

CITY OF RICHMOND
COUNTY OF MACOMB
STATE OF MICHIGAN

RESOLUTION NO. 00-23

A RESOLUTION ESTABLISHING AN INDUSTRIAL FACILITIES TAX EXEMPTION POLICY FOR THE CITY OF RICHMOND PURSUANT TO MICHIGAN PUBLIC ACT 198 OF 1974, AS AMENDED.

WHEREAS, the City of Richmond is a rapidly growing community located in northeast Macomb County within the Detroit metropolitan area; and

WHEREAS, the City has experienced considerable residential development and currently possesses a disproportionate residential tax base in relation to industrial and commercial tax base; and

WHEREAS, the Richmond City Council desires to reduce the municipal property tax burden on residential property owners to the extent possible; and

WHEREAS, the Richmond City Council recognizes that the key to residential property tax relief is the promotion of industrial and commercial development within the City; and

WHEREAS, the City Council further recognizes that the granting of Industrial Facilities Tax abatements is a significant tool for promoting industrial development and plant reinvestment within the City of Richmond;

NOW, THEREFORE, BE IT RESOLVED that the Richmond City Council does hereby establish the following Industrial Facilities Tax Exemption Policy for the City of Richmond:

1. PURPOSE. The City of Richmond is a community which strives for economic excellence and, as such, is committed to economic development and economic revitalization within its business community. To assist in the achievement of its economic development and revitalization goals, the City of Richmond offers industrial firms certain property tax incentives as authorized by Michigan Public Act 198 of 1974, as amended, to encourage the development, expansion, rehabilitation, and replacement of industrial facilities within the City. Concurrently, the City of Richmond recognizes and understands its responsibility to maintain adequate public services and to protect and preserve the quality of life within the community. To fulfill these dual roles, the Richmond City Council establishes this policy as a guide to assist the industrial community in its development endeavors which contribute positively to the welfare of the whole community.
2. GOAL OF THE INDUSTRIAL FACILITIES EXEMPTION PROGRAM. The primary goal

of the City of Richmond Industrial Facilities Exemption Program is to provide a business climate within the City which will encourage capital investment and facility development, expansion, rehabilitation, and replacement which is beneficial to, and harmonious with, the residential, commercial, educational, and cultural characteristics of the City of Richmond and its infrastructure.

3. OBJECTIVES OF THE INDUSTRIAL FACILITIES EXEMPTION PROGRAM. The City of Richmond is confident that its participation in the Industrial Facilities Exemption Program as authorized under Michigan Public Act 198 of 1974, as amended, will assist the City in achieving the goal of its program through attainment of the following objectives:
- a. Expand the City's tax base;
 - b. Provide economic stimuli to other business activities within the City of Richmond in the form of retail establishments, support facilities, and satellite industries;
 - c. Promote development which is attractive, complimentary, and aesthetically enhancing to adjacent properties and the overall community;
 - d. Promote industrial development which conforms to local development plans, including the City of Richmond Master Plan and Zoning Code;
 - e. Promote diversification in the types of manufacturing concerns comprising the City of Richmond's current industrial base, and, thereby, provide for stability in the economic vitality and viability of Richmond's employment base;
 - f. Provide the means for completion of necessary City capital improvements to infrastructure to service the industrial community and other sectors of the City.

At its discretion, the Richmond City Council may, when reviewing applications for industrial facilities exemption certificates, consider additional objectives which may be consistent with the protection of the general health, safety, and welfare of the Richmond community.

4. GUIDELINES FOR CONSIDERATION OF INDUSTRIAL FACILITIES TAX EXEMPTION CERTIFICATE APPLICATIONS. Industrial development or rehabilitation districts may be established and/or Industrial Facilities Exemption Certificates (IFECs) granted only if the applicant satisfactorily meets the following minimum requirements:
- a. The project must meet the goal and objectives of the City of Richmond for industrial development or redevelopment as outlined in Sections 2 and 3 of this policy.
 - b. The facility or development must be contained within the target industrial area established by the City of Richmond. Such target areas shall be identified in the Master Plan, Zoning Code, and/or resolutions of the City Council establishing industrial development and plant rehabilitation districts.
 - c. All variances from current zoning code requirements which will be required for the project must be outlined in the application for the IFEC.
 - d. The applicant must meet all current financial obligations to the City of Richmond and must be in compliance with all applicable federal, State, and local codes and regulations.

- e. Neither the applicant nor its agents shall be currently involved in pending litigation against the City of Richmond.
 - f. The applicant shall provide, at a minimum, pre-preliminary site plans, elevation drawings, and sketches for the intended project.
 - g. The applicant shall provide a description of the types of industrial waste, if any, which will be created by operations conducted within the facility. The applicant shall explain the hazards involved with said wastes and the disposal practices to be utilized in handling said wastes.
 - h. If the application involves a rehabilitation project, the applicant shall include exterior and interior improvement sketches, plans, and drawings for the proposed project.
 - i. The applicant shall comply with all ordinances and regulations of the City of Richmond at all times for an IFEC to be granted and continued in effect.
 - j. Priority for the granting of IFECs shall be given to those industries which offer the opportunity to diversify Richmond's tax and employment base through quality economic development projects. It is the desire of the City to encourage industrial development and redevelopment which will:
 - 1) Not adversely impact existing businesses within the community.
 - 2) Lessen the dependence of the City's economic base on automotive-related or other single industries.
 - 3) Represent quality industries which are not located at the present time within the City of Richmond or which are located within the City and desire to expand.
 - k. The project shall serve overall community development objectives or act as a catalyst for the construction of public improvements (such as public roads, water mains, sanitary sewer mains, storm drains, and other such infrastructure) which would benefit the general public.
5. PROCEDURES FOR ESTABLISHING INDUSTRIAL DEVELOPMENT AND PLANT REHABILITATION DISTRICTS. The procedures for establishing Industrial Development and Plant Rehabilitation Districts shall be as prescribed in Michigan Public Act 198 of 1974, as amended, which attached hereto as "Appendix A" for reference.
6. PROCEDURES FOR FILING INDUSTRIAL FACILITY TAX EXEMPTION CERTIFICATE APPLICATIONS AND REVIEW OF THE SAME BY THE CITY. The following procedures are to be followed by all applicants filing for tax abatements within the City of Richmond under Michigan Public Act 198 of 1974, as amended:
- a. Applicants requesting the establishment of an Industrial Facilities Exemption District or Plant Rehabilitation District shall submit to the City Clerk an original application and fifteen (15) copies on a form provided and approved by the Michigan Department of the Treasury and all necessary exhibits and attachments, together with the filing fee of 1/10th of one (1) percent (0.001) of the total project value subject to

the IFEC application.

- b. The City Clerk shall immediately forward to the City Manager a copy of the application and all relevant information, who shall provide copies to the necessary department heads for assessments of the project's compliance with all laws, rules, and regulations and the project's impact on the City's infrastructure and services.
 - c. The City Manager shall submit the departmental assessments, Manager's final recommendation, and, if applicable, the Manager's recommended tax abatement agreement required under Michigan Public Act 334 of 1993 to the City Clerk as soon as is practicable after receipt.
 - d. The City Clerk shall schedule a public hearing for the next regular City Council meeting, and copies of the original application, departmental assessments, City Manager's recommendation, and City Manager's recommended tax abatement agreement shall be submitted to the City Council as an agenda item. If the date of the next regular Council meeting conflicts with the public notice requirements for the public hearing, a special meeting of the Council may be held at the request of the applicant and a special meeting fee assessed, or the public hearing may be scheduled for the following regular Council meeting.
 - e. The City Clerk shall notify the applicant of the public hearing date, time, and location and shall post and publish all appropriate legal notices as may be required.
 - f. Final approval of the Industrial Facilities Exemption district and certificate shall be decided upon by the Richmond City Council. The Council shall exercise its discretion in determining the granting or denial of a tax abatement, and, if granted, the length of time of the exemption, provided that the tax abatement does not exceed twelve (12) years in duration as permitted by law. Council shall, however, base its determinations, to the extent possible, on the objectives set forth in this policy and the determined impact of the project on the health, safety, and welfare of the City of Richmond and its citizenry.
 - g. The City Council, upon making a determination to approve the issuance of an Industrial Facilities Exemption Certificate, shall outline all of the conditions under which the tax abatement is being granted, and the same shall be set forth in a formal, written agreement between the City and the owner of the industrial facility being proposed for the tax abatement, with said agreement to be filed with the Michigan Department of Treasury in accordance with Michigan Public Act 334 of 1993.
6. PROCEDURES FOR ANNUAL REVIEW OF EXEMPTION CERTIFICATE COMPLIANCE. A Tax Exemption Review Board is hereby created, with its membership to consist of the City Manager acting as chairperson, the City Clerk acting as secretary, and the City Treasurer. The members shall serve by virtue of their respective offices for indefinite

terms. The Board shall review and audit each Industrial Facilities Exemption Certificate granted beginning on the anniversary date of the exemption and annually thereafter until expiration of the certificate. The review shall be conducted to ensure compliance with the conditions set forth in the Industrial Facilities Exemption application, tax abatement agreement, and this policy. Prior to the review date, the certificate holder shall file a written statement summarizing the holder's actions in upholding the terms of the application and tax abatement agreement. This statement shall be submitted to the Tax Exemption Review Board. The Board shall submit its annual review and audit report, together with the holder's statement of compliance, to the Richmond City Council as soon as the review and audit are complete. The Board shall make such recommendations to the City Council as part of its review and audit as the Board may deem necessary concerning any actions to be taken on the enforcement of Exemption Certificate compliance or on the revocation of certificates.

In the event that the review and audit procedures disclose a failure to comply with the terms of the application and abatement agreement, the Tax Exemption Review Board shall make recommendations to the City Council on actions to be undertaken to compel compliance or to revoke and cancel the IFEC. Such recommendations, and subsequent actions, shall be in accordance with Michigan Public Act 198 of 1974, as amended.

7. ADDITIONAL REQUESTS FOR INDUSTRIAL FACILITIES EXEMPTION CERTIFICATES. Current holders of IFECs may submit additional requests as expansion or rehabilitation is necessary. All such subsequent applications shall be subject to the same requirements and procedures as set forth in this policy for first-time applicants.

THIS RESOLUTION WAS DULY ADOPTED BY THE RICHMOND CITY COUNCIL DURING ITS REGULAR MEETING HELD ON _____, 2000.

Honorable Timothy J. Rix, Mayor

Ms. Karen M. Stagl, City Clerk