



**RESOLUTION ESTABLISHING
TRAVERSE CITY PROPERTY TAX ABATEMENT GUIDELINES**

With the acknowledgment that both an Applicant Company's investment in a proposed project and the City's investment through the granting of property tax incentives is to encourage the economic growth of all, the following guidelines for the granting of an Industrial Development District, the issuance of an Industrial Facilities Certificate as provided by PA 198 of 1974 as amended and/or the issuance of a New Personal Property Exemption Certificate as provided by PA 328 of 1998 as amended have been established.

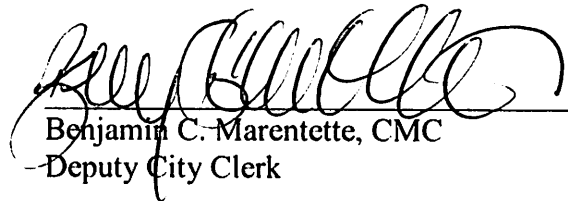
1. Applications for the establishment of an industrial development district, an industrial facilities certificate, new personal property exemption certificate or the transfer of an existing certificate shall be submitted to the City Manager for study and recommendation.
2. Final approval of a district or certificate shall be decided by the City Commission. The City Commission shall exercise its discretion to determine the maximum term and conditions of any and all certificates pursuant to the Traverse City Property Tax Abatement Policy and Duration of Certificates Guideline, attached hereto as Exhibit A and made a part hereof.
3. All Industrial Facilities certificates granted by the City of Traverse City shall be for an initial period of two years. After successful completion of a compliance review by the City Manager, the additional remaining years determined by the original analysis shall be awarded by the City Commission, without public hearing. Further compliance review shall occur every two years following the grant of any additional years beyond the initial period of two years. If at any time the Applicant fails compliance review, the City Commission may revoke or reduce the term of the IFT. All New Personal Property Exemption certificates granted by the City of Traverse City shall be final, except as otherwise provided by the Agreement between the City and the Applicant.
4. Prior to approval of the issuance of an Industrial Facilities Exemption Certificate or a New Personal Property Exemption Certificate, the applicant and the local unit shall enter into a written agreement which states the following terms and conditions:
 - A. In the event the applicant has not substantially complied with the Application, with respect to the items described in the application, including but not limited to number of jobs promised, the total capital investment promised, and within the time frames provided in the Application, the abatement previously approved may be reduced or revoked by the local unit.
 - B. In the event that the Applicant's ad valorem and/or IFT tax is not paid by the stated due date, the abatement previously approved may be reduced or revoked by the local unit.

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- C. In the event the applicant ceases operation of its industrial facility in the local unit, so that it is no longer employing people nor producing goods, the local unit shall be repaid a portion or all of the amount of the taxes previously abated, in accordance with the provisions of the agreement.
- D. Any conditions deemed necessary by the City Commission to ensure compliance with the terms and conditions of the IFT or the new personal property exemption application and certificate.

I hereby certify that the above Resolution was adopted by the City Commission of the City of Traverse City at its regular meeting held September 21, 2010, and supersedes the Resolution adopted October 19, 2009, in the Commission Chambers of the Governmental Center, 400 Boardman Avenue, Traverse City, MI.


Benjamin C. Marentette, CMC
Deputy City Clerk

Traverse City Property Tax Abatement Policy

A guide to measure the contribution the applicant facility has made or may make to the community.

Abatement Criteria		Information	Points	Total	Instructions
JOBS <i>Jobs must be created within two years of issuance date of certificate. (50 pts maximum)</i>			50 max	0	
A.	Number of jobs created <i>One point for every full time, non-seasonal job created</i>	0	0		Enter the number of jobs to be created in the information column.
	Number of jobs retained <i>One half point for every full time, non-seasonal job retained.</i>	0	0		Enter the number of jobs to be retained in the information column.
	Number of jobs for mentally or physically impaired <i>Two points for every job for mentally or physically impaired.</i>	0	0		
B.	Average wage of new/retained jobs <i>One point per every \$.25 over \$8.50/hour excluding executive level salaried personnel.</i>	\$0.00	0		Enter the average wage of the jobs to be created or retained in the information column.
INVESTMENTS <i>Investments must be completed within two years of issuance date of certificate. (20 pts maximum)</i>			20 max	0.00	
A.	Total Investment <i>One point for every 200,000 invested in new real property and/or 50,000 invested in new personal property.</i>	\$0	0.00		Enter the total proposed capital expenditure either real or personal property in the information column. Real & personal property are to be calculated on separate lines.
	Total real property		0.00		
	Total personal property		0.00		
INDUSTRY <i>(15 pts maximum)</i>			15 max	0	
A.	Type of Industry. Compatibility with the immediate area. <i>(5 points maximum)</i>		0		Rated 0 - 5 based on compatibility with the surrounding area. With 5 being if located in industrial zoned area, more than 500 ft from residential use and 0 being if located in non conforming zoning area with residential use within 500 ft. Enter score in points column.
B.	Public Services Required <i>1-10 points depending on the amount of additional public expenditures required to build or support facilities or equipment in application.</i>		0		Rated 0-10 based on how much increase in public expenditures will be required to service the proposed development and the support of those public services, with 10 being no additional public expenditure for, but
BUILDING <i>(15 points maximum)</i>			15 max	0	
A.	Location <i>10 points if facility is in compliance with federal & state environmental laws and all local ordinances.</i>		0		Rated 0 - 10 based on compliance with all federal, state and local laws and ordinances including but not limited to environmental laws, sewer pre treatment requests and requirements, fire inspections and codes, with 10 being if complies with all federal, state and local laws and ordinances and 0 being if the applicant is significantly out of compliance with federal, state or local ordinances. Enter score in points column.
B.	Exterior Appearance <i>1-10 points if building and grounds is designed to complement and enhance surrounding neighborhood.</i>		0		Rated 0 - 10 based on the aesthetic design of building and grounds enhancing the community with 10 being an innovative design which improves the neighborhood in all senses including but not limited to visual, audio and olfactory perception and 0 being basic design which meets minimum local standards. Enter score in points column.
		Total Points	100 max	0.00	

Exhibit A
DURATION OF CERTIFICATES GUIDELINE

POINTS	DURATION REAL PROPERTY	DURATION PERSONAL PROPERTY
1-40 Points	4 Years	2 Years
41-60 Points	6 Years	3 Years
61-80 Points	8 Years	4 Years
81-100 Points	12 Years	6 Years