

**CHARTER TOWNSHIP OF CALEDONIA**  
**COUNTY OF KENT, MICHIGAN**

**TOWNSHIP POLICIES ON APPROVAL OF PROPERTY  
TAX ABATEMENTS FOR INDUSTRIAL DEVELOPMENT**

**A. BACKGROUND**

1. The Plant Rehabilitation and Industrial Development Districts Act, Act 198 of the Public Acts of Michigan of 1974, as amended authorizes local governments to abate a portion of real and personal property taxes, for specified periods of time, as an incentive for the development and operation of new industrial facilities.

2. These policies have been adopted by the Township Board with the assistance of the Tax Abatement Study Committee, consisting of two Township Board members, the Township manager, the Township assessor and a representative of the business community.

3. These policies have been adopted to assist persons who may seek tax abatement for proposed new industrial facilities, and to provide guidelines on the approval of industrial-facility tax abatements by the Township and the required procedures for such purposes.

**B. TAX ABATEMENT POLICIES**

1. The development and operation of industrial enterprises is important to the Township. Industrial businesses create and retain jobs; generate property tax revenue for the Township, the local school district and other taxing authorities; and can stimulate the development of other job-creating businesses.

2. 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.

3. Proposed industrial facilities shall comply with all applicable Township ordinances and the Township general development plan.

4. Proposed industrial facilities shall be generally 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.

5. An applicant for tax abatement shall have fully satisfied all of its financial obligations to the Township, and shall pay the required application fee.

6. If tax abatements are granted, they will be limited in duration as follows:

(a) *Tax abatements for real property –*

i. not longer than 10 years for projects with a real property value of \$5,000,000 or less as listed on the tax abatement application.

ii. not longer than 12 years for projects with a real property value of more than \$5,000,000 as listed on the tax abatement application.

(b) *As of January 1, 2021, requests for tax abatements for personal property will no longer be considered for approval.*

7. An applicant shall comply with the requirements of Act 198 and all Township requirements for applications for tax abatement and the required procedures for the consideration thereof.

8. An applicant for tax abatement shall enter into a written agreement with the Township, as required by Act 198. The agreement shall be satisfactory to the Township and may include, among other matters, a commitment as to continuance of operations within the Township; periodic submission of reports with respect to creation or continuance of jobs; and other matters reasonably required by the Township. The agreement may require that a transferee or other new owner of the industrial facility shall abide by all of the terms and conditions of the agreement.

9. 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.

10. 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.

11. 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.

12. 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.

13. Annual reports by the applicant must be submitted to the Township, directed to the Township clerk, no later than April 15 of each year during 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.

14. The Township staff shall develop written guidelines for applicants, with respect to application and procedural requirements for an industrial facilities tax abatement, consistent with these policies.

These policies were adopted by the Caledonia Charter Township Board on August 17, 2005 and amended on January 20, 2021.