



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2022-0467

TO: Mayor and City Council Members

FROM: Pam Valentik, Economic Development Manager
Laurie Taylor, Director of Assessing

DATE: October 7, 2022

SUBJECT: Revocation of Industrial Development Districts

REQUEST:

The Planning & Economic Development and Assessing Departments are requesting that the City Council hold a public hearing for the revocation of nineteen Industrial Development Districts (IDDs).

BACKGROUND:

Public Act 198 of 1974, as amended, established the Plant Rehabilitation and Industrial Development Districts Act aka Industrial Facilities Tax (IFT) exemption. The granting of the exemption entitles a property owner to an exemption from ad valorem real and/or personal property taxes for a term of 1-12 years. Prior to granting the exemption, the municipality must create an Industrial Development District (IDD) or a Plant Rehabilitation District (PRD). Once created, the IFT exemption can be approved. When the exemption expires, the property returns to the ad valorem assessment roll. The IDD and PRD remain established until terminated.

If the IDD or PRD remain active (not terminated), a property owner can apply for an exemption and if the exemption is denied by City Council, the property owner can appeal the denial to the State Tax Commission (STC). If an IDD or PRD does not exist (has been terminated) and a property owner is denied the establishment of an IDD or PRD, the property owner cannot appeal the denial to the STC.

In 1988, in an attempt to gain greater control of granting property tax abatements the Rochester Hills City Council eliminated all existing IDDs. Since that time, City Council has granted thirty-one Industrial Facilities Tax abatements within twenty-five IDDs/PRD. There are currently eight active IFTs within six IDDs/PRDs. There are currently nineteen IDDs that no longer have active IFTs certificates within the districts; these are the 19 we are requesting be rescinded.

Approval of this revocation has no financial impact on the city or the property owner. Nor does this change the City's tax abatement policy to allow for future IDDs and IFTs.

RECOMMENDATION:

The Planning & Economic Development and Assessing Departments recommend that the City Council hold a public hearing for the revocation of nineteen Industrial Development Districts (IDDs).

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		

Contract Reviewed by City Attorney Yes N/A