

## CASCADE CHARTER TOWNSHIP

### ACT 198 PROPERTY TAX ABATEMENT POLICY

Adopted by the Cascade Charter Township Board of Trustees on November 16, 2011

The following policy shall apply in connection with the Township's consideration of requests for the establishment of industrial development and plant rehabilitation districts and request for recommendation for approval of applications for industrial facilities exemption certificates pursuant to Act 198 of the Public Acts of Michigan of 1974, as amended:

- 1. Limits on Boundaries of District.** Cascade Charter Township (the "Township") will consider a request to establish an industrial development district or plant rehabilitation district for only the assessment of a real property parcel or parcels and the applicant shall provide the Township with a legal description and survey of the boundaries of such property at the time it requests the establishment of a district.
- 2. Site Plan Approval before Considering Establishment of a District.** When applicable, the township shall not consider a request to establish an industrial development district or plant rehabilitation district prior to the granting of site plan approval of the project by the Township Planning Commission, or other Township authorized committee.
- 3. Speculative Buildings.** The Township will not consider requests to establish an industrial development district or plan rehabilitation district for speculative buildings.
- 4. Requests from Owners Only.** The Township will not consider requests to establish an industrial development district or plant rehabilitation district for personal property included (or to be included) in such a district for which an application for an industrial facilities exemption certificate will be filed unless (a) the request is made by an applicant who owns real property in the Township and (b) either (i) the request is made by the owner of the personal property who shall agree to timely pay when due the applicable industrial facilities tax on the personal property whether or not it is still located in the Township or (ii) the request is made by a non-owner taxpayer of the personal property who shall agree to timely pay when due the applicable industrial facilities tax on the personal property regardless of ownership or whether it is still located in the Township.

5. **Maximum Term of Tax Abatement.** The maximum term of an IFT Certificate to be approved by the Township shall be twelve (12) years for real and personal property.
  
6. **Filing of Application.** The applicant for an industrial facilities exemption certificate shall file a completed application along with an escrow fee deposit at the time it requests the establishment of an industrial development or plant rehabilitation district. The Township will not consider that applicant's request until it has received a properly complete application (including all applicable attachments and exhibits) and the escrow fee deposit.
  
7. **Evaluation of Application.** The Township will evaluate property tax abatement applications on the basis of one or more of the following goals and objectives:
  - (a) Whether the industrial development will bring about increased employment, additional economic activity, an expanded property tax base or other public benefits.
  
  - (b) Whether the industrial development will enhance or diversify current industrial uses in the Township.
  
  - (c) Whether the industrial development will have significant employment benefits, such as increasing jobs; establishing more skilled or more technical jobs; or providing generally higher-paying jobs.
  
  - (d) Whether the industrial development will provide economic stimulus to other private-sector businesses, such as supportive businesses and facilities.
  
  - (e) Whether the proposed industrial facilities will comply with all applicable Township ordinances and the Township general development plan.
  
  - (f) Whether the proposed industrial facilities will generally be compatible with the Township's currently-provided services, or the Township's plans for future services, with respect to utilities, streets, other infrastructure and public safety.

(g) Whether the applicant for tax abatement has fully satisfied all of its taxes and other financial obligations to the Township, and has paid the required application fee.

(h) Whether the applicant has complied with the requirements of Act 198 and all Township requirements for application for a tax abatement, including compliance with zoning and building codes and the required procedures for the consideration thereof.

8. **Escrow Fee.** The Escrow fee deposit shall be used to pay the Township the lesser of (i) the actual cost to the Township in processing the application (including, but not limited to, the cost of administrative services, professional services, publication and mailing) or (ii) the total property taxes abated for the term that the industrial facilities exemption certificate is in effect. At the time an applicant files an application an escrow deposit of \$1,000 is required. If an application is subsequently denied or withdrawn the Township shall be entitled to payment of its actual costs up to such denial or withdrawal.
9. **Variances.** Variances from these policies shall be at the sole discretion of the Township Board and shall only be considered on a very limited and individual basis where the nature of the project in the sole judgment of the Township Board is significant or that it presents a unique opportunity for the Township and its residents.
10. **Schedule of Hearings.** The Township Supervisor or Clerk is hereby authorized to schedule the required public hearings for the creation of the industrial development district and consideration of the application for the tax abatement, and to arrange for giving notice of these hearings as required by law. At their discretion, the Township Supervisor or Clerk may instead request that the Township Board approve the time and date of these public hearings.
11. **Timely consideration of Application.** It is the intent of the Township to expedite the application and the local government approval process, which can only be accomplished by submitting all forms and applications properly completed.
12. **Annual Reporting.** Annual reports by the applicant must be submitted to the Township, no later than March 31<sup>st</sup> of each year for the duration of an industrial facilities exemption certificate. The report shall include the number of new jobs created and retained during the preceding calendar year and other matters reasonably required by the Township in the tax abatement agreement with the applicant.

**13. Local Employment.** Applicants are encouraged to review job applications of Township residents, in considering the hiring of employees. An applicant who is granted a tax abatement is encouraged to provide training to upgrade the skills of its employees so as to support their advancement to higher-paying jobs in the industrial facility.

**14. Reimbursement.** If, after receiving an industrial facilities exemption certificate, an applicant takes action which, in the judgment of the Township, constitutes relocation of more than an insubstantial part of its facility to another jurisdiction, or closes more than an insubstantial part of the facility prior to expiration of the tax abatement, the applicant shall be required to reimburse all taxing units a portion of the difference between the taxes which were paid, and those which would have been paid but for the abatement, in accordance with provisions to be determined by the Township in an agreement to be executed between the Township and the applicant prior to approval of the tax abatement.

**15. Revocation.** An industrial facilities exemption certificate may be revoked if an applicant fails to comply with the terms of its agreement with the Township; abandons its facility; or fails to complete construction of a facility within two years, as required by law. An industrial development district may be revoked or eliminated if the holder of an industrial facilities exemption certificate has the certificate revoked by the State Tax Commission or fails to apply for an industrial development tax exemption certificate within two years of the creation of the district.

**16. Property Tax Abatement Request Procedure.**

- A. A company wishing to inquire about the availability of a tax abatement should initially consult with The Right Place, Inc. ([www.rightplace.org](http://www.rightplace.org)), 161 Ottawa Avenue, NW, Suite 400, Grand Rapids, MI 49503, to learn of any additional incentives that may be available.
- B. The applicant will meet with Township staff for an initial project review. The initial review will include discussions of zoning compliance and district boundary. The parties will also establish projected timelines and other relevant issues pertaining to the project.
- C. The Township will receive the project application with a company letter explaining the request. The application must include a property survey, tax abatement district legal description, and \$1,000 escrow deposit for

the reimbursement of expenses incurred by the Township. (Subject to PA 198 regulation.)

- D. The Township will schedule the required public hearings and consider the resolutions to establish the tax abatement district for 50% of the property tax on new investment for the maximum term applicable, after the required notices have been published.
- E. The Township will then consummate the tax abatement agreement with the applicant and forward the local approved package to the state.