

**Bellaire Village Council
Special Meeting Minutes
October 26, 2016**

1. **Call to Order:** President Schulz called the meeting to order at 7:00 PM.
2. **Pledge of Allegiance**
3. **Roll Call Attendance:**
 - Present:** President David Schulz, Council Trustees Dan Bennett, Eldon McPherson, David Ciganick, Bryan Hardy, Trish Drollinger and Helen Schuckel.
 - Absent:** None
 - Staff Present:** Cathy Odom, Treasurer, Lori Luckett, Clerk & Chief Bill Drollinger.
 - Also Present:** Linda Gallagher, Colette Stanish, Andy Hayes & Hannah Sanderson.
4. **Approval of Agenda:** The agenda was approved as presented.

Motion by McPherson, seconded by Schuckel, to approve the agenda as presented. Motion carried by voice vote.
5. **Conflict of Interest:** None presented.
6. **Public Comment on Agenda Items:** None presented.
8. **Old Business:**
 - a) **Tax Abatement Request-Crusecom:** At the regular Council meeting held on October 5, 2016 we were asked to respond to a tax abatement request from Crusecom pursuant to Public Act 210. It was referred to the Administration Committee to determine if the company qualifies for the abatement. Mr. Cruse requested a response by October 28, 2016. The committee met to discuss and based on the steps required of the process, this deadline could not be met. In order to grant tax abatement, a Commercial Rehabilitation District must be developed and could not be done by the end of October. The committee had asked the Clerk to send a letter to Mr. Cruse making him aware that his deadline could not be met. Andy Hayes and Hannah Sanderson from the NLEA were in attendance tonight to provide information of the Public Acts that deal with setting up a District/s that allow for tax abatements. They provided a presentation of the two different Public Acts that allow for the development of these types of District/s. Mr. Hayes explained the NLEA provides economic services for local municipalities and companies.
 - **Commercial Rehabilitation Act (PA 210):** Hannah Sanderson explained that PA210, Commercial Rehabilitation Act, encourages the rehabilitation of commercial property and freezes current real property taxable values for a maximum of 10 years. Before any of this can be done, a Commercial Rehabilitation District (CRD) must be set up by resolution and requires a public hearing to be held. Once complete, an owner of a qualified facility may file for an exemption certificate and if approved an exemption certificate is issued. A qualified facility is a building or group of contiguous buildings that are 15 plus years old with a primary purpose of a commercial business enterprise or a multifamily residential use. Reasons to offer a tax abatement would be to encourage rehabilitation for obsolete buildings, promote economic development, help local companies grow, attract new companies and to preserve a local tax base and future tax revenue, to name a few. Providing abatement could help some companies fund the rehabilitation. 100% of the new real property taxes are abated for a maximum of 10 years, which is only the amount that is above the frozen taxable values that were established at the time the District was formed. The municipality would set the length of time for the abatement, but it can only be for a maximum of 10 years. Once the District is developed, a property owner can submit a tax abatement application for local approval. If approved, the application and resolution are sent to the State Tax Commission for certification. Trustee Drollinger asked if all local entities within the

company's jurisdiction had to approve this request for their entities taxes to be abated. Mr. Hayes noted the other entities would be invited to comment at the public hearing, but because the property is within Village limits, we would make the final decision. Trustee Bennett said he believes the County makes the final decision. President Schulz noted that in the information provided them, it does state that the County can reject or accept the District. Mr. Hayes and Ms. Sanderson weren't aware of that and will clarify this information. One requirement to establish the District is that the property needs to be at least three acres. A public hearing must be held and a resolution developed and approved. If the County has to approve the District before finalized, this would have to be completed before it can be developed. The owner will then file an application for tax exemption, another public hearing is held and then the Village would have 60 days to approve or deny the application. President Schulz explained that it would be beneficial to contact the other entities so they can provide their input into the idea prior to the public hearing. Trustees agreed. Clerk Lockett requested verification on whether improvements to the property were also included in the tax exemption request. Mr. Hayes explained that a separate tax exemption request would be required for each parcel of land and that the exemption would include improvements. Trustee Bennett asked if there was any guarantee that the business will stay in the community after the abatement period. Ms. Sanderson noted it would depend on his business plan and would be a question to ask the owner of the property. Trustee Bennett asked if this is something our attorney could write up, with Mr. Hayes stating that would be a good question to ask the attorney. He called it a "claw back" option, meaning, we could approve the abatement, but if the company leaves the area early, they pay back what was exempted. Trustee Bennett also asked about the feasibility of requiring an impact study to determine the impact it will have on our fire department, police department, etc. President Schulz noted that the largest concern would be the impact on our waste treatment facility. Clerk Lockett noted that during the Planning Commission site plan review for the business, it was determined that the sewer system would be able to handle the increase to the system. They would have to increase the size of the line to the building but that it shouldn't be a problem.

- **Industrial Development District (PA 328):** Ms. Sanderson explained that PA328 has very similar requirements to PA210, except that PA328 deals with a 100% exemption of new personal property taxes and the time frame for exemption is unlimited. The municipality would set the length of time for the exemption. If the personal property used for the business is already on the Michigan tax roll, it would not be exempt. Only new personal property that is brought it for business use would be exempt. Qualifying businesses would include manufacturing, mining, research & development, wholesale trade and office operations. The process is similar to the development of the (CDR) except the District that is set up for personal property tax exemptions is called an Industrial Development District (IDD). A public hearing is also required for the IDD. Once set up, the business owner would apply for the exemption. If approved, it is sent to the State Tax Commission for final approval. President Schulz questioned whether the owner of the business is aware of the lack of people looking for employment in the area due to the amount of wages being offered and to the lack of affordable housing for those that do come to the area for work. Mr. Hayes reminded Council that since he has requested the development of this District, the Village is required to respond to his request. President Schulz noted it will be on the agenda for the next regularly scheduled Council meeting.

9. New Business: None presented.

10. Discussion Items: None presented.

11. Department/Committee Reports:

- a) **Committee Reports:** Committee minutes were included in packets for review from the committees that have met.

- b) *Clerk/Planner*: Nothing presented.
- c) *Treasurer/Deputy Clerk*: None presented.
- d) *Department of Public Works*: None presented.
- e) *Police Department*: None presented.

12. Closing Member/Public Comment: None presented.

13. Adjourn: Meeting adjourned at 8:03 P.M.

Compiled by Cathy Odom
Minutes are subject to approval.

Approved: _____

Date: _____