



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

GRETCHEN WHITMER  
GOVERNOR

RACHAEL EUBANKS  
STATE TREASURER

**DATE:** December 17, 2019

**TO:** Christopher Harkins, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency  
Senator Jim Stamas, Chairperson, Appropriation Committee  
Representative Shane Hernandez, Chairperson, Appropriation Committee  
Senator Jim Runestad, Chairperson, Finance Committee  
Representative Lynn Afendoulis, Chairperson, Tax Policy Committee

**FROM:** David A. Buick, Executive Director  
State Tax Commission

**SUBJECT:** Commercial Redevelopment Act Exemption Report – 2018 & 2019 Tax Years

Please find attached one copy of the Commercial Redevelopment Act Exemption Report for the 2018 and 2019 tax years. The report is required by Public Act 215 of 1978, the Commercial Redevelopment Act. Section 17 of the Act provides, in part, as follows:

(1) The department annually shall prepare and submit to the taxation and economic development and energy committees of the house of representatives and the finance and corporation and economic development committees of the senate a report on the utilization of commercial redevelopment districts, based on the information filed with the commission.

Attachment

cc: Joyce Parker, Deputy State Treasurer of State and Local Finance Overview  
Rachel E. Richards, Legislative Liaison  
Heather S. Frick, Director, Bureau of Local Government and School Services

**Background:**

The Commercial Redevelopment Act, Public Act 215 of 1978, as amended, provides property tax exemptions for the new construction, restoration and/or replacement of commercial property for the primary purpose and use as a commercial business enterprise. Exemptions are approved for a term of 1-12 years, as determined by the unit of local government. The property taxes for the restored property are based on the taxable value for the tax year immediately preceding the effective date of the exemption. The taxable value is frozen for the duration of the exemption and taxed against the full community millage rate. The property taxes for the newly constructed or replacement property are based on the current taxable value. The property taxes for new or replacement property are 50% of the ad valorem millage rate. Applications are filed, reviewed and approved by the local governmental unit. An additional request for the state treasurer's SET exclusion is submitted to the Department of Treasury. For the 2018 tax year, there were 20 local governmental units participating in the Commercial Redevelopment program and for the 2019 tax year there were 24 local governmental units participating in the Commercial Redevelopment program.

**Activity:**

For the 2018 tax year, there were 37 properties receiving a Commercial Redevelopment Exemption. (See Table 1) It is estimated, through data provided by the local government assessor,<sup>1</sup> that these projects resulted in 1548 construction jobs, 664 existing jobs retained, and 647 new jobs created. These properties were comprised of replacement, restoration, and new facilities with a total current taxable value of \$55,574,030. (See Tables 2 & 3)

For the 2019 tax year, there were 46 properties receiving a Commercial Redevelopment Exemption. (See Table 1) It is estimated, through data provided by the local government assessor,<sup>1</sup> that these projects have resulted in 2,369 construction jobs, 1,164 existing jobs retained, and 1,038 new jobs created. These properties are comprised of replacement, and new facilities with an estimated current taxable value of \$121,347,077. (See Tables 2 & 3)

<sup>1</sup> As determined from data provided by the local government assessor

**Table 1. Commercial Redevelopment Exemptions and Jobs**

Local Governmental Unit	2018 Exemptions	2019 Exemptions	2018 Construction Jobs	2019 Construction Jobs	2018 Jobs Retained	2019 Jobs Retained	2018 Jobs Created	2019 Jobs Created
City of Alma	1	2	20	20	0	0	15	4
Village of Brooklyn	1	1	0	0	0	0	0	0
Village of Cass City	0	1	NA	30	NA	0	NA	75
City of Center Line	2	2	165	165	130	130	20	20
City of Charlevoix	1	2	0	50	0	8	15	32
City of Detroit	1	3	0	330	0	92	0	16
City of East Jordan	1	2	125	139	0	0	21	40
City of Gaylord	2	2	130	130	117	117	75	75
City of Gibraltar	0	1	NA	0	NA	0	NA	0
Village of Lake Orion	1	1	100	100	0	0	65	42
City of Linden	0	1	NA	0	NA	0	NA	0
City of Manistique	4	4	0	0	16	16	13	13
City of Marine City	1	1	40	40	15	0	0	15
City of Marquette	1	1	400	400	150	150	150	150
City of Millington	0	1	NA	50	NA	0	NA	20
City of Muskegon	4	4	144	85	0	0	17	28
City of Owosso	1	1	20	20	29	29	12	12
City of Perry	2	2	40	40	40	40	12	12
City of St. Clair	1	2	200	200	0	0	0	0
City of Warren	1	1	0	150	35	35	40	40
City of Westland	2	2	45	45	25	25	34	34
City of Wyandotte	7	7	74	180	101	128	167	308
City of Wyoming	1	1	0	150	0	400	0	100
City of Zeeland	1	1	45	45	6	6	2	2
<b>Total</b>	<b>37</b>	<b>46</b>	<b>1,548</b>	<b>2,369</b>	<b>664</b>	<b>1,176</b>	<b>647</b>	<b>1,038</b>

**Table 2. Commercial Redevelopment Frozen and Current Taxable Values <sup>1</sup>**

Local Governmental Unit	2018 Frozen Value	2019 Frozen Value	2018 Current Value	2019 Current Value
City of Alma	\$28,278.00	\$28,278.00	\$566,272.00	\$579,254.00
Village of Brooklyn	\$0.00	\$0.00	\$341,150.00	\$340,750.00
Village of Cass City	NA	\$181,860.00	NA	\$181,860.00
City of Center Line	\$0.00	\$0.00	\$2,367,200.00	\$2,424,012.00
City of Charlevoix	\$157,970.00	\$619,022.00	\$157,970.00	\$619,022.00
City of Detroit	\$9,429.00	\$3,167,188.00	\$81,373.00	\$11,532,529.00
City of East Jordan	\$0.00	\$0.00	\$280,000.00	\$419,453.00
City of Gaylord	\$628,234.00	\$628,234.00	\$596,109.00	\$597,330.00
City of Gibraltar	NA	\$37,200.00	NA	\$37,200.00
Village of Lake Orion	\$94,190.00	\$94,190.00	\$217,380.00	\$236,990.00
City of Linden	NA	\$0.00	NA	\$0.00
City of Manistique	\$32,231.00	\$32,231.00	\$870,200.00	\$891,083.00
City of Marine City	\$146,140.00	\$146,140.00	\$605,200.00	\$875,524.00
City of Marquette	\$0.00	\$0.00	\$41,726,100.00	\$68,100.00
City of Millington	NA	\$68,100.00	NA	\$1,448,259.00
City of Muskegon	\$110,400.00	\$110,400.00	\$1,194,918.00	\$1,448,259.00
City of Owosso	\$0.00	\$0.00	\$187,700.00	\$187,700.00
City of Perry	\$350,000.00	\$350,000.00	\$351,700.00	\$560,140.00
City of St. Clair	\$564,912.00	\$616,990.00	\$564,912.00	\$618,512.00
City of Warren	\$451,540.00	\$451,540.00	\$2,435,770.00	\$2,494,220.00
City of Westland	\$376,600.00	\$376,600.00	\$356,650.00	\$394,183.00
City of Wyoming	\$0.00	\$1,894,552.00	\$0.00	\$5,912,000.00
City of Wyandotte	\$314,902.00	\$314,902.00	\$2,264,312.00	\$1,942,945.00
City of Zeeland	\$0.00	\$0.00	\$409,114.00	\$269,411.00
<b>Total</b>	<b>\$3,264,826.00</b>	<b>\$9,117,427.00</b>	<b>\$55,574,030.00</b>	<b>\$121,347,077.00</b>

**Table 3. Commercial Redevelopment Facility Types**

Local Governmental Unit	New	Replacement	Restoration
City of Alma	1	0	1
Village of Brooklyn	1	0	0
Village of Cass City	0	1	0
City of Center Line	2	0	0
City of Charlevoix	0	0	2
City of Detroit	3	0	0
City of East Jordan	1	0	1
City of Gaylord	0	0	2
City of Gibraltar	0	0	1
Village of Lake Orion	0	0	1
City of Linden	1	0	0
City of Manistique	3	0	1
City of Marine City	1	0	0
City of Marquette	1	0	0
City of Millington	0	0	1
City of Muskegon	2	2	0
City of Owosso	1	0	0
City of Perry	2	0	0
City of St. Clair	0	1	1
City of Warren	1	0	0
City of Westland	0	1	1
City of Wyandotte	2	0	5
City of Wyoming	0	0	1
City of Zeeland	1	0	0
<b>Total</b>	<b>23</b>	<b>5</b>	<b>18</b>