

# County Commission Approves 2007 Equalization Report

By Karen Gould

The State Equalized Value (SEV) of property in Mackinac County, which is one half the market value, increased 7.59% from last year, reaching \$1,327,136,916, which is \$93,632,925 more than 2006. The total taxable value for property for 2007 is \$849,671,765, up 6.07%, or \$48,646,865 more than last year, according to the equalization report adopted by Mackinac County commissioners Tuesday, April 10. Rising property values are a positive sign for the county, said James Fenlon, county equalization director.

"Our county seems to be doing pretty good all the way around," said Mr. Fenlon.

Unlike some downstate counties, where home values are decreasing as businesses reduce their workforce, homes are flooding the real estate market, and the state continues to struggle with a budget deficit, those repercussions have not yet reached Mackinac County, he said.

Some people in the Detroit area have recently lost between \$30,000 and \$40,000 in equity in their homes, he said, because of the job market and poor state economy.

"We're not noting the decrease in home values and property values like some other counties in the state," said Mr. Fenlon. "That's not to say we won't, but it hasn't happened yet."

The gap between taxable values and the SEV has continued to grow yearly since Michigan voters approved Proposal A in 1994. The state mandate limits the increase in taxable value of primary household property, or homestead property, to the rate of inflation or 5%, whichever is less. The proposal was designed to keep current homeowners from being taxed off their property as land values increase.

For Mackinac County property owners, the spread between the taxable values and the SEV now has grown to 56%, said Mr. Fenlon. When property changes hands, the taxable value is brought in line with the SEV. What this means is, if an owner sold or transferred primary household property, also known as homestead property, the new owner would see the property tax bill increase, on average, by 56%. In 2006, the increase was 52.76%.

County residents who receive property through a

REAL PROPERTY	2006 Taxable	2007 Taxable	Change	% Increase
Bois Blanc Township	\$23,532,862	\$24,939,981	\$1,407,119	5.98%
Brevort Township	\$24,274,765	\$26,225,242	\$1,950,477	8.03%
Clark Township	\$159,395,345	\$170,265,426	\$10,870,081	6.82%
Garfield Township	\$60,859,408	\$63,688,118	\$2,828,710	4.65%
Hendricks Township	\$5,099,547	\$5,572,345	\$472,798	9.27%
Hudson Township	\$10,265,416	\$10,733,116	\$467,700	4.56%
Marquette Township	\$24,166,785	\$25,703,434	\$1,536,649	6.36%
Moran Township	\$59,493,997	\$62,902,147	\$3,408,150	5.73%
Newton Township	\$24,099,919	\$26,391,759	\$2,291,840	9.51%
Portage Township	\$60,662,501	\$64,200,155	\$3,537,654	5.83%
St. Ignace Township	\$26,132,865	\$27,419,839	\$1,286,974	4.92%
City of Mackinac Island	\$162,611,191	\$171,606,038	\$8,994,847	5.53%
City of St. Ignace	\$76,733,504	\$80,433,970	\$3,700,466	4.82%

*Land includes agricultural, commercial, industrial, residential, and timber/cutover*

*Source: 2006 and 2007 Mackinac County equalization reports.*

transfer should be prepared for that jump in taxes, said Mr. Fenlon. New home buyers usually are informed of what they can expect their tax payments will be, he said, while those people inheriting property are often less prepared for the increase in the tax bill.

Clark Township continues to

have the highest land value in Mackinac County, with an SEV of \$314,585,546. As of last year, the City of Mackinac Island comes next with an SEV of \$283,990,180. Moran Township ranks third with \$120,229,907, followed by the City of St. Ignace with \$111,820,591.

Ranked in order of SEV, other townships include Garfield with \$110,222,936, Portage with \$107,371,683, Newton with \$64,461,823, Brevort with \$47,842,364, Marquette with \$45,916,595, Bois Blanc with \$45,013,600, St. Ignace Township with \$44,820,591. *\* Please turn to page 22*

## THANK YOU

everyone for the cards, letters, food and love during my recent illness.

Also thank you for the support during the recent election.

**Smi Horn**

## Campaign To Raise \$3M for New Hospital

By Karen Gould

A campaign kick-off to raise \$3 million for the new Mackinac Straits Hospital in St. Ignace is just weeks away, says Rod Nelson, chief executive officer at the hospital. Building costs and equipment are estimated at \$26 million for the 15-bed hospital. Planners may reduce expenses by using a combination of steel and wood construction, rather than an all-steel framed structure, as previously planned.

The Mackinac County Board of Commissioners received the update on hospital

plans during their Thursday, April 26, meeting. They also discussed incompatibility issues with Sue Dionne, the county deputy treasurer and Moran Township treasurer, and signed a contract for inmate health care that could save the county approximately \$13,000 annually.

The hospital fundraising event will be June 8 at Grand Hotel on Mackinac Island, said Mr. Nelson. A foundation board of business people has been established and is co-chaired by Mackinac Island Mayor Margaret Doud and retired State Senator Walter North of St. Ignace. From that board, R. Dan Musser III, president of the hotel, and Jim North, president of First National Bank in St. Ignace, are co-chairing the campaign.

An aggressive plan to raise \$3 million over three years will include seeking federal appropriations with the help of

Congressman Bart Stupak, said Mr. Nelson, and through foundation grants and local support.

"We are optimistic we can raise that kind of money," he told commissioners.

The 110,000-square-foot hospital building is expected to cost approximately \$18 million, and equipment will raise the tab to \$26 million, although that does not include interest expense for construction loans, said Mr. Nelson. The U.S. Department of Agriculture has pre-approved loans amounting to \$24.6 million at an interest rate of approximately 5%. Interest expense is estimated at \$2 million, said Mr. Nelson.

The medical complex will include a hospital, long term care, tribal health clinic, and physician offices and will sit on 16 acres of land donated by the Sault Ste. Marie Tribe of Chippewa Indians just south of the Mackinac County Airport on North State Street in St. Ignace.

Incorporating steel and wood construction would reduce costs further by \$25 to \$35 a square foot from the original plans. An all-steel structure, currently reflected in the \$26 million price, would be approximately \$200 a square foot, said Mr. Nelson.

"My goodness, you can't make money with this hospital, how do you build and pay for a new hospital?" is a common question Mr. Nelson hears from area residents. Mackinac Straits Hospital lost \$487,963 in 11 years. *\* Please turn to page 6*

## THANK YOU

Mackinac Island voters for the support and trust you have given to the City Clerk. I will do my very best to not let you down and help everyone if the need arises. You all make me feel very lucky!

Sincerely,  
Karen Lennard,  
City Clerk



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