

**TAX ABATEMENT COMMITTEE
CITY HALL - ROOM 302A
10 N. DIVISION
BATTLE CREEK, MICHIGAN
March 4, 2019
11:00 AM**

Present: Mayor Behnke and Commissioners Baldwin and Simmons.

Absent: Comm. Jim Lance

Staff: Rebecca Fleury, City Manager: Steven Hudson, City Assessor: Vicki Houser, City Clerk

Call to Order: Commissioner Baldwin called the meeting to order at 11:04 a.m.

Approval of Minutes: A motion was made by Mayor Behnke, supported by Comm. Simmons, to approve the minutes of the February 6, 2018 Tax Abatement Committee, with an amendment to change IFT to OPRA. All yes, none opposed. Motion carried.

Public Comment : None.

Committee Discussion:

1. Committee Information on the City website

Clerk Houser confirmed the Tax Abatement Committee was added to the list of committees on the City webpage. Clerk Houser also confirmed agendas and minutes were added to the website.

2. Reporting

Comm. Simmons stated he and other commissioners participate on a Facebook page, Battle Creek Politics, that's purpose is to connect with elected officials. Comm. Simmons stated the topic of tax abatements came up and residents were wondering where they could get more information on tax abatements that were approved within the City. Comm. Simmons and Comm. Faris requested the committee consider placing additional information on the City's website so that residents would have a better understanding of this economic tool that is used to encourage investment in the City and provide employment opportunities.

Comm. Baldwin agreed it is often a challenge to find information on the City's website.

Mayor Behnke stated it is not just the City's website that is difficult to navigate. Mayor Behnke also noted the committee seldom meets, noting the last meeting was held to discuss changes to the City's abatement policy.

Mr. Hudson noted the meeting prior to that was to discuss the legislative elimination of personal property taxes.

Mayor Behnke stated he was in favor of placing more information on the website, recognizing it will take a lot of staff time to post the information and to maintain updates on the progress and final project, agreeing to allow 6 months for staff to complete the information posting.

Comm. Simmons, stating the spreadsheet prepared by the Assessor is confusing, suggested a brief summary of the abatement programs offered and the benefits to the City, such as income taxes because of the jobs generated, housing purchases, and purchasing at local retailers and restaurants.

Mayor Behnke also noted the City reviews the project and that if the applicant does not complete the project as approved, the City will only allow an abatement for the investment that is documented.

Mr. Hudson stated he would work with BCU to develop information for the website.

Comm. Simmons stated he was only asking for a general overview, not information specific to an entity.

Mr. Hudson informed the committee that limited information on companies with tax abatements could be found on the State of Michigan Treasury website.

Comm. Simmons stated he has received several questions about the layers of financing on the Heritage Tower project, with some asking if the City provided funding. Comm. Simmons suggested a breakdown or summary of the economic tools and funding for the project.

Ms. Fleury noted economic tools were utilized from many entities, including the MEDC and WKKF. Ms. Fleury noted it may appear the City provided funding if WKKF facilitated the funding through the City, but City funds were not used. Ms. Fleury stated the City only provided tax abatements, no direct cash.

Comm. Baldwin noted the Battle Creek Shopper ran a cover story on the Heritage Tower project. Comm. Baldwin suggested staff research other municipal websites to determine what tax abatement information they provided.

Ms. Fleury noted the City of Kalamazoo only posts abatement information through their resolutions. As to Mr. Hudson's spreadsheet, Ms. Fleury asked that the spreadsheet be pared down.

Comm. Baldwin requested the spreadsheet include the resolution number and date of approval, so that it could be easily referenced.

Mr. Hudson reminded the committee that although the Commission approves the abatement request locally, the final approval is done by the State. Mr. Hudson suggested attaching the resolution or a link to the resolution approved by the City Commission. Mr. Hudson noted the spreadsheet does indicate whether the properties are in a TIF district, noting the Heritage Tower is in the DDA.

Comm. Baldwin suggested staff add the tax abatement information to the City website, with the dates resolutions were approved by the Commission, but with a statement the approval was not final until approved by the State. Comm. Baldwin recommended a link to the State website be included with the abatement information.

As to educational and background information on abatements, committee members agreed it would be beneficial to add more information to the website to inform residents of the benefits of tax abatements.

Comm. Baldwin recommended the website also include information explaining the DDA, TIFA, LDDA, etc.

Responding to a question, Mr. Hudson stated the LDDA uses their funds for administrative costs and the audit.

Comm. Baldwin stated they did not want to eliminate a tool if it does not cost much to administer.

Ms. Fleury recommended information be added to the website to market the abatement tools and describe how the TIF districts work.

Comm. Baldwin stated it was difficult to get information from employers when she worked with EDF.

Committee members asked staff to simplify the spreadsheet, and to work in hyperlinks when possible. Staff agreed to work with IT to determine if hyperlinks to the companies that receive abatements could be added. The Committee agreed to give staff 6 months to work on the changes and to provide an update.

Mr. Hudson provided a chart depicting the distribution of tax dollars, noting the City only retains 24%, stating the chart is available on the City's website.

Adjournment:

The meeting was adjourned at 11:46 AM.