

CITY COMMISSION POLICY

GRAND RAPIDS  MICHIGAN	NUMBER: 900-38	HISTORY	
		FILE #	DATE
	DATE: July 27, 1999	72244	03/09/04
	FILE NUMBER: 66187	76001	03/13/07
	DEPARTMENT: Economic Dev.		

SUBJECT: APPLICATIONS FOR PERSONAL PROPERTY TAX RELIEF UNDER ACT 328 OF THE PUBLIC ACTS OF 1998

PURPOSE: To encourage the expansion of businesses and the acquisition of equipment in order to create or retain employment that is available to all citizens of the City of Grand Rapids.

POLICY:

It is the policy of the City of Grand Rapids to encourage the renovation and expansion of businesses and the purchase of equipment to encourage the creation and retention of employment for the citizens of Grand Rapids by assisting through the use of tax abatement incentives under Act 328 of the Public Acts of 1998, for those employers who evidence strong commitment to equal employment opportunity practices.

1. Eligibility

Public Act 328 provides the City the authority to recommend to the State Tax Commission personal property tax relief to eligible businesses for new personal property acquisitions. For purposes of economic development, the City Commission may consider requests under the following limited and special circumstances as a means of encouraging job retention and creation in the City.

- a) Major New Business – Businesses which are relocating their business from a location outside the City of Grand Rapids and will bring more than 25 new jobs to the City. The new employment will need to generate income tax revenue in an amount equal to or greater than the amount of tax relief, unless specifically waived by the City Commission.

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- b) Major Expansion of Existing Business – An existing business which will create more than 25 new jobs. The new employment will need to generate income tax revenue in an amount equal to or greater than the amount of tax relief, unless specifically waived by the City Commission.
- c) Business Retention – To retain jobs and encourage rebuilding of a business at its current location following a major disaster which has destroyed a substantial amount of its real and personal property at that location. In the case where rebuilding will cause a rise in the property tax liability of an existing business, the City Commission will consider an abatement if it does not result in a total property tax bill that is less than the taxes paid annually before the disaster. The business must agree to rebuild in the City of Grand Rapids and retain a number of jobs equal to or greater than the number employed before the disaster.

2. Applicability

- a) Exemption will be for no more than twelve (12) years for all new personal property placed within the District within two (2) years of approval of a resolution by the City Commission.
- b) All applicants must be current with all real and personal property taxes.
- c) All applicants must not be under written orders for violations of the zoning ordinance and must be in compliance with all applicable zoning codes.
- d) All applicants must enter into a Memorandum of Understanding with the City of Grand Rapids.
- e) If applicant's project exceeds \$600,000 or total employment upon completion of project is likely to equal or exceed fifteen (15) persons, then they must receive certification of equal opportunity practices from the Equal Opportunity Department according to the following guidelines. If the project is below \$600,000 and employment is not likely to exceed 15, then the company is not required to be certified.
- f) Property tax relief will not be granted to businesses having tax abatements or exemptions under other City or State economic development programs (e.g. P.A. 198, Renaissance Zone) or businesses located in a Tax Increment Financing Area.

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3. Certification of Equal Opportunity Practices

Applicants seeking Personal Property Tax Relief shall demonstrate their commitment to equal opportunity employment practices and non-discrimination before the City Commission shall consider their requests. Such commitment may be demonstrated by applicants submitting either their initial or annual compliance review documentation.

The City Manager shall promulgate Administrative Guidelines detailing the components and requirements of this policy.

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a) Gold Certification:

Firms demonstrating that they employ minority males and females and white males and females in “relative proportion” to their respective availability in the civilian labor force within their relevant Metropolitan Statistical Areas (MSA) in at least three (3) EEO job categories for each group shall be determined to be in contract compliance and shall be placed on the City’s Compliance List for a period of three (3) years. Firms satisfying Gold Certification will be reviewed triennially (every three (3) years).

b) Silver Certification:

Firms demonstrating that they employ minority males and females and white males and females in “relative proportion” to their respective availability in the civilian labor force within their relevant Metropolitan Statistical Areas (MSA) in at least two (2) EEO job categories for each group shall be determined to be in contract compliance and shall be placed on the City’s Compliance List for a period of two (2) years. Firms satisfying Silver Certification will be reviewed biennially (every two (2) years).

c) Bronze Certification:

Firms may satisfy this requirement by compiling and submitting for approval a Workforce Diversity/Equal Employment Opportunity Plan. Firms meeting this requirement shall be determined to be in contract compliance and placed on the City’s Compliance List for a period of one

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(1) year. Firms satisfying Bronze Certification will be reviewed annually (every year).

For purposes of this Policy, “relative proportion” shall mean employment by race and gender of at least 80% of the percentage of the respective available workforce. To satisfy this requirement, a firm shall analyze its permanent workforce by EEO job classifications, indicating the number of employees in each such classification by race and gender.

The Equal Opportunity Department shall prepare and present an annual report to the City Manager and City Commission on the Contract Compliance Program. The report shall include but not be limited to an analysis of certification levels of vendors and contractors and an analysis of expenditures.

Any application for Personal Property Tax Relief shall be accompanied by the appropriate contract compliance certification and forms including a covenant of non-discrimination and commitment to equal employment opportunity executed by the applicant.

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