


CITY COMMISSION POLICY

 <p>GRAND RAPIDS MICHIGAN</p>	NUMBER: 900-53	HISTORY
	DATE: October 20, 2009	FILE # DATE
	FILE NUMBER: 78724	
	DEPARTMENT: Economic Development	

SUBJECT: **COMMERCIAL REHABILITATION EXEMPTION CERTIFICATES FOR QUALIFIED RETAIL FOOD ESTABLISHMENTS**

PURPOSE: To establish the terms and conditions under which the City Commission will approve applications for commercial rehabilitation exemption certificates under Act 210, PA 2005, as amended, being MCL 207.841 *et.seq.* ("the Act").

POLICY:

It is the policy of the City to approve applications for commercial rehabilitation exemption certificates only for qualified retail food establishments as defined in the Act. For such purpose, certain area of the City are determined to be an "underserved area" as defined the Act.

Terms and conditions for approving applications for Commercial Rehabilitation Exemption Certificates:

Commercial rehabilitation exemption certificates shall be approved under the following terms and conditions:

1. Only qualified retail food establishments shall be eligible.
2. Applicants shall meet all qualifications and comply with all requirements of the Act on a continuing basis from time of application until their certificates expire. Applicants also shall comply with the additional requirements of the City stated below on a continuing basis from time of application until their certificates expire.
3. The City will process applications, establish districts, approve applications for exemption certificates, revoke certificates, and do all related things according to and in compliance with the Act.

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4. In addition to the qualifications and requirements of the Act, applicants shall meet and comply with the following requirements of the City on a continuing basis from time of application until their certificates expire:
 - a. Project is not qualified for an Obsolete Property Rehabilitation Exemption.
 - b. Projects must have a minimal investment of \$30 per square foot.
 - c. There are no delinquent taxes on the facility or the structure being renovated and the principals are current with their real and personal property taxes.
 - d. The facility complies with the City's zoning ordinance and other applicable Code provisions or it will be brought into compliance as part of the Project.
 - e. Applicants must enter into a Memorandum of Understanding ("MOU") with the City of Grand Rapids.
 - f. The Project is located within a commercial rehabilitation district established by the City.
 - g. The Kent County Commission does not object to the establishment of the District.
 - h. Environmental Requirement: The City's Environmental Services Department will review the history of the property/applicant for environmental concerns and report the results to the City Commission.
 - i. An application must be accompanied by a written covenant of non-discrimination.
 - j. At the discretion of the City Commission, a Commercial Rehabilitation Exemption Certificate may be for a period of one – ten (10) years. Also, in its discretion, the City Commission may extend a Certificate approved for less than ten years up to a maximum of ten years – if the criteria for extension are established in the resolution originally approving the Certificate.

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- k. The applicant shall pay an application fee to cover the City's cost to process the application. The fee shall be equal to 2% of the estimated amount of property taxes to be exempted over the desired duration of the exemption certificate.
- l. The Economic Development Department shall administer this policy, with assistance from other City departments as needed.
- m. Information regarding the Project, including location, dollar amount of Project, proposed term of the exemption certificate, estimated property taxes to be exempted, the estimated commercial rehabilitation tax the owner of the facility will pay over the proposed term of the exemption certificate, and the Project's estimated employment impact shall be included as part of the notice of the public hearing on the approval of the exemption certificate.
- n. If a project is within a Tax Increment Financing District, staff will ask for, and provide the City Commission with, a recommendation on the application from the Tax Increment Financing District's governing board.
- o. As part of the application, the applicant shall provide information showing how the Project has the reasonable likelihood of increasing commercial or economic activity, creating or preventing the loss of employment, increasing the number of residents in the area in which the Project will be located, that the Project will not be initiated without the exemption certificate being issued, and that the applicant and the Project property are not delinquent in payment of any taxes.
- p. Staff shall report to the City commission annually on the status of the program under the Act, including a list of the projects approved, projected and actual job and investment data, and total State Equalized Value (SEV) exempted and percentage of the SEV exempted.
- q. The City commission may waive this Policy, or any portion of it, when the Commission deems it in the best interest of the City.