

CITY OF BURTON

SPECIAL COUNCIL MEETING MINUTES

2ND PUBLIC HEARING

MAY 20, 1991, 7:00 P.M., COUNCIL CHAMBERS

This Special Meeting was called to order by Council President Cross at 7:00 P.M.

Members Present: Abbey, Card, Cross, Hammon, Martinbianco, Smiley and Walls.

Members Absent: None.

Others Present: Mayor Jane L. Nimcheski; D. Lowthian, City Assessor and W. Walworth, City Clerk.

CHAIR STATES THE PURPOSE OF THE MEETING:

Public Hearing on an Application for Industrial Facilities
Exemption Certificate filed by B. J. Carroll, Comptroller, Ac Rochester
Division-General Motors Corporation.

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 AC Rochester Division - General Motors Corporation, 4324 Davison Road, Burton, MI 48509, for an Industrial Facilities Exemption Certificate for its facility in the City of Burton Industrial Development District No. I-78-3:

PRESENTATION:

Mr. Lowthian said he had no presentation to make at this time.

Mr. Hamilton said the question of conflict in voting on the tax abatement was raised at the May 6, 1991 special meeting. He reviewed his opinion on the issue of conflict of interest. (See Attached.) He recommended that those (Mr. Cross and Mr. Smiley) who are employed by General Motors abstain, to avoid the possibility of a conflict.

Mrs. Walls asked about her status. Mr. Hamilton said it was clear to him that there was no issue concerning her husband being a retired G.M. employee and that she could vote.

COUNCIL LISTENS TO OBJECTIONS/FAVORABLE COMMENTS TO SAID EXEMPTION

CERTIFICATION:

Bill Luethge, from the G.M. Corporate Tax Staff, reviewed his project which will involve the production of light-duty oil filters. He said it will require the addition of 25 new jobs. He explained they need the property tax extension to help them to keep competitive in the market place.

Richard Dent, Project Engineer for G.M., said it will take about 20 months to complete the project.

Pauline Dargel, 6119 Hugh, expressed concerns about tax abatements and asked the Council to modify the number of years that are requested.

Fred Edmonds, 4038 Woodrow, expressed concern as a retiree and homeowner and asked Council to take a close look at the request.

Ken Wright, Chairperson for ASCME in Burton, expressed his concern about granting an abatement.

Fred Perkins, 4349 Woodrow, thought 12 years was excessive.

PRESIDENT DECLARES THE HEARING CLOSED.

Mr. Martinbianco asked about the IRS code for abatements.

Mr. Luethge said they were governed by the Michigan Tax Law in which they can depreciate the new project over 15 years down to 30 %.

After some discussion it was determined that the request is for 12 years after completion.

COUNCIL DISCUSSION ACTION:

Moved by Card, supported by Hammon to excuse Mr. Cross and Mr. Smiley from voting on IDD I-78-3. Motion carried 5-0.

Moved by Card, supported by Walls to approve the Exemption Certificate for a period of three (3) years. Motion failed 2-3 with Cross and Smiley abstaining and Card and Walls voted yes.

Martinbianco moved and Abbey supported the following motion:

RESOLUTION:

Approve and authorize Standard Resolution #5 for an Industrial Development District known as District No. I-78-3 relative to an Industrial Facilities Exemption Certificate:

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- (a) Construction of facilities has not begun 6 months before the date of acceptance of the application for the Exemption Certificate.
- (b) Application relates to a new facility, pursuant to Act 198 of P.A. 1974 and will be located in the District No. I-78-3 established by City Council on September 18, 1978.
- (c) The facility will create or retain employment within the City of Burton.
- (d) The facility will not affect employment in other areas of the State of Michigan adversely.
- (e) The application applies to a new facility.
- (f) The granting of the Certificate will not exceed five percent (5%) of an amount equal to the sum of S.E.V. of the City, or impede/impair financial soundness of any local unit of government.
- (g) The Exemption Certificate is hereby approved for a period of nine (9) years.

Motion carried 3-2 with Cross and Smiley abstaining and Card and Walls voting no.

Meeting Adjourned at 7:40 P.M.

Respectfully Submitted,

William R. Walworth, CMC
Burton City Clerk

WRW/cml