

**SUMMARY REPORT TO MANAGER
for City Council Meeting September 17, 2007**

SUBJECT: Request for an Industrial Facilities Tax Exemption Certificate from Dow AgroSciences, LLC

RESOLUTION SUMMARY:

This resolution will set a public hearing on October 1, 2007, for the request from Dow AgroSciences, LLC for an industrial facilities exemption certificate within the Michigan Division Dow Chemical Company Plant Rehabilitation District No. 1, relating to both new real and personal property to allow for the capacity expansion of the recently introduced compound Aminopyralid, developed for the control of noxious and invasive weed species in rangeland, pastures and industrial vegetation management sites with a total project cost of \$38,500,000.

ITEMS ATTACHED:

1. Letter of transmittal
2. Resolution with application attached

COUNCIL ACTION:

1. 3/5 vote required to approve resolution

Reid Duford
City Assessor
September 12, 2007

R: DowAgroIFT September07.sumF



City Hall • 333 West Ellsworth Street • Midland, Michigan 48640-5132 • 989.837.3300 • 989.835.2717 Fax • www.midland-mi.org

September 12, 2007

Mr. Jon Lynch
City Manager
City of Midland

SUBJECT: Setting a Public Hearing on a Request for an Industrial Facilities Tax Exemption Certificate from Dow AgroSciences, LLC

Dear Jon:

Attached is an application from Dow AgroSciences, LLC requesting approval for an industrial facilities tax exemption certificate. This project is located within the Michigan Division Dow Chemical Company Plant Rehabilitation District No. 1.

This Dow AgroSciences project is an Aminopyralid capacity expansion. It is a recently introduced Dow AgroSciences compound developed for control of noxious and invasive weed species in rangeland, pastures and industrial vegetation management sites. New additions are 2 reactors, 5 tanks, 3 vessels and 2 product separation systems. The project calls for spending of \$8,700,000 for real property improvements and \$29,800,000 in new personal property. As a result of this project five new jobs are expected to be created at this facility within two years of project completion.

Council approval of the attached resolution will set a public hearing for October 1, 2007 for consideration of this request from The Dow Chemical Company.

Sincerely,

Reid Duford
City Assessor



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BY COUNCILMAN

RESOLVED, that an application dated September 7, 2007, was received September 10, 2007, from Dow AgroSciences, LLC, with supporting data pursuant to Public Act 198 of the Public Acts of the State of Michigan of 1974, as amended, for an industrial facilities exemption certificate within the Michigan Division Dow Chemical Company Plant Rehabilitation District No.1 relating to facility upgrades to both real and personal property to allow for the capacity expansion of the recently introduced compound Aminopyralid, developed for the control of noxious and invasive weed species in rangeland, pastures and industrial vegetation management sites with a total project cost of \$38,500,000, to allow further expansion in the Michigan Division Dow Chemical Company Plant Rehabilitation District No. 1 is hereby acknowledged received and ordered placed on file in the City Clerk's office; and

RESOLVED FURTHER, a hearing shall be held before the City Council on Monday, October 1, 2007, at 7:00 p.m., in the Council Chambers of the City Hall, 333 W. Ellsworth Street, Midland, Michigan, for the purpose of affording the applicant, the City Assessor and representatives of the affected taxing units an opportunity for a hearing on the application and the City Clerk shall provide written notice thereof in accordance with Section 5 of Public Act 198.

YEAS:

NAYS:

ABSENT:

I, Selina Tisdale, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a yeavote of all the Councilmen present at a regular meeting of the City Council held Monday, September 17, 2007.

Selina Tisdale, City Clerk

2007 SEP 10 A 6: 57

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of P.A. 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 or would like to request an informational packet, call (517) 373-3272.

To be completed by Clerk of Local Government Unit	
Signature of Clerk <i>Debra J. ...</i>	Date received by Local Unit Sept 10 2007
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) DowAgroSciences, LLC.		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code) 325300	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 941 Bldg, G Street (Near 18th), Midland, MI 48667		1d. City/Township/Village (indicate which) City of Midland	1e. County Midland
2. Type of Approval Requested <input checked="" type="checkbox"/> New (Sec. 2(4)) <input type="checkbox"/> Transfer (1 copy only) <input type="checkbox"/> Speculative Building (Sec. 3(8)) <input type="checkbox"/> Rehabilitation (Sec. 3(1)) <input type="checkbox"/> Research and Development (Sec. 2(9))		3a. School District where facility is located Midland	3b. School Code 56010
		4. Amount of years requested for exemption (1-12 Years) 12 (After Completion)	

5. Thoroughly describe the project for which exemption is sought: Real Property (Type of Improvements to Land, Building, Size of Addition); Personal Property (Explain New, Used, Transferred from Out-of-State, etc.) and Proposed Use of Facility. (Please attach additional page(s) if more room is needed).

This DowAgroSciences project is an Aminopyralid capacity expansion. It is a recently introduced DowAgroSciences compound developed for the control of noxious and invasive weed species in rangeland, pastures and industrial vegetation management sites. New additions are 2 reactors, 5 tanks, 3 vessels and 2 product separation systems.

6a. Cost of land and building improvements (excluding cost of land)	▶ \$8,700,000.00
* Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.	Real Property Costs
6b. Cost of machinery, equipment, furniture and fixtures	▶ \$29,800,000.00
* Attach itemized listing with month, day and year of beginning of installation plus total costs	Personal Property Costs
6c. Total Project Costs	▶ \$38,500,000.00
* Round Costs to Nearest Dollar	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 ▶	4/1/08	4/1/09	▶ <input checked="" type="checkbox"/> Owned <input type="checkbox"/> Leased
Personal Property Improvements ▶	4/1/08	4/1/09	▶ <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. 5

11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of valuation for the entire plant rehabilitation district and obsolescence statement for property. The SEV data below must be as of December 31 of the year prior to the rehabilitation.

a. SEV of Real Property (excluding land)	_____
b. SEV of Personal Property (excluding inventory)	_____
c. Total SEV	_____

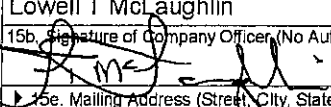
12a. Check the type of District the facility is located in:
 Industrial Development District Plant Rehabilitation District

12b. Date district was established by local government unit (contact local unit) 9/25/78 12c. Is this application for a speculative building (Sec. 3(8))? Yes No

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 Lowell T McLaughlin	13b. Telephone Number (989) 636-0458	13c. Fax Number (989) 638-9906	13d. E-mail Address ltmclaughlin@dow.com
14a. Name of Contact Person Lowell T McLaughlin	14b. Telephone Number (989) 636-0458	14c. Fax Number (989) 638-9906	14d. E-mail Address ltmclaughlin@dow.com
▶ 15a. Name of Company Officer (No Authorized Agents) Lowell T McLaughlin			
15b. Signature of Company Officer (No Authorized Agents) 		15c. Fax Number (989) 638-9906	15d. Date 9-7-2007
▶ 15e. Mailing Address (Street, City, State, ZIP Code) 2030 Dow Center, Tax dept. - BAE Midland, MI 48674		15f. Telephone Number (989) 636-0458	15g. E-mail Address ltmclaughlin@dow.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 _____ Years (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	16d. School Code
17. Name of Local Government Body	▶ 18. Date of Resolution Approving/Denying this Application

Attached hereto is an original and one copy of the 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.

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:

State Tax Commission
 Michigan Department of Treasury
 P.O. Box 30471
 Lansing, MI 48909-7971

(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

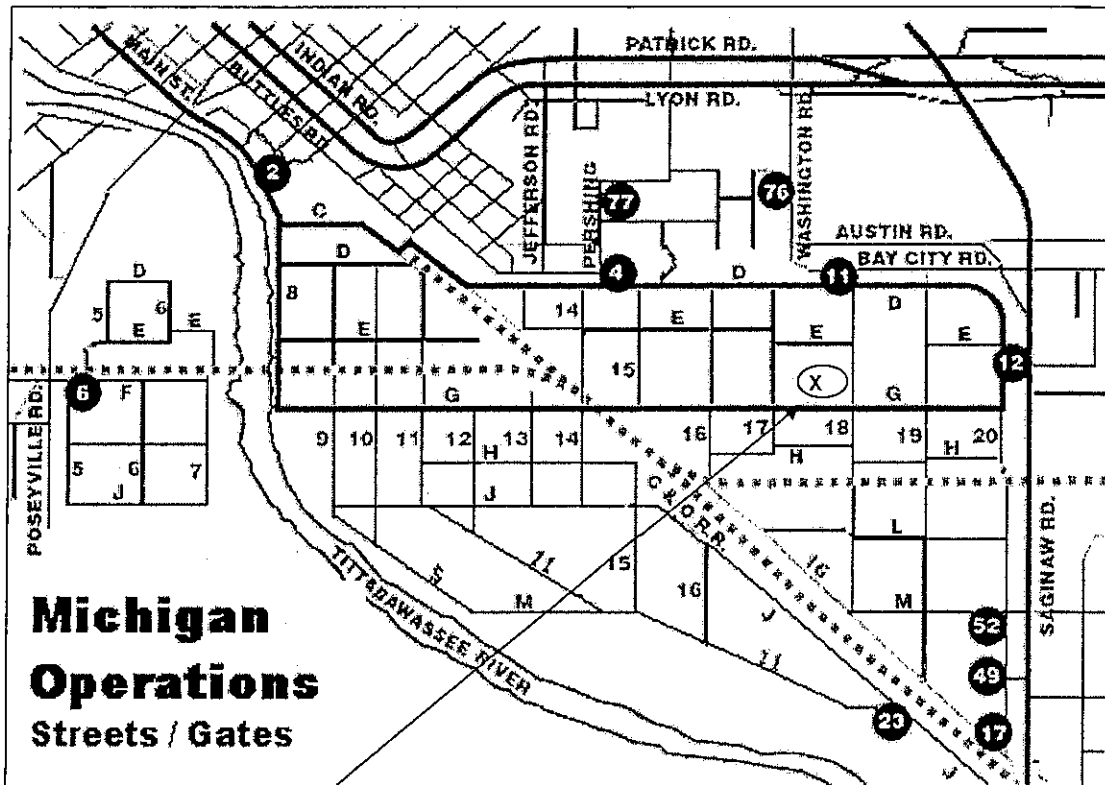
ATTACHMENT 1

Description of Property on Which Facilities are Located

Parcel #: 14-21-30-006

Legal Description (Main Plant)

THAT PROPERTY BET STATE ST & EW 1/4 LN OF SEC 21 AND BET ELLSWORTH ST & C & O R/W, EXC LOT 1 BLK 94 & NW 1/2 OF VAC 2ND ST & EXC NE 1/2 OF MILL ST, ALL IN LARKINS ADD, SEC 21 LYING S OF C & O R/W & E OF TITT RIV & E OF W 1/8 LN INCL BLKS 75 & 77 & VAC MAIN ST SE OF STATE ST IN LARKINS ADD, NE 1/4 OF SE 1/4 OF SEC 21 N OF C & O R/W, S 1/2 OF SEC 22 W OF 21ST ST EXC BEG 208 FT W & 153 FT S OF NE COR OF SW 1/4 OF SEC 22, W 72.5 FT, S 40 FT, E 72.5 FT, N 40 FT TO BEG, SECS 27 & 28 LYING N & E OF TITT RIV EXC C & O R/W EXC COM AT E 1/4 COR SEC 22 T14N R2E TH N 50.01 FT TH W 58.41 FT TO POB, TH W 2643.08 FT, N 80.93 FT, W 930.67 FT, SWLY 370.31 FT, SLY 123.09 FT, W 654.88 FT, S 504.38 FT, W 1675.22 FT, S 138.22 FT, W 378.85 FT, S 785.67 FT, W365.80 FT, N 782.42 FT, W 430.55 FT, N 399.33 FT, W 628.02 FT, N 461.01 FT, E 566.51 FT, N 590.44 FT, E 835.58 FT, SELY 916.24 FT E 1352.42 FT, S75.64 FT, E 646.21 FT, N 72.6 FT, NELY 449.94 FT, E 391.86 FT, N 40.77 FT, E 265.57 FT, N 301.67 FT, E 308.93 FT, S 213.41 FT, E 953.38 FT, N 1241.84 FT, E 458.03 FT, S 19.99 FT, E 806.94 FT, TO WLY ROW LINE OF SAGINAW ST SELY ALG ROW TO POB



Project Location

BUILDING: 941 LOCATED ON: G STREET, NEAR 18th STREETS

ATTACHMENT 2
Cost of Building & Equipment
(Includes labor and engineering)

<u>Real Property</u>	<u>Cost</u>	<u>Date of Installation</u>
Land Improvements	\$0	
New Construction	\$0	
Building Addition	\$8,100,000	Apr-09
Building Modifications	\$300,000	Apr-09
Pipelines and Powerlines	\$300,000	Apr-09
Total Real Property Cost	\$8,700,000	
<u>Personal Property</u>	<u>Cost</u>	<u>Date of Installation</u>
Equipment	\$4,600,000	Apr-09
Vessels	\$4,300,000	Apr-09
Process Piping	\$12,700,000	Apr-09
Pumps	\$1,000,000	Apr-09
Process Electrical	\$4,200,000	Apr-09
Instrumentation	\$2,700,000	Apr-09
Process Control System	\$300,000	Apr-09
Other: Fire Protection Equipment	\$0	
Total Personal Property Cost	\$29,800,000	
Total Cost	\$38,500,000	

Attachment 3

**Real Property construction is scheduled to begin April, 2008
with completion estimated for April, 2009**

**Personal Property installation to begin April, 2008
with completion estimated for April, 2009**

Attachment 4 (Lease Agreement) is not applicable to this application.

**Local Unit of Government Attachments 2, 4, 5, 6 and 7
should be attached (if applicable) by the City Clerk
prior to submitting to the State Tax Commission.**



STATE OF MICHIGAN

COUNTIES OF MIDLAND AND BAY

CITY OF MIDLAND

OFFICE OF THE CITY CLERK


CITY OF MIDLAND

I, DAVID W. WIRTH, Clerk of the City of Midland, Counties and State aforesaid, Do Hereby Certify, that I have compared the annexed copy of the application of The Dow Chemical Company to establish a Plant Rehabilitation District and an Industrial Development District pursuant to "The Plant Rehabilitation and Industrial Development Districts Law of 1974" (Act 198, P. A. 1974, as amended),

with the original on file in the office of the City Clerk, Midland, Michigan, and that it is a true and correct transcript therefrom and of the whole of such original.

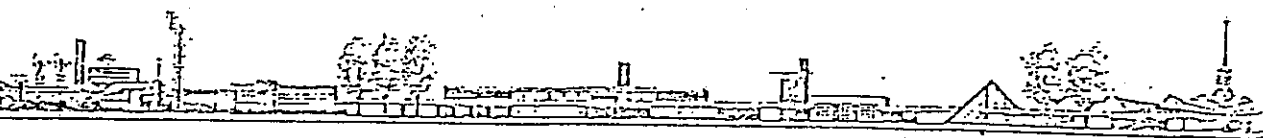
In Witness Whereof, I have hereunto set my hand affixed the Corporate Seal of the City of Midland, Michigan, this

15th day of December 1978


David W. Wirth

CITY CLERK

Certificate No. _____



THE CITY OF MODERN EXPLORERS

BY COUNCILMAN SCHNEIDER

WHEREAS, the City of Midland levies ad valorem taxes at a rate which, when taken together with the rates of ad valorem taxes levied by any other taxing authorities within the City of Midland, exceeds \$30.00 for each \$1,000 of state-equalized valuation; and

WHEREAS, The Dow Chemical Company is the owner of 100% of the state equalized value of industrial property located within an area proposed as the Michigan Division Dow Chemical Company Plant Rehabilitation District No. 1 described as follows:

Commencing at the southwest corner of Section 21, Township 14 North, Range 2 East; thence East 33.0 feet along the South Section Line to the place of beginning (said place of beginning being the East right of way of Poseyville Road); thence North along the East right of way of said road, to a point which is 33.0 feet East and 265.23 feet North of the South 1/8 corner common to Sections 20 and 21; thence due East 1248.45 feet to a point; thence due North 220.08 feet to a point; thence due East to the thread of the Tittabawassee River; thence Northwesterly along the thread of said river to a point that intersects the extension of the South right of way of State Street; thence Northeast along a line which is the South right of way of State Street to the intersection of the West right of way of Ellsworth Street; thence Southeast along the West right of way of Ellsworth Street to the South right of way of Bay City Road; thence East along the South right of way of Bay City Road to the West right of way of South Saginaw Road; thence Southerly along the West right of way of South Saginaw Road to a point on the South Section line of Section 26; thence West along the South Section line of said section to the thread of Tittabawassee River; thence Northwesterly along the thread of said river to a point on the South Section Line of Section 21; thence West along the South Section line of Section 21 to the place of beginning, being part of Section 21, Section 22, Section 26, Section 27 and Section 28, all in said Township 14 North, Range 2 East, excluding therefrom the right of way of the Chesapeake and Ohio Railroad and the right of way of 21st Street being a by-pass from South Saginaw Road to Austin Street.

WHEREAS, the City Council of the City of Midland has held a public hearing on September 25, 1978, to afford said owner and any other resident or taxpayer of the City of Midland an opportunity to be heard on the petition of said Michigan Division Dow Chemical Company Plant Rehabilitation District No. 1; and

RESOLVED, that the City Council of the City of Midland hereby determines that property comprising not less than 50% of the state equalized valuation of the industrial property within the proposed district is obsolete; and

RESOLVED FURTHER, it appears and is determined that the applicable criteria contained in Section 4 of Act 198 of the Michigan Public Acts of 1974 have been met; now therefore

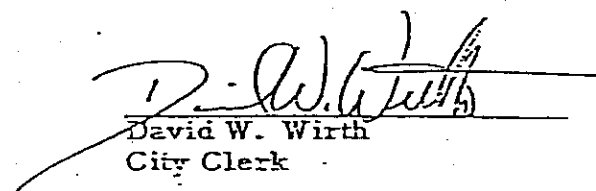
RESOLVED FURTHER, that the above described property is established as the Michigan Division Dow Chemical Company Plant Rehabilitation District No. 1 within the meaning of said statute.

YEAS: Edwards, Goodenough, Mann, Pilon, Schneider

NAYS: None

ABSENT: None

I, David W. Wirth, City Clerk, City of Midland, Counties of Bay and Midland, State of Michigan, do hereby certify that the foregoing is a true and correct copy of a resolution adopted by a 5/0 yea vote of all the Councilmen present at a regular meeting of the City Council held Monday, September 25, 1978.


David W. Wirth
City Clerk