I. Policy Section

11.0 Business Functions

II. Policy Subsection

11.22

III. Policy Statement

The College may participate with the local units of government in the establishment of tax abatement or capture programs as authorized by State enabling legislation to correct and prevent deterioration in neighborhood and business districts within the local units of the Grand Rapids Community College District.

IV. Reason for the Policy

To provide clear direction for the administration of the College when given the opportunity to participate in economic development programs.

V. Entities Affected by this Policy

Local governmental units including cities and townships.

VI. Who Should Read this Policy

Board of Trustees, President, Vice Presidents, Financial Services Executive Leaders.

VII. Related Documents

GRCC Board of Trustees Policies/Executive Limitations/ Financial Condition

VIII. Contacts

Policy Owner: Vice President of Finance and Administration
Executive Director of Financial Services
Controller

IX. Definitions
X. Procedures

Operational Guidelines

a. The College may pledge up to 7 percent of its property tax levy in support of economic development activities undertaken by local governmental units through local tax abatement/capture programs as authorized by State enabling legislation.

b. As allowed by law, the College will recommend to the Board of Trustees to “opt out” of participation in any new or expanded district, and may enter into a contractual tax sharing agreement with the sponsoring local units according to the following general terms and conditions:

i. Any tax sharing agreement will be limited to 10 year renewable terms. Twenty-year terms may be considered if specific project requests would require debt financing.

ii. The local government unit will pledge 100% of its own operating tax levy for capture or abatement.

iii. College tax sharing in tax capture districts will be on a “match” basis. The College will pledge $1 of its tax levy within the local unit to match $1 of city/township tax levy generated for deposit to the Tax Increment Authority. Absent a matching capture by the local unit the College will not be obligated to share any of it monies under this agreement.

iv. College tax sharing will be suspended for any subsequent calendar year, if total property tax revenues do not increase by at least 3 percent over the prior year’s property tax revenues.

v. College tax sharing will be suspended if the local governmental unit’s total of all tax abatements’ or captures’ taxable values exceed 10 percent of the combined equivalent taxable value of the local unit. The College’s obligation to share any tax revenues in subsequent years will be suspended until specifically reinstated by the Board of Trustees.

XI. Forms
XII. **Effective Date**

March 17, 2008

XIII. **Policy History**

Adopted March 17, 2008
Updated May 9, 2014

XIV. **Next Review/Revision Date**

May, 2018