

Economic Development Participation Policy

I. Policy Section

11.0 Business Functions

II. Policy Subsection

11.22

III. Policy Statement

The College will 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

Robert Partridge – Executive VP for Business and Finance

IX. Definitions

NA

X. Procedures

1. Operational Guidelines

- a. The College may pledge up to 7 percent of its general operating 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 may “opt out” of participation in any new or expanded district, and enter into a contractual agreement with the sponsoring local units according to the following general terms and conditions:
 - b.1 Participation in any capture or abatement district will be limited to 10 year renewable terms. Twenty-year terms may be considered if specific project requests would require debt financing.
 - b.2 Local government unit will pledge 100% of its own operating tax levy for capture or abatement.
 - b.3 College participation in tax capture districts will be on a “match” basis. The College will pledge \$1 of its operating tax levy to match \$1 of city/township tax levy generated for deposit to the Tax Increment Authority.
- c. College participation will be suspended for any calendar year, if the total College General Revenues and Transfers-In do not increase by at least 3 percent over the prior year’s General Revenues /Transfers In.
- d. College participation 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.
- e. College participation with individual local government units will be limited to the capture/exemption of tax levy on up to 10 percent of the combined equivalent taxable value in any individual local governmental unit.
- f. In the event that the total of all tax abatement/captures taxable values exceed 10 percent of the combined equivalent taxable value in a specified local government unit, the College will decline participation in the program. In the case of exiting programs, College participation will be suspended in the calendar year following determination of the capture/abatement reaching the limit.

XI. Forms

XII. Effective Date

March 17, 2008

XIII. Policy History

Adopted March 17, 2008

XIV. Next Review/Revision Date

As determined by State legislation