



CITY OF BURTON
BURTON CITY COUNCIL MEETING
JULY 5, 2016
MINUTES

Council Chambers

Public Hearing

6:30 PM

4303 S. CENTER ROAD
BURTON, MI 48519

This meeting was opened by President Steven Heffner at 6:38 PM.

I. ROLL CALL

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Councilman	Present	
Duane Haskins	Vice-President	Absent	
Dennis O'Keefe	Councilman	Present	
Steven Heffner	President	Present	
Ellen Ellenburg	Councilwoman	Present	
Vaughn Smith	Councilman	Present	
Steven Hatfield	Councilman	Present	

II. STAFF PRESENT

Rik Hayman, Chief of Staff
Bob Slattery, DPW Director
Teresa Karsney, Clerk

III. PRESENTATION

Mr. Hayman stated administration recommends that Burton City Council grant this application.

IV. AUDIENCE PARTICIPATION

John Stapish of Burton stated he is in favor of this tax exemption.

Mike Kirby from Kirby Steel in Burton spoke regarding needing more space and the addition they need to build. He said the tax abatement will make it easier on us financially and to invest further in our company.

V. COUNCIL DISCUSSION

Councilman Martinbianco said he thought Public Act 198 is pretty specific that if there was going to be an expansion there would also be some investment in hard real estate, soft real estate which equated to private enterprise property. We need to be guaranteed there is going to be an additional work force. We need to discuss Flint Asphalt Drive and how they may or may not participate in a special assessment district to take care of the road situation.

Mr. Hayman stated I don't believe it is under that Public Act. Under their application it says they are going to be adding \$13,500 sq. Feet of manufacturing space to the existing fabrication facility plus a 4,300 sq. Feet office building. Also hiring three to four addition fabricator and expand management staff by one to three employees and up to five more in the future years.

Attorney Amanda Doyle stated under the Plant Rehabilitation and Industrial Development District Act you have to find that they meet certain requirements in order for you to grant this exemption. They would fall under Section 555 which indicates the requirements are that the Assessor, the relevant taxing authorities and the applicant must be given notice and opportunity to be heard. They request it and we set it up as a public hearing. The second requirement is pursuant to MCL 207.559 which states what the legislative body should do. This cannot have an effect that substantially impedes the City of Burton or that it does not impair the actual soundness of a taxing unit within the City. Mr. Fowler, Assessor has found this is not the case. It does meet this criteria.

Councilman Martinbianco said we need to discuss this with the Assessor. I am also concerned with the personal property tax and how that factors in.

Mr. Hayman stated I have information from the Treasurer's office that I am sure was in consultation with the Assessor's office. The tax loss if the IFT is granted would be \$2,581.20.

Councilman Martinbianco stated that information should have been forwarded to us prior to making these decisions.

Councilman Smith stated that Kirby Steel has six properties. Three are personal property.

Councilman O'Keefe would also like to review this with the Assessor. I would like to see an administration presentation on this issue.

Attorney Doyle stated we have 90 days from receipt of the application to make a decision.

Mr. Hayman stated the city received it on June 6, 2016.

Mr. Heffner stated we will have to make a request to the administration that the Assessor be here at the next council meeting July 18, 2016 @ 7 PM. and for this to be on the agenda for action.

Mr. Smith would like to know what the abatement is worth long term and if the hiring does not materialize what recourse do we have.

Attorney Doyle stated you would be required to either accept or deny this application. You cannot approve it with conditions. There are requirements they have to meet. If they haven't met the requirements the state will get involved. The application has to be satisfied within 12 years.

1. Public Hearing to consider an application Industrial Facilities Tax Exemption Certificate filed by Kirby Steel, 4072 Flint Asphalt Dr., Burton, MI 48529.

Will be put on the agenda for July 18, 2016 at 7:00 p.m. for Council Action.

Meeting was adjourned at 7:05 PM.



Burton City Council
4303 S. Center Road
Burton, MI 48519

Meeting: 07/05/16 06:30 PM
Department: Clerk's Office
Category: Public Hearing
Prepared By: Teresa M. Karsney
Department Head: Teresa M. Karsney

5.1

SCHEDULED

AGENDA ITEM (ID # 2547)

DOC ID: 2547

**Public Hearing to consider an application Industrial Facilities
Tax Exemption Certificate filed by Kirby Steel, 4072 Flint
Asphalt Dr., Burton, MI 48529.**

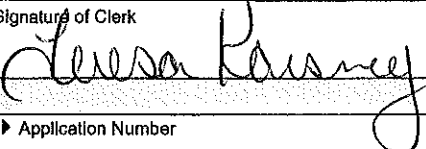
ATTACHMENTS:

- Kirby Steel (PDF)

Application for Industrial Facilities Tax Exemption Certificate

Issued under authority of Public Act 198 of 1974, as amended. Filing is mandatory.

INSTRUCTIONS: File the original and two copies of this form and the required attachments (three complete sets) with the clerk of the local government unit. The State Tax Commission (STC) requires two complete sets (one original and one copy). One copy is retained by the clerk. If you have any questions regarding the completion of this form, call (517) 373-3302.

To be completed by Clerk of Local Government Unit	
Signature of Clerk 	Date Received by Local Unit
STC Use Only	
Application Number	Date Received by STC

APPLICANT INFORMATION

All boxes must be completed.

1a. Company Name (Applicant must be the occupant/operator of the facility) Kirby Steel, Inc.		1b. Standard Industrial Classification (SIC) Code - Sec. 2(10) (4 or 6 Digit Code)	
1c. Facility Address (City, State, ZIP Code) (real and/or personal property location) 4072 Flint Asphalt Dr.		1d. City/Township/Village (indicate which) Burton	1e. County Genesee
2. Type of Approval Requested ☒ New (Sec. 2(5)) ☐ Transfer ☐ Speculative Building (Sec. 3(8)) ☐ Rehabilitation (Sec. 3(6)) ☐ Research and Development (Sec. 2(10)) ☐ Increase/Amendment		3a. School District where facility is located Bendle Community Schools	3b. School Code 25060
		4. Amount of years requested for exemption (1-12 Years) 12	
5. Per section 5, the application shall contain or be accompanied by a general description of the facility and a general description of the proposed use of the facility, the general nature and extent of the restoration, replacement, or construction to be undertaken, a descriptive list of the equipment that will be part of the facility. Attach additional page(s) if more room is needed. We would be adding 13,500 square feet of manufacturing space to our existing fabrication facility, plus a 4,300 square foot office building. These additions would allow us to introduce a dedicated misc. fabrication area (stairs, railings, etc.) to our structural fabrication and hire 3-4 additional fabricators. The office will allow us to expand our management staff by 1-3 employees immediately, and hire up to 5 more in future years.			
6a. Cost of land and building improvements (excluding cost of land) * Attach list of improvements and associated costs. * Also attach a copy of building permit if project has already begun.		1,000,000 Real Property Costs	
6b. Cost of machinery, equipment, furniture and fixtures * Attach itemized listing with month, day and year of beginning of installation, plus total		100,000 Personal Property Costs	
6c. Total Project Costs * Round Costs to Nearest Dollar		1,100,000 Total of Real & Personal Costs	
7. Indicate the time schedule for start and finish of construction and equipment installation. Projects must be completed within a two year period of the effective date of the certificate unless otherwise approved by the STC.			
Begin Date (M/D/Y)		End Date (M/D/Y)	
Real Property Improvements	8/1/16	2/28/17	☒ Owned ☐ Leased
Personal Property Improvements	10/1/16	2/28/17	☒ Owned ☐ Leased
8. Are State Education Taxes reduced or abated by the Michigan Economic Development Corporation (MEDC)? If yes, applicant must attach a signed MEDC Letter of Commitment to receive this exemption. ☐ Yes ☒ No			
9. No. of existing jobs at this facility that will be retained as a result of this project. 2		10. No. of new jobs at this facility expected to create within 2 years of completion. 5	
11. Rehabilitation applications only: Complete a, b and c of this section. You must attach the assessor's statement of SEV for the entire plant rehabilitation district and obsolescence statement for property. The Taxable Value (TV) data below must be as of December 31 of the year prior to the rehabilitation.			
a. TV of Real Property (excluding land)		n/a	
b. TV of Personal Property (excluding inventory)		n/a	
c. Total TV		n/a	
12a. Check the type of District the facility is located in: ☐ Industrial Development District ☐ Plant Rehabilitation District			
12b. Date district was established by local government unit (contact local unit)		12c. Is this application for a speculative building (Sec. 3(8))? ☐ Yes ☒ No	

Attachment: Kirby Steel (2547 : Public Hearing to Consider IFT for Kirby Steel)

KIRBY STEEL INC.

Fabricator and Erector

4072 Flint Asphalt Dr., Burton, MI 48529, Ph 810.743.3360 Fax 810.743.8058

June 1st, 2016

Attention: Burton City Council

Regarding: Application for tax abatement – real and personal property lists

1. The legal description of the real property on which these additions will be located is "A parcel of land beg s 89 deg 04 min 54 sec w 604 ft and s 0 deg 10 min 20 sec w 350 ft and n 89 deg 04 min 54 sec e 448.42 ft from n ¼" cor of sec th n 89 deg 04 min 54 sec e 351.22 ft th s 0 deg 09 min 11 sec w 653.72 ft th s 89 deg 06 min 06 sec w 800.22 ft th n 0 deg 12 min 18 sec e 228.67 ft th n 89 deg 04 min 54 sec e 448.42 ft th n 0 deg 12 min 18 sec e 424.78 ft to pl of beg sec 33 t7nr7e 7.63 A (99) FR-59-33-100-001 and 002

2. The personal property added would be:

a. Manufacturing addition

i. 3 5 ton overhead cranes at \$15,000 each	\$45,000
ii. 4 fabrication stations incl. welders, torches, etc. at \$7,500 each	\$30,000

b. Office addition

i. 9 offices with desks, computers, printers, etc. at \$2,000 each	\$18,000
ii. 1 conference room with table, audio visual equipment	\$7,000

Total personal property added = \$100,000

3. The real property improvements hope to break this calendar year and consist of 2 parts.

a. Manufacturing addition

i. A 75' x approximately 180' addition to the south side of the building with 3 overhead crane bays. The look of the addition would match the current construction, including siding, roofing, lighting, etc. It would add 4 fabricating stations

b. Office addition

i. An approximately 66' x 66' 2 story office addition adding 9 offices and a conference room. It would be a glass and brick construction placed on the east side of the building per the original site drawings.

Sean Sage
Kirby Steel, Inc.

Attachment: Kirby Steel (2547 : Public Hearing to Consider IFT for Kirby Steel)