

ST. JOSEPH TWP.

# Growing Kay Mfg. gets tax break

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ST. JOSEPH — The desire to help a company proceed with a major equipment purchase that will add jobs outweighs concerns about the elimination of personal property taxes.

St. Joseph Township Board members followed such reasoning in granting a 12-year tax abatement to Kay Manufacturing Co., 3491 S. Lakeshore Drive.

As Township Manager Tim Fenderbosch noted, the passage of Proposal 1 in August — which phases out the personal property tax over a decade — will essentially cut the tax break period to a year, resulting in a potential revenue loss to the municipality.

“According to our state representative, we will be reimbursed in 2016 for the hits we take on personal property tax going away,” Fenderbosch said. “We will see. The proof’s in the pudding.”

However, Kay’s local involvement and sound management practices are ample reasons for approving its request, Fenderbosch told the board.

“They’ve been a very good partner for the township, and southwestern Michigan. They believe in working with the school systems, and they’re very active at M-TEC, which trains people to be machinists, and the like,” Fenderbosch said. “We’ve been very pleased with them.”

Monday’s action followed

a 10-minute public hearing, in which board members heard from plant manager Jeff Bond and Cornerstone Alliance’s business development manager, Thad Rieder.

Kay sought the exemption to cover a \$5 million investment in CNC lathe cutting equipment.

The company, which makes rings for auto transmissions, expanded into St. Joseph after outgrowing its original Calumet City, Ill., location, Bond said.

Kay has 45 employees.

However, Bond said he expects those numbers to grow quickly, following last week’s hiring of three new CNC operators — followed by five next week, and 15 more next year — “just to keep up with customer demand,” he said.

New operators must pass an intensive four-week process — including a week of classroom time with the company’s full-time trainer — before getting out on the floor, Bond said.

“We put a lot of time into each person before we even turn them loose,” he said.

In other business, the board agreed to buy the sewer department a replacement truck from Siemans Ford of Bridgman for \$19,648.

The original purchase price was \$22,648, which fell to the final figure after Siemans gave the township a \$3,000 trade-in value on the current truck, which is about 13-years

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old, Fenderbosch said.

One other bid came from LeValley Chevrolet of Benton Harbor for \$24,969, but it didn't include a trade-in.

"The reason we did it now, instead of after Jan. 1, is because of the tremendous deals (on trucks) that were out there," Fenderbosch said.

The board also named representatives to the Maud

Preston Palenske Memorial Library Board, township Planning Commission and Zoning Board of Appeals.

Mimi Elwell returns to the library board for a three-year term, which runs until Oct. 31, 2017. The board continues to seek a replacement for Julie Beck, who resigned in May.

Jim Seagren and Terry Gano are on the ZBA until Nov. 1, 2017, while Michelle Alger and Ben Bake will serve on the Planning Commission through Oct. 31, 2017.