

**VILLAGE OF CASS CITY  
DEVELOPMENT INCENTIVES POLICY**

Effective Date: July 25 2022

**I. Policy Statement**

The Village of Cass City recognizes the roles of high-quality development, housing, and skilled employment in community wealth building. As such, the Village is committed to the promotion and support of development projects that enhance the overall quality of life for its citizens and the sustainable expansion of the local economy. This policy establishes minimum requirements and a uniform set of standards and procedures to be used when considering a request for an economic development incentive.

**II. Minimum Requirements for Development Incentives**

- A. The Village will consider development incentives for eligible projects which require a development incentive to succeed and align with at least one of the current policy goals:
1. Retain and/or increase the number and diversity of high-quality jobs and businesses, which offer attractive wages and benefits
  2. Significantly redevelop blighted and/or underutilized properties, especially those where the Village's historic character is enhanced
  3. Expand the availability of mixed-use developments with high-quality multi-household residential units
  4. Redevelop a Priority Redevelopment Site within the Village
- B. Developers may apply for two forms of tax abatements offered by the Village of Cass City, provided that an abatement district exists or shall be requested for the project:
1. Industrial Facilities Exemption (PA 198 of 1974)
  2. Commercial Facilities Exemption (PA 255 of 1978)
- C. Developers may request that the Village Council reduce or waive Village permitting, review, and water/sewer connection fees associated with development, provided that:
1. The Project aligns with the Village's current policy goals identified in Section II Item A
  2. Applicants agree to redirect the reduced/waived fees to necessary pre-development work to ensure the success of the project
  3. The applicant has not received a fee waiver or reduction for a project in the 12 months preceding the request

- D. Projects shall be economically feasible; the Village of Cass City will not support incentives for projects that do not satisfy a thorough review of project proformas and/or financials.
- E. Developers must provide a completed application, along with all necessary documentation and attachments, for economic development incentive consideration.
- F. All abatements shall be subject to duration and amount limits, as determined by state law and local evaluation criteria. Such duration and amount limits shall be for the minimum amount necessary to meet the goals of the project.
- G. Benefits to the Village of the proposed abatement shall be equal to or greater than the cost of the abatement.
- H. The taxable value of the proposed abatement – considered together with the aggregate taxable value of property exempt under certificates previously granted and in force shall not exceed five (5) percent of taxable value of the Village of Cass City.

Example:        2020 Village of Cass City taxable value = \$50,186,038  
                     5% of Village of Cass City taxable value = \$2,509,301

*Per MCL 125.2788(1): If the taxable value of the property proposed to be exempt pursuant to an application under consideration, considered together with the aggregate taxable value of property exempt under certificates previously granted and currently in force ...exceeds 5% of the taxable value of the qualified local government unit, the legislative body of the qualified local government unit shall make a separate finding and shall include a statement in its resolution approving the application that exceeding that amount shall not have the effect of substantially impeding the operation of the qualified local governmental unit or impairing the financial soundness of an affected taxing unit.*

- I. Commencement of any new construction or improvements shall be within the limits set forth within the applicable public act for the abatement being sought.
- J. The Village of Cass City will not issue or be a signatory on bonds in connection with abatements.
- K. The Village of Cass City reserves the right to waive, modify or amend any of these policies when it is in the best interest of the Village of Cass City.

### III. Evaluation Criteria

- A. In addition to satisfying the minimum requirements and application requirements, the Village of Cass City will consider the following factors when evaluating tax abatement applications:
1. The extent to which the proposed project creates high quality jobs in the Village – paying wages equal to or greater than the average local wage of the same class.
  2. The extent to which the proposed project adds to the net commercial, industrial, or general tax base of the Village and optimizes the private development of the proposed site
  3. The extent to which the project requires publicly funded improvements in Village infrastructure, road construction, or other public services
  4. The extent to which the project utilizes local vendors and/or products in construction or operation
  5. Whether or not the proposed business would be in direct competition with existing businesses in the Village; abatements should not be given to businesses which would receive a competitive advantage over existing businesses in the Village
  6. The consistency of the proposed project with the Village’s Master Plan and Zoning Ordinance, along with any approved variances
  7. The impact of the project on the Village’s environment and natural resources
  8. The level of private financial investment into the project
- B. The Village may consider modifications in the duration or amount of an abatement, beyond the minimum amounts required for the success of the project and up to the maximum amounts allowable by law, for projects which:
1. Support the growth and/or expansion of locally owned existing businesses within the Village
  2. Encourage additional direct or indirect unsubsidized private development in the Village of Cass City
  3. Preserve or restore a feature of historical significance
  4. Achieve the development of sites which would otherwise remain undeveloped or blighted without public assistance
  5. Provide streetscape and/or public realm enhancements, significantly beyond the minimum requirements set forth by local zoning
  6. Finance or provide public infrastructure
  7. Provide access to critical goods or services not currently available within the Village

#### **IV. Application**

- A. Applicants shall submit an application packet to the Village Clerk's office for all projects for which a tax abatement is sought from the Village of Cass City. Applications are available in-person at the Cass City Municipal Building or online at [www.casscity.org](http://www.casscity.org). Incomplete application packets will not be accepted.
- B. A completed application packet shall include:
  - 1. The Village's Development Incentives Application Form
  - 2. Official forms from the State of Michigan pertaining to the public act which enables the tax abatement
  - 3. A project proforma and applicable financials
  - 4. A letter formally requesting a tax abatement from the Village of Cass City; if there is not an existing tax abatement district for the property, the letter may need to specify that one be established, depending on the public act governing the abatement

#### **V. Approval Process**

- A. The Village Clerk shall notify – by certified mail - each taxing jurisdiction of a request to establish an abatement district or application for the abatement. Said taxing jurisdiction shall have fifteen (15) days from the date of receipt of said notification to respond in writing with their thoughts and considerations. These taxing jurisdictions shall have no voting or veto authority.
- B. The Village Clerk shall notify applicant by certified mail if the application is found consistent with this policy. Procedures set forth within the abatement act shall be followed.
- C. The length of the exemption shall be determined by the attached abatement schedule.
- D. The Village Council shall not act on any abatement until an applicant presents the project at a public hearing and is available to answer questions.
- E. The approval for the abatement district and approval of an application for abatement shall not be addressed at the same meeting.

#### **VI. Required Agreements and Reporting**

- A. All projects granted a tax abatement may be subject to a development agreement, especially in cases where the applicant assumes responsibilities beyond the scope of a standard tax abatement (e.g., the applicant agrees to specific design elements or other conditions). Development agreements will be recorded against the property, will clearly define the responsibilities of the property owner(s) receiving the abatement, and will require annual reporting.

- B. All projects granted tax abatement shall submit an annual status report on the form developed and provided by the Village of Cass City. The requirement makes all abatements granted consistent with the State Tax Commission Administrative Rule 55(3). The report will include – but not be limited to – status of employment, wage level, real property project progress and costs, aesthetic enhancement progress and costs as part of the project, number of employees living in the village, and other improvements and costs not listed within the scope of the project.

**VII. Rescission of Abatements**

- A. Imposition of any rescission is at the sole discretion of the Village of Cass City and shall be considered on a case-by-case basis in compliance with the applicable act under review.
- B. Rescission shall not violate the statutory requirements of the applicable act in any way. Consideration may include but not be limited to:
  - 1. Sale or closure of the facility and departure of the company from the jurisdiction unless abatement is transferable
  - 2. Significant change in the use of the facility and/or the business activities of the company not consistent with the requirement of the applicable act for which approved
  - 3. Significant employment reductions not reflective of the company's normal business cycle and/or local and national economic condition
  - 4. Failure to achieve the minimum number of net new jobs and wage level as specified in the abatement application
  - 5. Failure to perform requirements outlined in the participation agreement with the Village
  - 6. Failure to complete the project in a timely manner as specified in the approval resolution and/or the applicable act
  - 7. Failure to comply with annual reporting requirements
  - 8. Failure to pay annual property taxes timely on real property unexempt under the approved abatement
  - 9. Failure to comply with the Village's ordinances and policies

*I hereby certify that the foregoing document is a true and complete copy of a policy approved by the Village of Cass City Council at the regular meeting of July 25th, 2022.*

  
Nanette Walsh, Village Clerk/Treasurer

# Village of Cass City

6506 Main St. PO Box 123, Cass City, MI 48726  
 Ph: 989-872-2911 Fx: 989-872-4855  
 Email: ccvillage@casscity.org  
 Office Hours 8:00am to 4:30pm M-F

INTERNAL USE ONLY

Date Received:

To be considered for an economic development incentive within the Village of Cass City, applicants must return a completed form and required attachments to the Village offices. If found to be eligible for an incentive, applicants must appear at a public meeting to present the project and receive questions. If approved, applicants must abide by all requirements outlined in the Village's Development Incentives Policy. For assistance in completing this application, or for any related questions, please contact the Village Manager.

**APPLICATION MUST BE COMPLETE - INCOMPLETE APPLICATIONS NOT ACCEPTED**

### 1. CONTACT INFORMATION

Applicant (Business):			
Project Contact Name:		Mailing Address:	
City/Village:	Twp:	County:	Zip Code:
Phone:		Fax:	

### 2. PROJECT LOCATION

Address:			Property Code:
City/Village:	Township:	County:	Zip Code:
Between:		And:	
Is the project located within an existing abatement district?			<input type="checkbox"/> YES <input type="checkbox"/> NO

### 3. TYPE OF ABATEMENT/INCENTIVE REQUESTED

- |   |  |
|---|--|
| <b>Tax Abatements:</b>  | <b>Local Incentives:</b>   |
| <input type="checkbox"/> Industrial Facilities Exemption (PA 198 of 1974) | <input type="checkbox"/> Development Fee Reduction/Waiver            |
| <input type="checkbox"/> Commercial Facilities Exemption (PA 255 of 1978) | <input type="checkbox"/> Water/Sewer Connection Fee Reduction/Waiver |

Requested Tax Abatement and Incentives Amount(s):

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### 4. PROJECT DESCRIPTION

Include a description of the business, including the type of business, products/services manufactured or provided, size of the proposed structure, and proposed activity of the project site. Attach additional materials and plans as necessary.

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DEVELOPMENT INCENTIVE APPLICATION

**5. ESTIMATED PROJECT COSTS**

1. Land Improvements: \$ \_\_\_\_\_ Description: \_\_\_\_\_
2. Building improvements: \_\_\_\_\_ sq. ft \$ \_\_\_\_\_ Description: \_\_\_\_\_
3. Machinery & Equipment: \$ \_\_\_\_\_ Description: \_\_\_\_\_
4. Furniture & Fixtures: \$ \_\_\_\_\_ Description: \_\_\_\_\_
5. Total Cost of Project: \$ \_\_\_\_\_

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**6. ESTIMATED PROJECT TIMELINE (IF APPLICABLE)**

Building: \_\_\_\_\_ Equipment Installation: \_\_\_\_\_  
Start Date: \_\_\_\_\_ Start Date: \_\_\_\_\_  
Completion Date: \_\_\_\_\_ Completion Date: \_\_\_\_\_

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**7. WORKFORCE IMPACT**

1. How many employees are currently employed by the applicant within the Village?  
\_\_\_\_\_ Full Time & \_\_\_\_\_ Part Time
2. How many new employees are estimated after project completion?  
\_\_\_\_\_ Full Time & \_\_\_\_\_ Part Time
3. How many of the new employees are estimated to be filled by Cass City residents?  
\_\_\_\_\_ Full Time & \_\_\_\_\_ Part Time
4. Upon project completion, how many of the new positions will be:  
Management/Professional: \_\_\_\_\_ Wage Level \$ \_\_\_\_\_ per \_\_\_\_\_  
Skilled: \_\_\_\_\_ Wage Level \$ \_\_\_\_\_ per \_\_\_\_\_  
Semi-Skilled: \_\_\_\_\_ Wage Level \$ \_\_\_\_\_ per \_\_\_\_\_  
Un-Skilled: \_\_\_\_\_ Wage Level \$ \_\_\_\_\_ per \_\_\_\_\_  
Average of All Positions: \_\_\_\_\_ Wage Level \$ \_\_\_\_\_ per \_\_\_\_\_

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**8. ATTACHMENTS**

- Additional Description for Part 4
- Project Proforma and Applicable Project Financials
- State of Michigan Forms for Tax Abatement (if applicable)
- Letter Requesting the Establishment of an Abatement District (if applicable)

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**9. SIGNATURE OF APPLICANT**

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

# Village of Cass City

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Date Received:

This annual report is a required component of the Village of Cass City's Development Incentives Policy. You have received this report because your property is currently subject to a tax abatement program approved by the Village of Cass City. Failure to submit this report in a timely manner may result in termination of your property's tax abatement. Providing false information in this report will result in automatic termination of your property's tax abatement. Please contact the Village Manager with any questions. Return a completed report by mail or email to the Village offices.

## 1. CONTACT INFORMATION

Project Applicant (Business):			
Project Contact Name:		Mailing Address:	
City/Village:	Twp:	County:	Zip Code:
Phone:		Fax:	

## 2. PROJECT LOCATION

Address:			Property Code:
City/Village:	Township:	County:	Zip Code:
Between:		And:	

## 3. TYPE OF ABATEMENT/INCENTIVE RECEIVED

Commercial Facilities Exemption     Industrial Facilities Exemption     Not Applicable

## 4. CAPITAL INVESTMENT

Was the project completed?     YES     NO

Years of Abatement Awarded	Total Cost Indicated in Application	Actual Cost of Project Upon Completion

## 5. JOB CREATION

Number of New Jobs Created (Application)	Number of New Jobs Created (Actual)	Average Wage of New Jobs Created

Number of New Jobs Filled by Cass City Residents (Application)	Number of New Jobs Filled by Cass City Residents (Actual)

## 6. SIGNATURE

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_