

CITY OF BURTON
SPECIAL COUNCIL MEETING MINUTES
PUBLIC HEARING
OCTOBER 22, 2009, 5:00 P.M., COUNCIL CHAMBERS
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The Special Meeting was called to order by President Tom Martinbianco at 5:00 p.m.

MEMBERS PRESENT: Ellenburg, Haskins, Heffner, Martinbianco and Zelenko.

MEMBERS ABSENT: Conley and Tinnin.

OTHERS PRESENT: Mayor C. Smiley; D. Heidenberger, Assessor; Attorney Ken Tucker and G. Webster, City Clerk.

CHAIR STATES THE PURPOSE OF THE MEETING:

Public Hearing for the Consideration of the Application for Industrial Facilities Exemption Certificate filed by Thomas A. Panek, CEO Paramount Improvements Inc., and Sunstream SI, Inc., 2447 and 2457 E. Judd Road, Burton, MI 48529.

Parcel Numbers: 59-32-527-002 and 59-32-527-003

THE PRESIDENT ANNOUNCES THAT:

This is the time fixed for the hearing and considering any objections and/or favorable comments to the approval of an application of Thomas A. Panek CEO Paramount Improvements Inc. and Sunstream SI, Inc., 2447 and 2457 E. Judd Road, Burton, MI 48529, For an Industrial Facilities Exemption Certificate for its facility in the City of Burton.

Industrial District No.: I-09-1

PRESENTATION:

Mrs. Heidenberger indicated that Mr. Panek has filed an application for an Industrial Facilities Exemption Certificate. The application appears to be in compliance with Act No 198, P.A. 1974. This provides a tax incentive to manufactures in order to enable renovation and/or expansion of aging facilities and building of new facilities, and to promote the establishment of high tech facilities. Council approved the Industrial Development District on June 15 2009 for this property. They are requesting an Industrial Facility Tax Abatement for the investment of new real and personal property estimated at \$591,500.00. Mr. Panek indicated that 40 new jobs would be created because of the new investment. This facility qualifies for a ten-year tax abatement on the real property component and a five-year tax abatement on the personal property component. If approved, the certificate holder will pay a specific tax known as the Industrial Facility Tax. Taxes for an IFT are determined by multiplying the taxable value of the facility and personal property by ½ of the total mills levied as ad valorem taxes for that year by all the taxing units where the property is located plus the entire state education tax millage (6 MILLS). The total exemption amount of property taxes over the abatement period could amount to \$87,400.00, with the City's portion of this total being \$6,200.00.

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The IFT tax is prorated to the various taxing jurisdictions in the same manner as the ad valorem property taxes. Applications are filed, reviewed and approved locally with the local unit determining the number of years granted, but are also subject to review at the state level by the Property Services Division and the Michigan Economic Development Corporation. The State Tax Commission is ultimately responsible for final approval and issuance of certificates. Exemptions are not effective until approved by the State Tax Commission.

Thomas Panek, CEO Sunstream SI, Inc., thanked the Council and Mayor for their support. He said they had a window factory in the facility at one time. They removed that because they ran out of room. He anticipates the building they are renovating and moving equipment into will have over 40 jobs in the next two years. We had 40-50 jobs in that facility at all times before we had to move the window factory. He planned to be up to full speed production by March 2010. He is looking forward to working again in the City of Burton. He distributed brochures that highlighted products they will be making at the facility. These products will be shipped to 30-40 states. They have many dealers and architects that are interested in that product. They anticipate having a very successful venture.

COUNCIL LISTENS TO OBJECTIONS/FAVORABLE COMMENTS TO SAID EXEMPTION CERTIFICATE:

There were no other comments.

PRESIDENT DECLARES THE HEARING CLOSED.

COUNCIL DISCUSSION:

Mr. Martinbianco wanted to know if this facility had been to the tax tribunal to challenge their property value. Mrs. Heidenberger indicated that they had not been to the tax tribunal.

COUNCIL ACTION:

Heffner moved and Zelenko seconded the following motion:

WHEREAS, Pursuant to P.A. 198 of 1974, M.C.L. 207.55 et seq., after a duly noticed public hearing held on October 22, 2009, this City Council by resolution established an Industrial Development District No. **I-09-1**; as requested and

WHEREAS, Thomas A. Panek, CEO Paramount Improvements, Inc. and Sunstream SI, Inc., 2447 and 2457 E. Judd Road, Burton, MI 48529, has filed an Application for an Industrial Facilities Exemption Certificate with respect to a new Real Property Capital Improvements and New Personal Property to be installed within the Industrial Development No. I-09-1; and

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WHEREAS, before acting on said application, the City Council held a Hearing on October 22, 2009, at Burton City Hall, 4303 South Center Road, Burton, Michigan at which hearing the applicant, the Assessor, and a representative of the affected taxing units were given written notice and were afforded an opportunity to be heard on said application, and

WHEREAS, construction of the facility and installation of new machinery and equipment had not begun earlier than (6) months before the date of the acceptance of the Application for an Industrial Facilities Exemption Certificate; and

WHEREAS, the facility will not affect employment in other areas of the State of Michigan adversely, and

WHEREAS, the application applies to a new facility, and

WHEREAS, completion of the facility is calculated to and will at the time of issuance of the certificate have the reasonable likelihood to retain, create or prevent loss of employment in the City of Burton; and

WHEREAS, the aggregate SEV of real and personal property exempt from ad valorem taxes within the City of Burton, after granting this Certificate, will not exceed five percent (5%) of an amount equal to the sum of S.E.V. of the City plus the SEV of personal and real property thus exempted.

WHEREAS, the Industrial Facilities Exemption Certificate is hereby approved for a period of ten (10) years for the real property component and five (5) years for the personal property component.

NOW, THEREFORE, BE IS RESOLVED BY the City Council of the City of Burton that;

1. The Burton City Council finds and determines that the granting of the Industrial Facilities Exemption Certificate 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 255 of the Public Acts of 1978, shall not have the effect of substantially impeding the operation of the City of Burton, or impairing the financial soundness of a taxing unit, which levies ad valorem property taxes in the City of Burton.
2. The Application from Thomas A. Panek, CEO Paramount Improvements, Inc. and Sunstream SI, Inc., 2447 and 2457 E. Judd Road, Burton, MI 48529, for an Industrial Facilities Exemption Certificate with respect to a new facility to be acquired or installed on the following described parcel of real property situated within the City of Burton Industrial Development District No. **I-09-1**.

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To Wit: Location: 2447 and 2457 E. Judd Road, Burton, MI 48529
Parcel Number: 59-32-527-002 and 59-32-527-003
Legal Description: Lot 2 Industrial Sub and Lot 18 except W 127 ft of Industrial
Sub No. 1 and Lot 3 Industrial Sub and W 127 ft. of Lot 18
Industrial Sub No. 1.

Be and the same is hereby approved.

The Industrial Facilities Exemption Certificate when issued shall be and remain in force and effect for a period of ten (10) years, beginning December 31, 2009 and ending December 30, 2020 for real property and for a period of five (5) years, beginning December 31, 2009 and ending December 30, 2015 for the personal property component.

Motion carried 5-0.

Meeting adjourned at 5:15 p.m.

Gayle K. Webster, CMC
City Clerk

RESOLUTION DECLARED ADOPTED.

Gayle K. Webster, Clerk

I hereby certified that the foregoing constitutes a true and complete copy of a resolution adopted by the Burton City Council, County of Genesee, Michigan, at a meeting held on October 22, 2009.

Gayle K. Webster, Clerk