

AGENDA REPORT

TO: Mayor & City Commissioners
FROM: Jeremy Howard, City Manager
DATE: October 2, 2025

RE: Revocation of Industrial Facilities Exemption Certificate 2014-072 – 123 Investments, LLC

For the Agenda of October 6, 2025

Background. On February 17, 2014, 123 Investments, LLC located at 314 E. 4th Street, Clare, Michigan was granted a twelve (12) year Industrial Facilities Tax Exemption (IFTE) Certificate (*copy att'd*) for real property taxes in the amount of \$256,680, by the adoption of Resolution 2014-019 (*att'd*) and related Agreement by adoption of Resolution 2014-020 (*att'd*). The State Tax Commission issued Certificate 2014-072 to 123 Investments, LLC. dba Robotic Welded Parts beginning on December 31, 2014, and ending on December 30, 2026 for said Exemption.

123 Investments LLC. has now asked the City to terminate (revoke) Certificate 2014-072 and associated Agreement due to a pending sale of the property to Jennmar. Jennmar will not be taking assignment of the Certificate to receive the tax benefit conferred by the Certificate, thus with the revocation, the City and Taxing Jurisdictions will receive the entirety of real property taxes for the year 2026. The City must now pass a resolution to officially approve the revocation of the Exemption Certificate (2014-072) as outlined in PA 198 of 1978, as amended, Chapter 207 (*att'd*).

Issues & Questions Specified. Should the City Commission hold the public hearing a subsequently revoke the IFTE Certificate from 123 Investments, LLC?

Alternatives.

1. Hold the Public Hearing and Approve the revocation of the Exemption Certificate.
2. Hold the Public Hearing and Disapprove revocation of the Exemption Certificate.
3. Set the matter aside for consideration, deliberation, and decision at a subsequently scheduled Commission meeting.

Financial Impact. With the IFTE Certificate revoked, the city and other taxing jurisdictions will receive the full tax amount starting in the year 2026.

Recommendation. I recommend that the City Commission hold the requisite public hearing and then approve the revocation of 123 Investments, LLC's Industrial Facilities Tax Exemption Certificate 2014-072, by the adoption of Resolution 2025-085 (*att'd*).

Attachments.

1. Exemption Certificate 2014-072.
2. Resolution 2014-019.
3. Resolution 2014-020.
4. Chapter 207, PA 198 of 1974, as amended.
5. Resolution 2025-085.



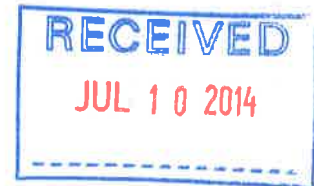
STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

R. KEVIN CLINTON
STATE TREASURER

June 26, 2014

Scott Carter
123 Investments, LLC dba Robotic Welded Parts
P.O. Box 298
Clare, MI 48617



Dear Sir/Madam:

Pursuant to the requirements of Public Act 198 of 1974, as amended, the State Tax Commission (Commission) has issued an Industrial Facility Exemption Certificate numbered 2014-072, to 123 Investments, LLC dba Robotic Welded Parts located in the City of Clare, Clare County. This certificate was issued at the May 12, 2014 meeting of the Commission and the investment amounts approved are as follows:

Real Property: \$256,680

Personal Property: \$

The State Education Tax to be levied for this certificate is 6 mills.

In accordance with MCL 24.304, the local unit of government or applicant has sixty days from the date of this letter to request a hearing to correct an error contained in the enclosed certificate.

Notification of completion of this project shall be filed with the Commission within 30 days of project completion. Within 90 days of project completion, a report of final costs shall be filed with the assessing officer of the local unit and the Commission.

If you have further questions regarding the issuance of this industrial facility exemption certificate, please call 517-373-3302.

Sincerely,

A handwritten signature in black ink that reads "Kelli Sobel".

Kelli Sobel, Executive Director
State Tax Commission

Enclosure

cc: Edith K. Hunter, Assessor, City of Clare



Industrial Facilities Exemption Certificate

New Certificate No. **2014-072**

Pursuant to the provisions of Public Act 198 of 1974, as amended, the State Tax Commission hereby finds that the industrial property, as described in the approved application, hereafter referred to as the industrial facility, owned or leased by 123 Investments, LLC dba Robotic Welded Parts, and located at 314 East 4th Street, City of Clare, County of Clare, Michigan, within a Plant Rehabilitation or Industrial Development District, is intended for the construction or installation of new industrial property, and complies with Section 9 and other provisions of the act.

Therefore, as provided by MCL 207.551 to 207.572, inclusive, the State Tax Commission hereby certifies the industrial facility as a **new industrial facility**.

This certificate provides the authority for the assessor to exempt the industrial facility for which this Industrial Facilities Exemption Certificate is in effect, but not the land on which the facility is located, from ad valorem taxation. This certificate further provides the authority to levy a specific tax known as the Industrial Facilities Tax.

This certificate, unless revoked by order of the State Tax Commission as provided by Public Act 198 of 1974, as amended, shall remain in force for a period of **12 year(s)** for real property and **0 year(s)** for personal property;

Real property component:

Beginning December 31, 2014, and ending December 30, 2026.

The State Education Tax to be levied for the real property component of this certificate is 6 mills.

This Industrial Facilities Exemption Certificate is issued on **May 12, 2014**.

A TRUE COPY
ATTEST:

Heather S. Burris

Heather S. Burris
Michigan Department of Treasury



Douglas B. Roberts

Douglas B. Roberts, Chairperson
State Tax Commission

*Contact the local assessor for further clarification regarding the classification and tax applied to the personal property component of this certificate.

RESOLUTION 2014-019

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN INDUSTRIAL FACILITIES EXEMPTION APPLICATION OF 123 INVESTMENTS LLC. *DBA ROBOTIC WELDED PARTS* *SL*

WHEREAS, 123 Investments, LLC *DBA ROBOTIC WELDED PARTS* has submitted an application for an Industrial Facilities Exemption Certificates to the City of Clare for abatement of real property taxes for equipment purchases; and *SL*

WHEREAS, 123 Investments, LLC *DBA ROBOTIC WELDED PARTS* is located within an established Industrial Development District within the City of Clare; and

WHEREAS, the City notified, by certified mailings, all affected taxing units in respect to said application of 123 Investments, LLC; and *DBA ROBOTIC WELDED PARTS* *SL*

WHEREAS, the City properly noticed a public hearing to receive comment from all affected taxing units, and the public regarding said application of 123 Investments, LLC; *DBA ROBOTIC WELDED PARTS* and *SL*

WHEREAS, said public hearing was conducted by the Clare City Commission on the 17th day of February 2014; and

WHEREAS, subsequent to said public hearing and due consideration of all pertinent matters related to said application of 123 Investments, LLC, *DBA ROBOTIC WELDED PARTS* the City Commission determined, in public session at a regularly scheduled City Commission meeting, that approval of said application to be the best interests of the City of Clare; and *SL*

WHEREAS, the City Commission is aware that aggregate SEV of personal property exempt from ad valorem taxes within the City of Clare, after granting this certificate, will exceed 5% of an amount equal to the sum of the SEV of the unit, plus the SEV of personal property thus exempted.

NOW THEREFORE BE IT RESOLVED THAT the City Commission of the City of Clare hereby approves the application of 123 Investments, LLC *DBA ROBOTIC WELDED PARTS* for an Industrial Facilities Exemption Certificates for abatement of real property valued at \$256,680, said Certificates to remain in force and effect for a period of twelve years. *SL*

BE IT FURTHER RESOLVED THAT said approval is bound by the terms of the executed Agreement between the City of Clare and 123 Investments, LLC *DBA ROBOTIC WELDED PARTS* said Agreement outlining the conditions to be upheld during said abatement period. *SL*

BE IT FURTHER RESOLVED THAT the City Commission declares that it finds and determines that the granting of the Industrial Facilities Exemption Certificates, 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 the operation of the

City of Clare or impair the financial soundness of a taxing unit that levies ad valorem property taxes in the City of Clare.

BE IT FURTHER RESOLVED THAT the City has verified that the new equipment acquired has been installed within buildings on property situated within the City of Clare's Industrial Development District and Plant Rehabilitation District, the boundaries of said districts being one and the same.

BE IT FURTHER RESOLVED that the Industrial Facilities Exemption Certificates, when issued, shall be and remain in force and effect for a period of twelve (12) years in accordance with the terms of the agreement.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.


The Resolution was introduced by Commissioner Bonham supported by Commissioner Swanson. The Resolution declared adopted by the following roll call vote:

YEAS: Bob Bonham, Jean McConnell, and Karla Swanson.

NAYS: None.

ABSENT: Pat Humphrey and Carolyn (Gus) Murphy.

Resolution approved for adoption on this 17th day of February 2014.


Diane Lyon, City Clerk

RESOLUTION 2014-020

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING AN AGREEMENT BETWEEN 123 INVESTMENTS, LLC AND THE CITY OF CLARE. ^{SL}
→ DBA ROBOTIC WELDED PARTS

WHEREAS, 123 Investments, LLC ^{SL} DBA ROBOTIC WELDED PARTS has submitted an application for an Industrial Facilities Exemption Certificates for abatement of real property taxes; and

WHEREAS, the City Commission approved said application; and

WHEREAS, the approval of said application is contingent upon an Agreement ^{SL} being approved between the City of Clare and 123 Investments, LLC ^{DBA ROBOTIC WELDED PARTS} outlining the terms of the tax abatements associated with approval of said Certificates.

NOW THEREFORE BE IT RESOLVED THAT the City Commission of the City of Clare hereby approves the Agreement between the City of Clare and 123 Investments, LLC ^{DBA ROBOTIC WELDED PARTS} stipulating the terms and conditions of the abatement of real property tax for a period of twelve years and for a total amount of \$256,680.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

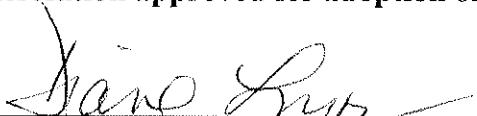
The Resolution was introduced by Commissioner Bonham supported by Commissioner Swanson. The Resolution declared adopted by the following roll call vote:

YEAS: Bob Bonham, Jean McConnell, and Karla Swanson.

NAYS: None.

ABSENT: Pat Humphrey and Carolyn (Gus) Murphy.

Resolution approved for adoption on this 17th day of February 2014.


Diane Lyon, City Clerk

PLANT REHABILITATION AND INDUSTRIAL DEVELOPMENT DISTRICTS (EXCERPT)
Act 198 of 1974

207.565 Revocation of exemption certificate; request; grounds; notice; hearing; order; effective date; revocation of certificate issued for speculative building; reinstatement of certificate.

Sec. 15.

(1) Upon receipt of a request by certified mail to the commission by the holder of an industrial facilities exemption certificate requesting revocation of the certificate, the commission shall by order revoke the certificate in whole or revoke the certificate with respect to its real property component, or its personal property component, whichever is requested.

(2) The legislative body of a local governmental unit may by resolution request the commission to revoke the industrial facilities exemption certificate of a facility upon the grounds that, except as provided in section 7a, completion of the replacement facility or new facility has not occurred within 2 years after the effective date of the certificate, unless a greater time has been authorized by the commission for good cause; that the replacement, restoration, or construction of the facility has not occurred within 6 years after the date the initial industrial facilities exemption certificate was issued as provided in section 7a, unless a greater time has been authorized by the commission for good cause; that completion of the speculative building has not occurred within 2 years after the date the certificate was issued except as provided in section 7a, unless a greater time has been authorized by the commission for good cause; that a speculative building for which a certificate has been issued but is not yet effective has been used as other than a manufacturing facility; that the certificate issued for a speculative building has not become effective within 2 years after the December 31 following the date the certificate was issued; or that the purposes for which the certificate was issued are not being fulfilled as a result of a failure of the holder to proceed in good faith with the replacement, restoration, or construction and operation of the replacement facility or new facility or with the use of the speculative building as a manufacturing facility in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder.

(3) Upon receipt of the resolution, the commission shall give notice in writing by certified mail to the holder of the certificate, to the local legislative body, to the assessor of the assessing unit, and to the legislative body of each local taxing unit which levies taxes upon property in the local governmental unit in which the facility is located. The commission shall afford to the holder of the certificate, the local legislative body, the assessor, and a representative of the legislative body of each taxing unit an opportunity for a hearing. The commission shall by order revoke the certificate if the commission finds that completion except as provided in section 7a of the replacement facility or new facility has not occurred within 2 years after the effective date of the certificate or a greater time as authorized by the commission for good cause; that completion of the speculative building has not occurred within 2 years after the date the certificate was issued except as provided in section 7a, unless a greater time has been authorized by the commission for good cause; that a speculative building for which a certificate has been issued but is not yet effective has been used as other than a manufacturing facility; that the certificate issued for a speculative building has not become effective within 2 years after the December 31 following the date the certificate was issued; or that the holder of the certificate has not proceeded in good faith with the replacement, restoration, or construction and operation of the facility or with the use of the speculative building as a manufacturing facility in good faith in a manner consistent with the purposes of this act and in the absence of circumstances that are beyond the control of the holder.

(4) The order of the commission revoking the certificate shall be effective on the December 31 next following the date of the order and the commission shall send by certified mail copies of its order of revocation to the holder of the certificate, to the local legislative body, to the assessor of the assessing unit in which the facility is located, and to the legislative body of each taxing unit which levies taxes upon property in the local governmental unit in which the facility is located.

(5) A revocation of a certificate issued for a speculative building shall specify and apply only to that portion of the speculative building for which the grounds for revocation relate.

(6) Notwithstanding any other provision of this act, upon the written request of the holder of a revoked industrial facilities exemption certificate to the local unit of government and the commission or upon the application of a subsequent owner to the local governing body to transfer the revoked industrial facilities exemption certificate to a subsequent owner, and the submission to the commission of a resolution of concurrence by the legislative body of the local unit of government in which the facility is located, and if the facility continues to qualify under this act, the commission may reinstate a revoked industrial facilities exemption certificate for the holder or a subsequent owner that has applied for the transfer.

History: 1974, Act 198, Imd. Eff. July 9, 1974 ;-- Am. 1982, Act 417, Imd. Eff. Dec. 28, 1982 ;-- Am. 1996, Act 513, Imd. Eff. Jan. 13, 1997 ;-- Am. 2008, Act 170, Imd. Eff. July 2, 2008 ;-- Am. 2010, Act 122, Imd. Eff. July 19, 2010

RESOLUTION 2025-085

RESOLUTION REVOKING IFTE CERTIFICATE 2014-072 ISSUED TO 123 INVESTMENTS, LLC. DBA ROBOTIC WELEDED PARTS FOR REAL PROPERTY AT 314 EAST 4TH STREET, PARCEL 051-035-302-01, CITY OF CLARE, CLARE COUNTY, MICHIGAN.

WHEREAS, pursuant to P.A. 198 of 1974, M.C.L. 207.551 et seq., after a duly noticed public hearing held on December 7th, 2009, the Clare City Commission, by adoption of Resolution 2009-075, established an Industrial Development District and Plant Rehabilitation District within the City Limits of the City of Clare; and

WHEREAS, the City of Clare by adoption of Resolution 2014-019, approved an application from 123 Investments, LLC. dba Robotic Welded Parts requesting an Industrial Facilities Exemption Certificate for real property in the amount of \$256,680 and concurrently approved an Agreement with 123 Investments, LLC. dba Robotic Welded Parts for the twelve-year Exemption on real property by adoption of Resolution 2014-020; and

WHEREAS, the State Tax Commission issued Certificate 2014-072 to 123 Investments LLC. dba Robotic Welded Parts beginning on December 31, 2014, and ending on December 30, 2026 for said Exemption; and

WHEREAS, 123 Investments LLC. has asked the City to terminate (revoke) Certificate 2014-072 and associated Agreement due to a pending sale of the property to Jenmar; and

WHEREAS, Jenmar will not be taking assignment of the Certificate to receive the tax benefit conferred by the Certificate, thus the City and Taxing Jurisdictions will receive the entirety of real property taxes for the year 2026; and

WHEREAS, notice of this proposed revocation was provided to the certificate holder, and a public hearing was held on October 6, 2025, at which affected parties were given the opportunity to be heard.

NOW, THEREFORE BE IT RESOLVED that the City Commission of the City of Clare hereby revokes Industrial Facilities Exemption Certificate number 2014-072 for 123 Investments, LLC. for real property located at 314 E. 4th Street, Clare, Michigan.

NOW, THEREFORE BE IT FURTHER RESOLVED that the City Commission of the City of Clare hereby terminates the Agreement with 123 Investments, LLC. related to Certificate Number 2014-072 for real property located at 314 E. 4th Street, Clare, Michigan.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 6th day of October, 2025.

Diane M. Lyon, City Clerk

RESOLUTION DECLARED ADOPTED.

C E R T I F I C A T I O N

I, Diane M. Lyon, duly appointed City Clerk for and in the City of Clare, Michigan, hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Commission of the City of Clare at a Regular Commission Meeting held on Monday, October 6th, 2025.

**Diane M. Lyon, City Clerk
City of Clare, Michigan**