

# ***IFEC LETTER OF AGREEMENT***

**DATE:** \_\_\_\_\_

**COMPANY NAME:** \_\_\_\_\_

**FACILITY ADDRESS:** \_\_\_\_\_

City Council  
City of Sterling Heights  
40555 Utica Road  
P.O. Box 8009  
Sterling Heights, MI 48311-8009

**RE: Industrial Facilities Tax Exemption Certificate** between:  
\_\_\_\_\_ and the City of Sterling Heights

Dear Members of Council:

\_\_\_\_\_ (the "Company") has submitted the attached Application (the "Application") to you requesting approval of an Industrial Facilities Tax Exemption Certificate ("IFEC"), pursuant to Michigan Public Act 198 of 1974, as amended, for the property located at \_\_\_\_\_, Sterling Heights, (the "Facility") (Legal Description of the property where the Facility is located is attached).

To encourage approval of the IFEC and in recognition of the investments the City of Sterling Heights (the "City") will make toward the economic growth of the Company, which will benefit the City, the Company agrees as follows:

- 1. General.** (Check applicable lines consistent with the Application)
- \_\_\_ a. The Company will make the improvements set forth in the Application within two (2) years of the effective date of the IFEC (the "Effective Date").
  - \_\_\_ b. The Company will purchase and/or lease and install the personal property as set forth in the Application within two (2) years of the Effective Date.
  - \_\_\_ c. The Company will create \_\_\_ new full-time jobs at the Facility within two (2) years of the Effective Date.
  - \_\_\_ d. The Company will comply with the requirements imposed by the City as part of the site review prior to issuance of a Certificate of Occupancy.

2. **Compliance with Laws.** The Company agrees that it will operate the Facility in accordance with all applicable Federal, State, and local laws or regulations, including but not limited to zoning, outside storage, industrial waste disposal, air and water quality, noise control, and other environmental regulations.
3. **Continued Operation of the Facility.** The Company further agrees to continue to operate the Facility within the City for the period of the IFEC in order to retain the benefits of the IFEC.
4. **Premature Vacation of the Facility.** If the Company vacates, or intends to vacate, the Facility prior to the end of the term of the IFEC, the Company shall be responsible for the following:
  - a. If the Company intends to vacate the Facility for which the IFEC has been approved and issued prior to the end of the term of this agreement, the Company agrees to notify the City Assessor in writing of such intent and the reasons for vacating not less than 60 days prior to vacating the facility.
  - b. The Company agrees to make reasonable provisions satisfactory to the City and in compliance with all applicable laws, codes and ordinances to maximize the likelihood of re-occupancy or re-use of the unoccupied building for productive use within a reasonable time period after the Facility is vacated.
  - c. The Company shall, if requested by the City, deposit an amount equal to the amounts anticipated to be due from the Company under this agreement as a result of the Company vacating the Facility prior to the term for which the IFEC was approved, including but not limited to any reasonable cleanup or maintenance costs, administrative fees, court costs, and attorney fees incurred.
  - d. The Company shall pay any outstanding taxes and shall repay to all affected municipalities an amount equal to the total tax amount abated by the IFEC (unless recovery of a lesser amount is requested by the City or other taxing authority) within 30 days of the date of an invoice for such taxes.
  - e. If the Company fails to pay the amount of the invoice for abated taxes within 30 days of the date of the City invoice, the Company shall be responsible for any additional costs incurred by the City in recovery of such taxes, including, but not limited to administrative fees, court costs, and attorney fees incurred.
5. **Notice of Completion and Final Cost Report.** The Company will submit to the City, not later than 90 days after the completion date for each property component for which an IFEC was granted a Notice of Completion and Final Cost Report in a form requested by the City which includes the actual completion date and final cost of each project component for which an IFEC was originally granted, and an explanation if the final cost of either the real or personal property listed on the Application was greater than the original estimated amount by more than 10%.
6. **Employment Status Report.** The Company will submit to the City, not later than January 31<sup>st</sup> of the second year after the effective date, and every two years after that date, an Employment Status Report in a form requested by the City, which includes the number of actual full-time jobs created as a direct result of the project for which the certificate was granted, and an explanation if the jobs created during the term of the IFEC was less than the original estimated amount.

7. **Review and Audit: Payment of Costs.** The Company understands that the City may review and audit the information provided by the Company to determine compliance with this agreement and that any costs for such services will be paid by the Company in accordance with a fee schedule approved by the City Council, which may be adjusted from time to time based upon increases in costs to the City.
8. **Remedies for Default for Failure to Satisfy Representations Made in Application.** The Company understands that the City may pass a resolution requesting that the State Tax Commission reduce the term of the IFEC or revoke the IFEC to the extent that the construction or expansion of the Facility has not been completed, expenditures made, or employment reached as represented by the Company in the application, by sending a copy of this Agreement along with a copy of the City Council resolution authorizing such action to the State Tax Commission. In addition, the Company acknowledges that the City may take into account any deficiency in job creation, or real or personal property investment made under this application in a subsequent application for an IFEC or an Exemption of New Personal Property filed by the Company.
9. **Consequences of Unsuccessful Real or Personal Property Tax Appeal.** The Company acknowledges that if during the term of this Agreement, the Company appeals any real or personal property assessment to the Michigan Tax Tribunal or other court of competent jurisdiction upon which it does not prevail, that the Company shall pay to the City all reasonable costs, expenses, and attorney fees incurred by the City in defending such appeals within thirty (30) days of the date of receipt of an invoice from the City. The Company also acknowledges that the City may consider such appeals in deciding the term of any subsequent certificates granted to the Company.
10. **Unforeseen Events.** By execution of this agreement, it is understood that the Company's investment in the Facility and the City's investment in the granting of the IFEC are to encourage economic growth within the City. The City acknowledges that in some instances, economic conditions may prevent the Company from complying fully with this agreement and the terms of the Application. The City will give the Company an opportunity to explain the reasons for any variations from the representations contained in the application and will evaluate the Company's situation prior to taking any action authorized by paragraph 4 and 8 of this agreement.
11. **Entire Agreement.** This is the entire agreement of the parties relating to the matters covered by this Agreement, and no prior or subsequent promises, representations or assurances, whether in any other form, shall be used to modify, vary or contradict any provision of this Agreement, except for any written amendment to this Agreement or separate agreement signed following the date of this Agreement by authorized representatives of all parties to this Agreement.
12. **Severability.** The invalidity of any section, subsection, clause or provision of this Agreement shall not affect the validity of the remaining sections, subsections, clauses or provisions thereof, which shall remain in full force and effect to govern the parties' relationship.
13. **Reimbursement of Attorney Fees for Modification of Standard Agreement.** The Company agrees to reimburse the City within 30 days of the date of a receipt of an invoice from the City for all attorney fees incurred by the City in the negotiation or preparation of changes to the standard IFEC Letter of Agreement.

***ACCEPTED BY: THE COMPANY***

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

STATE OF MICHIGAN  
COUNTY OF MACOMB

The forgoing acceptance was acknowledged this \_\_\_\_\_ day of \_\_\_\_\_  
by \_\_\_\_\_, \_\_\_\_\_ on behalf of \_\_\_\_\_  
(Name) (Title) (Company Name)

\_\_\_\_\_  
Notary Public, \_\_\_\_\_ County, MI  
My Commission expires: \_\_\_\_\_

***ACCEPTED BY: CITY OF STERLING HEIGHTS  
A MUNICIPAL CORPORATION***

NAME: Michael C. Taylor

NAME: Mark Carufel

TITLE: Mayor

TITLE: City Clerk

SIGNATURE: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

STATE OF MICHIGAN  
COUNTY OF MACOMB

The forgoing acceptance was acknowledged this \_\_\_\_\_ day of \_\_\_\_\_  
by Michael C. Taylor and Mark Carufel, Mayor and City Clerk, respectively, on behalf of  
the City of Sterling Heights, a Michigan municipal corporation.

\_\_\_\_\_  
Notary Public, \_\_\_\_\_ County, MI  
My Commission expires: \_\_\_\_\_

When recorded, return to:  
City Clerk  
City of Sterling Heights  
40555 Utica Road PO Box 8009  
Sterling Heights, MI 48311-8009

Drafted by:  
City of Sterling Heights  
40555 Utica Road  
P.O. Box 8009  
Sterling Heights, MI 48311-8009