

CITY OF BURTON

SPECIAL COUNCIL MEETING MINUTES

2ND PUBLIC HEARING

SEPTEMBER 6, 1994, 7:00 P.M., COUNCIL CHAMBERS

The Special Meeting was called to order by Keith Cox, President, at 7:05 P.M.

MEMBERS PRESENT: Cox, Cross, Martinbianco, Walls and Zelenko.

MEMBERS ABSENT: Abbey and Hammon.

OTHERS PRESENT: Mayor Charles Smiley; D. Lowthian, Assessor; J. Major, DPW Director and W. Walworth, City Clerk.

CHAIR STATES THE PURPOSE OF THE MEETING:

Public Hearing on an Application for Industrial Facilities Exemption Certificate filed by Main Manufacturing Products, Inc.

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 Main Manufacturing Products, Inc., 3365 Associates Drive, Burton, MI 49529, for an Industrial Facilities Exemption Certificate for its facility in the City of Burton Industrial Development District No. I-79-4:

PRESENTATION:

Mr. Lowthian said he was recommending a five (5) year abatement based on the guidelines developed by the Council. He said the company plans to increase their employment by five (5) people during this period.

He said the new state guidelines require an employment agreement between the company and the City. He said he should have a document for the Council to approve in a month, after he looks at what other communities are thinking of drafting.

Mr. Lowthian asked that the resolution include "pending the draft and approval of an employment agreement by the Council."

Mr. Bruce Mackey, President and General Manager of Main Manufacturing, said he wanted a 12 year abatement. He discussed what his company does to improve their Burton community.

Mr. Mackey questioned the EDC position in the Assessor's Office.

Mr. Chris Studer, Comptroller for Main Manufacturing, asked that the Council focus on small business for Burton. He also addressed a 12 year abatement and asked the Council if they would review their guidelines and update them for today's needs. He also reviewed the salary and fringe benefits of his employees.

Ned Sellers, representing GEAR, explained his organization and questioned the present guidelines of the City for abatements. He said that job creation should not be the most important criteria for an abatement.

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

None.

PRESIDENT DECLARED THE HEARING CLOSED.

Mr. Martinbianco commended Main Manufacturing for their business in Burton. He talked about the restrictions on the City with a 5 mill Charter limitation. He raised questions on the process of depreciation of equipment. He said Mr. Lowthian was a good choice as EDC officer and addressed the problems of creating a full time EDC person. He said the Council needs to look at both the job creation and new equipment in the guidelines.

Mr. Lowthian said they can look at the guidelines, but the original legislation was enacted to address job creation. He said the Council can look at the exemption any time during the 5 years and can discontinue the abatement if the company has not lived up to their commitments or can leave it as is.

Mr. Martinbianco reviewed all the companies past abatements and the number of jobs they were to create.

Mr. Cross asked how many abatements were left for Main Manufacturing. He was advised three have expired and one in effect.

Mrs. Walls asked if the five (5) year abatement can be extended.

Mr. Lowthian said he did not think so, but would check.

Mr. Cox asked if the \$4,700 was a bottom line. Mr. Lowthian said that that was the savings they would realize and we would collect a like amount.

Mr. Cox said he was not opposed to exceeding the five (5) years and the guidelines are not out of date, but should be looked at.

Mr. Martinbianco asked about real property and how it is handled differently than personal property.

Mr. Lowthian went over real and personal property and the depreciation process.

Mr. Martinbianco suggested that the Legislative Chairman review the present guidelines and bring back to Council if they need changing.

Mrs. Walls said she wanted a 12 year abatement.

Mr. Hamilton asked if there were any time restraints as it related to getting an employment agreement in place.

Mr. Lowthian said no, but he needed the paper work in by October 30th for the 1995 tax role.

Mr. Cross said he appreciated Mr. Mackey's comments tonight and also appreciated his business in Burton.

RESOLUTION:

Walls moved and Martinbianco supported the following motion:

Approve and authorize Standard Resolution #5 for an Industrial Development District known as District No. I-79-4 relative to an Industrial Facilities Exemption Certificate pending the disposition of an employment agreement:

- (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-79-4 established by City Council on June 18, 1979.
- (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 twelve (12) years.

Motion carried 5-0.

Meeting Adjourned at 8:10 P.M.

Respectfully Submitted,

William R. Walworth
Burton City Clerk

WRW/cml