

**DELHI TOWNSHIP POLICY MANUAL**

**I. SUBJECT**

INDUSTRIAL FACILITIES TAX (IFT) ABATEMENT

**II. PURPOSE**

To encourage the development of a diversified property tax base, the development of locally based employment opportunities, and the retention of existing industrial property tax base and jobs.

**III. SCOPE**

New and existing industrial facilities.

**IV. POLICY**

It is not the intent or policy of the Township Board to grant industrial facilities tax abatements under P.A. 198 simply because an existing or prospective business requests it. IFT's will be considered when existing or new businesses seek to make new investment in the Township and/or to create or retain job opportunities that will result in quality economic development.

The Board also recognizes the expenditure of significant local tax dollars through the efforts of its Downtown Development Authority and expenditures of Sewer Fund money to provide sewer infrastructure necessary to make industrial tax base possible. Therefore, in areas where Delhi Township or the Delhi DDA has invested in or spent money to directly benefit the property requesting the IFT abatement, the amount SEV to be abated may be reduced to a point where the Township's expenditures are recouped. Alternatively, the Board may limit the duration of the requested IFT abatement to a maximum of six years.

Assuming that the qualifications above with regards to the creation of quality economic development have been or will be achieved to the satisfaction of the Township Board the Township Board will consider IFT abatement applications according to the following policy and procedures:

- A. **New and Existing Businesses.** Upon request, qualified businesses under P.A. 198 existing in or entering Delhi Township shall be granted an IFT abatement if the following additional conditions are met:
1. Said business shall file a completed application on forms provided by the Michigan Department of Treasury, accompanied by a non-refundable payment of \$500 to Delhi Township. Additional out-of-pocket costs to Delhi Township incurred as a result of considering the application shall be reimbursed by the applicant prior to the granting of the IFT abatement.

2. Delhi Township will determine that the necessary application has been satisfactorily completed, all fees paid, and the proposed industry meets the requirements of P.A. 198 and,
  3. Delhi Township must determine that locating the business applying for the IFT abatement in Delhi Township will not constitute a hardship to the Township and other units of government as a result of incurring additional costs from the provision of services and facilities, such as added fire protection capabilities, additional transportation facilities, sanitary sewer transport and treatment capacity, etc. Should the Township Board determine that a hardship would occur as a result of approving the abatement of taxes, the Board may reduce the period of the abatement or deny it altogether. The decision to reduce or deny shall be based on the discretionary authority granted to Delhi Township after the examination of the abatement request.
- B. **Transfer.** The Township Board may support the transfer of an existing IFT Certificate provided the new Certificate holder has not caused the SEV of the property to be reduced.
- C. **Letter of Agreement.** Prior to the approval of any abatement, the requesting business shall execute an agreement with Delhi Township that will obligate it or its successors to reimburse, according to the schedule set forth below, Delhi Township and all other units of government levying property taxes the amount of taxes abated if:
1. the business does not achieve the job creation goals within the amount of time specified and agreed to,
    - At the sole discretion of Delhi Township, this requirement may be held in abeyance if the parties negotiate a mutually acceptable alternative arrangement, which would be an amendment to the IFT performance agreement.
  2. if, within fifteen (15) years of having been granted the IFT abatement, the business relocates personal property covered by the IFT, reduces the number of jobs it had (if an existing business) and/or promised to achieve as a condition of granting the IFT abatement.
    - Reimbursement of the entire amount of abated taxes if the relocation or reduction occurs within 13 years of the granting of the abatement.
    - Reimbursement of 2/3 of the amount of abated taxes if the relocation or reduction occurs within 14 years of the granting of the abatement.
    - Reimbursement of 1/3 of the amount of abated taxes if the relocation or reduction occurs within 15 years of the granting of the abatement.
  3. Township Board reserves the authority to waive any of the repayment provisions stated herein if the Certificate holder can demonstrate extenuating circumstance or other reasonable grounds for non-performance to the satisfaction of the

Township Board.