

COUNCIL COMMUNICATION

From: The City Manager

Subject: Ordinance to Regulate Neighborhood Enterprise Zones.

Manager's Recommendation:

I recommended that Section 33.40, "Neighborhood Enterprise Zones" be added to Chapter 33, "Taxation and Assessments", of Title III, "Administration" of the City of Saginaw Code of Ordinances, O-1. The Section to be amended and the reasons to do so are set out below. An Ordinance has been prepared and appears under the regular order of business.

Justification:

The City of Saginaw has taken advantage of the Neighborhood Enterprise Zone ("NEZ") Act, Act 147 of the Public Acts of 1992, to create enterprise zones and grant certificates for buildings within those zones. The purpose of this Act is to grant tax incentives for the construction and rehabilitation of residential structures. The construction and rehabilitation would likely not occur but for the temporary tax incentives granted the owners. The City benefits by the investments made in its housing stock and the eventual increase in the tax base of the community.

The NEZ statute requires the participating community to enact a local ordinance to regulate the administration of these zones and the granting of these certificates. The proposed ordinance follows the requirements of the statute in that regard and continues the previous policies of the City.

Council Action:

This Council Communication is being submitted to explain the ordinance to be introduced in a subsequent portion of the agenda.