plans for the Orotex expansion.

Industrial Development Districts

Industrial Development Districts are established for new real property or personal property projects as provided for by Public Act 198, 1974 as amended.

"The legislative body of a local governmental unit may establish a plant rehabilitation district or an industrial development district on its own initiative or upon a written request filed by the owner or owners of 75% of the state equalized value of the industrial property." (PA 198 4(2), 1974 as amended)

Establishing this parcel within an Industrial Development District will serve to enable Orotex the ability to apply for its respective industrial facility exemption certificate.

Pending Appeals

To the best of staff's knowledge, there is no outstanding and/or pending property tax appeal(s) involving the property that is the subject of this request. There is no outstanding and/or pending appeal(s) involving the owner filing for IDD or subsequent IFEC tax incentive within the city.

Abatement Eligibility

Establishment of an industrial development district is a prerequisite to consideration of an industrial facility exemption certificate for any new real property and personal property improvements.

Based on reviewing the property records, the owner's request, and the applicant's subsequent request, staff recommends approval of Orotex Corporation's request for establishing an Industrial Development District encompassing parcel 50-22-26-378-005, consisting of a total of 5.95± acres.

RECOMMENDED ACTION: Approval of Resolution to establish an Industrial Development District for Orotex Corporation for parcel 50-22-26-378-005 located at 22475 Venture Drive.

**CITY OF NOVI
RESOLUTION
ESTABLISHING AN INDUSTRIAL DEVELOPMENT DISTRICT
FOR OROTEX CORPORATION**

At a meeting of the City Council held on the **18th day of December, 2017** at the City Council Chambers at 45175 Ten Mile Road, Novi, Michigan 48375

It was moved by Councilperson ----- and supported by Councilperson -----

WHEREAS, Act 198 of the Public Acts of 1974, as amended, authorizes the City Council of Novi to establish an Industrial Development District; and

WHEREAS, **Orotex Corporation** has petitioned this City Council to establish an Industrial Development District on the property herein described; and

WHEREAS, construction, acquisition, alteration, or installation of a proposed facility within the district has not commenced as of this date of the filing of the request to establish the district; and

WHEREAS, the City Council of the City of Novi, has given written notice by certified mail to the owners of real property within the proposed Industrial Development District and to the public by newspaper advertisement in the **Novi News** on December 7, 2017, and public posting of the hearing on the establishment of the proposed district; and

WHEREAS, a public hearing was held on **18th day of December, 2017** at which all of the owners of real property within the proposed Industrial Development District and all residents and taxpayers of City of Novi were afforded an opportunity to be heard; and

WHEREAS, the City Council deems it to be in the best interest of the City of Novi to establish the Industrial Development District as proposed;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Novi that the following described parcel of land situated in the City of Novi, County of Oakland, State of Michigan, to wit:

Parcel identification: 50-22-26-378-005, legally described as

T1N, R8E, SEC 26 HICKORY CORPORATE PARK LOTS 3 & 4, ALSO SLY 98.23 FT OF LOT 5 9-8-92 FR 001, 002 & 401-007

be and here is established as an Industrial Development District pursuant to the provisions of Act 198 of the Public Acts of 1974 to be known as the **Orotex Corporation Industrial Development District**.

AYES:
NAYS:
ABSENT:
ABSTENTIONS: None

RESOLUTION ADOPTED

STATE OF MICHIGAN))
COUNTY OF OAKLAND)) SS

I, the undersigned, the duly qualified and appointed City Clerk of 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 City Council held on the **18th day of December, 2017**, the original of which is on file in my office.

IN WITNESS WHEREOF, I have hereunto affixed my official signature on **this 18th day of December, 2017**.

Cortney Hanson, City Clerk



November 16, 2017

City Clerk
City of Novi
45175 W. Ten Mile Road
Novi, Michigan 48375

RE: Request for establishing an Industrial Development District (IDD) by Orotex Corporation

Dear Mayor and Members of City Council,

Orotex Corporation ("Orotex"), as owner of the property identified as parcel number 50-22-26-378-005 and described on Exhibit A attached hereto (the "Property"), respectfully requests that the Novi City Council establish an Industrial Development District ("IDD") for the Property pursuant to Act 198 of 1974, as amended, MCL 207.554.

In the event that the City Council establishes the requested IDD, Orotex intends to apply for the issuance of an Industrial Facilities Exemption Certificate for the real property investment to be made in connection with the construction of new building to expand its headquarters and manufacturing facility in Novi.

A check for the \$1,000 filing fee is enclosed.

We appreciate your consideration of this request and look forward to partnering with you on this exciting opportunity in Novi.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kenichi Miura".

Kenichi Miura
President - Orotex Corporation

Copy to: Brian Szymanski, Grant Thornton
Alan Weber, City of Novi

EXHIBIT A

[Description of Land]

The following parcel of real estate located in the City of Novi, Oakland County, Michigan, legally described as follows:

A PARCEL OF LAND IN THE SOUTH ½ OF SECTION 26, TOWN 1 NORTH, RANGE 8 EAST, CITY OF NOVI, OAKLAND COUNTY, MICHIGAN, DESCRIBED AS LOTS 3, 4 AND THE SOUTHERLY 98.23 FEET OF LOT 5 OF THE PROPOSED PLAT OF HICKORY CORPORATE PARK, MORE PRECISELY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH ¼ CORNER OF SECTION 26, TOWN 1 NORTH, RANGE 8 EAST, CITY OF NOVI, OAKLAND COUNTY, MICHIGAN, AND PROCEEDING THENCE NORTH 00 DEGREES 03 MINUTES 30 SECONDS WEST, 60.01 FEET TO THE NORTH RIGHT OF WAY OF NINE MILE ROAD (120 FEET WIDE); THENCE NORTH 89 DEGREES 01 MINUTES 45 SECONDS EAST, 242.03 FEET ALONG SAID RIGHT OF WAY; THENCE NORTH 00 DEGREES 03 MINUTES 30 SECONDS WEST, 301.52 FEET; THENCE 31.32 FEET ALONG THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS OF 430.00 FEET PASSING THROUGH A CENTRAL ANGLE OF 04 DEGREES 10 MINUTES 24 SECONDS WITH A LONG CHORD BEARING NORTH 02 DEGREES 01 MINUTES 46 SECONDS EAST, 31.31 FEET TO THE POINT OF BEGINNING AND PROCEEDING THENCE SOUTH 89 DEGREES 56 MINUTES 30 SECONDS WEST, 563.71 FEET; THENCE 589.27 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE LEFT HAVING A RADIUS OF 2,915.72 FEET PASSING THROUGH A CENTRAL ANGLE OF 11 DEGREES 34 MINUTES 46 SECONDS WITH A LONG CHORD BEARING NORTH 17 DEGREES 47 MINUTES 40 SECONDS EAST, 588.27 FEET; THENCE NORTH 89 DEGREES 56 MINUTES 30 SECONDS EAST, 380.35 FEET; THENCE 98.29 FEET ALONG THE ARC OF A NON-TANGENT CURVE TO THE RIGHT HAVING A RADIUS OF 1,603.23 FEET PASSING THROUGH A CENTRAL ANGLE OF 03 DEGREES 30 MINUTES 46 SECONDS WITH A LONG CHORD BEARING SOUTH 01 DEGREES 48 MINUTES 53 SECONDS EAST, 98.28 FEET; THENCE SOUTH 00 DEGREES 03 MINUTES 30 SECONDS EAST, 461.71 FEET TO THE POINT OF BEGINNING

Permanent Real Estate Numbers: 22-26-378-005
Address of Real Estate: 22475 Venture Drive, Novi, Michigan 48375

Exhibit "A"

Property

Land situated in Oakland County, in the State of Michigan, described as follows:

Lots 3 and 4 and in the Southerly 98.23 feet of Lot 5, HICKORY CORPORATE PARK, according to the plat thereof as recorded in Liber 216 of Plats, Pages 9 through 12, both inclusive, Oakland County Records.

Tax Parcel Number: 22-26-378-005
Address of Real Estate: 22475 Venture Drive, Novi, Michigan 48375

22475 VENTURE DR NOVI, MI 48375 (Property Address)

Parcel Number 50 22-26 378-005 Account Number 0039-20001 00 1



Item 1 of 5 4 Images / 1 Sketch

Property Owner: OROTEX CORP

Summary Information

- > Commercial/Industrial Building Summary
 - Parcel Type: Commercial
 - Parcel Subtype: Warehouse
- > Assessed Value: \$1,179,900 | Taxable Value: \$1,008,240
- > 4 Building Department records found
- > Property Tax information found
- > Utility Billing information found

Owner and Taxpayer Information

Owner	Taxpayer
OROTEX CORP 22475 VENTURE DR NOVI, MI 48375	SEE OWNER INFORMATION

General Information for Tax Year 2017

Property Class	BUSIMP	Unit	50 CITY OF NOVI
School District	Novi	Assessed Value	\$1,179,900
MAP #	No Data to Display	Taxable Value	\$1,008,240
USE	0	State Equalized Value	\$1,179,900
PROP USE CODE	No Data to Display	Date of Last Name Change	04/04/2016
USER ALPHA 3	No Data to Display	Notes	Not Available
Historical District	No	Census Block Group	No Data to Display
USE	No Data to Display	Exemption	No Data to Display

Principal Residence Exemption Information

Homestead Date	Principal Residence Exemption	Interest	Final
2017	0.0000 %	-	-
2016	0.0000 %	-	0.0000 %

Previous Year Information

Year	MIOR Assessed	Raw SEV	Final Taxable
2016	\$1,100,650	\$1,100,650	\$999,250
2015	\$1,036,050	\$1,036,050	\$996,270
2014	\$1,019,350	\$1,019,350	\$980,590

Land Information

Zoning Code	I-1	Total Acres	5.065
Land Value	\$386,129	Land Improvements	\$22,004
Renaissance Zone	No	Renaissance Zone Expiration Date	No Data to Display
ECF Neighborhood	WAREHOUSE OVER 50,000	Mortgage Code	No Data to Display
Lot Dimensions/Comments	No Data to Display	Neighborhood Enterprise Zone	No

Lots: No lots found. Frontage: Depth:

Total Frontage: 0.00 ft

Average Depth: 0.00 ft

Legal Description

TEN (REV.) SEC. 24 IN THE CITY OF NOVI, CORPORATION, PARCELS 1, 5, 4, ALSO SIX (6) 21 FT. WIDE, 15.5 WIDE, 95.00' DEEP, 4.07'

Land Division Act Information

Date of Last Split/Combine	No Data to Display	Number of Splits Left	Not Available
Date Form Filed	No Data to Display	Unallocated Divs. of Parent	0
Date Created	No Data to Display	Unallocated Divs. Transferred	0
Acresage of Parent	0.00	Rights Were Transferred	Yes

Search by [PIN or Property Address](#) [Help](#)

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[Cart \(0\)](#)

22475 venture

or navigate to and click on the property of interest

[22475 VENTURE DR](#)

PiN. 22-26-378-005

CITY OF NOVI

Available Reports:

[Commercial Property Profile](#) **\$12.50**

Property profile of a specific parcel

[Delinquent Tax Report](#) **\$2.00**

Delinquent tax obligations

[Map Atlas](#) **\$4.00**

Plat map & property dimensions

Also Available at this Location:

[Display Property Photo](#)

[Display Property Sketch](#)

[Display FEMA - DFIRM Map](#)

▪ [DFIRM Disclaimer](#)

▪ [DFIRM Overview](#)











 **OROTEX**
CORPORATION





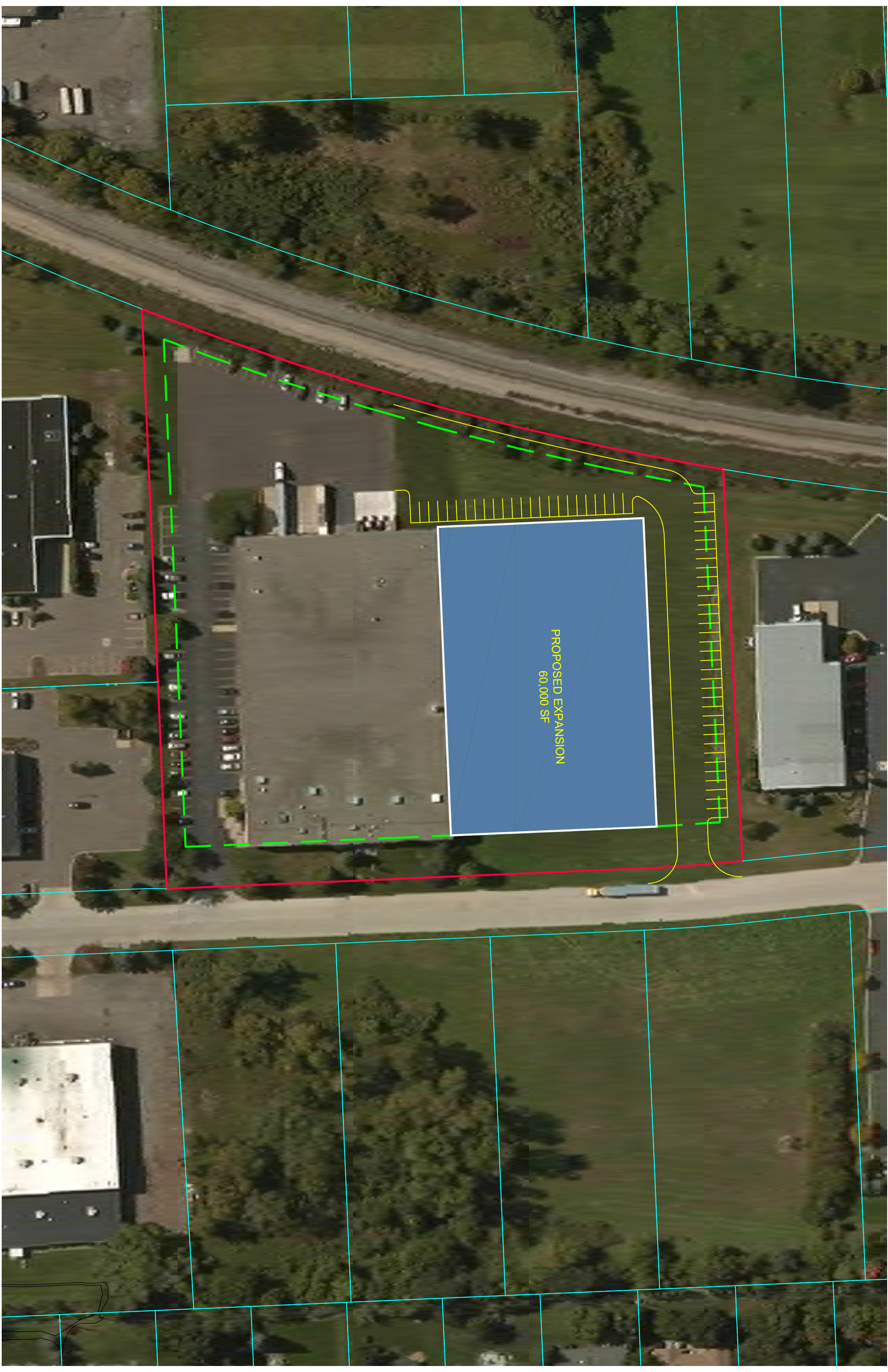






OROTEX CORPORATION





PROPOSED EXPANSION
60,000 SF