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## Vote clears way for tax break

### City manager: Decision encourages development

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A commercial development company can move forward with its request for a tax abatement on a downtown Battle Creek office building.

The Battle Creek City Commission voted 7-1 Tuesday to make 67 W. Michigan Ave. an Obsolete Property Rehabilitation District, opening the door for the property's owner, The Hinman Company, to request a tax abatement on expected improvements to the building.

Commissioner Ryan Hersha voted against the resolution after questioning why an occupied building should be marked as obsolete. Commissioner Diane Thompson was absent.

The commission also set a public hearing for Oct. 6 concerning the tax exemption application.

The abatement would waive increased property taxes stemming from improvements to the building. Details of the abatements, including its length, will be part of a formal application made by the Hinman Company. The state allows Obsolete Property Rehabilitation Districts to be in effect for a maximum of 12 years.

City Manager Ken Tsuchiyama said the abatement is a tool available to the city to help move the downtown transformation forward and encourage future development as the cereal maker Kellogg Co. looks to increase its downtown presence.

The abatement would not divert property taxes away from the city, but freeze taxes at their current level, said Karl Dehn, chief executive officer for Battle Creek Unlimited.

Rehabilitation districts can apply to blighted properties or properties below standards for intended use and are used as a means to encourage their development. Two such districts already exist in Battle Creek.

Dehn said possible improvements to 67 W. Michigan could include creating more open office space and updating technology and other infrastructure.

Hersha said he considered it a stretch to say the building was functionally obsolete when much of it is being leased. Tenants include AccessVision, the public access cable station.

Kellogg announced last week it was considering relocating 600 employees from its Porter Street facility to 67 W. Michigan and the neighboring Battle Creek Tower. The new option replaces the food company's plan to build a new downtown office building.

Commissioner Chris Simmons said he hoped the relocated tenants would remain downtown. Dehn responded that BCU would work to make that happen.