

City of Warren

James R. Fouts, Mayor

**Industrial Facilities Tax Abatement Guidelines
(revised June 2006)**

Objectives and Guidelines for Industrial Facility Tax (IFT) Exemption Certificates in Warren

Vision:

Mayor James R. Fouts envisions an industrial community of corporations which prefer to do business in Warren based on a positive public perception of excellent City services, an open communication network between the City and its corporate citizens, Warren's strategic location at the heart of regional infrastructure, and the fair and equitable treatment of its industrial property owners in the IFT process. The Mayor recognizes that a positive industrial presence within the City will directly and indirectly serve in the stabilization and improvement of existing residential and commercial developments throughout the City of Warren.

Prior to 1998, the City of Warren recommended IFT's without the benefit of established objective criteria. Therefore, in 1998, the Warren Mayor proposed and the City Council accepted (4/28/98) Industrial Facility Tax Abatement Guidelines. These guidelines have now been reviewed, updated and amended.

Goals:

- To promote quality new development of industrial property
- To promote quality redevelopment of existing industrial property
- To target areas of Warren as principal redevelopment areas
- To have a uniform method of review and approval/rejection of IFT applications
- To maintain an environment of excellent corporate relations, enhancing the City's position as a regional leader in manufacturing, research & development, and high tech industries

Definition of Terms

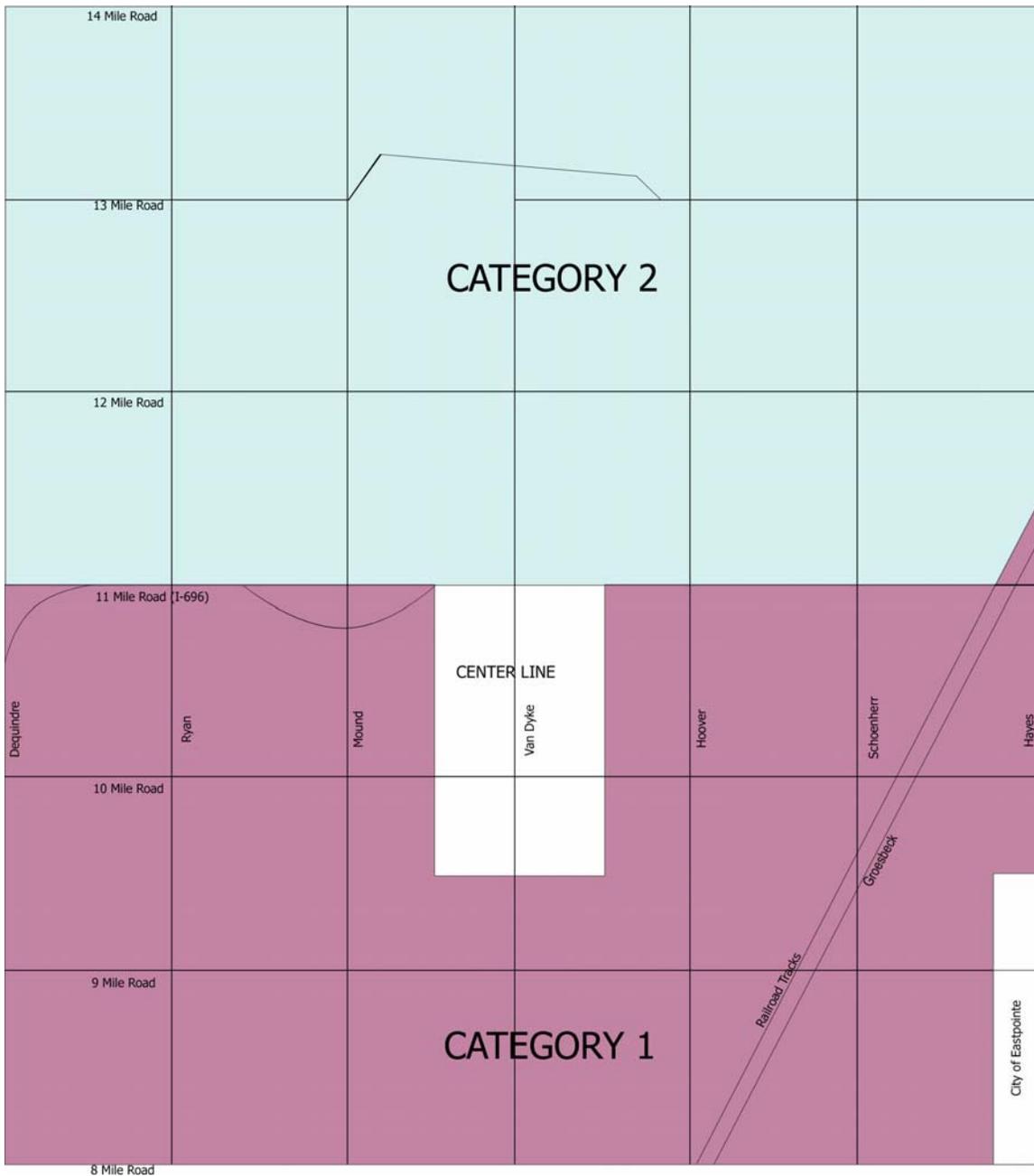
Aesthetic Enhancement means the improvement of real estate through the use of new building facades, landscaping, blight removal, or other improvement designed to increase the physical attractiveness of the real estate to the community. Aesthetic enhancement does not mean normal maintenance or repairs such as replacing roofs, painting, caulking, or repairing paved areas.

Job Creation means the total number of jobs increased due to the approval of the project, net of job reductions from other projects by the same firm within the City of Warren. Jobs increased is the difference between total company employment within Warren after project completion less total company employment within Warren prior to project inception.

Personal Property means all property qualifying for IFT abatement per State Tax Commission guidelines that is not classified as real estate.

Real Property Investment means the cost of buildings, fixtures, and site improvements located within the subject development area and included in the IFT project. For purposes of the IFT (New) Investment Schedule, Real Property Investment excludes costs of land acquisition, demolition of existing improvements, alterations to existing improvements, costs of off-site infrastructure (roads, water and sewer mains, lighting, other), and any other costs not specifically attributed to the construction of buildings, fixtures and site improvements that are part of the IFT project.

Size of Building means the total square footage of the existing and/or new buildings on the site. Total building size does not include basements, mezzanines, penthouses, or small ancillary structures such as guard sheds or utility sheds.



City of Warren Map and Description of IFT Categories

Category 1

- All property south of Eleven Mile Road
- Property north of Eleven Mile Road and east of the Grand Trunk railroad tracks which run parallel to Groesbeck Highway

Category 2

- All property north of Eleven Mile Road not designated as Category 1

Abatement Schedule

REAL PROPERTY INVESTMENT

YEARS ABATED Category 1 Category 2

\$ 500,000	-	\$ 749,999	12 years	6 years
\$ 750,000	-	\$ 999,999	12 years	8 years
\$ 1,000,000	-	\$ 1,999,999	12 years	10 years
\$ 2,000,000	-	\$ 4,999,999	12 years	11 years
\$ 5,000,000 or greater			12 years	12 years

PERSONAL PROPERTY INVESTMENT

SIZE OF BUILDING <100,000 sf 100,000-1,000,000 sf >1,000,000 sf

\$ 500,000	-	\$ 3,999,999	7 years	4 years	NA
\$ 4,000,000	-	\$ 7,999,999	8 years	5 years	NA
\$ 8,000,000	-	\$11,999,999	9 years	6 years	NA
\$12,000,000	-	\$15,999,999	10 years	8 years	NA
\$16,000,000	-	\$19,999,999	11 years	10 years	NA
\$20,000,000	-	\$24,999,999	12 years	12 years	10 years
\$25,000,000 and over			12 years	12 years	12 years

JOB CREATION

Category 1 and 2

1	-	10 jobs	1 year
11	-	25 jobs	2 years
26	-	50 jobs	3 years
51 or more jobs			4 years

AESTHETIC ENHANCEMENT

Category 1 Category 2

up to 4 years up to 2 years

Aesthetic Enhancement requests shall be accompanied by a written description of proposed improvements including materials, times for start and completion of improvements, as well as drawings for proposed landscape and façade improvements. Information will be reviewed by the Assessor and Planning Director for recommendation.