



Napoleon Township, Gerdau MacSteel settle multi-million tax dispute

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Ken Wyatt | Jackson Citizen Patriot

By

Napoleon Township and Gerdau MacSteel have resolved a multi-million dollar tax dispute.

In a flurry of activity on a case before the Michigan Tax Tribunal, the parties agreed that six MacSteel properties in Napoleon should have a taxable value of \$12,040,483 for tax year 2010.

Supervisor Denise Butler, in an email message to officials Tuesday afternoon, wrote, "Good News! We have a settlement agreement with MacSteel."

The dispute began last year with the township's assessment of MacSteel properties. Napoleon set the company's taxable value at \$16,697,454. MacSteel, Napoleon's largest taxpayer, appealed to the tax tribunal in June 2010, asking for a reduction in taxable value to \$6.5 million.

Though the township initially asked the tribunal to dismiss the case, the two sides opted to cooperate in determining property values. MacSteel retained a Fort Wayne, Ind., firm — Valu Tec Inc. — which specializes in property issues, to work with the township in an extensive re-appraisal of MacSteel's real property parcels last fall.

Those include one parcel taxed at normal value and five that were under 12-year Industrial Facility Tax exemptions. Some clerical errors were discovered in the square footage. Those were corrected for the 2011 assessments. Meanwhile, the tax abatements are expiring one by one — the last one expires in 2014.

Last month, using the corrected assessments, Napoleon proposed through its attorney a Stipulation and Order for a new taxable value of \$12,040,483.

Valu Tec recommended to MacSteel that it accept the offer.

On Tuesday, Napoleon officials learned that MacSteel accepted and signed the offer. All that remains is for the township attorney, William A. Thompson, to file the papers with the tax tribunal.

In separate action Tuesday, the township board received a new application for tax relief from MacSteel. William R. Lievens of Lansing, who handles governmental affairs for MacSteel, presented an application for a 12-year, 50 percent Industrial Facilities Tax Exemption certificate.

The abatement is for about \$4 million worth of personal property acquired at the plant in the past six months. The items, itemized on the application, include elevator upgrades, a radiation detection system, induction heater upgrades and water heat exchangers.

Lievens presented the request in the context of Gerdau's \$320 million expansion in special bar quality steel production capacity in North America. The expansion, announced in May, will include construction of a new mill.

Since Jackson is in the running for further expansion, Lievens said the township's approval of the new tax relief would "send a very positive message that Jackson is a good place to do business."

Since the application was just submitted, the board took no immediate action.

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