



Resolution NO. 155

A Resolution setting a Public Hearing for 7:00 PM, June 16, 2015, on a proposed Industrial Facilities Tax Exemption Certificate at the request of Nexthermal Corporation, for real property located at 1045 Harts Lake Road in Industrial Development District No. 2.

BATTLE CREEK, MICHIGAN - 6/2/2015

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 Nexthermal Corporation, with respect to a facility located within Industrial Development District No. 2; and

1. The City Commission of the City of Battle Creek shall hold a hearing on June 16, 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 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 real 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.

I, Victoria Houser, City Clerk of the City of Battle Creek, hereby certify the above and foregoing is a true and correct copy of a Resolution adopted by the Battle Creek City Commission at a Regular meeting held on June 2, 2015.

Victoria L. Houser
Victoria Houser

Battle Creek City Commission
6/2/2015

Action Summary

Staff Member: Steven M. Hudson
Department: Assessing

SUMMARY

A Resolution setting a Public Hearing for 7:00 PM, June 16, 2015, on a proposed Industrial Facilities Tax Exemption Certificate at the request of Nexthermal Corporation, for real property located at 1045 Harts Lake Road in Industrial Development District No. 2.

BUDGETARY CONSIDERATIONS

CITY OF BATTLE CREEK

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

Applicant:	NEXTHERMAL CORPORATION
Location of Facility:	1045 Harts Lake Road
Application Filed:	5/8/2015
Industrial Development District:	IDD #2
Special District(s) Containing Facility:	BATTLE CREEK TIFA
Type of Facility:	NEW
Description of Facility:	

Addition of 10,000 square feet to existing building to accommodate new production line.

Abatement Ends

Property Type	Estimated Investment	Construction Begins	Construction Ends	# of Years Eligible
Real	\$909,745	1/14/2015	1/14/2017	12/30/2029
Personal*	\$366,505	1/14/2015	1/14/2017	
Total:	\$1,276,250	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
2016	\$454,900	\$28,944	\$15,837	\$13,107	1st Year Abatement
2017	\$454,900	\$28,944	\$15,837	\$13,107	2nd Year Abatement
2018	\$454,900	\$28,944	\$15,837	\$13,107	3rd Year Abatement
2019	\$454,900	\$28,944	\$15,837	\$13,107	4th Year Abatement
2020	\$454,900	\$28,944	\$15,837	\$13,107	5th Year Abatement
2021	\$454,900	\$28,944	\$15,837	\$13,107	6th Year Abatement
2022	\$454,900	\$28,944	\$15,837	\$13,107	7th Year Abatement
2023	\$454,900	\$28,944	\$15,837	\$13,107	8th Year Abatement
2024	\$454,900	\$28,944	\$15,837	\$13,107	9th Year Abatement
2025	\$454,900	\$28,944	\$15,837	\$13,107	10th Year Abatement
2026	\$454,900	\$28,944	\$15,837	\$13,107	11th Year Abatement
2027	\$454,900	\$28,944	\$15,837	\$13,107	12th Year Abatement
2028	\$454,900	\$28,944	\$15,837	\$13,107	13th Year Abatement
2029	\$454,900	\$28,944	\$15,837	\$13,107	14th Year Abatement
TOTALS		\$405,212	\$221,711	\$183,501	

Expected # of jobs to be created within 2 years of completion: 10
 Expected # of jobs to be retained as a result of this project: 94
 City's Current Abatement Ratio (including this application): 15.24%
 Proposed TOTAL Taxes to be Abated over Life of Certificate: \$183,501

Real
 Full Millage** 63.3636
 IFT Millage** 34.6816
 Submitted by: Steven Hudson, MMAO 4
 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

This resolution schedules a public hearing on the attached Industrial Facilities Tax Exemption application from Nexthermal Corporation

DISCUSSION OF THE ISSUE

POSITIONS

ATTACHMENTS:

File Name	Description
IFT_Nexthermal_Corp_2015_Application.pdf	Nexthermal IFT Application 5-8-15