



Resolution

NO. 63

A Resolution setting a Public Hearing for 7:00 PM, February 3, 2015, on a proposed Industrial Facilities Tax Exemption Certificate at the request of ReConserve of Michigan, Inc., for real and tangible personal property located at 170 Angell Street in Industrial Development District No. 37.

BATTLE CREEK, MICHIGAN - 1/20/2015

Resolved by the Commission of the City of Battle Creek:

The City of Battle Creek has received an application for an Industrial Facilities Tax Exemption Certificate under the provisions of Act 198 of the Public Acts of 1974, as amended, from ReConserve of Michigan, Inc., with respect to a facility located within Industrial Development District No. 37; and

1. The City Commission of the City of Battle Creek shall hold a hearing on February 3, 2015, beginning at 7:00 PM in the City Commission Chambers in City Hall, Battle Creek, Michigan, for the purpose of affording a hearing to the applicant, the City Assessor and a representative of each taxing unit which levies ad valorem property taxes in the City of Battle Creek on the real and tangible personal property of the applicant, as required by Section 5(2) of said Act; and
2. The City Clerk shall notify in writing the City Assessor and the legislative body of each taxing unit which levies ad valorem property taxes on the tangible personal property of the applicant, of the date, time and place of the aforementioned hearing and that the City Commission shall afford the applicant, Assessor and a representative of each such taxing unit an opportunity to be heard with respect to the applicant's application.

Battle Creek City Commission
1/20/2015

Action Summary

Staff Member: Steven M. Hudson

Department: Assessing

SUMMARY

A Resolution setting a Public Hearing for 7:00 PM, February 3, 2015, on a proposed Industrial Facilities Tax Exemption Certificate at the request of ReConserve of Michigan, Inc., for real and tangible personal property located at 170 Angell Street in Industrial Development District No. 37.

BUDGETARY CONSIDERATIONS

CITY OF BATTLE CREEK

Assessor's Application Review & Tax Analysis for Industrial Facilities Tax Exemption Request

Applicant:	RECONSERVE OF MI
Location of Facility:	170 ANGELL STREET
Application Filed:	12/23/2014
Industrial Development District:	IDD No. 37
Special District(s) Containing Facility:	NONE
Type of Facility:	NEW

Description of Facility:

The redevelopment of an existing 100 year old building into a registered animal feed ingredient processing operation.
Purchase of new equipment to implement the new production.

Property Type	Estimated Investment	Construction Begins	Construction Ends	# of Years Eligible	Abatement Ends
Real	\$5,150,000	11/10/2014	9/30/2015	12	12/30/2027
Personal*	\$2,800,000	5/1/2015	9/30/2015	12	12/30/2027
Total:	\$7,950,000	NOTE: Abatement ends 12 years <u>after</u> project completion.			

ESTIMATED PROPERTY TAXES OVER LIFE OF CERTIFICATE

Tax Year	Taxable Value	Taxes Without Abatement	Taxes With Abatement	Taxes Abated	Abatement Years
2015	\$1,287,284	\$81,906	\$44,814	\$37,091	1st Year Abatement
2016	\$2,575,000	\$163,811	\$89,629	\$74,182	2nd Year Abatement
2017	\$2,575,000	\$163,811	\$89,629	\$74,182	3rd Year Abatement
2018	\$2,575,000	\$163,811	\$89,629	\$74,182	4th Year Abatement
2019	\$2,575,000	\$163,811	\$89,629	\$74,182	5th Year Abatement
2020	\$2,575,000	\$163,811	\$89,629	\$74,182	6th Year Abatement
2021	\$2,575,000	\$163,811	\$89,629	\$74,182	7th Year Abatement
2022	\$2,575,000	\$163,811	\$89,629	\$74,182	8th Year Abatement
2023	\$2,575,000	\$163,811	\$89,629	\$74,182	9th Year Abatement
2024	\$2,575,000	\$163,811	\$89,629	\$74,182	10th Year Abatement
2025	\$2,575,000	\$163,811	\$89,629	\$74,182	11th Year Abatement
2026	\$2,575,000	\$163,811	\$89,629	\$74,182	12th Year Abatement
2027	\$2,575,000	\$163,811	\$89,629	\$74,182	13th Year Abatement
TOTALS		\$2,047,638	\$1,120,362	\$927,276	

Expected # of jobs to be created within 2 years of completion:	18
Expected # of jobs to be retained as a result of this project:	11
City's Current Abatement Ratio (including this application):	23.13%
Proposed TOTAL Taxes to be Abated over Life of Certificate:	\$927,276

	Real	Personal	
Full Millage**	63.6266	39.6266	Submitted by: Steven Hudson, MMAO 4
IFT Millage**	34.8132	19.8132	City Assessor

**New personal property becomes exempt in 2016*

***Does not include 1% administrative fee*

ANALYSIS IS FOR ILLUSTRATIVE PURPOSES ONLY

ACTUAL AMOUNT AND DURATION OF INCENTIVE SUBJECT TO CITY COMMISSION APPROVAL

HISTORY, BACKGROUND and DISCUSSION

DISCUSSION OF THE ISSUE

POSITIONS

ATTACHMENTS:

File Name	Description
 ReConserve IFT application final.pdf	ReConserve IFT Application