DEARBORN DOWNTOWN
DEVELOPMENT AUTHORITIES

East and West Dearborn Downtown Development Authorities
Board Member Handbook - Table of Contents

DEARBORN DOWNTOWN DEVELOPMENT AUTHORITIES

DEARBORN DDA BOARD OF DIRECTORS
JOB DESCRIPTION

<u>Mission:</u>

Collaborating to create a vibrant Downtown Dearborn experience for all.

<u>Board Role:</u>

Steward of Downtown Dearborn overseeing and guiding the transformational strategies, goals and objectives of the DDA to meet the Downtown Dearborn vision. Govern and set policies and programs of the DDA. Fiduciary responsibility of public DDA funds. Overseeing action plans for downtown business promotions, recruitment and retention, infrastructure improvements, maintenance, beautification, special events, marketing, communications and budget of the Downtown Development Authority (DDA).

<u>Qualifications:</u>

Must be either a resident or have a business/property interest in the Downtown Development Authority area. A majority of the Board must have a business/property interest in the DDA boundaries. Mayoral appointment with Council approval.

<u>Time Requirement:</u> Approximately 5 hours per month

<u>Term:</u>

Serve a four-year term, unless assigned to serve the remaining term of a previous director.

<u>Meeting Requirements:</u>

Attend and actively participate in the monthly joint meetings and any special meetings of the East and West Dearborn DDA Board of Directors.

- Monthly DDA Board of Directors Meeting, third Thursday of each month at 8 am.
- Serve on one (1) committee of the DDA either as a committee chair or committee member OR champion a project/initiative of your choice. Committee meetings will vary based on the committee, but expectations are to meet in between the monthly board meetings to work on the issues and projects of the committee and prepare for presentation at board meetings. (Refer to committee descriptions and meeting schedule.)
- New Board members must attend a Board Training session provided by the DDA Manager.
- Annual planning meeting of the DDA Board of Directors held one time per year or as established by the Board.
- Other meetings as determined by the DDA Board.

<u>Attendance:</u>

Attendance Policy (Article II. Section 9 of WDDDA Bylaws @2008*): Pursuant to notice and after having been given an opportunity to be heard, a member of the board may be removed for cause for having four (4) absences or absent for more than one-third (33.33%) of all regularly scheduled DDA Board meetings in one calendar year.

Excused absences are defined as, but not limited to, illness, family or business emergency, and a minimum notice of 24-hours for all other non-emergency scheduled absences. Board members may request a waiver for an absence.

Attend and support most DDA events, DDA business events and third-party events in the downtown as a representative of the DDA.

DEARBORN DDA
BOARD OF DIRECTORS
JOB DESCRIPTION

Duties:
- Review and understand DDA Board of Director meeting materials provided to you, and the services and programs of the DDA in general.
- Proudly identify yourself as a DDA Board of Director in public settings, business visits, etc.
- Work in a collaborative and supportive fashion with fellow Board members, staff and City.
- Uphold the memorandum of understanding between the East and West Dearborn DDAs.
- Participate in decision-making process of all related business of the DDA, i.e.: requiring businesses to uphold ordinances, review applications for Open Door Dearborn program, review design and development enhancements conducted by the DDA, budget planning, infrastructure improvements, events and marketing.
- Actively promote the DDA in a positive light.
- As a representative of the DDA, act in the best interest of the Downtown Development Authority at all times and represent the decisions or positions of the Board of Directors in a supportive, objective and informative manner.
- If asked by businesses or the general public about issues pertinent to the DDA, listen attentively, and respond in a constructive and objective manner that presents the DDA's options without bias. If you feel you are unable to do this or not knowledgeable enough about the topic, inform the person that the DDA Executive Manager will be in contact to further explain or assist them, and then notify the Executive Manager of this conversation.
- All media interviews or requests for information must be directed to the DDA Executive Manager. No board member or committee member may speak with the media on behalf of the DDA without consulting with the DDA Executive Manager for coordination and best messaging.
- The City Council may remove a Director from office for cause including, but not limited to, inefficiency, neglect of duty, misconduct, or malfeasance. (Article II. Section 3. WDDDA Bylaws @2008*)

Conflict of Interest

- A Board member who has a direct personal and/or financial interest in any matter before the Authority must disclose his or her interest prior to the Authority taking any action with respect to the matter, and such disclosure shall become a part of the record of the Authority's official proceedings. Such declaration shall be made before discussion begins on the item, and the declarant shall be recused from the meeting while the item is being discussed and voted upon. Any Board member is permitted to inquire about potential conflicts that may exist among other members. (Article II. Section 4. WDDDA Bylaws @2008*)

Other Meetings, Trainings & Opportunities:
- All Board members must attend one training provided by Michigan Main Street, National Main Street Center or the Michigan Downtown Association annually.
- Attend one National Main Street Conference within your tenure. Learn and network with other communities locally, statewide and across the nation.
- Network with local merchants, sponsors and participants at local events, stakeholder meetings and visits to the district on a regular basis. Visit one local business you have not met yet on a monthly basis on behalf of the DDA.
- Promote your business with organization events.

DEARBORN DOWNTOWN
DEVELOPMENT AUTHORITIES

DDA BOARD OF DIRECTOR CHARACTERISTICS

Below is a list of all characteristics that would make ideal candidates for DDA Board of Directors.

- Serious about affecting change in Dearborn
- Ability to represent the district, not just single interest
- Minority owned business owners
- Time (they have it to commit)
- Active in community
- Enthusiasm (about Dearborn)
- “Joiner”, overachiever
- Dedicated
- Educated/street smart/knowledgeable
- Business savvy
- Financially stable
- Business Owners
- Good communicators/good follow-through
- From all ends/areas of DDA
- Advocates
- Developer
- Architect
- City/Urban Planner
- Student Liason
- Residents (can not make up a majority of Board)
- Property Owners with significant properties
- Balanced mix of types of businesses

DEARBORN DOWNTOWN DEVELOPMENT AUTHORITIES

ECONOMIC DEVELOPMENT

CITY OF DEARBORN

ECONOMIC DEVELOPMENT DEPARTMENT

PUBLIC NOTICE FOR IN-PERSON BOARD MEETINGS FOR CALENDAR YEAR 2026

ALL MEETING LOCATIONS, UNLESS OTHERWISE NOTED, TO TAKE PLACE IN
ROOM 1D, DEARBORN ADMINISTRATIVE CENTER
16901 MICHIGAN AVE DEARBORN MI 4816

EAST DDA

January 21, 2026 - 10am
February 18, 2026 - 10am
March 18, 2026 - 10am (JOINT MTG)*
April 15, 2026 - 10am
May 20, 2026 - 10am
June 17, 2026 - 10am (JOINT MTG)*
JULY RECESS, NO MEETING
August 19, 2026 - 10am
September 16, 2026 - 10am
October 21, 2026 - 10am (JOINT MTG)*
November 18, 2026 - 10am
December 16, 2026 - 10am

WEST DDA

January 21, 2026 - 11am
February 18, 2026 - 11am
March 18, 2026 - 10am (JOINT MEETING)*
April 15, 2026 - 11am
May 20, 2026 - 11am
June 17, 2026 - 10am (JOINT MTG)*
JULY RECESS, NO MEETING
August 19, 2026 - 11am
September 16, 2026 - 11am
October 21, 2026 - 10am (JOINT MTG)*
November 18, 2026 - 11am
December 17, 2026 - 11am

-**Meeting location in Council Chambers, Dearborn Administrative Center*

DEARBORN DOWNTOWN DEVELOPMENT AUTHORITIES

ECONOMIC DEVELOPMENT

CITY OF DEARBORN

ECONOMIC DEVELOPMENT DEPARTMENT

JOINT EXECUTIVE COMMITTEE - DEARBORN DOWNTOWN DEVELOPMENT AUTHORITIES

PUBLIC NOTICE FOR IN-PERSON EXECUTIVE COMMITTEE BOARD MEETINGS
FOR CALENDAR YEAR 2026

MEETING LOCATION: Room 1D, Dearborn Administrative Center
16901 Michigan Avenue, Dearborn MI 48126

January 13 ,2026 - 10am

February 10, 2026 - 10am

March 10, 2026 - 10am

April 7, 2026 - 10am

May 12, 2026 - 10am

June 9, 2026 - 10am

JULY SUMMER RECESS

August 11, 2026 - 10am

September 8, 2026 - 10am

October 13, 2026 - 10am

November 10, 2026 - 10am

December 8, 2026- 10am

West Downtown Development Authority

City of Dearborn | Business Services Division

ECONOMIC DEVELOPMENT
Mayor Abdullah H. Hammoud

160 Parcels
Total Area: 2,568,061 Sq. Ft. | 58.95 Acres
R.O.W Area: 867,715 Sq. Ft. | 19.92 Acres

9 City Parking Lots
Total Area: 472,757 Sq. Ft. | 10.853 Acres

Proposed Projects*: 77,101 Sq. Ft. | 1.77 Acres

All calculations are approximate
*Proposed projects may be under DDA management

Legend

- WDDA Boundary
- City Owned Parking Lot
- City Owned Parking Deck
- Proposed Projects
- WDDA Parcels

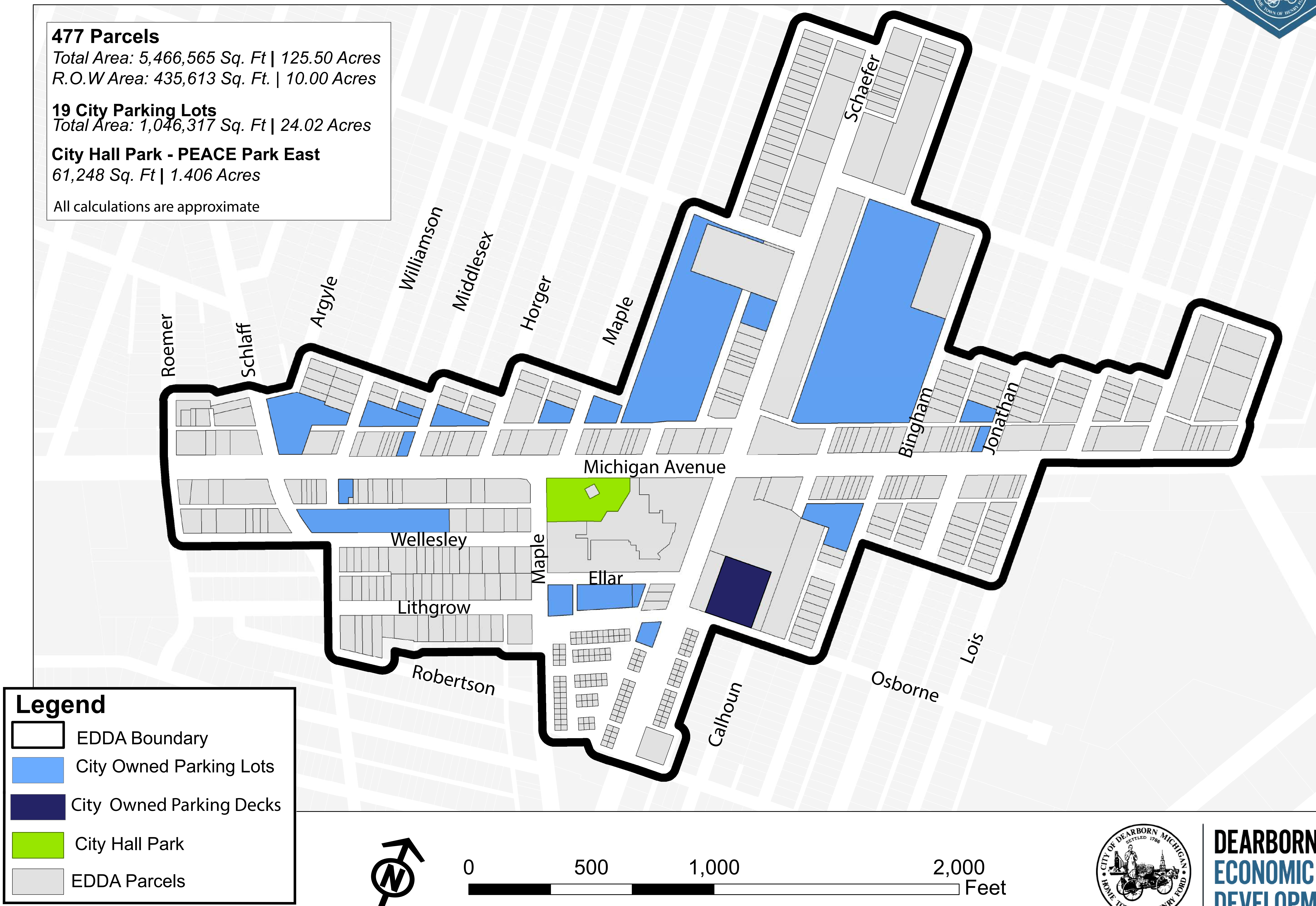
DEARBORN ECONOMIC DEVELOPMENT

East Downtown Development Authority

City of Dearborn | Business Services Division

ECONOMIC DEVELOPMENT

Mayor Abdullah H. Hammoud



DEARBORN ECONOMIC DEVELOPMENT

WEST DEARBORN DOWNTOWN DEVELOPMENT AUTHORITY

EAST DEARBORN DOWNTOWN DEVELOPMENT AUTHORITY

Purchasing Policy - *Approved June 2024*

A purchasing policy will assist the East & West Dearborn Downtown Development Authorities (DDDAs) to allow staff to carry out projects and programs without needing Board approval for minor purchasing decisions. A streamlined approach for purchasing approvals allows the Board to concentrate on more strategic planning efforts for Authority projects.

This document establishes the policies and procedures governing the DDDAs' purchasing activities. It also defines the Board-approved spending authority of the DDDA Manager. This policy aligns with the City of Dearborn's Purchasing Policy for streamlined collaboration between the DDDAs and the City. It complies with Public Act 57, federal grant regulations (2 CFR Part 200), and promotes fairness and competition in the procurement process.

The DDDAs shall follow the City of Dearborn's Purchasing and Disposition of Goods and Services Policy, Code Sec. 2-566. – 2-575, except as specifically authorized below:

PURCHASING REQUIREMENTS & AUTHORIZATION

a) All purchases of budgeted materials, supplies or services in the amount of three thousand dollars ($3,000) or less may be made without approval of the DDDA Board of Directors The Manager of the DDDAs shall be authorized to execute contracts, subject to the review and approval of the City of Dearborn Corporation Counsel.
b) All purchases of budgeted materials, supplies or services between three thousand dollars ($3,000.00) and ($10,000) shall be competitively solicited and the Manager of the DDDAs shall be authorized to execute contracts or service agreements, subject to the review and approval of the City of Dearborn Corporation Counsel.
c) All purchases of budgeted materials, supplies or services in an amount of ten thousand dollars ($10,000.00) or more shall be competitively solicited and submitted to the DDDA Board of Directors for approval.
d) The DDDA Board of Directors must approve all Open Door Grant requests by resolution.
e) All purchases of unbudgeted materials, supplies or services may be made by DDDA support staff after approval of the DDDA Board of Directors and following the DDDA purchasing policy and the City of Dearborn budget approval process for the DDDAs.
f) DDDA Board of Directors approval is not required for: merchandise for resale, parcel/postage services, utilities, and revenue contracts.
g) Procurements shall not be artificially divided to avoid the purchasing thresholds.
h) The Board of Directors may approve a competitive bidding exception in instances when there is a sole supplier, competition exemption, a specific type or brand of supply or part necessary for acceptable operations of the DDDAs or other conditions exist which inhibit the bidding or quotation process.
i) The Board of Directors must approve all fund requests for training, workshops, and continuing education for staff and board development, as well as downtown economic development initiatives.The approval process requires a resolution identifying the specific staff member or board member involved.

SOLICITATION

a) The DDDAs will market or advertise purchasing opportunities on its social media and e-communications mediums on a regular basis.
b) All DDDA procurements shall be obtained through the defined methods in the City of Dearborn's Purchasing Policy, Code Section 2-568.
c) For purchases of three thousand dollars ($3,000) or less, if three (3) vendor quotes cannot be secured, a written explanation shall be noted in the requisition.
d) In the event no bids are received after two solicitation attempts or all bids are rejected, the DDDAs may, by resolution, after stating the reasons therefor, direct the DDDA support staff to make the purchase in the open market without solicitation.
e) At the request of the Manager of the DDDAs, and with the approval of Corporation Counsel, the Mayor and the DDDA Chair, an alternative procurement method may be applied.

PROCUREMENT PROCESS

a) A Requisition shall be entered into the City of Dearborn Finance Department software system by DDDA support staff.
b) If a budgeted purchase is $3,000 or less, DDDA support staff shall solicit quotes from vendors and shall execute a service agreement for services to be rendered and submit it to the City of Dearborn Purchasing Division for issuance of a Purchase Order.
c) If the purchase is greater than $3,000, the Executive Management Team shall prepare, in coordination with the City of Dearborn Purchasing Division, a solicitation for advertisement on the City's online purchasing solicitation system. Selection process will follow the City of Dearborn's Purchasing Policy or as otherwise authorized in the DDDA Purchasing Policy. A Purchase Order will be issued by the City of Dearborn upon review of Corporation Counsel and the awardee providing all necessary insurance or documentation as required in the bid or proposal.

LOCAL ADVANTAGE

a) The DDDAs believe that its purchasing practices should encourage local vendors to provide goods/services to the DDDAs. Dearborn-based business means a physical and economic relationship to Dearborn determined by a verifiable business address (not a P.O. Box) within the corporate boundaries of the City of Dearborn, activities carried out in Dearborn substantial enough to consider it a Dearborn-based business, and the payment of city personal property taxes for not less than one year immediately prior to the date of the bid submittal.
b) The DDDAs shall follow the City of Dearborn's Purchasing Ordinance Sec. 2-568A. - Preference for local bidders/Dearborn-based businesses.
c) The DDDA shall follow the Uniform Administrative Requirements (2 CFR Part 200.321) of taking all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible for purchases related to a Federal award or project.

EMERGENCY PROCUREMENTS

a) With the mutual concurrence of the City of Dearborn Purchasing Manager, a purchase may be made to alleviate a situation in which there is a threat to health, welfare, or safety, or to address an immediate regulatory mandate that does not allow time for normal, competitive purchasing procedures. This method may not follow required purchasing methods as previously described due to the immediate need.

b) Regardless of the cost of the procurement, notice from the Purchasing Manager and Manager of the DDDAs will be provided to the DDDA Executive Committee and Economic Development Department Director in advance of the procurement whenever possible.
c) Procurements in the amount of $10,000 or more must be presented at the next regular DDDA meeting.

HANGE ORDERS TO EXISTING CONTRACTS

a) DDDA Board of Directors approval shall be required when a new contract total value on an existing contract exceeds the DDDA approval threshold of $10,000 or more; or
b) When the change order or combination of change orders exceeds DDDA threshold of $10,000 or 50 percent of the original contract amount, whichever is lower.

CONFLICT OF INTEREST

All members of selection teams, DDDA Board of Directors, or in other decision-making processes must disclose any conflict of interest as stated in Chapter 3, Standards of Conduct, of the City Charter. In addition, no person or entity, or anyone who has financial ties, direct or indirect, to such a person or entity, who participates significantly in the development of specifications may compete. Per DDDA bylaws, such declaration shall be made before discussion begins on the item at a Board meeting, and the declarant shall be recused from the meeting while the item is being discussed and voted upon. Ant Board member is permitted to inquire about potential conflicts that may exist among other members.

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE WEST DEARBORN DOWNTOWN DEVELOPMENT AUTHORITY
AND
THE EAST DEARBORN DOWNTOWN DEVELOPMENT AUTHORITY

This Agreement is entered into between the West Dearborn Downtown Development Authority ("WDDDA") and the East Dearborn Downtown Development Authority ("EDDDA"), collectively "DDDAs", to work collaboratively to create and maintain a vibrant Downtown Dearborn experience for all, unified by a shared vision for the community.

The objectives of the Agreement are as follows:

1. **To Promote the Downtown Dearborn Vision.** The vision for Downtown Dearborn is that the Michigan Avenue corridor is physically, socially and mentally connected from east to west downtown, increasing the economic vitality of the whole. The DDDAs envision a cohesive Main Street Michigan Avenue that bridges the gap, and unites the two downtowns and their historic attributes across the physical, social and psychological barriers that have divided them for decades.

The DDDAs will physically transform Michigan Avenue into a local arterial street to connect key centers of activity to the rest of the community. The DDDAs will also stimulate and work with partners to improve the area between and next to the downtowns to reinforce Michigan Avenue as the main artery of the City. The DDDAs recognize that Tax Increment Financing cannot be invested outside of their respective districts. Therefore, the DDDAs will encourage partners to join programming and provide funding to fill this gap in order to create a consistent and cohesive sense of place in Dearborn.

Downtown Dearborn will be the place locals are proud to call home and hub of activity for the community, while serving as one of the top regional destinations in Michigan. Downtown Dearborn will be known for its diverse, friendly community that is accessible to all walks of life, as well as walkable downtowns of mobility, leading the way in innovation.

2. **To Advance Core Values.** The DDDAs value culture, sustainable actions, an active place and people, and the community's heritage and history. They also feel that being artistic, using quality over quantity, and community are essential to making Downtown Dearborn stand out above the rest. These values will help guide the decisions of the DDDAs.

The EDDDA is home to artisans and culture, while the WDDDA is the epicenter for dining and entertainment. The two combined makes a truly dynamic community.

The parties now agree as follows:

1. **Investment and Benefits.** The DDDAs agree to financially support by means consistent with Public Act 57 2018 and provide an engaged volunteer base to achieve the overall vision. The DDDAs understand and agree that working together will improve the local economy by:

- building broad community support and engagement in the activities, programs and downtown environment;
- elevating the image of Dearborn in the local and regional marketplace;
- increasing market penetration in Metro Detroit and Dearborn's consumer activity;
- increasing investment in downtown properties;
- work to attract businesses to increase the tax base;
- stabilizing local businesses.

The DDDAs will be stronger, more effective and efficient working together as a whole by leveraging the strength of a broad-base leadership organization. The DDDAs will benefit from cost savings by partnering on joint projects and programs, and sharing services providers for similar and/or contiguous projects, materials and resources. The DDDAs will also benefit from the momentum that can be generated with two districts working towards the same goals.

A unified message that portrays the best of Dearborn will attract new residents, businesses and visitors. Downtown Dearborn is seen regionally as one place, and partnering on marketing programs helps share the wealth of assets that both districts offer. The visual connection and appeal to a broader audience will increase commerce by encouraging consumers to stay longer and explore all parts of Downtown Dearborn.

2. **Transformational Strategies.** The DDDAs agree to focus on the Downtown Dearborn Strategic Plan objectives that will help realize the vision, including, but not limited to:

- Image
  - Create a Community Brand that Personifies Dearborn's real character and future vision of its districts as "The Next Place" in Metro Detroit.
  - Increase Pro-Active Communication of Positive Messaging, Events and Activities to Change Target Market Audience's Perception.
  - Improve & Reinforce Good Building and Street Design, Upkeep & Renovation that draws visual appeal and interest
  - Wayfinding - Create an Impression that You Have Arrived and Easy to Navigate
- Multi-Modal (Walkability & Bike-ability)
  - Create Vibrant, Integrated, Multi-modal streets and sidewalks in Downtown Dearborn and along the Michigan Avenue Corridor Connecting our Community Districts, Schools, Institutions, Businesses and Regional Transit.
  - Create & Define Green, Open & Active Places for the Public to Connect, Congregate and Recreate
  - Connect Businesses to Public Space through Building Form and Public Space Urban Design Standards
  - Connect Downtowns to Rouge River & Outdoor Activities
- Cohesive Community
  - Form Downtown Dearborn /Main Street Michigan Avenue Coalition (DDI)
  - Improve Communication Amongst Businesses and Partners

- Engage, Connect and Increase Participation of Businesses, Partners and Institutions in Collective Planning, Events, Programs and Sharing
    - Embrace Diversity and Improve Inclusivity through Integrated Community Education of Common Bonds and Creating an Approachable Environment to Bridge Cultural and Socio-Economic Divides
    - Increase Collaborative Group Volunteerism
    - Advocate and Create Support for Continued Downtown Economic Development tools and investment (ie: Tax Increment Financing, Michigan Main Street, National Main Street, and Michigan Downtown Association)
- Next Gen Appeal
    - Create fresh events, recruit retail and build connectivity with college campuses and next generation .
    - Develop Talent Economy by engaging next generation and educational institutions in the planning, reinvestment, business start-up and activities of the downtown.
    - Increase Housing Options
    - Increase people walking in downtown districts
- Innovative Retail
    - Improve occupancy and underutilized properties with a balanced mix of entrepreneurial and national businesses that create a 24/7 business environment and defines each district's character.
    - Leverage Market & Assets to attract more customers and businesses to Downtown Dearborn compared to other Metro Detroit communities.
    - Provide Business Assistance and Accessible Information to Improve Quality of Businesses at All Phases (Startup, Growth & Venture)
    - Be Redevelopment Ready to Increase Density
    - Promote common design guidelines and offer incentives for these guidelines (ie: Open Door Dearborn)

3. **Collaborative Actions.** In order to achieve meet these objectives, the DDDAs will collaborate on:

- Fundraising
- Advocacy
- Volunteer Recruitment and Management
- Committee work plans, management and activation for Design/Economic Vitality, Promotions/Organizations, and Steering Committees, as well as other advisory and ad-hoc/project-based committees
- Branding
- Advertising and marketing
- Special events and district promotions
- Communications and Online/Social Presence
- Community Outreach & Education
- Economic Development projects and programs
- Entrepreneurial Ecosystem development and resources
- Business recruitment and retention
- Business incentives
- Multi-modal & Streetscape Improvements
- Wayfinding

- Daily Operations and Maintenance
- Executive Management Services & DDDA Offices

4. Deliverables

Deliverables currently identified to meet these objectives include, but are not limited to:

- Short Term Actions (Achievable in One Year)
    - DDI Creation & Main Street Formation
    - Sign ordinance modifications/education for multi-culturalism and better design
    - Lighting Standards
    - Front Door Open Policy & Awareness
    - Business Assistance Teams
    - Property owner & Business Education/Self-Education
    - SmartZone Creation
    - Dedicated Web for Redevelopment & Available Properties
    - Market Analysis
    - Process Flow Charts
    - Business Grid
    - Create Tactical Urbanism Pilot Projects for biking, lighting and landscaping
    - Outdoor Dining – Remove Impediments & Create Platform Dining Standards
    - Increase Code Enforcement
    - Building Inventory, Photography & Mapping
    - Tactical Urbanism Streetscape Treatments
    - Brand Development & PR Campaign
    - Promote New Businesses and Their Diversity
    - Reinforce or reposition existing assets and events to support brand.
    - Spark ideas with fresh festivals, workshops and activities.
    - Consolidate Website, Social Media and Communications Platforms

- Mid Term Actions (Achievable in 2-4 Years)
    - Bike Share Program
    - Form-based Code for Urban Design
    - Business Development Plan
    - Recruit Outdoor Related Businesses
    - Recruit Tourism-centric Retail Businesses
    - Recruit Creative & Artistic Businesses
    - Recruit Millennial-based Product Incubators & Pop Ups
    - Business Start-Up & Assistance Manual
    - Cash economy study
    - Utilize HFC new job training
    - Façade Incentive
    - Design Guidelines for Buildings and Streets
    - Consumer/Student/Employee Incentives Rewards
    - Brand & PR Campaign Implementation
    - Comprehensive Communications & Marketing Plan for
    - Internal and External Audiences
    - Create Brand Culture Events
    - Add New Events/Modify existing to be geared to

Millennials diversity & tourism training
- Tax-Free Weekend for Back to School
- Create Walking Events & Promotions
- Banner System Plan
- Install Hanging Baskets & Systems
- Consolidate Maintenance and Landscaping
- Develop Vision, Concepts and Cross Sections of Sidewalks & Streets

- Long Term Actions (Achievable in 3-5 Years)
  - Incubator & Accelerator Programs
  - Development Along Rouge
  - Community Circulator
  - Create & Implement a Multi-Modal & Complete Streets Plan
  - Cohesive Lighting Plan
  - Support BRT & RTA
  - City Hall Park Redesign
  - Living Street Plan for W. Village/ Neumann St. & Template
  - Comprehensive Wayfinding Plan
  - Sustainable Parking Lot Plan

The Memorandum of Understanding is jointly drafted by both parties. It is intended to serve as a preliminary understanding of the DDDAs' intention to negotiate specific obligations in good faith.

WEST DEARBORN DOWNTOWN
DEVELOPMENT AUTHORITY

By: Sam Abbas
Its: Chairperson
Date: 1-16-2020

EAST DEARBORN DOWNTOWN
DEVELOPMENT AUTHORITY

By: J. Scott Saionz
Its: Chairperson
Date: 12/15/19

BUSINESS ASSISTANCE AND SUPPORT

Dearborn Forward Grant Program

The DDAs provide grants up to $25,000 for business start-up costs, signage, design, and façade improvements.

Current FY26 status:
- 6 approvals in West DDA
- 5 approvals in East DDA

11 projects totaling an investment of **$190,000** in Downtown Dearborn

BUSINESS ASSISTANCE AND SUPPORT

- Fulfilled **sponsorship requests:**
  - Dearborn Historical Museum/Fall into Dearborn Festival: Brews and Boos (October 10-11 2025)
  - Green Brain Comics - Free Comic Book Day (May 2, 2026)
  - Hafla Fil Hadiqa: Eid Family Party & Artisan Market (June 6, 2026)
  - Taste of Dearborn (June 17, 2026)

- Assisted with **business ribbon cutting/grand opening events**

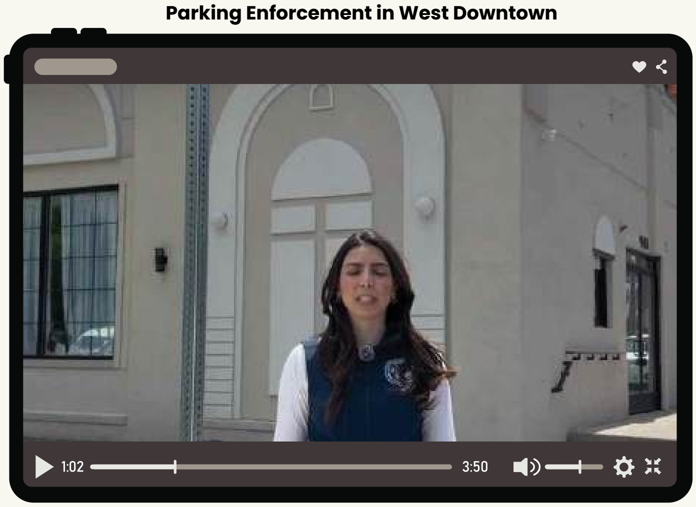
IMAGE AND MOBILITY

- Plantings in flower pots, contributing to a more welcoming and visually appealing downtown.

- Invested around **$90,000** for West Downtown Beautification through a planting investment to enhance streetscape aesthetics, promote a cleaner, and more attractive corridors.

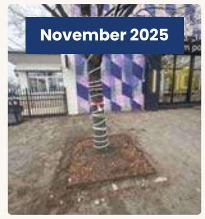
MOBILITY & COMPLIANCE

Parking Enforcement in West Downtown

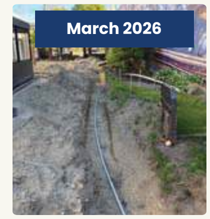


WEST DEARBORN DOWNTOWN: INFRASTRUCTURE & PUBLIC SPACES

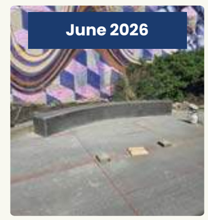
Pocket Park Construction

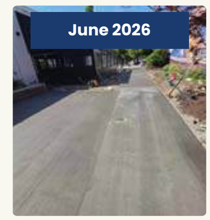

November 2025


December 2025


March 2026


May 2026


June 2026


June 2026

ADVOCACY IN EAST DOWNTOWN

Alleys Repairs for 2026

Advocacy in West Downtown

Alleys Repairs for 2026

DOWNTOWN DEARBORN'S GROWING ECONOMY: NEW BUSINESSES

New Businesses in 2026

WEST Downtown
- Loop Bagels
- Seltz Soda
- High Societe

Upcoming (West):
- G Grant
- Mason St. Bagels
- MINA
- Shawarma Co
- Paisano's
- The Daily Press Cafe

EAST Downtown
- Ibb Hijamah
- Luxe Beauty
- Mahizer Turkish Sweets

- **Economic Impact:** New businesses contribute significantly to job creation, increase foot traffic, and the overall economic vitality of both East and West downtown districts.
- **Dynamic Environment:** Demonstrates Dearborn's appeal as a prime location for investment and business development.

DOWNTOWN BRAND AWARENESS & REACH

Business Highlight Series

WDDA Summer Events- 2026

WDDA - Dearborn Summer Market

2026 Programming:
- Location - Dearborn Peace Park West
- Dates: 6/12, 7/17, 8/14 (4-8 pm)
- Showcasing small business vendors, entertainment and family friendly activities free to the community.

WDDA - Wellness in the Park

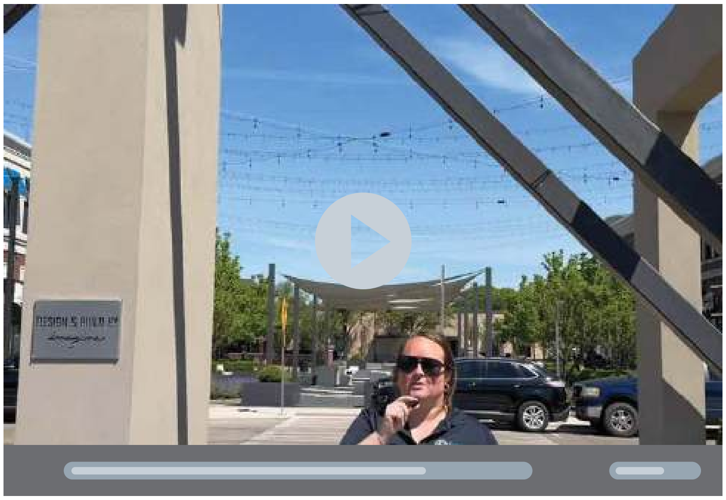
2026 Programming:
- Location - Dearborn Peace Park West
- Dates: 6/27, 7/25, 8/22 (11 am-2 pm)
- Focusing on health and wellness classes and vendors for the community.

EDDDA Summer Events - 2026

EDDA - Downtown Dearborn Movies

2026 Programming:
- Location - Dearborn Peace Park East
- Dates: 6/30 instead of 6/17 (postponed due to weather), 7/23, 8/27 (8:30-11:00 pm)
- Movies: Zootopia 2 / The Super Mario Galaxy Movie / Surprise Screening provided by the AANM

SUMMER EVENTS 2026



Fall Events- 2026

WDDA / EDDA - Dearborn Coffee Week

2026 Programming (Opening Event / Closing Event)

- Location: PPW / PPE
- Date: 9/25-10/2
- Kick off Tasting event in the WEST at Peace Park west with light entertainment on 9/25
- Week of pop up activities throughout the districts fully hosted by the businesses
- Closing event in the EAST at Peace Park East on 10/2

Trick or Treating

Businesses signing up to be Trick or Treat stops within each district

Winter Events 2026/2027

Jingle Bell Bash (Peace Park West)

2026 Programming:

- Location: Peace Park West
- Date: 12/12
- Time: 2- 5 PM
- Included activities that span age groups

Ice Sculpture Walk (Peace Park East)

2027 Programming:

- Location: Peace Park East
- Date: 1/4
- Time: 6-8 PM
- Ice sculptures and live ice carvings and family entertainment.

UPCOMING - 2026

- Phase 2 of Light Poles Replacement Project: Replacing damaged posts and skirts located around the downtown areas.
- Continuation of the digital marketing campaigns to highlight businesses
- Sanitation Study & Waste Management Strategy
- Continued activation of the districts through programming and events

The BY LAWS

OF

THE DOWNTOWN DEVELOPMENT AUTHORITY – EAST DEARBORN

(An Authority formed pursuant to Act No. 57 of 2018 Code of Ordinances—City of Dearborn Ordinance No. 96-661)

ARTICLE I

NAME REGISTERED OFFICE AND REGISTERED AGENT

Section 1. Name. The name of this authority shall be the Downtown Development Authority – East Dearborn.

Section 2. Registered Office and Agent. The Authority shall continuously maintain a registered office in the City of Dearborn, County of Wayne, State of Michigan and a registered agent whose office address is identical to such registered office. The registered office and agent may be changed from time to time by the Board of Directors of the Authority ("the Board") subject to the approval of the City Council. The Economic Development Director of the City of Dearborn shall serve in the capacity as registered agent, with offices located in the Dearborn Administrative Center, 16901 Michigan Avenue, Dearborn, MI 48126. The Economic Development Director of the City of Dearborn shall serve as the administrative liaison and provide supportive staff for the Authority.

ARTICLE II

BOARD OF DIRECTORS

Section 1. General Powers. The Authority shall be under the supervision and control of the Board of Directors, except as otherwise provided by Act No. 57 of 2018 and Code of Ordinances—City of Dearborn Ordinance No. 96-661 as amended.

Section 2. Replacement and Vacancies. Members of the Board of Directors shall consist of the Mayor or his designee from the City Council and not less than 8 or more than 12 members in accordance with the Dearborn Code of Ordinances. Members shall be appointed by the Mayor, subject to the approval by the City Council, for a 4-year term. Not less than a majority of the members shall be persons having an interest in property located in the downtown district or officers, members, trustees, principals, or employees of a legal entity having an interest in property located in the downtown district. Not less than 1 of the members shall be a resident of the downtown district. An appointment to fill a vacancy shall be made by the Mayor for the unexpired term only. A Member whose term of office has expired shall continue to hold office until a successor is appointed. A Member may be appointed to additional terms in accordance with the provisions hereunder.

Section 3. Removal. Pursuant to notice and after having been given an opportunity to be heard, a member of the Board may be removed for cause by City Council.

Section 4. Conflict of Interest. A Member who has a conflict between a personal interest and the public interest shall fully disclose the nature of the interest prior to the Authority taking any action with respect to the matter. Such disclosure shall become a part of the record of the Authority's official proceedings. Such declaration shall be made before discussion on the item begins. Except as provided by law, no Member may participate in, act upon, or vote upon any matter if a conflict exists. Any Board member is permitted to inquire about potential conflicts that may exist among other members.

Section 5. Meetings. At the first meeting of the calendar or fiscal year, the Authority shall set the dates, times, and places of the Authority's regular meetings for the coming year. Special meetings of the Authority may be called by or at the request of the Chairperson of the Board or any three Members. The business which the Board may perform shall be conducted at a public meeting of the Board held in compliance with the Open Meetings Act, Act. No. 267 of 1976, as amended. A 2/3 roll call vote of the Members then on the Board shall be required to call a closed session and the Board shall meet in closed session only for the purposes permitted by law.

Section 6. Public Participation at Meetings. A reasonable opportunity shall be given for members of the public to be heard at any open meeting on agenda items before the

Authority. In the interest of ensuring the orderly processing of items of business before the Authority, such public comments shall be heard at the end of the meeting agenda. Consistent with the Open Meetings Act, the Authority may impose a time limitation up to three (3) minutes per person for public comment. All individuals who wish to address the authority must identify themselves by name and address prior to speaking at the meeting.

Section 7. Notice. Public notice of all meetings which provides the time, date, and location of the meeting shall be given in the manner required by the Open Meetings Act, Act No. 267 of 1976, as amended. For regular meetings of the Authority, there shall be posted within ten (10) days after the first meeting in each calendar year a public notice stating the dates, times, and places of its regular meetings. For a rescheduled regular or a special meeting of the Authority, a public notice stating the date, time, and place of the meeting shall be posted at least eighteen (18) hours before the meeting. The public notice shall contain the name of the Authority, its telephone number, its address, and shall be posted at the Dearborn Administrative Center and any other location considered appropriate by the Authority.

Section 8. Quorum. A majority of the members of the Authority then in office constitutes a quorum for the transaction of business at any meeting of the Board. If the Authority lacks a quorum, the Board members may receive reports and comments from the public or staff, ask questions, and comment on matters of interest. An affirmative vote of the majority of a quorum shall be required to adopt any resolution. No resolution shall be adopted by less than five affirmative votes. Whenever a quorum is present, but due to abstentions for conflict of interest and an affirmative vote of five members is not possible, then a majority vote shall be 2/3 or more of the remaining voting members.

Section 9. Participation by Communication Equipment. All meetings of the Authority must be open to the public and must be held in a place available to the general public. Only as permitted by law, an absent Member may participate in, and vote on, business before the Authority by way of a two-way electronic communication device wherein all discussions and deliberations are able to be heard by the public in attendance at the meeting. For any member attending the meeting remotely, a public announcement at the outset of the meeting to be included in the meeting minutes must be made, announcing that a Member is in fact attending the meeting remotely. Participation by communication equipment shall be permitted only in accordance with the Open Meetings Act, Act No. 267 of 1976, as amended.

Section 10. Attendance. Each Member is required to attend a minimum of two-thirds of the regularly scheduled Board meetings in a twelve (12) month period. If a Member has not fulfilled this requirement after a twelve (12) month period, the Board may recommend that the City Council declare that Member's position vacant and remove the Member from the Board, in accordance with Section 3. The Board may grant a waiver, given a sufficient explanation of extenuating circumstances. Waivers shall be considered monthly by the Board or upon request.

Section 11 Committees. The Board may, by resolution, designate one or more committees, each committee shall consist of at least one of the Members. The Board may designate one or more Members as alternate members of a committee to replace an absent or disqualified Member at a committee meeting. A committee, and each member thereof, shall serve at the pleasure of the Board. Committees shall consist of less than a quorum of Members and shall meet in accordance with the Open Meetings Act, Act No. 267 of 1976, as amended .

Section 12 Personnel. Pursuant with Public Act No. 57 of 2018, the Board may employ personnel as deemed necessary. Such personnel may include, but is not limited to an executive director, treasurer, secretary, and legal counsel. The duties, rights and responsibilities of employees of the Authority shall be consistent with the provisions of Act No. 57 of 2018. The Board may employ and fix the compensation of an executive director, subject to the approval of the City Council. The employees of the Authority shall be eligible to participate in municipal retirement and insurance programs of the City of Dearborn as if they are civil service employees except that the employees of the authority are not civil service employees.

ARTICLE III

OFFICERS

Section 1. Officers. The officers of the Authority shall be elected by the Board annually and shall consist of a Chairperson, Vice-Chairperson and Secretary-Treasurer. An officer shall not execute a contract on behalf of the Authority without a resolution adopted by the Board.

Section 2. Election and Term of Office. Each officer so elected shall hold office until December 31 of the year in which she or he is elected, or until his or her term expires, or upon resignation or removal, whichever occurs first.

Section 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled at any meeting of the Board for the unexpired portion of the term of such office, in accordance with Act No. 57 of 2018 and the Dearborn Code of Ordinances.

Section 4. Chairperson. . The Chairperson shall perform all duties of the office as provided in these Bylaws, by Act No. 57 of 2018, and the Dearborn Code of Ordinances. The Chairperson shall preside over all meetings of the Authority and shall perform all duties as directed by the Board. The Chairperson shall be ex-officio member of all standing committees, and shall have the general oversight of the Board. The Chairperson shall also act as Chair of the Executive Committee, assuming the same powers and authority as listed above, and further described in Article III, Section 8. To qualify to serve as the Chairperson, it is preferred that the Board Member have served at least one full year as an active Board Member.

Section 5. Vice-Chair. The Vice-Chair shall act as the Chair when the Chair is absent or unable to act, and otherwise be vested with the powers and shall perform such duties and exercise such other powers as may from time to time be imposed upon or vested by resolution of the Board.

Section 6. Secretary-Treasurer. The Board may employ and fix the compensation of a Secretary-Treasurer, who shall maintain custody of the official seal and of records, books. Documents, or other papers, and shall keep a record of Authority proceedings. The Secretary-Treasurer shall attend meetings of the Board and keep a record of its proceedings. The minutes of the Authority shall contain the date, time, place, members absent, any decisions made at a meeting open to the public, and the purpose or purposes for which a closed session is held. The minutes shall include all roll call votes taken at the meeting. The Secretary-Treasurer shall give, or cause to be given, notice of all meetings of the Board and shall perform such other duties as may be prescribed by the Board. The Secretary-Treasurer shall, when authorized by the Board, attest by signature to actions of the Board. The Secretary-Treasurer shall also keep the financial records of the Authority and who, together with the director (if any), shall approve all vouchers for the expenditure of funds of the Authority, The Secretary-Treasurer shall perform all other duties as may be delegated to him by the Board and shall furnish bond in an amount prescribed by the Board, in accordance with Act No. 57 of 2018. The City of Dearborn may designate an accountant for the Authority who shall track all funds, expenses and revenues, and prepare a monthly financial report. The Secretary-Treasurer shall review and present a monthly financial report to the Board to receive and file.

Section 7. Delegation of Duties and Officers. In the absence of any officer of the Authority, or for any other reason that the Board may deem sufficient, the Board may, by Resolution, delegate from time to time and for such time as it may deem appropriate, the powers or duties, or any of them, of such officer to any other officer, or to any Member, provided a majority of the Board then in office concurs therein.

Section 8. Executive Committee. The Executive Committee shall consist of the three Board officers (Chair, Vice-Chair, and Secretary-Treasurer). The Executive Committee shall be responsible for reviewing the agenda for the regular Board meetings and proposing the agenda for the Board. The Board may pre-approve, by resolution, for the Executive Committee to act as the full Board on items of exigency that may occur between regular scheduled Board meetings. Such actions shall be brought to the Board at the next regular meeting for its review.   The committee shall meet as necessary and all such meetings shall comply with the notice requirements, as set forth in Article II, Section 7.

ARTICLE IV

CONTRACTS, DONATIONS, AND POWERS OF THE BOARD

Section 1. Contracts.

The Board may make and enter into contracts necessary or incidental to the exercise of powers and the performance of its duties. The Board may, by resolution, authorize an agent of the Authority to execute contracts and/or documents on behalf of the Authority, consistent with Act. No. 57 of 2018. A copy of the resolution approving such contracts must be attached to such contract and must adhere to any Purchasing/Procurement policies that the Authority may adopt. .

Section 2. Checks, Drafts, etc. All orders for the payment of money, notes, or other evidences of indebtedness shall be signed by the Board's authorized agent and submitted to the Finance Department of the City of Dearborn for signature and for the issuance of payment..

Section 3. Grants and Donation. The Board may accept grants and donations of property, labor, or other things of value from a public or private source, consistent with Act No. 57 of 2018.

Section 4. Deposits. All funds of the Authority shall immediately be deposited into the appropriate fund or account to the credit of the Authority in such banks, trust companies, or other depositories as the Authority or Finance Director of the City of Dearborn may select. Report of these receipts shall be provided by the accountant of the Authority to the Secretary/Treasurer or its Agent for review and submittal to the Board.

Section 5. Other Powers of the Board. The Board shall perform and exercise all such powers as provided in Public Act No. 57 of 2018.

Section 6. Budget

Pursuant to Public Act No. 57 of 2018, the director of the Authority or designee shall prepare and submit for the approval of the Board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the Board, it shall be approved by City Council. The Authority shall submit an annual budget to the City Council by April 30 each year for inclusion in the City's annual budget presentation. The budget shall be adopted by the Board no later than by July 1 each year

Section 7. Audit

The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the Authority, other than those committed, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

ARTICLE V
FISCAL YEAR

The fiscal year of the Authority shall correspond at all times to the fiscal year of the City of Dearborn.

ARTICLE VI
INITIATION OF PROJECTS

All requests for assistance of this Authority shall be made in written form and should be addressed to the Secretary-Treasurer of this Board. Such requests shall include the following information:

1. Name, address and business status of applicant.
2. Brief personal or business history of applicant.

3. Narrative description of proposed project, including type of business to be conducted thereon and services to be provided thereby.

4. Description and location of project area.

5. Number of employment opportunities that will be afforded or retained in the community by the project.

6. Potential impact of the proposed project on the development plan and/or financial plan of the Authority.

Upon receipt of said application, the Board shall assess the public purpose of the project, its desirability, suitability, and its economic feasibility. The Board may request such other data and information from the applicant as it deems appropriate. The Board shall not proceed with the project unless such findings are made.

ARTICLE VII

REPORTING REQUIREMENTS

All expense items of the Authority shall be recorded monthly and financial records shall be open to the public. If the Board does not employ a Director, the Board shall file any and all necessary reports in connection with a proposed development plan and/or tax increment financing plan. Annually, the Board shall submit to the City Council a report on the status of any tax increment financing account utilized by the Authority. The report shall be published in a newspaper of general circulation in the municipality.

Pursuant to Act no. 57 of 2018, annually, the Authority shall submit to the City Council, the governing body of a taxing unit levying taxes subject to capture by the Authority, and the Michigan Department of Treasury, a report on the status of the tax increment financing account. The Board or its designee shall prepare all annual reporting requirements required by Public Act 57 within 180 days of the fiscal year end and post on the website of the Authority, and submit the reports to the City and the Michigan State Tax Commission.

ARTICLE VIII

AMENDMENTS

These Bylaws may be altered or amended or repealed by the affirmative vote of the Board then in office over the minimum course of two regular or special meetings. At the first meeting, proposed alterations, amendments or repeal of any part of these Bylaws are to be announced for consideration at a subsequent meeting. The proposed changes may be put to a vote at the second meeting, but cannot be adopted unless their consideration was agreed to by a majority of members present at the first meeting. Approved changes to these Bylaws take effect immediately.

I HEREBY CERTIFY that the above Bylaws were amended as written by the Downtown Development Authority – East Dearborn, of the City of Dearborn on the ______ day of ______________, 2022.

____

SECRETARY-TREASURER

The BY LAWS

OF

THE DOWNTOWN DEVELOPMENT AUTHORITY – WEST DEARBORN

(An Authority formed pursuant to Act No. 57 of 2018 Code of Ordinances—City of Dearborn Ordinance No. 81--116)

ARTICLE I

NAME REGISTERED OFFICE AND REGISTERED AGENT

Section 1. Name. The name of this authority shall be the Downtown Development Authority – West Dearborn.

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Section 12 Personnel. Pursuant with Public Act No. 57 of 2018, the Board may employ personnel as deemed necessary. Such personnel may include, but is not limited to an executive director, treasurer, secretary, and legal counsel. The duties, rights and responsibilities of employees of the Authority shall be consistent with the provisions of Act No. 57 of 2018. The Board may employ and fix the compensation of an executive director, subject to the approval of the City Council. The employees of the Authority shall be eligible to participate in municipal retirement and insurance programs of the City of Dearborn as if they are civil service employees except that the employees of the authority are not civil service employees.

ARTICLE III

OFFICERS

Section 1. Officers. The officers of the Authority shall be elected by the Board annually and shall consist of a Chairperson, Vice-Chairperson and Secretary-Treasurer. An officer shall not execute a contract on behalf of the Authority without a resolution adopted by the Board.

Section 2. Election and Term of Office. Each officer so elected shall hold office until December 31 of the year in which she or he is elected, or until his or her term expires, or upon resignation or removal, whichever occurs first.

Section 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled at any meeting of the Board for the unexpired portion of the term of such office, in accordance with Act No. 57 of 2018 and the Dearborn Code of Ordinances.

Section 4. Chairperson. . The Chairperson shall perform all duties of the office as provided in these Bylaws, by Act No. 57 of 2018, and the Dearborn Code of Ordinances. The Chairperson shall preside over all meetings of the Authority and shall perform all duties as directed by the Board. The Chairperson shall be ex-officio member of all standing committees, and shall have the general oversight of the Board. The Chairperson shall also act as Chair of the Executive Committee, assuming the same powers and authority as listed above, and further described in Article III, Section 8. To qualify to serve as the Chairperson, it is preferred that the Board Member have served at least one full year as an active Board Member.

Section 5. Vice-Chair. The Vice-Chair shall act as the Chair when the Chair is absent or unable to act, and otherwise be vested with the powers and shall perform such duties and exercise such other powers as may from time to time be imposed upon or vested by resolution of the Board.

Section 6. Secretary-Treasurer. The Board may employ and fix the compensation of a Secretary-Treasurer, who shall maintain custody of the official seal and of records, books. Documents, or other papers, and shall keep a record of Authority proceedings. The Secretary-Treasurer shall attend meetings of the Board and keep a record of its proceedings. The minutes of the Authority shall contain the date, time, place, members absent, any decisions made at a meeting open to the public, and the purpose or purposes for which a closed session is held. The minutes shall include all roll call votes taken at the meeting. The Secretary-Treasurer shall give, or cause to be given, notice of all meetings of the Board and shall perform such other duties as may be prescribed by the Board. The Secretary-Treasurer shall, when authorized by the Board, attest by signature to actions of the Board. The Secretary-Treasurer shall also keep the financial records of the Authority and who, together with the director (if any), shall approve all vouchers for the expenditure of funds of the Authority, The Secretary-Treasurer shall perform all other duties as may be delegated to him by the Board and shall furnish bond in an amount prescribed by the Board, in accordance with Act No. 57 of 2018. The City of Dearborn may designate an accountant for the Authority who shall track all funds, expenses and revenues, and prepare a monthly financial report. The Secretary-Treasurer shall review and present a monthly financial report to the Board to receive and file.

Section 7. Delegation of Duties and Officers. In the absence of any officer of the Authority, or for any other reason that the Board may deem sufficient, the Board may, by Resolution, delegate from time to time and for such time as it may deem appropriate, the powers or duties, or any of them, of such officer to any other officer, or to any Member, provided a majority of the Board then in office concurs therein.

Section 8. Executive Committee. The Executive Committee shall consist of the three Board officers (Chair, Vice-Chair, and Secretary-Treasurer). The Executive Committee shall be responsible for reviewing the agenda for the regular Board meetings and proposing the agenda for the Board. The Board may pre-approve, by resolution, for the Executive Committee to act as the full Board on items of exigency that may occur between regular scheduled Board meetings. Such actions shall be brought to the Board at the next regular meeting for its review. The committee shall meet as necessary and all such meetings shall comply with the notice requirements, as set forth in Article II, Section 7.

ARTICLE IV
CONTRACTS, DONATIONS, AND POWERS OF THE BOARD

Section 1. Contracts.
The Board may make and enter into contracts necessary or incidental to the exercise of powers and the performance of its duties. The Board may, by resolution, authorize an agent of the Authority to execute contracts and/or documents on behalf of the Authority, consistent with Act. No. 57 of 2018. A copy of the resolution approving such contracts must be attached to such contract and must adhere to any Purchasing/Procurement policies that the Authority may adopt. .

Section 2. Checks, Drafts, etc. All orders for the payment of money, notes, or other evidences of indebtedness shall be signed by the Board's authorized agent and submitted to the Finance Department of the City of Dearborn for signature and for the issuance of payment..

Section 3. Grants and Donation. The Board may accept grants and donations of property, labor, or other things of value from a public or private source, consistent with Act No. 57 of 2018.

Section 4. Deposits. All funds of the Authority shall immediately be deposited into the appropriate fund or account to the credit of the Authority in such banks, trust companies, or other depositories as the Authority or Finance Director of the City of Dearborn may select. Report of these receipts shall be provided by the accountant of the Authority to the Secretary/Treasurer or its Agent for review and submittal to the Board.

Section 5. Other Powers of the Board. The Board shall perform and exercise all such powers as provided in Public Act No. 57 of 2018.

Section 6. Budget

Pursuant to Public Act No. 57 of 2018, the director of the Authority or designee shall prepare and submit for the approval of the Board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the Board, it shall be approved by City Council. The Authority shall submit an annual budget to the City Council by April 30 each year for inclusion in the City's annual budget presentation. The budget shall be adopted by the Board no later than by July 1 each year

Section 7. Audit

The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the Authority, other than those committed, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

ARTICLE V
FISCAL YEAR

The fiscal year of the Authority shall correspond at all times to the fiscal year of the City of Dearborn.

ARTICLE VI
INITIATION OF PROJECTS

All requests for assistance of this Authority shall be made in written form and should be addressed to the Secretary-Treasurer of this Board. Such requests shall include the following information:

1. Name, address and business status of applicant.
2. Brief personal or business history of applicant.

3. Narrative description of proposed project, including type of business to be conducted thereon and services to be provided thereby.

4. Description and location of project area.

5. Number of employment opportunities that will be afforded or retained in the community by the project.

6. Potential impact of the proposed project on the development plan and/or financial plan of the Authority.

Upon receipt of said application, the Board shall assess the public purpose of the project, its desirability, suitability, and its economic feasibility. The Board may request such other data and information from the applicant as it deems appropriate. The Board shall not proceed with the project unless such findings are made.

ARTICLE VII

REPORTING REQUIREMENTS

All expense items of the Authority shall be recorded monthly and financial records shall be open to the public. If the Board does not employ a Director, the Board shall file any and all necessary reports in connection with a proposed development plan and/or tax increment financing plan. Annually, the Board shall submit to the City Council a report on the status of any tax increment financing account utilized by the Authority. The report shall be published in a newspaper of general circulation in the municipality.

Pursuant to Act no. 57 of 2018, annually, the Authority shall submit to the City Council, the governing body of a taxing unit levying taxes subject to capture by the Authority, and the Michigan Department of Treasury, a report on the status of the tax increment financing account. The Board or its designee shall prepare all annual reporting requirements required by Public Act 57 within 180 days of the fiscal year end and post on the website of the Authority, and submit the reports to the City and the Michigan State Tax Commission.

ARTICLE VIII
AMENDMENTS

These Bylaws may be altered or amended or repealed by the affirmative vote of the Board then in office over the minimum course of two regular or special meetings. At the first meeting, proposed alterations, amendments or repeal of any part of these Bylaws are to be announced for consideration at a subsequent meeting. The proposed changes may be put to a vote at the second meeting, but cannot be adopted unless their consideration was agreed to by a majority of members present at the first meeting. Approved changes to these Bylaws take effect immediately.

I HEREBY CERTIFY that the above Bylaws were amended as written by the Downtown Development Authority – West Dearborn, of the City of Dearborn on the ______ day of ______________, 2022.

____

SECRETARY-TREASURER

****** Act 57 of 2018 THIS NEW ACT IS EFFECTIVE JANUARY 1, 2019 ******

RECODIFIED TAX INCREMENT FINANCING ACT
Act 57 of 2018

AN ACT to provide for the recodification and establishment of certain tax increment finance authorities; to prescribe the powers and duties of the authorities; to correct and prevent deterioration in residential, commercial, and industrial areas and certain other areas; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans and development areas; to promote residential and economic growth; to create certain boards; to prescribe the powers and duties of certain boards; to authorize the issuance of bonds and other evidences of indebtedness; to levy certain taxes; to authorize the use of tax increment financing; to prescribe powers and duties of certain state officials; to provide for rule promulgation; to provide for enforcement of this act; and to repeal acts and parts of acts.

History: 2018, Act 57, Eff. Jan. 1, 2019.

The People of the State of Michigan enact:

PART 1

GENERAL PROVISIONS

****** 125.4101.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4101.new Short title.

Sec. 101. This act shall be known and may be cited as the "recodified tax increment financing act".

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4102.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4102.new Repeal of statute or section of law; effect.

Sec. 102. (1) The repeal of a statute or section of law by this act does not relinquish any penalty, forfeiture, or liability, whether criminal or civil in nature, and that statute or section of law shall be treated as still remaining in force as necessary for the purpose of instituting or sustaining any proper action or prosecution for the enforcement of the penalty, forfeiture, or liability.

(2) A bond, note, or any other obligation or refunding of any obligation issued by an authority or by the municipality that created the authority under a statute or section of law repealed by this act shall continue in effect under its original terms under the corresponding part of this act.

(3) A contractual right, duty, or obligation relating to an authority under a statute or section of law repealed by this act shall continue and remain with the authority under the corresponding part of this act.

(4) A development plan or a tax increment financing plan developed by an authority under a statute or section of law repealed by this act shall remain in effect with the authority under the corresponding part of this act.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4103.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4103.new Board of authority created under repealed statute or section of law; continuation in office; duration; appointment.

Sec. 103. Members of a board of an authority created under a statute or section of law repealed by this act with the same or similar name and functions shall continue in office for the duration of the terms of office for which they were appointed. Members shall be appointed under this act only as terms of the former members expire or vacancies occur. Members of the board of an authority created under a statute or section of law repealed by this act may be appointed to the new board to succeed themselves subject to any limits for the total period of service set forth in this act.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4104.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4104.new Act as recodification of certain existing acts.

Sec. 104. As this act is a recodification of certain existing tax increment financing acts, the recodification of 1975 PA 197, MCL 125.1651 to 125.1681, in part 2 is a continuation of the taxing authority authorized in section 12 of 1975 PA 197, MCL 125.1662, for purposes of section 31 of article IX of the state constitution of 1963.

History: 2018, Act 57, Eff. Jan. 1, 2019.

PART 2

DOWNTOWN DEVELOPMENT AUTHORITIES

****** 125.4201.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4201.new Definitions.

Sec. 201. As used in this part:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.

(b) "Assessed value" means 1 of the following:

(*i*) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(*ii*) For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a downtown development authority created pursuant to this part.

(d) "Board" means the governing body of an authority.

(e) "Business district" means an area in the downtown of a municipality zoned and used principally for business.

(f) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (aa), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(g) "Catalyst development project" means a project that is located in a municipality with a population greater than 600,000, is designated by the authority as a catalyst development project, and is expected to result in at least $300,000,000.00 of capital investment. There shall be no more than 1 catalyst development project designated within each authority.

(h) "Chief executive officer" means the mayor or city manager of a city, the president or village manager of a village, or the supervisor of a township or, if designated by the township board for purposes of this part, the township superintendent or township manager of a township.

(i) "Development area" means that area to which a development plan is applicable.

(j) "Development plan" means that information and those requirements for a development plan set forth in section 217.

(k) "Development program" means the implementation of the development plan.

(*l*) "Downtown district" means that part of an area in a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to this part. A downtown district may include 1 or more separate and distinct geographic areas in a business district as determined by the municipality if the municipality enters into an agreement with a qualified township under section 203(7) or if the municipality is a city that surrounds another city and that other city lies between the 2 separate and distinct geographic areas. If the downtown district contains more than 1 separate and distinct geographic area in the downtown district, the separate and distinct geographic areas shall be considered 1 downtown district.

(m) "Eligible advance" means an advance made before August 19, 1993.

(n) "Eligible obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993 and its subsequent refunding by a qualified refunding obligation. Eligible obligation includes an authority's written agreement entered into before August 19, 1993 to pay an obligation issued after August 18, 1993 and before December 31, 1996 by another entity on behalf of the authority.

(o) "Fire alarm system" means a system designed to detect and annunciate the presence of fire, or by-products of fire. Fire alarm system includes smoke detectors.

(p) "Fiscal year" means the fiscal year of the authority.

(q) "Governing body of a municipality" means the elected body of a municipality having legislative powers.

(r) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision (aa). In the case of a municipality having a population of less than 35,000 that established an authority prior to 1985, created a district or districts, and approved a development plan or tax increment financing plan or amendments to a plan, and which plan or tax increment financing plan or amendments to a plan, and which plan expired by its terms December 31, 1991, the initial assessed value for the purpose of any plan or plan amendment adopted as an extension of the expired plan shall be determined as if the plan had not expired December 31, 1991. For a development area designated before 1997 in which a renaissance zone has subsequently been designated pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, the initial assessed value of the development area otherwise determined under this subdivision shall be reduced by the amount by which the current assessed value of the development area was reduced in 1997 due to the exemption of property under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, but in no case shall the initial assessed value be less than zero.

(s) "Municipality" means a city, village, or township.

(t) "Obligation" means a written promise to pay, whether evidenced by a contract, agreement, lease, sublease, bond, or note, or a requirement to pay imposed by law. An obligation does not include a payment required solely because of default upon an obligation, employee salaries, or consideration paid for the use of municipal offices. An obligation does not include those bonds that have been economically defeased by refunding bonds issued under this part. Obligation includes, but is not limited to, the following:

(*i*) A requirement to pay proceeds derived from ad valorem property taxes or taxes levied in lieu of ad valorem property taxes.

(*ii*) A management contract or a contract for professional services.

(*iii*) A payment required on a contract, agreement, bond, or note if the requirement to make or assume the payment arose before August 19, 1993.

(*iv*) A requirement to pay or reimburse a person for the cost of insurance for, or to maintain, property subject to a lease, land contract, purchase agreement, or other agreement.

(*v*) A letter of credit, paying agent, transfer agent, bond registrar, or trustee fee associated with a contract, agreement, bond, or note.

(u) "On behalf of an authority", in relation to an eligible advance made by a municipality, or an eligible obligation or other protected obligation issued or incurred by a municipality, means in anticipation that an authority would transfer tax increment revenues or reimburse the municipality from tax increment revenues in an amount sufficient to fully make payment required by the eligible advance made by the municipality, or eligible obligation or other protected obligation issued or incurred by the municipality, if the anticipation of the transfer or receipt of tax increment revenues from the authority is pursuant to or evidenced by 1 or more of the following:

(*i*) A reimbursement agreement between the municipality and an authority it established.

(*ii*) A requirement imposed by law that the authority transfer tax increment revenues to the municipality.

(*iii*) A resolution of the authority agreeing to make payments to the incorporating unit.

(*iv*) Provisions in a tax increment financing plan describing the project for which the obligation was incurred.

(v) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.

(w) "Other protected obligation" means:

(*i*) A qualified refunding obligation issued to refund an obligation described in subparagraph (*ii*), (*iii*), or (*iv*), an obligation that is not a qualified refunding obligation that is issued to refund an eligible obligation, or a qualified refunding obligation issued to refund an obligation described in this subparagraph.

(*ii*) An obligation issued or incurred by an authority or by a municipality on behalf of an authority after August 19, 1993, but before December 31, 1994, to finance a project described in a tax increment finance plan approved by the municipality in accordance with this part before December 31, 1993, for which a contract for final design is entered into by or on behalf of the municipality or authority before March 1, 1994 or for which a written agreement with a developer, titled preferred development agreement, was entered into by or on behalf of the municipality or authority in July 1993.

(*iii*) An obligation incurred by an authority or municipality after August 19, 1993, to reimburse a party to a development agreement entered into by a municipality or authority before August 19, 1993, for a project described in a tax increment financing plan approved in accordance with this part before August 19, 1993, and undertaken and installed by that party in accordance with the development agreement.

(*iv*) An obligation incurred by the authority evidenced by or to finance a contract to purchase real property within a development area or a contract to develop that property within the development area, or both, if all of the following requirements are met:

(A) The authority purchased the real property in 1993.

(B) Before June 30, 1995, the authority enters a contract for the development of the real property located within the development area.

(C) In 1993, the authority or municipality on behalf of the authority received approval for a grant from both of the following:

(I) The department of natural resources for site reclamation of the real property.

(II) The department of consumer and industry services for development of the real property.

(*v*) An ongoing management or professional services contract with the governing body of a county which was entered into before March 1, 1994 and which was preceded by a series of limited term management or professional services contracts with the governing body of the county, the last of which was entered into before August 19, 1993.

(*vi*) A loan from a municipality to an authority if the loan was approved by the legislative body of the municipality on April 18, 1994.

(*vii*) Funds expended to match a grant received by a municipality on behalf of an authority for sidewalk improvements from the Michigan department of transportation if the legislative body of the municipality approved the grant application on April 5, 1993 and the grant was received by the municipality in June 1993.

(*viii*) For taxes captured in 1994, an obligation described in this subparagraph issued or incurred to finance a project. An obligation is considered issued or incurred to finance a project described in this subparagraph only if all of the following are met:

(A) The obligation requires raising capital for the project or paying for the project, whether or not a borrowing is involved.

(B) The obligation was part of a development plan and the tax increment financing plan was approved by a municipality on May 6, 1991.

(C) The obligation is in the form of a written memorandum of understanding between a municipality and a public utility dated October 27, 1994.

(D) The authority or municipality captured school taxes during 1994.

(*ix*) An obligation incurred after July 31, 2012 by an authority, municipality, or other governmental unit to pay for costs associated with a catalyst development project.

(x) "Public facility" means a street, plaza, pedestrian mall, and any improvements to a street, plaza, or pedestrian mall including street furniture and beautification, park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, building, and access routes to any of the foregoing, designed and dedicated to use by the public generally, or used by a public agency. Public facility includes an improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531. Public facility also includes the acquisition, construction, improvement, and operation of a building owned or leased by the authority to be used as a retail business incubator.

(y) "Qualified refunding obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority to refund an obligation if 1 or more of the following apply:

(*i*) The obligation is issued to refund a qualified refunding obligation issued in November 1997 and any subsequent refundings of that obligation issued before January 1, 2010 or the obligation is issued to refund a qualified refunding obligation issued on May 15, 1997 and any subsequent refundings of that obligation issued before January 1, 2010 in an authority in which 1 parcel or group of parcels under common ownership represents 50% or more of the taxable value captured within the tax increment finance district and that will ultimately provide for at least a 40% reduction in the taxable value of the property as part of a negotiated settlement as a result of an appeal filed with the state tax tribunal. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2611, if issued before January 1, 2010. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is hereby extended to 1 year after the final date of maturity of the qualified refunding obligations.

(*ii*) The refunding obligation meets both of the following:

(A) The net present value of the principal and interest to be paid on the refunding obligation, including the cost of issuance, will be less than the net present value of the principal and interest to be paid on the obligation being refunded, as calculated using a method approved by the department of treasury.

(B) The net present value of the sum of the tax increment revenues described in subdivision (cc)(*ii*) and the distributions under section 213b to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (cc)(*ii*) and the distributions under section 213b to repay the obligation being refunded, as calculated using a method approved by the department of treasury.

(*iii*) The obligation is issued to refund an other protected obligation issued as a capital appreciation bond delivered to the Michigan municipal bond authority on December 21, 1994 and any subsequent refundings of that obligation issued before January 1, 2012. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 305(2), (3), (5), and (6), section 501, section 503, or section 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611, if issued before January 1, 2012. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is extended to 1 year after the final date of maturity of the qualified refunding obligations. The obligation may be payable through the year 2025 at an interest rate not exceeding the maximum rate permitted by law, notwithstanding the bond maturity dates contained in the notice of intent to issue bonds published by the municipality. An obligation issued under this subparagraph is a qualified refunding obligation only to the extent that revenues described in subdivision (cc)(*ii*) and distributions under section 213b to repay the qualified refunding obligation do not exceed $750,000.00.

(*iv*) The obligation is issued to refund a qualified refunding obligation issued on February 13, 2008, and any subsequent refundings of that obligation, issued before December 31, 2018. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 305(2), (3), (5), and (6), 501, 503, or 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is extended to 1 year after the final date of maturity of the qualified refunding obligations. Revenues described in subdivision (cc)(*ii*) and distributions made under section 213b in excess of the amount needed for current year debt service on an obligation issued under this subparagraph may be paid to the authority to the extent necessary to pay future years' debt service on the obligation as determined by the board.

(z) "Qualified township" means a township that meets all of the following requirements:

(*i*) Was not eligible to create an authority prior to January 3, 2005.

(*ii*) Adjoins a municipality that previously created an authority.

(*iii*) Along with the adjoining municipality that previously created an authority, is a member of the same joint planning commission under the joint municipal planning act, 2003 PA 226, MCL 125.131 to 125.143.

(aa) "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(bb) "State fiscal year" means the annual period commencing October 1 of each year.

(cc) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:

(*i*) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this part.

(*ii*) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (*i*), to repay eligible advances, eligible obligations, and other protected obligations.

(*iii*) Tax increment revenues do not include any of the following:

(A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.

(B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.

(C) Ad valorem property taxes exempted from capture under section 203(3) or specific local taxes attributable to such ad valorem property taxes.

(D) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(I) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(II) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(III) Except as otherwise provided in section 203(3), ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016.

(*iv*) The amount of tax increment revenues authorized to be included under subparagraph (*ii*) or (*v*), and required to be transmitted to the authority under section 214(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

(A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.

(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (*ii*) or (*v*).

(*v*) Tax increment revenues include ad valorem property taxes and specific local taxes, in an annual amount and for each year approved by the state treasurer, attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and by local or intermediate school districts, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 600,000 or more to pay for, or reimburse an advance for, not more than $8,000,000.00 for the demolition of buildings or structures on public or privately owned property within a development area that commences in 2005, or to pay the annual principal of or interest on an obligation, the terms of which are approved by the state treasurer, issued by an authority, or by a city on behalf of an authority, to pay not more than $8,000,000.00 of the costs to demolish buildings or structures on public or privately owned property within a development area that commences in 2005.

(*vi*) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.201 to 211.906, and by local or intermediate school districts which were levied on or after July 1, 2010, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 600,000 or more to pay for, or reimburse an advance for, costs associated with the land acquisition, preliminary site work, and construction of a catalyst development project.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4201a.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4201a.new Legislative findings.

Sec. 201a. The legislature finds all of the following:

(a) That there exists in this state conditions of property value deterioration detrimental to the state economy and the economic growth of the state and its local units of government.

(b) That government programs are desirable and necessary to eliminate the causes of property value deterioration thereby benefiting the economic growth of the state.

(c) That it is appropriate to finance these government programs by means available to the state and local units of government in the state, including tax increment financing.

(d) That tax increment financing is a government financing program that contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from economic growth and development to facilities, structures, or improvements within a development area thereby facilitating economic growth and development.

(e) That it is necessary for the legislature to exercise its power to legislate tax increment financing as authorized in this part and in the exercise of this power to mandate the transfer of tax increment revenues by city, village, township, school district, and county treasurers to authorities created under this part in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.

(f) That halting property value deterioration and promoting economic growth in the state are essential governmental functions and constitute essential public purposes.

(g) That economic development strengthens the tax base upon which local units of government rely and that government programs to eliminate property value deterioration benefit local units of government and are for the use of the local units of government.

(h) That the provisions of this part are enacted to provide a means for local units of government to eliminate property value deterioration and to promote economic growth in the communities served by those local units of government.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4202.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4202.new Authority; establishment; restriction; public body corporate; powers generally.

Sec. 202. (1) Except as otherwise provided in this subsection, a municipality may establish 1 authority. If, before November 1, 1985, a municipality establishes more than 1 authority, those authorities may continue to exist as separate authorities. Under the conditions described in section 203a, a municipality may have more than 1 authority within that municipality's boundaries. A parcel of property shall not be included in more than 1 authority created by this part.

(2) An authority shall be a public body corporate which may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this part shall not be construed as a limitation upon the general powers of an authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4203.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4203.new Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown district; notice; exemption of taxes from capture; action by library board or commission; adoption, filing, and publication of ordinance; altering or amending boundaries; agreement with adjoining municipality; agreement with qualified township.

Sec. 203. (1) When the governing body of a municipality determines that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the downtown district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed district and for a public hearing to be held after February 15, 1994 to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure of a property taxpayer to receive the notice shall not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing. The notice shall state the

date, time, and place of the hearing, and shall describe the boundaries of the proposed downtown district. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district. The governing body of the municipality shall not incorporate land into the downtown district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the downtown district in the final determination of the boundaries.

(3) Not more than 60 days after a public hearing held after February 15, 1994, the governing body of a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. The resolution takes effect when filed with that clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk. If a separate millage for public library purposes was levied before January 1, 2017, and all obligations and other protected obligations of the authority are paid, then the levy is exempt from capture under this part, unless the library board or commission allows all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if a separate millage for public library purposes was levied before January 1, 2017, and the authority alters or amends the boundaries of a downtown district or extends the duration of the existing finance plan, then the library board or commission may, not later than 60 days after a public hearing is held under this subsection, exempt all or a portion of its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality that created the authority. For ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016, a library board or commission may allow all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if the library was created under section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233, then any action of the library board or commission under this subsection shall have the concurrence of the chief executive officer of the city that created the library to be effective, and, if the action of the library board or commission involves any bond issued by this state or a state agency, the concurrence of the state treasurer.

(4) Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the downtown district within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his or her veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(5) The governing body of the municipality may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district pursuant to the same requirements for adopting the ordinance creating the authority.

(6) A municipality that has created an authority may enter into an agreement with an adjoining municipality that has created an authority to jointly operate and administer those authorities under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(7) A municipality that has created an authority may enter into an agreement with a qualified township to operate its authority in a downtown district in the qualified township under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement between the municipality and the qualified township shall provide for, but is not limited to, all of the following:

(a) Size and makeup of the board.

(b) Determination and modification of downtown district, business district, and development area.

(c) Modification of development area and development plan.

(d) Issuance and repayment of obligations.

(e) Capture of taxes.

(f) Notice, hearing, and exemption of taxes from capture provisions described in this section.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4203a.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4203a.new Authority of annexing or consolidated municipality; obligations, agreements, and bonds.

Sec. 203a. If a downtown district is part of an area annexed to or consolidated with another municipality, the authority managing that district shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this part shall remain in effect following the annexation or consolidation.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4203b.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4203b.new Ratification and validation of ordinance and actions; compliance.

Sec. 203b. (1) An ordinance enacted by a municipality that has a population of less than 50,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken under that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, if the notice was published or posted at least 15 days before the hearing or the authority was established in 1984 by a village that filed the ordinance with the secretary of state not later than March 1986. This section applies only to an ordinance adopted by a municipality before February 1, 1991, and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority, the incorporating municipality, or a county on behalf of the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 203(4) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before October 1, 1991. As used in this section, "notice was published" means publication of the notice occurred at least once.

(2) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 3,000 before June 15, 1988 rather than by adoption of an ordinance is ratified and validated, if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.

(3) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 7,000 before June 1, 1998 rather than by adoption of an ordinance is ratified and validated if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4203c.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4203c.new Proceedings or findings; validity.

Sec. 203c. The validity of the proceedings or findings establishing an authority, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan is conclusive with respect to the capture of tax increment revenues for an other protected obligation that is a bond issued after October 1, 1994.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4203d.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4203d.new Establishment or amendment of authority, district, or plan; notice; publication or posting.

Sec. 203d. An ordinance enacted by a municipality that has a population of greater than 1,000 and less than 2,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken or to be taken under that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, provided that the notice was either published or posted at least 10 days before the hearing or that the authority was established in 1990 by a municipality that filed the ordinance with the secretary of state not later than July 1991. This section applies only to an ordinance or an amendment adopted by a municipality before January 1, 1999 and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority or the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 203(3) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before December 31, 2002. The validity of the proceedings or findings establishing an authority described in this section, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan for an authority described in this section is conclusive with respect to the capture of tax increment revenues for a bond issued after June 1, 2002 and before June 1, 2006. As used in this section, "notice was either published or posted" means either publication or posting of the notice occurred at least once.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4204.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4204.new Board; appointment, terms, and qualifications of members; vacancy; compensation and expenses; election of chairperson; appointment as public official; oath; conducting business at public meeting; public notice; special meetings; removal of member; review; expense items and financial records; availability of writings to public; single board governing all authorities; member as resident or having interest in property; planning commission serving as board in certain municipalities; modification by interlocal agreement.

Sec. 204. (1) Except as provided in subsections (7), (8), and (9), an authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality and not less than 8 or more than 12 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an interest in property located in the downtown district or officers, members, trustees, principals, or employees of a legal entity having an interest in property located in the downtown district. Not less than 1 of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board. The rules of procedure or the bylaws of the authority may provide that a person be appointed to the board in his or her capacity as a public official, whether appointed or elected. The rules of procedure or bylaws may also provide that the public official's term shall expire upon expiration of his or her service as a public official. In addition, the public official's membership on the board expires on his or her resignation from office as a public official.

(2) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(3) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall adopt rules consistent with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(4) Pursuant to notice and after having been given an opportunity to be heard, a member of the board may be removed for cause by the governing body. Removal of a member is subject to review by the circuit court.

(5) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.

(6) In addition to the items and records prescribed in subsection (5), a writing prepared, owned, used, in the

possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(7) By resolution of its governing body, a municipality having more than 1 authority may establish a single board to govern all authorities in the municipality. The governing body may designate the board of an existing authority as the board for all authorities or may establish by resolution a new board in the same manner as provided in subsection (1). A member of a board governing more than 1 authority may be a resident of or have an interest in property in any of the downtown districts controlled by the board in order to meet the requirements of this section.

(8) By ordinance, the governing body of a municipality that has a population of less than 5,000 may have the municipality's planning commission created pursuant to former 1931 PA 285 or the Michigan planning enabling act, 2008 PA 33, MCL 125.3801 to 125.3885, serve as the board provided for in subsection (1).

(9) If a municipality enters into an agreement with a qualified township under section 203(7), the membership of the board may be modified by the interlocal agreement described in section 203(7).

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4205.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4205.new Director; acting director; treasurer; secretary; legal counsel; other personnel.

Sec. 205. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of his or her office, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the penal sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be deemed an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise, and be responsible for, the preparation of plans and the performance of the functions of the authority in the manner authorized by this part. The director shall attend the meetings of the board, and shall render to the board and to the governing body of the municipality a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his or her office, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the authority and who, together with the director, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated to him or her by the board and shall furnish bond in an amount as prescribed by the board.

(3) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings, and shall perform such other duties delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel deemed necessary by the board.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4206.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4206.new Participation of employees in municipal retirement and insurance programs.

Sec. 206. The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4207.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4207.new Powers of board; creation, operation, or funding of retail business incubator.

Sec. 207. (1) The board may:

(a) Prepare an analysis of economic changes taking place in the downtown district.

(b) Study and analyze the impact of metropolitan growth upon the downtown district.

(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.

(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(f) Implement any plan of development in the downtown district necessary to achieve the purposes of this part, in accordance with the powers of the authority as granted by this part.

(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in property, which the authority determines is reasonably necessary to achieve the purposes of this part, and to grant or acquire licenses, easements, and options with respect to that property.

(i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances to that property, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination of them.

(j) Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(k) Lease any building or property under its control, or any part of a building or property.

(*l*) Accept grants and donations of property, labor, or other things of value from a public or private source.

(m) Acquire and construct public facilities.

(n) Create, operate, and fund marketing initiatives that benefit only retail and general marketing of the downtown district.

(o) Contract for broadband service and wireless technology service in the downtown district.

(p) Operate and perform all duties and exercise all responsibilities described in this section in a qualified township if the qualified township has entered into an agreement with the municipality under section 203(7).

(q) Create, operate, and fund a loan program to fund improvements for existing buildings located in a downtown district to make them marketable for sale or lease. The board may make loans with interest at a market rate or may make loans with interest at a below market rate, as determined by the board.

(r) Create, operate, and fund retail business incubators in the downtown district.

(2) If it is the express determination of the board to create, operate, or fund a retail business incubator in the downtown district, the board shall give preference to tenants who will provide goods or services that are not available or that are underserved in the downtown area. If the board creates, operates, or funds retail business incubators in the downtown district, the board and each tenant who leases space in a retail business incubator shall enter into a written contract that includes, but is not limited to, all of the following:

(a) The lease or rental rate that may be below the fair market rate as determined by the board.

(b) The requirement that a tenant may lease space in the retail business incubator for a period not to exceed 18 months.

(c) The terms of a joint operating plan with 1 or more other businesses located in the downtown district.

(d) A copy of the business plan of the tenant that contains measurable goals and objectives.

(e) The requirement that the tenant participate in basic management classes, business seminars, or other business education programs offered by the authority, the local chamber of commerce, local community colleges, or institutions of higher education, as determined by the board.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4208.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4208.new Board serving as planning commission; agenda.

Sec. 208. If a board created under this part serves as the planning commission under the Michigan planning enabling act, 2008 PA 33, MCL 125.3801 to 125.3885, the board shall include planning commission business in its agenda.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4209.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4209.new Authority as instrumentality of political subdivision.

Sec. 209. The authority shall be deemed an instrumentality of a political subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4210.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4210.new Taking, transfer, and use of private property.

Sec. 210. A municipality may take private property under 1911 PA 149, MCL 213.21 to 213.25, for the purpose of transfer to the authority, and may transfer the property to the authority for use in an approved development, on terms and conditions it deems appropriate, and the taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4211.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4211.new Financing activities of authority; disposition of money received by authority; municipal obligations.

Sec. 211. (1) The activities of the authority shall be financed from 1 or more of the following sources:

(a) Donations to the authority for the performance of its functions.

(b) Proceeds of a tax imposed pursuant to section 212.

(c) Money borrowed and to be repaid as authorized by sections 213 and 213a.

(d) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(e) Proceeds of a tax increment financing plan, established under sections 214 to 216.

(f) Proceeds from a special assessment district created as provided by law.

(g) Money obtained from other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.

(h) Money obtained pursuant to section 213b.

(i) Revenue transferred pursuant to section 11a of chapter 2 of the city income tax act, 1964 PA 284, MCL 141.611a.

(j) Revenue transferred pursuant to section 11b of chapter 2 of the city income tax act, 1964 PA 284, MCL 141.611b.

(2) Money received by the authority and not covered under subsection (1) shall immediately be deposited to the credit of the authority, subject to disbursement pursuant to this part. Except as provided in this part, the municipality shall not obligate itself, nor shall it ever be obligated to pay any sums from public funds, other than money received by the municipality pursuant to this section, for or on account of the activities of the authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4212.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4212.new Ad valorem tax; borrowing in anticipation of collection.

Sec. 212. (1) An authority with the approval of the municipal governing body may levy an ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the downtown district. The tax shall not be more than 1 mill if the downtown district is in a municipality having a population of 1,000,000 or more, or not more than 2 mills if the downtown district is in a municipality having a population of less than 1,000,000. The tax shall be collected by the municipality creating the authority levying the tax. The municipality shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes. The tax shall be paid to the treasurer of the authority and credited to the general fund of the authority for purposes of the authority.

(2) The municipality may at the request of the authority borrow money and issue its notes under the revised

municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation of collection of the ad valorem tax authorized in this section.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4213.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4213.new Revenue bonds.

Sec. 213. The authority may borrow money and issue its negotiable revenue bonds under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140. Revenue bonds issued by the authority shall not except as hereinafter provided be deemed a debt of the municipality or the state. The municipality by majority vote of the members of its governing body may pledge its full faith and credit to support the authority's revenue bonds.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4213a.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4213a.new Borrowing money; issuing revenue bonds or notes; purpose; costs; security; pledge and lien of pledge valid and binding; filing or recordation not required; tax exemption; bonds or notes neither liability nor debt of municipality; statement; investment and deposit of bonds and notes.

Sec. 213a. (1) The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of acquiring or constructing property in connection with the implementation of a development plan in the downtown district or to refund or refund in advance bonds or notes issued pursuant to this section. The costs which may be financed by the issuance of revenue bonds or notes may include the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the downtown district; any engineering, architectural, legal, accounting, or financial expenses; the costs necessary or incidental to the borrowing of money; interest on the bonds or notes during the period of construction; a reserve for payment of principal and interest on the bonds or notes; and a reserve for operation and maintenance until sufficient revenues have developed. The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and any money, revenues, or income received in connection therewith.

(2) A pledge made by the authority shall be valid and binding from the time the pledge is made. The money or property pledged by the authority immediately shall be subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of such a pledge shall be valid and binding as against parties having claims of any kind in tort, contract, or otherwise, against the authority, irrespective of whether the parties have notice of the lien. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created need be filed or recorded.

(3) Bonds or notes issued pursuant to this section shall be exempt from all taxation in this state except inheritance and transfer taxes, and the interest on the bonds or notes shall be exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(4) The municipality shall not be liable on bonds or notes of the authority issued pursuant to this section and the bonds or notes shall not be a debt of the municipality. The bonds or notes shall contain on their face a statement to that effect.

(5) The bonds and notes of the authority may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4213b.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4213b.new Insufficient tax increment revenues to repay advance or pay obligation; contents, time, and payment of claim; appropriation and distribution of aggregate amount; limitations; distribution subject to lien; obligation as debt or liability; certification of distribution amount; basis for calculation of distributions and claim reports.

Sec. 213b. (1) If the amount of tax increment revenues lost as a result of the reduction of taxes levied by local school districts for school operating purposes required by the millage limitations under section 1211 of the school code of 1976, 1976 PA 451, MCL 380.1211, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause the tax increment revenues received in a fiscal year by an authority under section 215 to be insufficient to repay an eligible advance or to pay an eligible obligation, the legislature shall appropriate and distribute to the authority the amount described in subsection (5).

(2) Not less than 30 days before the first day of a fiscal year, an authority eligible to retain tax increment revenues from taxes levied by a local or intermediate school district or this state or to receive a distribution under this section for that fiscal year shall file a claim with the department of treasury. The claim shall include the following information:

(a) The property tax millage rates levied in 1993 by local school districts within the jurisdictional area of the authority for school operating purposes.

(b) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(c) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.

(d) The tax increment revenues the authority estimates it would have received for that fiscal year if property taxes were levied by local school districts within the jurisdictional area of the authority for school operating purposes at the millage rates described in subdivision (a) and if no property taxes were levied by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(e) A list and documentation of eligible obligations and eligible advances and the payments due on each of those eligible obligations or eligible advances in that fiscal year, and the total amount of all the payments due on those eligible obligations and eligible advances in that fiscal year.

(f) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation or the repayment of an eligible advance. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development project.

(g) The amount of a distribution received pursuant to this part for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(h) A list and documentation of other protected obligations and the payments due on each of those other protected obligations in that fiscal year, and the total amount of all the payments due on those other protected obligations in that fiscal year.

(3) For the fiscal year that commences after September 30, 1993 and before October 1, 1994, an authority may make a claim with all information required by subsection (2) at any time after March 15, 1994.

(4) After review and verification of claims submitted pursuant to this section, amounts appropriated by the state in compliance with this part shall be distributed as 2 equal payments on March 1 and September 1 after receipt of a claim. An authority shall allocate a distribution it receives for an eligible obligation issued on behalf of a municipality to the municipality.

(5) Subject to subsections (6) and (7), the aggregate amount to be appropriated and distributed pursuant to this section to an authority shall be the sum of the amounts determined pursuant to subdivisions (a) and (b) minus the amount determined pursuant to subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received for the fiscal year, excluding taxes exempt under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, if property taxes were levied by local school districts for school operating purposes at the millage rates described in subsection (2)(a) and if no property taxes were levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, exceed the tax increment revenues the authority actually received for the fiscal year.

(b) A shortfall required to be reported pursuant to subsection (2)(g) that had not previously increased a distribution.

(c) An excess amount required to be reported pursuant to subsection (2)(g) that had not previously decreased a distribution.

(6) The amount distributed under subsection (5) shall not exceed the difference between the amount described in subsection (2)(e) and the sum of the amounts described in subsection (2)(c) and (f).

(7) If, based upon the tax increment financing plan in effect on August 19, 1993, the payment due on eligible obligations or eligible advances anticipates the use of excess prior year tax increment revenues permitted by law to be retained by the authority, and if the sum of the amounts described in subsection (2)(c)

and (f) plus the amount to be distributed under subsections (5) and (6) is less than the amount described in subsection (2)(e), the amount to be distributed under subsections (5) and (6) shall be increased by the amount of the shortfall. However, the amount authorized to be distributed pursuant to this section shall not exceed that portion of the cumulative difference, for each preceding fiscal year, between the amount that could have been distributed pursuant to subsection (5) and the amount actually distributed pursuant to subsections (5) and (6) and this subsection.

(8) A distribution under this section replacing tax increment revenues pledged by an authority or a municipality is subject to the lien of the pledge, whether or not there has been physical delivery of the distribution.

(9) Obligations for which distributions are made pursuant to this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(10) Not later than July 1 of each year, the authority shall certify to the local tax collecting treasurer the amount of the distribution required under subsection (5), calculated without regard to the receipt of tax increment revenues attributable to local or intermediate school district taxes or attributable to taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(11) Calculations of distributions under this section and claims reports required to be made under subsection (2) shall be made on the basis of each development area of the authority.

(12) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4213c.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4213c.new Retention and payment of taxes levied under state education tax act; conditions; application by authority for approval; information to be included; approval, modification, or denial of application by department of treasury; appropriation and distribution of amount; calculation of aggregate amount; lien; reimbursement calculations; legislative intent.

Sec. 213c. (1) If the amount of tax increment revenues lost as a result of the personal property tax exemptions provided by section 1211(4) of the revised school code, 1976 PA 451, MCL 380.1211, section 3 of the state education tax act, 1993 PA 331, MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will reduce the allowable school tax capture received in a fiscal year, then, notwithstanding any other provision of this part, the authority, with approval of the department of treasury under subsection (3), may request the local tax collecting treasurer to retain and pay to the authority taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be used for the following:

(a) To repay an eligible advance.

(b) To repay an eligible obligation.

(c) To repay an other protected obligation.

(2) Not later than June 15, 2008, not later than September 30, 2009, and not later than June 1 of each subsequent year, except for 2011, not later than June 15, an authority eligible under subsection (1) to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section, shall apply for approval with the department of treasury. The application for approval shall include the following information:

(a) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(b) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.

(c) The tax increment revenues the authority estimates it would have received for that fiscal year if the personal property tax exemptions described in subsection (1) were not in effect.

(d) A list of eligible obligations, eligible advances, and other protected obligations, the payments due on each of those in that fiscal year, and the total amount of all the payments due on all of those in that fiscal year.

(e) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation, the repayment of an eligible advance, or the payment of an other protected obligation. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development plan.

(f) The amount of a distribution received pursuant to this part for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(3) Not later than August 15, 2008; for 2009, not later than February 3, 2010; for 2011 only, not later than 30 days after the effective date of the amendatory act that amended this sentence; and not later than August 15 for 2010, 2012, and each subsequent year, based on the calculations under subsection (5), the department of treasury shall approve, modify, or deny the application for approval to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section. If the application for approval contains the information required under subsection (2)(a) through (f) and appears to be in substantial compliance with the provisions of this section, then the department of treasury shall approve the application. If the application is denied by the department of treasury, then the department of treasury shall provide the opportunity for a representative of the authority to discuss the denial within 21 days after the denial occurs and shall sustain or modify its decision within 30 days after receiving information from the authority. If the application for approval is approved or modified by the department of treasury, the local tax collecting treasurer shall retain and pay to the authority the amount described in subsection (5) as approved by the department. If the department of treasury denies the authority's application for approval, the local tax collecting treasurer shall not retain or pay to the authority the taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the department does not prohibit a subsequent audit of taxes retained in accordance with the procedures currently authorized by law.

(4) Each year the legislature shall appropriate and distribute an amount sufficient to pay each authority the following:

(a) If the amount to be retained and paid under subsection (3) is less than the amount calculated under subsection (5), the difference between those amounts.

(b) If the application for approval is denied by the department of treasury, an amount verified by the department equal to the amount calculated under subsection (5).

(5) Subject to subsection (6), the aggregate amount under this section shall be the sum of the amounts determined under subdivisions (a) and (b) minus the amount determined under subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received and retained for the fiscal year, excluding taxes exempt under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax exemptions described in subsection (1) were not in effect, exceed the tax increment revenues the authority actually received for the fiscal year.

(b) A shortfall required to be reported under subsection (2)(f) that had not previously increased a distribution.

(c) An excess amount required to be reported under subsection (2)(f) that had not previously decreased a distribution.

(6) A distribution or taxes retained under this section replacing tax increment revenues pledged by an authority or a municipality are subject to any lien of the pledge described in subsection (1), whether or not there has been physical delivery of the distribution.

(7) Obligations for which distributions are made under this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(8) Not later than September 15 of each year, the authority shall provide a copy of the application for approval approved by the department of treasury to the local tax collecting treasurer and provide the amount of the taxes retained and paid to the authority under subsection (5).

(9) Calculations of amounts retained and paid and appropriations to be distributed under this section shall be made on the basis of each development area of the authority.

(10) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

(11) It is the intent of the legislature that, to the extent that the total amount of taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be retained under this section and section 411b, section 15a of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a, and section 312b, exceeds the difference of the total school aid fund revenue for the tax year minus the estimated amount of revenue the school aid fund would have received for the tax year had the tax exemptions described in subsection (1) and the earmark created by section 515 of the Michigan business tax act, 2007 PA

36, MCL 208.1515, not taken effect, the general fund shall reimburse the school aid fund the difference.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4214.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4214.new Tax increment financing plan; preparation and contents; limitation; public hearing; fiscal and economic implications; recommendations; agreements; modification of plan; catalyst development project.

Sec. 214. (1) When the authority determines that it is necessary for the achievement of the purposes of this part, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 217, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 215. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(2) The percentage of taxes levied for school operating purposes that is captured and used by the tax increment financing plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a. For purposes of this subsection, tax increment revenues used to pay bonds issued by a municipality under section 216(1) shall be considered to be used by the tax increment financing plan rather than shared with the municipality. The limitation of this subsection does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, 1985 PA 224, MCL 125.2113.

(3) Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 218. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(4) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to meet with the governing body. The authority shall fully inform the taxing jurisdictions of the fiscal and economic implications of the proposed development area. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the district.

(5) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearings and agreements as are required for approval of the original plan.

(6) Under a tax increment financing plan that includes a catalyst development project, an authority may pledge available tax increment revenues of the authority as security for any bonds issued to develop and construct a catalyst development project.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4215.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4215.new Transmitting and expending tax increments revenues; reversion of surplus funds; abolishment of tax increment financing plan; conditions.

Sec. 215. (1) The municipal and county treasurers shall transmit to the authority tax increment revenues.

(2) The authority shall expend the tax increment revenues received for the development program only pursuant to the tax increment financing plan. Surplus funds shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan when it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished, allowed to expire, or otherwise terminate until the principal of, and interest on, bonds issued pursuant to section 216 have been paid or funds sufficient to make the payment have been segregated.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4216.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4216.new General obligation bonds and tax increment bonds; qualified refunding obligation.

Sec. 216. (1) The municipality may by resolution of its governing body authorize, issue, and sell general obligation bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan and shall pledge its full faith and credit for the payment of the bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 211. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Before the municipality may authorize the borrowing, the authority shall submit an estimate of the anticipated tax increment revenues and other revenue available under section 211 to be available for payment of principal and interest on the bonds, to the governing body of the municipality. This estimate shall be approved by the governing body of the municipality by resolution adopted by majority vote of the members of the governing body in the resolution authorizing the bonds. If the governing body of the municipality adopts the resolution authorizing the bonds, the estimate of the anticipated tax increment revenues and other revenue available under section 211 to be available for payment of principal and interest on the bonds shall be conclusive for purposes of this section. The bonds issued under this subsection shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2801.

(2) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increment revenues of a development area in which the project is located or a development area from which tax increment revenues may be used for this project, or both. In addition or in the alternative, the bonds issued by the authority pursuant to this subsection may be secured by any other revenues identified in section 211 as sources of financing for activities of the authority that the authority shall specifically pledge in the resolution. However, the full faith and credit of the municipality shall not be pledged to secure bonds issued pursuant to this subsection. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increment revenues from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution. Bonds issued under this subsection that pledge revenue received under section 211 for repayment of the bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) Notwithstanding any other provision of this part, if the state treasurer determines that an authority or municipality can issue a qualified refunding obligation and the authority or municipality does not make a good-faith effort to issue the qualified refunding obligation as determined by the state treasurer, the state treasurer may reduce the amount claimed by the authority or municipality under section 213b by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation or the state treasurer may require a reduction in the capture of tax increment revenues from taxes levied by a local or intermediate school district or this state by an amount equal to the net present value savings that would have been realized had the authority or municipality refunded the obligation. This subsection does not authorize the state treasurer to require the authority or municipality to pledge security greater than the security pledged for the obligation being refunded.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4217.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4217.new Development plan; preparation; contents.

Sec. 217. (1) When a board decides to finance a project in the downtown district by the use of revenue bonds as authorized in section 213 or tax increment financing as authorized in sections 214, 215, and 216, it shall prepare a development plan.

(2) The development plan shall contain all of the following:

(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

(b) The location and extent of existing streets and other public facilities within the development area, shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and shall include a legal description of the development area.

(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(g) A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, or utilities.

(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

(*l*) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(n) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646, 42 USC 4601.

(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.

(p) Other material that the authority, local public agency, or governing body considers pertinent.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4218.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4218.new Ordinance approving or amending development plan or tax increment financing plan; public hearing; notice; record.

Sec. 218. (1) The governing body, before adoption of an ordinance approving or amending a development plan or approving or amending a tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the downtown district not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the downtown district not less than 20 days before the hearing. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the development plan or the tax increment financing plan is approved or amended.

(2) Notice of the time and place of hearing on a development plan shall contain: a description of the

proposed development area in relation to highways, streets, streams, or otherwise; a statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing; and other information that the governing body considers appropriate. At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the development plan. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented thereat.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4219.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4219.new Development plan or tax increment financing plan as constituting public purpose; determination; ordinance; considerations; amendments; incorporation of catalyst development project plan.

Sec. 219. (1) The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice of the hearing given in accordance with section 218, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall then approve or reject the plan, or approve it with modification, by ordinance based on the following considerations:

(a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.

(b) The plan meets the requirements set forth in section 217(2).

(c) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(d) The development is reasonable and necessary to carry out the purposes of this part.

(e) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this part in an efficient and economically satisfactory manner.

(f) The development plan is in reasonable accord with the master plan of the municipality.

(g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.

(h) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

(2) Amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.

(3) Proposed amendments made to an approved development plan to incorporate a catalyst development project plan shall be submitted by the authority to the Michigan strategic fund for approval or rejection of that part of the plan relating to the catalyst development project. Amendments not approved or rejected under this subsection by the Michigan strategic fund within 45 days of submission for approval shall be considered approved.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4220.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4220.new Notice to vacate.

Sec. 220. A person to be relocated under this part shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4221.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4221.new Development area citizens council; establishment; appointment and qualifications of members; representative of development area.

Sec. 221. (1) If a proposed development area has residing within it 100 or more residents, a development area citizens council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The development area citizens council shall be established by the governing body and shall consist of not less than 9 members. The members of the development area citizens council shall be residents of the development area and shall be appointed by the governing body. A member of a development area citizens council shall be at least 18 years of age.

(2) A development area citizens council shall be representative of the development area.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4222.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4222.new Development area citizens council; advisory body.

Sec. 222. A development area citizens council established pursuant to this part shall act an advisory body to the authority and the governing body in the adoption of the development or tax increment financing plans.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4223.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4223.new Consultation.

Sec. 223. Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4224.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4224.new Development area citizens council; meetings; notice; record; information and technical assistance; failure to organize, consult, or advise.

Sec. 224. (1) Meetings of the development area citizens council shall be open to the public. Notice of the time and place of the meetings shall be given by publication in a newspaper of general circulation not less than 5 days before the dates set for meetings of the development area citizens council. A person present at those meetings shall have reasonable opportunity to be heard.

(2) A record of the meetings of a development area citizens council, including information and data presented, shall be maintained by the council.

(3) A development area citizens council may request of and receive from the authority information and technical assistance relevant to the preparation of the development plan for the development area.

(4) Failure of a development area citizens council to organize or to consult with and be advised by the authority, or failure to advise the governing body, as provided in this part, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this part.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4225.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4225.new Citizens district council as development area citizens council.

Sec. 225. In a development area where a citizens district council established according to 1945 PA 344, MCL 125.71 to 125.84, already exists the governing body may designate it as the development area citizens council authorized by this part.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4226.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4226.new Notice of findings and recommendations.

Sec. 226. Within 20 days after the public hearing on a development or tax increment financing plan, the development area citizens council shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4227.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4227.new Development area citizens council; dissolution.

Sec. 227. A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice thereof given in accordance with section 218 and by a 2/3 vote, may adopt an ordinance for the development area to eliminate the necessity of a development area citizens council.

(b) When there are less than 18 residents, real property owners, or representatives of establishments located in the development area eligible to serve on the development area citizens council.

(c) Upon termination of the authority by ordinance of the governing body.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4228.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4228.new Budget; cost of handling and auditing funds.

Sec. 228. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body of the municipality. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this part or by the governing body of the municipality.

(2) The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4228a.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4228a.new Exemption.

Sec. 228a. Beginning January 1, 2010, the authority shall be exempt from all taxation on its earnings or property. Instruments of conveyance from an authority are exempt from transfer taxes under 1966 PA 134, MCL 207.501 to 207.513, and the state real estate transfer tax act, 1993 PA 330, MCL 207.521 to 207.537.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4229.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4229.new Historic sites.

Sec. 229. (1) A public facility, building, or structure that is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites. The preservation of facilities, buildings, or structures determined to be historic sites by a municipality shall include, at a minimum, equipping the historic site with a fire alarm system.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the national register of historic places to the applicable historic district commission created under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, or the Michigan state housing development authority for review.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4230.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4230.new Dissolution of authority; disposition of property and assets; reinstatement of authority; contesting validity of proceedings, findings, and determinations.

Sec. 230. (1) An authority that has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.

(2) An authority established under this part before December 31, 1988, that is dissolved by ordinance of the governing body before September 30, 1990 and that is reinstated by ordinance of the governing body after notice and public hearing as provided in section 203(2) shall not be invalidated pursuant to a claim that, based upon the standards set forth in section 203(1), a governing body improperly determined that the necessary conditions existed for the reinstatement of an authority under this part if at the time the governing body

established the authority the governing body determined or could have determined that the necessary conditions existed for the establishment of an authority under this part or could have determined that establishment of an authority under this part would serve to promote economic growth and notwithstanding that the boundaries of the downtown district are altered at the time of reinstatement of the authority.

(3) In the resolution of intent, the municipality shall set a date for the holding of a public hearing on the adoption of a proposed ordinance reinstating the authority. The procedure for publishing the notice of hearing, holding the hearing, and adopting the ordinance reinstating the authority shall be as provided in section 203(2), (4), and (5).

(4) The validity of the proceedings, findings, and determinations reinstating an authority shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the last of the following occurs:

(a) Publication of the ordinance reinstating the authority as adopted.

(b) Filing of the ordinance reinstating the authority with the secretary of state.

(c) May 27, 1993.

History: 2018, Act 57, Eff. Jan. 1, 2019.

PART 3

TAX INCREMENT FINANCE AUTHORITIES

****** 125.4301.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4301.new Definitions.

Sec. 301. As used in this part:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority. Evidence of the intent to repay an advance is required and may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved before the advance or before August 14, 1993, or a resolution of the authority or the municipality.

(b) "Assessed value" means 1 of the following:

(*i*) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(*ii*) For valuations made after December 31, 1994, taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a tax increment finance authority created under this part.

(d) "Authority district" means that area within which an authority exercises its powers and within which 1 or more development areas may exist.

(e) "Board" means the governing body of an authority.

(f) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the development area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (w), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(g) "Chief executive officer" means the mayor or city manager of a city, the president of a village, or the supervisor of a township.

(h) "Development area" means that area to which a development plan is applicable.

(i) "Development area citizens council" or "council" means that advisory body established pursuant to section 20.

(j) "Development plan" means that information and those requirements for a development set forth in section 16.

(k) "Development program" means the implementation of the development plan.

(*l*) "Eligible advance" means an advance made before August 19, 1993.

(m) "Eligible obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993 and its subsequent refunding by a qualified refunding obligation. Eligible obligation includes an authority's written agreement entered into before August 19, 1993 to pay an obligation issued after August 18, 1993 and before December 31, 1996 by another entity on behalf of the authority. Eligible obligation also includes an ongoing management contract or contract for professional services or development services that was entered into by the authority or a municipality on behalf of the authority in 1991, and related similar written agreements executed before 1984, if the 1991 agreement both provides for automatic annual renewal and incorporates by reference the prior related agreements; however, receipt by an authority of tax increment revenues authorized under subdivision (aa)(*ii*) in order to pay costs arising under those contracts shall be limited to:

(*i*) For taxes levied before July 1, 2005, the amount permitted to be received by an authority for an eligible obligation as provided in this part.

(*ii*) For taxes levied after June 30, 2005 and before July 1, 2006, $3,000,000.00.

(*iii*) For taxes levied after June 30, 2006 and before July 1, 2007, $3,000,000.00.

(*iv*) For taxes levied after June 30, 2007 and before July 1, 2008, $3,000,000.00.

(*v*) For taxes levied after June 30, 2008 and before July 1, 2009, $3,000,000.00.

(*vi*) For taxes levied after June 30, 2009 and before July 1, 2010, $3,000,000.00.

(*vii*) For taxes levied after June 30, 2010 and before July 1, 2011, $2,650,000.00.

(*viii*) For taxes levied after June 30, 2011 and before July 1, 2012, $2,400,000.00.

(*ix*) For taxes levied after June 30, 2012 and before July 1, 2013, $2,125,000.00.

(*x*) For taxes levied after June 30, 2013 and before July 1, 2014, $1,500,000.00.

(*xi*) For taxes levied after June 30, 2014 and before July 1, 2015, $1,150,000.00.

(*xii*) For taxes levied after June 30, 2015, $0.00.

(n) "Fiscal year" means the fiscal year of the authority.

(o) "Governing body" means the elected body of a municipality having legislative powers.

(p) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the resolution establishing the tax increment financing plan is approved as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered property that is exempt from taxation. The initial assessed value of property for which a specific tax was paid in lieu of a property tax shall be determined as provided in subdivision (w).

(q) "Municipality" means a city.

(r) "Obligation" means a written promise to pay, whether evidenced by a contract, agreement, lease, sublease, bond, or note, or a requirement to pay imposed by law. An obligation does not include a payment required solely because of default upon an obligation, employee salaries, or consideration paid for the use of municipal offices. An obligation does not include those bonds that have been economically defeased by refunding bonds issued under this part. Obligation includes, but is not limited to, the following:

(*i*) A requirement to pay proceeds derived from ad valorem property taxes or taxes levied in lieu of ad valorem property taxes.

(*ii*) A management contract or a contract for professional services.

(*iii*) A payment required on a contract, agreement, bond, or note if the requirement to make or assume the payment arose before August 19, 1993.

(*iv*) A requirement to pay or reimburse a person for the cost of insurance for, or to maintain, property subject to a lease, land contract, purchase agreement, or other agreement.

(*v*) A letter of credit, paying agent, transfer agent, bond registrar, or trustee fee associated with a contract, agreement, bond, or note.

(s) "On behalf of an authority", in relation to an eligible advance made by a municipality, or an eligible obligation or other protected obligation issued or incurred by a municipality, means in anticipation that an authority would transfer tax increment revenues or reimburse the municipality from tax increment revenues in an amount sufficient to fully make payment required by the eligible advance made by a municipality, or the eligible obligation or other protected obligation issued or incurred by the municipality, if the anticipation of the transfer or receipt of tax increment revenues from the authority is pursuant to or evidenced by 1 or more of the following:

(*i*) A reimbursement agreement between the municipality and an authority it established.

(*ii*) A requirement imposed by law that the authority transfer tax increment revenues to the municipality.

(*iii*) A resolution of the authority agreeing to make payments to the incorporating unit.

(*iv*) Provisions in a tax increment financing plan describing the project for which the obligation was incurred.

(t) "Other protected obligation" means:

(*i*) A qualified refunding obligation issued to refund an obligation described in subparagraph (*ii*) or (*iii*), an obligation that is not a qualified refunding obligation that is issued to refund an eligible obligation, or a qualified refunding obligation issued to refund an obligation described in this subparagraph.

(*ii*) An obligation issued or incurred by an authority or by a municipality on behalf of an authority after August 19, 1993, but before December 31, 1994, to finance a project described in a tax increment finance plan approved by the municipality in accordance with this part before December 31, 1993, for which a contract for final design is entered into by the municipality or authority before March 1, 1994.

(*iii*) An obligation incurred by an authority or municipality after August 19, 1993, to reimburse a party to a development agreement entered into by a municipality or authority before August 19, 1993, for a project described in a tax increment financing plan approved in accordance with this part before August 19, 1993, and undertaken and installed by that party in accordance with the development agreement.

(*iv*) An obligation issued or incurred by an authority or by a municipality on behalf of an authority to implement a project described in a tax increment finance plan approved by the municipality in accordance with this part before August 19, 1993, that is located on land owned by a public university on the date the tax increment financing plan is approved, and for which a contract for final design is entered into before December 31, 1993.

(*v*) An ongoing management or professional services contract with the governing body of a county which was entered into before March 1, 1994 and which was preceded by a series of limited term management or professional services contracts with the governing body of the county, the last of which was entered into before August 19, 1993.

(*vi*) An obligation issued or incurred by a municipality under a contract executed on December 19, 1994 as subsequently amended between the municipality and the authority to implement a project described in a tax increment finance plan approved by the municipality under this part before August 19, 1993 for which a contract for final design was entered into by the municipality before March 1, 1994 provided that final payment by the municipality is made on or before December 31, 2001.

(*vii*) An obligation issued or incurred by an authority or by a municipality on behalf of an authority that meets all of the following qualifications:

(A) The obligation is issued or incurred to finance a project described in a tax increment financing plan approved before August 19, 1993 by a municipality in accordance with this part.

(B) The obligation qualifies as an other protected obligation under subparagraph (*ii*) and was issued or incurred by the authority before December 31, 1994 for the purpose of financing the project.

(C) A portion of the obligation issued or incurred by the authority before December 31, 1994 for the purpose of financing the project was retired prior to December 31, 1996.

(D) The obligation does not exceed the dollar amount of the portion of the obligation retired prior to December 31, 1996.

(*viii*) An obligation incurred by an authority that meets both of the following qualifications:

(A) The obligation is a contract of lease originally executed on December 20, 1994 between the municipality and the authority to partially implement the authority's development plan and tax increment financing plan.

(B) The obligation qualifies as an obligation under subparagraph (*ii*). The obligation described in this subparagraph may be amended to extend cash rental payments for a period not to exceed 30 years through the year 2039. The duration of the development plan and tax increment financing plan described in this subparagraph is extended to 1 year after the final date that the extended cash rental payments are due.

(u) "Public facility" means 1 or more of the following:

(*i*) A street, plaza, or pedestrian mall, and any improvements to a street, plaza, boulevard, alley, or pedestrian mall, including street furniture and beautification, park, parking facility, recreation facility, playground, school, library, public institution or administration building, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipeline, transit-oriented development, transit-oriented facility, and other similar facilities and necessary easements of these facilities designed and dedicated to use by the public generally or used by a public agency. As used in this subparagraph, public institution or administration building includes, but is not limited to, a police station, fire station, court building, or other public safety facility.

(*ii*) The acquisition and disposal of real and personal property or interests in real and personal property, demolition of structures, site preparation, relocation costs, building rehabilitation, and all associated administrative costs, including, but not limited to, architect's, engineer's, legal, and accounting fees as contained in the resolution establishing the district's development plan.

(*iii*) An improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(v) "Qualified refunding obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority to refund an obligation if 1 of the following applies:

(*i*) The refunding obligation meets both of the following:

(A) The net present value of the principal and interest to be paid on the refunding obligation, including the cost of issuance, will be less than the net present value of the principal and interest to be paid on the obligation being refunded, as calculated using a method approved by the department of treasury.

(B) The net present value of the sum of the tax increment revenues described in subdivision (aa)(*ii*) and the distributions under section 12a to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (aa)(*ii*) and the distributions under section 312a to repay the obligation being refunded, as calculated using a method approved by the department of treasury.

(*ii*) The refunding obligation is a tax increment refunding bond issued to refund a refunding bond that is an other protected obligation issued as a capital appreciation bond delivered to the Michigan municipal bond authority on December 21, 1994, or bonds issued to refund that bond, and the authority, by resolution of its board, authorized issuance of the refunding obligation before December 31, 2019 with a final maturity not later than 2039. The municipality by majority vote of the members of its governing body may pledge its full faith and credit for the payment of the principal of and interest on the refunding obligation. A refunding obligation issued under this subparagraph is not subject to the requirements of section 305(2), (3), (5), or (6), 501, 503, or 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611. The duration of the development plan and the tax increment financing plan relating to the refunding obligations described in this subparagraph is extended to 1 year after the final date of maturity of the refunding obligation.

(w) "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(x) "State fiscal year" means the annual period commencing October 1 of each year.

(y) "Tax increment district" or "district" means that area to which the tax increment finance plan pertains.

(z) "Tax increment financing plan" means that information and those requirements set forth in sections 313 to 315.

(aa) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:

(*i*) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this part.

(*ii*) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (*i*), to repay eligible advances, eligible obligations, and other protected obligations.

(*iii*) Tax increment revenues do not include any of the following:

(A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.

(B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.

(C) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(I) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(II) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(III) Except as otherwise provided in section 303(6), ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016.

(*iv*) The amount of tax increment revenues authorized to be included under subparagraph (*ii*), and required to be transmitted to the authority under section 314(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

(A) The percentage which the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bear to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.

(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (*ii*).

(bb) "Transit-oriented development" means infrastructure improvements that are located within 1/2 mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use as determined by the board and approved by the municipality in which it is located.

(cc) "Transit-oriented facility" means a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4301a.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4301a.new Short title of part.

Sec. 301a. This part shall be known and may be cited as "the tax increment finance authority part".

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4302.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4302.new Authority; establishment; public body corporate; powers generally.

Sec. 302. (1) A municipality may establish not more than 1 authority. An authority shall exercise its powers in all development areas designated pursuant to this part.

(2) The authority shall be a public body corporate which may sue and be sued in any court of this state. The authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this part shall not be construed as a limitation upon the general powers of the authority. The powers granted in this part to an authority may be exercised notwithstanding that bonds are not issued by the authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4303.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4303.new Resolution of intent to create and provide operation of authority; determinations; notice of public hearing; adoption, filing, and publication of resolution establishing authority and designating boundaries of authority district; alteration or amendment of boundaries; validity of proceedings establishing authority; action by library board or commission.

Sec. 303. (1) If the governing body of a municipality determines that it is in the best interests of the public to halt a decline in property values, increase property tax valuation, eliminate the causes of the decline in property values, and to promote growth in an area in the municipality, the governing body of that municipality may declare by resolution its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed resolution creating the authority and designating the boundaries of the authority district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 nor more than 40 days before the date of the hearing. Notice shall also be mailed to the property taxpayers of record in the proposed authority district not less than 20 days before the hearing. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure to receive the notice shall not invalidate these proceedings. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed authority district. At that hearing, a citizen, taxpayer, or property owner of the municipality has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed authority district. The governing body of the municipality shall not incorporate land into the authority district not included in the description contained in the notice of public

hearing, but it may eliminate described lands from the authority district in the final determination of the boundaries.

(3) After the public hearing, if the governing body intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, a resolution establishing the authority and designating the boundaries of the authority district within which the authority shall exercise its powers. The adoption of the resolution is subject to any applicable statutory or charter provisions with respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of a resolution over his or her veto. This resolution shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(4) The governing body may alter or amend the boundaries of the authority district to include or exclude lands from the authority district in accordance with the same requirements prescribed for adopting the resolution creating the authority.

(5) The validity of the proceedings establishing an authority shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the last of the following takes place:

(a) Publication of the resolution as adopted.

(b) Filing of the resolution with the secretary of state.

(6) If a separate millage for public library purposes was levied before January 1, 2017, and all obligations and other protected obligations of the authority are paid, then the levy is exempt from capture under this part, unless the library board or commission allows all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if a separate millage for public library purposes was levied before January 1, 2017, and the authority alters or amends the boundaries of the authority district or extends the duration of the existing finance plan, then the library board or commission may, not later than 60 days after a public hearing is held under this subsection, exempt all or a portion of its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality that created the authority. For ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016, a library board or commission may allow all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if the library was created under section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233, then any action of the library board or commission under this subsection shall have the concurrence of the chief executive officer of the city that created the library to be effective.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4304.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4304.new Board; composition; chairperson; oath of member; rules governing procedure and meetings; meetings open to public; removal of member; publicizing expense items; financial records open to public.

Sec. 304. (1) The authority shall be under the supervision and control of a board chosen by the governing body which may by majority vote designate any 1 of the following to constitute the board:

(a) The board of directors of the economic development corporation of the municipality established pursuant to the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636.

(b) The trustees of the board of a downtown development authority established pursuant to part 2.

(c) The trustees of the board of an urban redevelopment corporation established pursuant to the urban redevelopment corporations law, 1941 PA 250, MCL 125.901 to 125.922.

(d) The members of the commission established pursuant to 1945 PA 344, MCL 125.71 to 125.84.

(e) In a municipality that has a population of less than 5,000, the planning commission of the municipality established pursuant to Michigan planning enabling act, 2008 PA 33, MCL 125.3801 to 125.3885.

(f) Not less than 7 nor more than 13 persons appointed by the chief executive officer of the municipality subject to the approval of the governing body. Of the members appointed, an equal number, as near as practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

(2) The chairperson of the board shall be elected by the board.

(3) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(4) The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held when called in the manner provided in the rules of the board. Meetings of the board shall be open to the public, in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(5) Pursuant to notice and an opportunity to be heard, a member of the board appointed pursuant to subsection (1)(f) may be removed before the expiration of his or her term for cause by the governing body. Removal of a member is subject to the review by the circuit court.

(6) All expense items of the authority shall be publicized annually and the financial records shall be open to the public pursuant to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4305.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4305.new Board; employment, compensation, term, oath, and bond of director; chief executive office; duties of director; absence or disability of director; reports; employment, compensation, and duties of treasurer and secretary; retention and duties of legal counsel; employment of other personnel; participation in municipal retirement and insurance programs.

Sec. 305. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of the office, the director shall take and subscribe to the constitutional oath and furnish bond by posting a bond in the penal sum determined in the resolution establishing the authority, payable to the authority for use and benefit of the authority, approved by the board, and filed with the clerk of the municipality. The premium on the bond shall be considered an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive office of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this part. The director shall attend the meetings of the board and shall render to the board and to the governing body a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of the office, the acting director shall take and subscribe to the constitutional oath and furnish bond as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may appoint or employ and fix the compensation of a treasurer who shall keep the financial records of the authority, and who, together with the director, if a director is appointed, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated by the board and shall furnish bond in an amount as prescribed by the board.

(3) The board may appoint or employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings and shall perform such other duties as may be delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel considered necessary by the board.

(6) The employees of an authority may be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees on the same basis as civil service employees.

History: 2018, Act 57, Eff. Jan. 1, 2019.

Compiler's note: In subsection (1), the sentence “The director shall be the chief executive office of the authority.” evidently should read “The director shall be the chief executive officer of the authority.”

****** 125.4307.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4307.new Board; powers generally.

Sec. 307. The board may:

(a) Prepare an analysis of economic changes taking place in the municipality and its environs as those changes relate to urban deterioration in the development areas.

(b) Study and analyze the impact of growth upon development areas.

(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the revitalization and growth of the development area.

(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the decline of property values and to promote the growth of the development area, and take such steps as may be necessary to implement the plans to the fullest extent possible.

(f) Implement any plan of development in a development area necessary to achieve the purposes of this part, in accordance with the powers of the authority as granted by this part.

(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper, own, convey, demolish, relocate, rehabilitate, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of this part, and to grant or acquire licenses, easements, and options with respect thereto.

(i) Improve land, prepare sites for buildings, including the demolition of existing structures and construct, reconstruct, rehabilitate, restore, and preserve, equip, improve, maintain, repair, and operate any building, including any type of housing, and any necessary or desirable appurtenances thereto, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

(j) Fix, charge, and collect fees, rents, and charges for the use of any building or property or any part of a building or property under its control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(k) Lease any building or property or part of a building or property under its control.

(*l*) Accept grants and donations of property, labor, or other things of value from a public or private source.

(m) Acquire and construct public facilities.

(n) Incur costs in connection with the performance of its authorized functions, including, but not limited to, administrative costs, and architects, engineers, legal, and accounting fees.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4308.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4308.new Board serving as planning commission; agenda.

Sec. 308. If a board created under this part serves as the planning commission under the Michigan planning enabling act, 2008 PA 33, MCL 125.3801 to 125.3885, the board shall include planning commission business in its agenda.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4309.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4309.new Authority as instrumentality of political subdivision.

Sec. 309. The authority shall be considered an instrumentality of a political subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4310.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4310.new Taking, transfer, and use of private property by municipality.

Sec. 310. A municipality may take private property under 1980 PA 87, MCL 213.51 to 213.77 for the purpose of transfer to the authority, and may transfer the property to the authority for use as authorized in the development program, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4311.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4311.new Financing activities of authority; sources.

Sec. 311. The activities of the authority shall be financed from 1 or more of the following sources:

(a) Contributions to the authority for the performance of its functions.

(b) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(c) Tax increment revenues received pursuant to a tax increment financing plan established under sections 313 to 315.

(d) Proceeds of tax increment bonds issued pursuant to section 315.

(e) Proceeds of revenue bonds issued pursuant to section 312.

(f) Money obtained from any other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.

(g) Money obtained pursuant to section 312a.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4312.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4312.new Borrowing money; issuing negotiable revenue bonds; full faith and credit.

Sec. 312. (1) The authority may borrow money and issue its negotiable revenue bonds pursuant to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140. Revenue bonds issued by the authority shall not, except as hereinafter provided, be considered a debt of the municipality or of the state.

(2) The municipality by majority vote of the members of its governing body may pledge its full faith and credit limited tax to support the authority's revenue bonds.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4312a.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4312a.new Insufficient tax increment revenues for repayment of advance or payment of obligation; appropriation and distribution to authority; filing, time, and contents of claim; distribution of amounts in 2 equal payments; appropriation and distribution of aggregate amount; limitations; distribution subject to lien; obligation as debt or liability; certification of distribution amount; basis for calculations of distributions and claims reports; debt payment period.

Sec. 312a. (1) If the amount of tax increment revenues lost as a result of the reduction of taxes levied by local school districts for school operating purposes required by the millage limitations under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause the tax increment revenues received in a fiscal year by an authority under section 314 to be insufficient to repay an eligible advance or to pay an eligible obligation, the legislature shall appropriate and distribute to the authority the amount described in subsection (5).

(2) Not less than 30 days before the first day of a fiscal year, an authority eligible to retain tax increment revenues from taxes levied by a local or intermediate school district or this state, or to receive a distribution under this section for that fiscal year shall file a claim with the department of treasury. The claim shall include the following information:

(a) The property tax millage rates levied in 1993 by local school districts within the jurisdictional area of the authority for school operating purposes.

(b) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(c) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority plus any tax increment revenues the authority would have received for the fiscal year from property that is exempt from taxation pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's taxable value at the time the zone is designated.

(d) The tax increment revenues the authority estimates it would have received for that fiscal year if property taxes were levied by local school districts within the jurisdictional area of the authority for school operating purposes at the millage rates described in subdivision (a) and if no property taxes were levied by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(e) A list and documentation of eligible obligations and eligible advances and the payments due on each of those eligible obligations or eligible advances in that fiscal year, and the total amount of all the payments due on those eligible obligations and eligible advances in that fiscal year.

(f) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation or the repayment of an eligible advance. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development project.

(g) The amount of a distribution received pursuant to this part for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(h) A list and documentation of other protected obligations and the payments due on each of those other protected obligations in that fiscal year, and the total amount of all the payments due on those other protected obligations in that fiscal year.

(3) For the fiscal year that commences after September 30, 1993 and before October 1, 1994, an authority may make a claim with all information required by subsection (2) at any time after March 15, 1994.

(4) After review and verification of claims submitted pursuant to this section, amounts appropriated by the state in compliance with this part shall be distributed as 2 equal payments on March 1 and September 1 after receipt of a claim. An authority shall allocate a distribution it receives for an eligible obligation issued on behalf of a municipality to the municipality.

(5) Subject to subsections (6) and (7), the aggregate amount to be appropriated and distributed pursuant to this section to an authority shall be the sum of the amounts determined pursuant to subdivisions (a) and (b) minus the amount determined pursuant to subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received for the fiscal year, if property taxes were levied by local school districts on property, including property that is exempt from taxation pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's taxable value at the time the zone is designated, for school operating purposes at the millage rates described in subsection (2)(a) and if no property taxes were levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, exceed the sum of tax increment revenues the authority actually received for the fiscal year plus any tax increment revenues the authority would have received for the fiscal year from property that is exempt from taxation pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's taxable value at the time the zone is designated.

(b) A shortfall required to be reported pursuant to subsection (2)(g) that had not previously increased a distribution.

(c) An excess amount required to be reported pursuant to subsection (2)(g) that had not previously decreased a distribution.

(6) The amount distributed under subsection (5) shall not exceed the difference between the amount described in subsection (2)(e) and the sum of the amounts described in subsection (2)(c) and (f).

(7) If, based upon the tax increment financing plan in effect on August 19, 1993, the payment due on eligible obligations or eligible advances anticipates the use of excess prior year tax increment revenues permitted by law to be retained by the authority, and if the sum of the amounts described in subsection (2)(c) and (f) plus the amount to be distributed under subsections (5) and (6) is less than the amount described in subsection (2)(e), the amount to be distributed under subsections (5) and (6) shall be increased by the amount of the shortfall. However, the amount authorized to be distributed pursuant to this section shall not exceed that portion of the cumulative difference, for each preceding fiscal year, between the amount that could have been distributed pursuant to subsection (5) and the amount actually distributed pursuant to subsections (5) and (6) and this subsection.

(8) A distribution under this section replacing tax increment revenues pledged by an authority or a municipality is subject to the lien of the pledge, whether or not there has been physical delivery of the distribution.

(9) Obligations for which distributions are made pursuant to this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(10) Not later than July 1 of each year, the authority shall certify to the local tax collecting treasurer the amount of the distribution required under subsection (5), calculated without regard to the receipt of tax increment revenues attributable to local or intermediate school district taxes or attributable to taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(11) Calculations of distributions under this section and claims reports required to be made under subsection (2) shall be made on the basis of each development area of the authority.

(12) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4312b.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4312b.new Retention and payment of taxes levied under state education tax act; conditions; application by authority for approval; information to be included; approval, modification, or denial of application by department of treasury; appropriation and distribution of amount; calculation of aggregate amount; lien; reimbursement calculations; legislative intent.

Sec. 312b. (1) If the amount of tax increment revenues lost as a result of the personal property tax exemptions provided by section 1211(4) of the revised school code, 1976 PA 451, MCL 380.1211, section 3 of the state education tax act, 1993 PA 331, MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will reduce the allowable school tax capture received in a fiscal year, then, notwithstanding any other provision of this part, the authority, with approval of the department of treasury under subsection (3), may request the local tax collecting treasurer to retain and pay to the authority taxes levied within the municipality under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be used for the following:

(a) To repay an eligible advance.

(b) To repay an eligible obligation.

(c) To repay an other protected obligation.

(2) Not later than June 15, 2008, not later than September 30, 2009, and not later than June 1 of each subsequent year, an authority eligible under subsection (1) to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section, shall apply for approval with the department of treasury. The application for approval shall include the following information:

(a) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(b) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.

(c) The tax increment revenues the authority estimates it would have received for that fiscal year if the personal property tax exemptions described in subsection (1) were not in effect.

(d) A list of eligible obligations, eligible advances, and other protected obligations, the payments due on each of those in that fiscal year, and the total amount of all the payments due on all of those in that fiscal year.

(e) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation, the repayment of an eligible advance, or the payment of an other protected obligation. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development plan.

(f) The amount of a distribution received pursuant to this part for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(3) Not later than August 15, 2008; for 2009 only, not later than 30 days after the effective date of the amendatory act that amended this sentence; and not later than August 15 of each subsequent year, based on the calculations under subsection (5), the department of treasury shall approve, modify, or deny the application for approval to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section. If the application for approval contains the information required under subsection (2)(a) through (f) and appears to be in substantial compliance with the

provisions of this section, then the department of treasury shall approve the application. If the application is denied by the department of treasury, then the department of treasury shall provide the opportunity for a representative of the authority to discuss the denial within 21 days after the denial occurs and shall sustain or modify its decision within 30 days after receiving information from the authority. If the application for approval is approved or modified by the department of treasury, the local tax collecting treasurer shall retain and pay to the authority the amount described in subsection (5) as approved by the department. If the department of treasury denies the authority's application for approval, the local tax collecting treasurer shall not retain or pay to the authority the taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the department does not prohibit a subsequent audit of taxes retained in accordance with the procedures currently authorized by law.

(4) Each year, the legislature shall appropriate and distribute an amount sufficient to pay each authority the following:

(a) If the amount to be retained and paid under subsection (3) is less than the amount calculated under subsection (5), the difference between those amounts.

(b) If the application for approval is denied by the department of treasury, an amount verified by the department equal to the amount calculated under subsection (5).

(5) Subject to subsection (6), the aggregate amount under this section shall be the sum of the amounts determined under subdivisions (a) and (b) minus the amount determined under subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received and retained for the fiscal year, excluding taxes exempt under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax exemptions described in subsection (1) were not in effect, exceed the tax increment revenues the authority actually received for the fiscal year.

(b) A shortfall required to be reported under subsection (2)(f) that had not previously increased a distribution.

(c) An excess amount required to be reported under subsection (2)(f) that had not previously decreased a distribution.

(6) A distribution or taxes retained under this section replacing tax increment revenues pledged by an authority or a municipality are subject to any lien of the pledge described in subsection (1), whether or not there has been physical delivery of the distribution.

(7) Obligations for which distributions are made under this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(8) Not later than September 15 of each year, the authority shall provide a copy of the application for approval approved by the department of treasury to the local tax collecting treasurer and provide the amount of the taxes retained and paid to the authority under subsection (5).

(9) Calculations of amounts retained and paid and appropriations to be distributed under this section shall be made on the basis of each development area of the authority.

(10) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

(11) It is the intent of the legislature that, to the extent that the total amount of taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be retained under this section and section 411b, section 15a of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a, and section 213c, exceeds the difference of the total school aid fund revenue for the tax year minus the estimated amount of revenue the school aid fund would have received for the tax year had the tax exemptions described in subsection (1) and the earmark created by section 515 of the Michigan business tax act, 2007 PA 36, MCL 208.1515, not taken effect, the general fund shall reimburse the school aid fund the difference.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4313.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4313.new Preparation and submission of tax increment financing plan; contents and approval of plan; public hearing; taxing jurisdictions.

Sec. 313. (1) When the authority determines that it is necessary for the achievement of the purposes of this part, the authority shall prepare and submit a tax increment financing plan to the governing body. The plan shall be in compliance with section 314 and shall include a development plan as provided in section 316. The plan shall also contain the following:

(a) A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.

(b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used shall be clearly stated in the plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation. The percentage of taxes levied for school operating purposes that is captured and used by the plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a. This limitation does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, 1985 PA 224, MCL 125.2113.

(c) The estimated tax increment revenues for each year of the plan.

(d) A detailed explanation of the tax increment procedure.

(e) The maximum amount of bonded indebtedness to be incurred.

(f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.

(g) The costs of the plan anticipated to be paid from tax increment revenues as received.

(h) The duration of the development plan and the tax increment plan.

(i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the development area is located.

(2) Approval of the tax increment financing plan shall be in accordance with the notice, hearing, disclosure, and approval provisions of sections 317 and 318. When the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(3) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions in which the development is located to express their views and recommendations regarding the tax increment financing plan. The authority shall fully inform the taxing jurisdictions about the fiscal and economic implications of the proposed tax increment financing plan. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the district.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4314.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019******

125.4314.new Transmitting and expending tax increment revenues; disposition of surplus funds; abolition of tax increment financing plan.

Sec. 314. (1) The municipal and county treasurers shall transmit to the authority tax increment revenues.

(2) The authority shall expend the tax increment revenues received for the development program only in accordance with the tax increment financing plan. Surplus funds may be retained by the authority for the payment of the principal of and interest on outstanding tax increment bonds or for other purposes that, by resolution of the board, are determined to further the development program. Any surplus funds not so used shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax laws or a local charter that provides a maximum authorized rate for levy of property taxes. The governing body may abolish the tax increment financing plan when it finds that the purposes for which the plan was established are accomplished. However, the tax increment finance plan shall not be abolished, allowed to expire, or otherwise terminate until the principal of, and interest on, bonds issued pursuant to section 315 have been paid or funds sufficient to make the payment have been segregated.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4315.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4315.new Tax increment bonds; qualified refunding obligation.

Sec. 315. (1) By resolution of its board, the authority may authorize, issue, and sell its tax increment bonds, subject to the limitations set forth in this section, to finance a development program. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The bonds issued under this section shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) The municipality by majority vote of the members of its governing body may pledge its full faith and credit for the payment of the principal of and interest on the authority's tax increment bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 311.

(3) Notwithstanding any other provision of this part, if the state treasurer determines that an authority or municipality can issue a qualified refunding obligation and the authority or municipality does not make a good-faith effort to issue the qualified refunding obligation as determined by the state treasurer, the state treasurer may reduce the amount claimed by the authority or municipality under section 312a by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation or the state treasurer may require a reduction in the capture of tax increment revenues from taxes levied by a local or intermediate school district or this state by an amount equal to the net present value savings that would have been realized had the authority or municipality refunded the obligation. This subsection does not authorize the state treasurer to require the authority or municipality to pledge security greater than the security pledged for the obligation being refunded.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4316.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4316.new Development plan; preparation; contents.

Sec. 316. (1) When a board decides to finance a project in a development area pursuant to this part, it shall prepare a development plan.

(2) To the extent necessary to accomplish the proposed development program the development plan shall contain:

(a) The designation of boundaries of the development area in relation to the boundaries of the authority district and any other development areas within the authority district.

(b) The designation of boundaries of the development area in relation to highways, streets, or otherwise.

(c) The location and extent of existing streets and other public facilities within the development area and the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area.

(d) A description of improvements to be made in the development area, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.

(e) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(g) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(h) A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(i) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

(j) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(k) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.

(*l*) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.

(m) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(n) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(o) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 USC 4601 to 4655.

(p) A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.

(q) Other material which the authority, local public agency, or governing body considers pertinent.

(3) It shall not be necessary for the board to prepare a development plan pursuant to this section where a development plan that adequately provides for accomplishing the proposed development program has already been prepared by any of the organizations described in section 314(1)(a) to (d) and where the development plan has been approved by the board and governing body pursuant to sections 317 and 318.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4317.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4317.new Public hearing on development plan; publication, mailing, and contents of notice; presentation of data; record.

Sec. 317. (1) The governing body, before adoption of a resolution approving or amending a development plan or approving or amending a tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall not be less than 20 days before the date set for the hearing. Notice shall also be mailed to all property taxpayers of record in the development area not less than 20 days before the hearing. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the development plan or the tax increment financing plan is approved or amended.

(2) Notice of the time and place of hearing on a development plan shall contain the following:

(a) A description of the proposed development area in relation to highways, streets, streams, or otherwise.

(b) A statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing.

(c) Other information that the governing body considers appropriate.

(3) At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference thereto. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at that time.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4318.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4318.new Development plan or tax increment plan as public purpose; determination; approval or rejection of plan; notice and hearing; conclusiveness of procedure, adequacy of notice, and certain findings; validation and conclusiveness of plan; contesting plan.

Sec. 318. (1) The governing body, after a public hearing on the development plan or the tax increment financing plan, or both, with notice of the hearing given pursuant to section 317, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If the governing body determines that the development plan or tax increment financing plan constitutes a public purpose, the governing body shall then approve or reject the plan, or approve it with modification, by resolution based on the following considerations:

(a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.

(b) Whether the development plan meets the requirements set forth in section 316(2) and the tax increment financing plan meets the requirements set forth in section 313(1).

(c) Whether the proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(d) Whether the development is reasonable and necessary to carry out the purposes of this part.

(e) Whether the amount of captured assessed value estimated to result from adoption of the plan is reasonable.

(f) Whether the land to be acquired within the development area is reasonably necessary to carry out the purposes of the plan and the purposes of this part.

(g) Whether the development plan is in reasonable accord with the approved master plan of the municipality, if an approved master plan exists.

(h) Whether public services, such as fire and police protection and utilities, are or will be adequate to service the development area.

(i) Whether changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

(2) Except as provided in this subsection, amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection following the same notice and public hearing provisions that are necessary for approval or rejection of the original plan. Notice and hearing shall not be necessary for revisions in the estimates of captured assessed value and tax increment revenues.

(3) The procedure, adequacy of notice, and findings with respect to purpose and captured assessed value shall be conclusive unless contested in a court of competent jurisdiction within 60 days after adoption of the resolution adopting the plan. A plan adopted before July 18, 1983 is validated and shall be conclusive unless contested in a court of competent jurisdiction within 60 days after July 18, 1983. A plan in effect before July 18, 1983 shall not be contested to the extent that tax increment revenues are necessary for the payment of principal and interest on outstanding bonds issued pursuant to the plan and payable from the tax increment revenues or to the extent the authority or municipality has incurred other obligations or made commitments dependent upon tax increment revenues.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4319.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4319.new Notice to vacate.

Sec. 319. A person to be relocated under this part shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4320.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4320.new Development area citizens council; establishment; advisory body; appointment and qualifications of members.

Sec. 320. (1) A development area citizens council shall be established if the proposed development area has 100 or more persons residing within it and a change in zoning or a taking of property by eminent domain is necessary to accomplish the proposed development program. The council shall act as an advisory body to the authority and the governing body in the adoption of the development plan or tax increment financing plan.

(2) If a development area citizens council is required, the council shall be appointed by the governing body, and shall consist of not less than 9 members. Each member shall be at least 18 years of age and reside in the development area. The council shall be established at least 60 days before the public hearing on the development plan or the tax increment financing plan, or both.

(3) If a development area citizens council is required pursuant to subsection (1) and if the authority was established pursuant to section 304(1)(a), (b), (c), or (d), a council established in conjunction with any of those boards or commissions, may serve in an advisory capacity to the authority, if the authority determines it is representative of the development area.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4321.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4321.new Consultation representative of authority and council.

Sec. 321. Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4322.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4322.new Meetings of council; open to public; notice; hearing persons present at meeting; record; information and technical assistance; failures not precluding adoption of development plan.

Sec. 322. (1) Meetings of the council shall be open to the public. Notice of the time and place of the meetings shall be posted in at least 10 conspicuous places in the development area accessible to the public not less than 5 days before the dates set for meetings of the council. A person present at those meetings shall have reasonable opportunity to be heard.

(2) A record of the meetings of a council, including information and data presented, shall be maintained by the council.

(3) A council may request of and receive from the authority information and technical assistance relevant to the preparation of the development plan for the development area.

(4) Failure of a council to organize or to consult with and be advised by the authority, or failure to advise the governing body, as provided in this part, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this part.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4323.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4323.new Development or tax increment financing plan; notice of findings and recommendations.

Sec. 323. Within 20 days after the public hearing on a development or tax increment financing plan, the council, if established, shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4324.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4324.new Development area citizens council; dissolution.

Sec. 324. A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice given in accordance with section 317 and by a 2/3 vote, may adopt a resolution eliminating the necessity of a council for the development area.

(b) If there are less than 18 residents located in the development area eligible to serve on the council.

(c) Upon termination of the authority by resolution of the governing body.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4325.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4325.new Budget; cost of handling and auditing funds.

Sec. 325. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this part or by the governing body.

(2) The governing body may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed for designated purposes, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4326.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4326.new Preservation of public facility, building, or structure having significant historical interest; review of proposed changes to exterior of historic site.

Sec. 326. (1) A public facility, building, or structure which is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the national register of historic places to the applicable historic district commission created under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, or the Michigan state housing development authority for review.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4327.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4327.new Dissolution of authority; resolution; disposition of property and assets.

Sec. 327. An authority which has completed the purposes for which it was organized shall be dissolved by resolution of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority shall belong to the municipality.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4328.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4328.new Authority district part of area annexed to or consolidated with another municipality; authority of annexing or consolidated municipality; effect of obligations, agreements, and bonds.

Sec. 328. Notwithstanding the limitation provided by section 302(1) on having more than 1 authority, if an authority district is part of an area annexed to or consolidated with another municipality, the authority managing that authority district shall become an authority of the annexing or consolidated municipality. All obligations of that authority incurred pursuant to development plans or tax increment plans, all agreements related to the plans, and bonds issued pursuant to this part shall remain in effect following the annexation or consolidation.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4329.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4329.new New authority or authority district and boundaries of authority district; prohibitions; validity of tax increment finance authority, authority district, development area, development plan, or tax increment financing plan established before December 30, 1986; development area created or expanded after December 29, 1986.

Sec. 329. (1) Beginning January 1, 1987, a new authority or authority district shall not be created and the boundaries of an authority district shall not be expanded to include additional land.

(2) A tax increment finance authority, authority district, development area, development plan, or tax increment financing plan established under this part before December 30, 1986 shall not be invalidated pursuant to a claim that based on the standards set forth in section 303(1), a governing body improperly determined that the necessary conditions existed for the establishment of a tax increment financing authority under this part, if, at the time the governing body established the authority, the governing body could have determined that establishment of an authority under this part would serve to create jobs or promote economic development growth.

(3) A development area created or expanded after December 29, 1986 shall be subject to the requirements of section 303(1).

History: 2018, Act 57, Eff. Jan. 1, 2019.

PART 4

LOCAL DEVELOPMENT FINANCE AUTHORITIES

****** 125.4401.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4401.new Legislative findings; short title of part.

Sec. 401. (1) The legislature finds all of the following:

(a) That there exists in this state conditions of unemployment, underemployment, and joblessness detrimental to the state economy and the economic growth of the state economy.

(b) That government programs are desirable and necessary to eliminate the causes of unemployment, underemployment, and joblessness therefore benefiting the economic growth of the state.

(c) That it is appropriate to finance these government programs by means available to the state and local units of government, including tax increment financing.

(d) That tax increment financing is a government financing program which contributes to economic growth and development by dedicating a portion of the tax base resulting from the economic growth and development to certain public facilities and structures or improvements of the type designed and dedicated to public use and thereby facilitate certain projects which create economic growth and development.

(e) That it is necessary for the legislature to exercise the sovereign power to legislate tax increment financing as authorized in this part and in the exercise of this sovereign power to mandate the transfer of tax increment revenues by city, village, township, school district, and county treasurers to authorities created under this part in order to effectuate the legislated government programs to eliminate the conditions of unemployment, underemployment, and joblessness and to promote state economic growth.

(f) That the creation of jobs and the promotion of economic growth in the state are essential governmental functions and constitute essential public purposes.

(g) That the creation of jobs and the promotion of economic growth stabilize and strengthen the tax bases upon which local units of government rely and that government programs to eliminate causes of unemployment, underemployment, and joblessness benefit local units of government and are for the use of those local units of government.

(h) That the provisions of this part are enacted to provide a means for local units of government to eliminate the conditions of unemployment, underemployment, and joblessness and to promote economic growth in the communities served by these local units of government.

(2) This part shall be known and may be cited as "the local development financing part".

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4402.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4402.new Definitions.

Sec. 402. As used in this part:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.

(b) "Alternative energy technology" means equipment, component parts, materials, electronic devices, testing equipment, and related systems that are specifically designed, specifically fabricated, and used primarily for 1 or more of the following:

(*i*) The storage, generation, reformation, or distribution of clean fuels integrated within an alternative energy system or alternative energy vehicle, not including an anaerobic digester energy system or a hydroelectric energy system, for use within the alternative energy system or alternative energy vehicle.

(*ii*) The process of generating and putting into a usable form the energy generated by an alternative energy system. Alternative energy technology does not include those component parts of an alternative energy system that are required regardless of the energy source.

(*iii*) Research and development of an alternative energy vehicle.

(*iv*) Research, development, and manufacturing of an alternative energy system.

(*v*) Research, development, and manufacturing of an anaerobic digester energy system.

(*vi*) Research, development, and manufacturing of a hydroelectric energy system.

(c) "Alternative energy technology business" means a business engaged in the research, development, or manufacturing of alternative energy technology or a business located in an authority district that includes a military installation that was operated by the United States Department of Defense and closed after 1980.

(d) "Assessed value" means 1 of the following:

(*i*) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(*ii*) For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(e) "Authority" means a local development finance authority created pursuant to this part.

(f) "Authority district" means an area or areas within which an authority exercises its powers.

(g) "Board" means the governing body of an authority.

(h) "Business development area" means an area designated as a certified industrial park under this part prior to June 29, 2000, or an area designated in the tax increment financing plan that meets all of the following requirements:

(*i*) The area is zoned to allow its use for eligible property.

(*ii*) The area has a site plan or plat approved by the city, village, or township in which the area is located.

(i) "Business incubator" means real and personal property that meets all of the following requirements:

(*i*) Is located in a certified technology park or a certified alternative energy park.

(*ii*) Is subject to an agreement under section 412a or 412c.

(*iii*) Is developed for the primary purpose of attracting 1 or more owners or tenants who will engage in activities that would each separately qualify the property as eligible property under subdivision (s)(*iii*).

(j) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the eligible property identified in the tax increment financing plan or, for a certified technology park, a certified alternative energy park, or a Next Michigan development area, the real and personal property included in the tax increment financing plan, including the current assessed value of property for which specific local taxes are paid in lieu of property taxes as determined pursuant to subdivision (hh), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value. Except as otherwise provided in this part, tax abated property in a renaissance zone as defined under section 3 of the Michigan renaissance zone act, 1996 PA 376, MCL 125.2683, shall be excluded from the calculation of captured assessed value to the extent that the property is exempt from ad valorem property taxes or specific local taxes.

(k) "Certified alternative energy park" means that portion of an authority district designated by a written agreement entered into pursuant to section 412c between the authority, the municipality or municipalities, and the Michigan economic development corporation.

(*l*) "Certified business park" means a business development area that has been designated by the Michigan economic development corporation as meeting criteria established by the Michigan economic development corporation. The criteria shall establish standards for business development areas including, but not limited to, use, types of building materials, landscaping, setbacks, parking, storage areas, and management.

(m) "Certified technology park" means that portion of the authority district designated by a written agreement entered into pursuant to section 412a between the authority, the municipality, and the Michigan economic development corporation.

(n) "Chief executive officer" means the mayor or city manager of a city, the president of a village, or, for other local units of government or school districts, the person charged by law with the supervision of the functions of the local unit of government or school district.

(o) "Development plan" means that information and those requirements for a development set forth in section 415.

(p) "Development program" means the implementation of a development plan.

(q) "Eligible advance" means an advance made before August 19, 1993.

(r) "Eligible obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993 and its subsequent refunding by a qualified refunding obligation. Eligible obligation includes an authority's written agreement entered into before August 19, 1993 to pay an obligation issued after August 18, 1993 and before December 31, 1996 by another entity on behalf of the authority.

(s) "Eligible property" means land improvements, buildings, structures, and other real property, and machinery, equipment, furniture, and fixtures, or any part or accessory thereof whether completed or in the process of construction comprising an integrated whole, located within an authority district, of which the primary purpose and use is or will be 1 of the following:

(*i*) The manufacture of goods or materials or the processing of goods or materials by physical or chemical change.

(*ii*) Agricultural processing.

(*iii*) A high technology activity.

(*iv*) The production of energy by the processing of goods or materials by physical or chemical change by a small power production facility as defined by the Federal Energy Regulatory Commission pursuant to the public utility regulatory policies act of 1978, Public Law 95-617, which facility is fueled primarily by biomass or wood waste. This part does not affect a person's rights or liabilities under law with respect to groundwater contamination described in this subparagraph. This subparagraph applies only if all of the following requirements are met:

(A) Tax increment revenues captured from the eligible property will be used to finance, or will be pledged for debt service on tax increment bonds used to finance, a public facility in or near the authority district designed to reduce, eliminate, or prevent the spread of identified soil and groundwater contamination, pursuant to law.

(B) The board of the authority exercising powers within the authority district where the eligible property is located adopted an initial tax increment financing plan between January 1, 1991 and May 1, 1991.

(C) The municipality that created the authority establishes a special assessment district whereby not less than 50% of the operating expenses of the public facility described in this subparagraph will be paid for by special assessments. Not less than 50% of the amount specially assessed against all parcels in the special assessment district shall be assessed against parcels owned by parties potentially responsible for the identified groundwater contamination pursuant to law.

(*v*) A business incubator.

(*vi*) An alternative energy technology business.

(*vii*) A transit-oriented facility.

(*viii*) A transit-oriented development.

(*ix*) An eligible Next Michigan business, as that term is defined in section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803, and other businesses within a Next Michigan development area, but only to the extent designated as eligible property within a development plan approved by a Next Michigan development corporation.

(t) "Fiscal year" means the fiscal year of the authority.

(u) "Governing body" means, except as otherwise provided in this subdivision, the elected body having legislative powers of a municipality creating an authority under this part. For a Next Michigan development corporation, governing body means the executive committee of the Next Michigan development corporation, unless otherwise provided in the interlocal agreement or articles of incorporation creating the Next Michigan development corporation or the governing body of an eligible urban entity or its designee as provided in the next Michigan development act, 2010 PA 275, MCL 125.2951 to 125.2959.

(v) "High-technology activity" means that term as defined in section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803.

(w) "Initial assessed value" means the assessed value of the eligible property identified in the tax increment financing plan or, for a certified technology park, a certified alternative energy park, or a Next Michigan development area, the assessed value of any real and personal property included in the tax increment financing plan, at the time the resolution establishing the tax increment financing plan is approved as shown by the most recent assessment roll for which equalization has been completed at the time the resolution is adopted or, for property that becomes eligible property in other than a certified technology park or a certified alternative energy park after the date the plan is approved, at the time the property becomes eligible property. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. Property for which a specific local tax is paid in lieu of property tax shall not be considered exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of property tax shall be determined as provided in subdivision (hh).

(x) "Michigan economic development corporation" means the public body corporate created under section 28 of article VII of the state constitution of 1963 and the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512, by a contractual interlocal agreement effective April 5, 1999 between local participating economic development corporations formed under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, and the Michigan strategic fund. If the Michigan economic development corporation is unable for any reason to perform its duties under this part, those duties may be exercised by the Michigan strategic fund.

(y) "Michigan strategic fund" means the Michigan strategic fund as described in the Michigan strategic fund act, 1984 PA 270, MCL 125.2001 to 125.2094.

(z) "Municipality" means a city, village, or urban township. However, for purposes of creating and operating a certified alternative energy park or a certified technology park, municipality includes townships that are not urban townships.

(aa) "Next Michigan development area" means a portion of an authority district designated by a Next

Michigan development corporation under section 412e to which a development plan is applicable.

(bb) "Next Michigan development corporation" means that term as defined in section 3 of the next Michigan development act, 2010 PA 275, MCL 125.2953.

(cc) "Obligation" means a written promise to pay, whether evidenced by a contract, agreement, lease, sublease, bond, or note, or a requirement to pay imposed by law. An obligation does not include a payment required solely because of default upon an obligation, employee salaries, or consideration paid for the use of municipal offices. An obligation does not include those bonds that have been economically defeased by refunding bonds issued under this part. Obligation includes, but is not limited to, the following:

(*i*) A requirement to pay proceeds derived from ad valorem property taxes or taxes levied in lieu of ad valorem property taxes.

(*ii*) A management contract or a contract for professional services.

(*iii*) A payment required on a contract, agreement, bond, or note if the requirement to make or assume the payment arose before August 19, 1993.

(*iv*) A requirement to pay or reimburse a person for the cost of insurance for, or to maintain, property subject to a lease, land contract, purchase agreement, or other agreement.

(*v*) A letter of credit, paying agent, transfer agent, bond registrar, or trustee fee associated with a contract, agreement, bond, or note.

(dd) "On behalf of an authority", in relation to an eligible advance made by a municipality or an eligible obligation or other protected obligation issued or incurred by a municipality, means in anticipation that an authority would transfer tax increment revenues or reimburse the municipality from tax increment revenues in an amount sufficient to fully make payment required by the eligible advance made by a municipality, or eligible obligation or other protected obligation issued or incurred by the municipality, if the anticipation of the transfer or receipt of tax increment revenues from the authority is pursuant to or evidenced by 1 or more of the following:

(*i*) A reimbursement agreement between the municipality and an authority it established.

(*ii*) A requirement imposed by law that the authority transfer tax increment revenues to the municipality.

(*iii*) A resolution of the authority agreeing to make payments to the incorporating unit.

(*iv*) Provisions in a tax increment financing plan describing the project for which the obligation was incurred.

(ee) "Other protected obligation" means:

(*i*) A qualified refunding obligation issued to refund an obligation described in subparagraph (*ii*) or (*iii*), an obligation that is not a qualified refunding obligation that is issued to refund an eligible obligation, or a qualified refunding obligation issued to refund an obligation described in this subparagraph.

(*ii*) An obligation issued or incurred by an authority or by a municipality on behalf of an authority after August 19, 1993, but before December 31, 1994, to finance a project described in a tax increment finance plan approved by the municipality in accordance with this part before August 19, 1993, for which a contract for final design is entered into by the municipality or authority before March 1, 1994.

(*iii*) An obligation incurred by an authority or municipality after August 19, 1993, to reimburse a party to a development agreement entered into by a municipality or authority before August 19, 1993, for a project described in a tax increment financing plan approved in accordance with this part before August 19, 1993, and undertaken and installed by that party in accordance with the development agreement.

(*iv*) An ongoing management or professional services contract with the governing body of a county that was entered into before March 1, 1994 and that was preceded by a series of limited term management or professional services contracts with the governing body of the county, the last of which was entered into before August 19, 1993.

(ff) "Public facility" means 1 or more of the following:

(*i*) A street, road, bridge, storm water or sanitary sewer, sewage treatment facility, facility designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, retention basin, pretreatment facility, waterway, waterline, water storage facility, rail line, electric, gas, telephone or other communications, or any other type of utility line or pipeline, transit-oriented facility, transit-oriented development, or other similar or related structure or improvement, together with necessary easements for the structure or improvement. Except for rail lines, utility lines, or pipelines, the structures or improvements described in this subparagraph shall be either owned or used by a public agency, functionally connected to similar or supporting facilities owned or used by a public agency, or designed and dedicated to use by, for the benefit of, or for the protection of the health, welfare, or safety of the public generally, whether or not used by a single business entity. Any road, street, or bridge shall be continuously open to public access. A public facility shall be located on public property or in a public, utility, or transportation easement or right-of-way.

(*ii*) The acquisition and disposal of land that is proposed or intended to be used in the development of eligible property or an interest in that land, demolition of structures, site preparation, and relocation costs.

(*iii*) All administrative and real and personal property acquisition and disposal costs related to a public facility described in subparagraphs (*i*) and (*iv*), including, but not limited to, architect's, engineer's, legal, and accounting fees as permitted by the district's development plan.

(*iv*) An improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(*v*) All of the following costs approved by the Michigan economic development corporation:

(A) Operational costs and the costs related to the acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of land and other assets that are or may become eligible for depreciation under the internal revenue code of 1986 for a business incubator located in a certified technology park or certified alternative energy park.

(B) Costs related to the acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of land and other assets that, if privately owned, would be eligible for depreciation under the internal revenue code of 1986 for laboratory facilities, research and development facilities, conference facilities, teleconference facilities, testing, training facilities, and quality control facilities that are or that support eligible property under subdivision (s)(*iii*), that are owned by a public entity, and that are located within a certified technology park.

(C) Costs related to the acquisition, improvement, preparation, demolition, disposal, construction, reconstruction, remediation, rehabilitation, restoration, preservation, maintenance, repair, furnishing, and equipping of land and other assets that, if privately owned, would be eligible for depreciation under the internal revenue code of 1986 for facilities that are or that will support eligible property under subdivision (s)(*vi*), that have been or will be owned by a public entity at the time such costs are incurred, that are located within a certified alternative energy park, and that have been or will be conveyed, by gift or sale, by such public entity to an alternative energy technology business.

(*vi*) Operating and planning costs included in a plan pursuant to section 412(1)(f), including costs of marketing property within the district and attracting development of eligible property within the district.

(gg) "Qualified refunding obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority to refund an obligation if the refunding obligation meets both of the following:

(*i*) The net present value of the principal and interest to be paid on the refunding obligation, including the cost of issuance, will be less than the net present value of the principal and interest to be paid on the obligation being refunded, as calculated using a method approved by the department of treasury.

(*ii*) The net present value of the sum of the tax increment revenues described in subdivision (jj)(*ii*) and the distributions under section 411a to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (jj)(*ii*) and the distributions under section 411a to repay the obligation being refunded, as calculated using a method approved by the department of treasury.

(hh) "Specific local taxes" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the enterprise zone act, 1985 PA 224, MCL 125.2101 to 125.2123, 1953 PA 189, MCL 211.181 to 211.182, and the technology park development act, 1984 PA 385, MCL 207.701 to 207.718. The initial assessed value or current assessed value of property subject to a specific local tax is the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(ii) "State fiscal year" means the annual period commencing October 1 of each year.

(jj) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of eligible property within the district or, for purposes of a certified technology park, a Next Michigan development area, or a certified alternative energy park, real or personal property that is located within the certified technology park, a Next Michigan development area, or a certified alternative energy park and included within the tax increment financing plan, subject to the following requirements:

(*i*) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions, other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts, upon the captured assessed value of real and personal property in the development area for any purpose authorized by this part.

(*ii*) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (*i*), for the following purposes:

(A) To repay eligible advances, eligible obligations, and other protected obligations.

(B) To fund or to repay an advance or obligation issued by or on behalf of an authority to fund the cost of public facilities related to or for the benefit of eligible property located within a certified technology park or a certified alternative energy park to the extent the public facilities have been included in an agreement under section 412a(3), 412b, or 412c(3), not to exceed 50%, as determined by the state treasurer, of the amounts levied by the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local and intermediate school districts for a period, except as otherwise provided in this sub-subparagraph, not to exceed 15 years, as determined by the state treasurer, if the state treasurer determines that the capture under this sub-subparagraph is necessary to reduce unemployment, promote economic growth, and increase capital investment in the municipality. However, upon approval of the state treasurer and the president of the Michigan economic development corporation, a certified technology park may capture under this sub-subparagraph for an additional period of 5 years if the authority agrees to additional reporting requirements and modifies its tax increment financing plan to include regional collaboration as determined by the state treasurer and the president of the Michigan economic development corporation. In addition, upon approval of the state treasurer and the president of the Michigan economic development corporation, if a municipality that has created a certified technology park that has entered into an agreement with another authority that does not contain a certified technology park to designate a distinct geographic area under section 412b, that authority that has created the certified technology park and the associated distinct geographic area may both capture under this sub-subparagraph for an additional period of 15 years as determined by the state treasurer and the president of the Michigan economic development corporation.

(C) To fund the cost of public facilities related to or for the benefit of eligible property located within a Next Michigan development area to the extent that the public facilities have been included in a development plan, not to exceed 50%, as determined by the state treasurer, of the amounts levied by the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local and intermediate school districts for a period not to exceed 15 years, as determined by the state treasurer, if the state treasurer determines that the capture under this sub-subparagraph is necessary to reduce unemployment, promote economic growth, and increase capital investment in the authority district.

(*iii*) Tax increment revenues do not include any of the following:

(A) Ad valorem property taxes or specific local taxes that are excluded from and not made part of the tax increment financing plan. Ad valorem personal property taxes or specific local taxes associated with personal property may be excluded from and may not be part of the tax increment financing plan.

(B) Ad valorem property taxes and specific local taxes attributable to ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority.

(C) Ad valorem property taxes exempted from capture under section 404(3) or specific local taxes attributable to such ad valorem property taxes.

(D) Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit or specific local taxes attributable to such ad valorem property taxes.

(E) The amount of ad valorem property taxes or specific taxes captured by a downtown development authority under part 2, tax increment financing authority under part 3, or brownfield redevelopment authority under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, if those taxes were captured by these other authorities on the date that the initial assessed value of a parcel of property was established under this part.

(F) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(I) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(II) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(III) Except as otherwise provided in section 404(3), ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016.

(*iv*) The amount of tax increment revenues authorized to be included under subparagraph (*ii*), and required to be transmitted to the authority under section 413(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, or a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

(A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.

(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (*ii*).

(kk) "Transit-oriented development" means infrastructure improvements that are located within 1/2 mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use as determined by the board and approved by the municipality in which it is located.

(*ll*) "Transit-oriented facility" means a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

(mm) "Urban township" means a township that meets 1 or more of the following:

(*i*) Meets all of the following requirements:

(A) Has a population of 20,000 or more, or has a population of 10,000 or more but is located in a county with a population of 400,000 or more.

(B) Adopted a master zoning plan before February 1, 1987.

(C) Provides sewer, water, and other public services to all or a part of the township.

(*ii*) Meets all of the following requirements:

(A) Has a population of less than 20,000.

(B) Is located in a county with a population of 250,000 or more but less than 400,000, and that county is located in a metropolitan statistical area.

(C) Has within its boundaries a parcel of property under common ownership that is 800 acres or larger and is capable of being served by a railroad, and located within 3 miles of a limited access highway.

(D) Establishes an authority before December 31, 1998.

(*iii*) Meets all of the following requirements:

(A) Has a population of less than 20,000.

(B) Has a state equalized valuation for all real and personal property located in the township of more than $200,000,000.00.

(C) Adopted a master zoning plan before February 1, 1987.

(D) Is a charter township under the charter township act, 1947 PA 359, MCL 42.1 to 42.34.

(E) Has within its boundaries a combination of parcels under common ownership that is 800 acres or larger, is immediately adjacent to a limited access highway, is capable of being served by a railroad, and is immediately adjacent to an existing sewer line.

(F) Establishes an authority before March 1, 1999.

(*iv*) Meets all of the following requirements:

(A) Has a population of 13,000 or more.

(B) Is located in a county with a population of 150,000 or more.

(C) Adopted a master zoning plan before February 1, 1987.

(*v*) Meets all of the following requirements:

(A) Is located in a county with a population of 1,000,000 or more.

(B) Has a written agreement with an adjoining township to develop 1 or more public facilities on contiguous property located in both townships.

(C) Has a master plan in effect.

(*vi*) Meets all of the following requirements:

(A) Has a population of less than 10,000.

(B) Has a state equalized valuation for all real and personal property located in the township of more than $280,000,000.00.

(C) Adopted a master zoning plan before February 1, 1987.

(D) Has within its boundaries a combination of parcels under common ownership that is 199 acres or larger, is located within 1 mile of a limited access highway, and is located within 1 mile of an existing sewer line.

(E) Has rail service.

(F) Establishes an authority before May 7, 2009.

(*vii*) Has joined an authority under section 403(2) which is seeking or has entered into an agreement for a certified technology park.

(*viii*) Has established an authority which is seeking or has entered into an agreement for a certified alternative energy park.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4403.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4403.new Authority; establishment by municipality; establishment by Next Michigan development corporation; limitation; powers.

Sec. 403. (1) Except as otherwise provided by subsection (2), a municipality may establish not more than 1 authority under the provisions of this part. An authority established under this subsection shall exercise its powers in all authority districts.

(2) In addition to an authority established under subsection (1), a municipality may join with 1 or more other municipalities located within the same county to establish an authority under this part. An authority created under this subsection may only exercise its powers in a certified technology park designated in an agreement made under section 412a or 412b or in a certified alternative energy park designated in an agreement under section 412c. A municipality shall not establish more than 1 authority under this subsection.

(3) A Next Michigan development corporation may establish not more than 1 authority under the provisions of this part. An authority established under this subsection shall exercise its powers within its authority district and in all Next Michigan development areas. The authority district in which the authority may exercise its powers shall include all or part of the territory of a Next Michigan development corporation, as determined by the governing body of the Next Michigan development corporation.

(4) The authority shall be a public body corporate which may sue and be sued in any court of this state. The authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this part shall not be construed as a limitation upon the general powers of the authority. The powers granted in this part to an authority may be exercised notwithstanding that bonds are not issued by the authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4404.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4404.new Resolution of intent to create and provide for operation of authority; notice of public hearing; hearing; resolution exempting taxes from capture; action of library board or commission; resolution establishing authority and designating boundaries; filing and publication; alteration or amendment of boundaries; validity of proceedings; establishment of authority by 2 or more municipalities; procedures to be followed by Next Michigan development corporation.

Sec. 404. (1) The governing body of a municipality may declare by resolution adopted by a majority of its members elected and serving its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body proposing to create the authority shall set a date for holding a public hearing on the adoption of a proposed resolution creating the authority and designating the boundaries of the authority district or districts. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 nor more than 40 days before the date of the hearing. Except as otherwise provided in subsection (8), not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in a proposed authority district and, for a public hearing to be held after February 15, 1994, to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure of a property taxpayer to receive the notice shall not invalidate these proceedings. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed authority district or districts. At that hearing, a resident, taxpayer, or property owner from a taxing jurisdiction in which the proposed district is located or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the

establishment of the authority and the boundaries of that proposed authority district. The governing body of the municipality in which a proposed district is to be located shall not incorporate land into an authority district not included in the description contained in the notice of public hearing, but it may eliminate lands described in the notice of public hearing from an authority district in the final determination of the boundaries.

(3) Except as otherwise provided in subsection (8), not more than 60 days after a public hearing held after February 15, 1994, the governing body of a taxing jurisdiction with millage that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. However, a resolution by a governing body of a taxing jurisdiction to exempt its taxes from capture is not effective for the capture of taxes that are used for a certified technology park or a certified alternative energy park. The resolution takes effect when filed with that clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk. If a separate millage for public library purposes was levied before January 1, 2017, and all obligations and other protected obligations of the authority are paid, then the levy is exempt from capture under this part, unless the library board or commission allows all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if a separate millage for public library purposes was levied before January 1, 2017, and the authority alters or amends the boundaries of the authority district or extends the duration of the existing finance plan, then the library board or commission may, not later than 60 days after a public hearing is held under this subsection, exempt all or a portion of its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality that created the authority. For ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016, a library board or commission may allow all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if the library was created under section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233, then any action of the library board or commission under this subsection shall have the concurrence of the chief executive officer of the city that created the library to be effective.

(4) Except as otherwise provided in subsection (8), not less than 60 days after the public hearing or a shorter period as determined by the governing body for a certified technology park or a certified alternative energy park, if the governing body creating the authority intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members elected and serving, a resolution establishing the authority and designating the boundaries of the authority district or districts within which the authority shall exercise its powers. The adoption of the resolution is subject to any applicable statutory or charter provisions with respect to the approval or disapproval of resolutions by the chief executive officer of the municipality and the adoption of a resolution over his or her veto. This resolution shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(5) The governing body may alter or amend the boundaries of an authority district to include or exclude lands from that authority district or create new authority districts pursuant to the same requirements prescribed for adopting the resolution creating the authority.

(6) The validity of the proceedings establishing an authority shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the last of the following takes place:

(a) Publication of the resolution creating the authority as adopted.

(b) Filing of the resolution creating the authority with the secretary of state.

(7) Except as otherwise provided by this subsection, if 2 or more municipalities desire to establish an authority under section 403(2), each municipality in which the authority district will be located shall comply with the procedures prescribed by this part. The notice required by subsection (2) may be published jointly by the municipalities establishing the authority. The resolutions establishing the authority shall include, or shall approve an agreement including, provisions governing the number of members on the board, the method of appointment, the members to be represented by governmental units or agencies, the terms of initial and subsequent appointments to the board, the manner in which a member of the board may be removed for cause before the expiration of his or her term, the manner in which the authority may be dissolved, and the disposition of assets upon dissolution. An authority described in this subsection shall not be considered established unless all of the following conditions are satisfied:

(a) A resolution is approved and filed with the secretary of state by each municipality in which the authority district will be located.

(b) The same boundaries have been approved for the authority district by the governing body of each municipality in which the authority district will be located.

(c) The governing body of the county in which a majority of the authority district will be located has approved by resolution the creation of the authority.

(8) For an authority created under section 403(3), except as otherwise provided by this subsection, the Next Michigan development corporation shall comply with the procedures prescribed for a municipality by subsections (1) and (2) and this subsection. The provisions of subsections (3) and (4) shall not apply to an authority exercising its powers under section 403(3). The notice required by subsection (2) may be published by the Next Michigan development corporation in a newspaper or newspapers of general circulation within the municipalities which are constituent members of the Next Michigan development corporation, and notice shall not be required to be mailed to the property taxpayers of record in the proposed authority district. The governing body of the Next Michigan development corporation shall be the governing body of the authority. A taxing jurisdiction levying ad valorem taxes within the authority district that would otherwise be subject to capture which is not a party to the intergovernmental agreement may exempt its taxes from capture by adopting a resolution to that effect and filing a copy not more than 60 days after the public hearing with the recording officer of the Next Michigan development corporation. The Next Michigan development corporation shall mail notice of the public hearing to the governing body of each taxing jurisdiction which is not a party to the intergovernmental agreement not less than 20 days before the hearing. Following the public hearing, the governing body of the Next Michigan development corporation shall adopt a resolution designating the boundaries of the authority district within which the authority shall exercise its powers, which may include any certified technology park within the proposed authority district in accordance with this subsection and may include property adjacent to or within 1,500 feet of a road classified as an arterial or collector according to the Federal Highway Administration manual "Highway Functional Classification - Concepts, Criteria and Procedures" or of another road in the discretion of the Next Michigan development corporation, and property adjacent to that property within the territory of the Next Michigan development corporation, as provided in the resolution. The resolution shall be effective when adopted, shall be filed with the secretary of state and the president of the Michigan strategic fund promptly after its adoption, and shall be published at least once in a newspaper of general circulation in the territory of the Next Michigan development corporation. If an authority district designated under this subsection or subsequently amended includes a certified technology park which is within the authority district of another authority and which is subject to an existing development plan or tax increment financing plan, then that certified technology park may be considered to be under the jurisdiction of the authority established under section 403(3) if so provided in a resolution of the authority established under section 403(3) and if approved by resolution of the governing body of the municipality which created the other authority, and by the president of the Michigan strategic fund. If so provided and approved, then the development plan and tax increment financing plan applicable to the certified technology park, including all assets and obligations under the plans, shall be considered assigned and transferred from the other authority to the authority created under section 403(3), and the initial assessed value of the certified technology park prior to the transfer shall remain the initial assessed value of the certified technology park following the transfer. The transfer shall be effective as of the later of the effective date of the resolution of the authority established under section 403(3), the resolution approved by the governing body of the municipality which created the other authority, and the approval of the president of the Michigan strategic fund.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4405.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4405.new Board; appointment, qualification, and terms of members; vacancy; reimbursement for expenses; chairperson; oath of office; rules; procedure; meetings; removal of member; publicizing expense items; financial records open to public; subsections (1) and (5) inapplicable to certain authority.

Sec. 405. (1) The authority shall be under the supervision and control of a board of 7 members appointed by the chief executive officer of the city, village, or urban township creating the authority subject to the approval of the governing body creating the authority. The board shall include 1 member appointed by the county board of commissioners of the county in which the authority is located. The board shall include 1 member representing a community or junior college in whose district the authority is located appointed by the chief executive officer of that community or junior college. The board shall also include 2 members appointed by the chief executive officer of each local governmental unit, other than the city, village, or urban township creating the authority, which levied 20% or more of the ad valorem property taxes levied against all property located in an authority district in the year before the year in which the authority district is established. However, those additional members shall only vote on matters relating to authority districts located within their respective local unit of government. Of the members first appointed, an equal number, as near as possible, shall have terms designated by the governing body creating the authority of 1 year, 2 years, 3 years, and 4 years. However, a member shall hold office until the member's successor is appointed. After the first appointment, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made in the same manner as the original appointment. An appointment to fill an unexpired term shall be for the unexpired portion of the term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

(2) The chairperson of the board shall be elected by the board.

(3) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(4) The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held when called in the manner provided in the rules of the board. Meetings of the board shall be open to the public, in accordance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275.

(5) Subject to notice and an opportunity to be heard, a member of the board may be removed before the expiration of his or her term for cause by the governing body. Removal of a member is subject to review by the circuit court.

(6) All expense items of the authority shall be publicized annually and the financial records shall be open to the public pursuant to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(7) The provisions of subsections (1) and (5) of this section shall not apply to an authority exercising its powers under section 403(3).

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4406.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4406.new Director; employment; compensation; oath of office; bond; chief executive officer; duties; acting director; appointment or employment, compensation, and duties of treasurer; appointment or employment, compensation, and duties of secretary; legal counsel; employment of other personnel; municipal retirement and insurance programs.

Sec. 406. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body creating the authority. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of the office, the director shall take and subscribe to the constitutional oath of office and shall furnish bond by posting a bond in the penal sum determined in the resolution establishing the authority. The bond shall be payable to the authority for the use and benefit of the authority, approved by the board, and filed with the clerk of the municipality. The premium on the bond shall be considered an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this part. The director shall attend the meetings of the board and shall render to the board and to the governing body a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of the office, the acting director shall take and subscribe to the constitutional oath of office and furnish bond as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may appoint or employ and fix the compensation of a treasurer who shall keep the financial records of the authority and who, together with the director, if a director is appointed, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform other duties as may be delegated by the board and shall furnish bond in an amount as prescribed by the board.

(3) The board may appoint or employ and fix the compensation of a secretary who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings and shall perform other duties as may be delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel may represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel considered necessary by the board.

(6) The employees of an authority may be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees on the same basis as civil service employees.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4407.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4407.new Powers of board generally.

Sec. 407. The board may:

(a) Study and analyze unemployment, underemployment, and joblessness and the impact of growth upon the authority district or districts.

(b) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility.

(c) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, to promote the growth of the authority district or districts, and take the steps that are necessary to implement the plans to the fullest extent possible to create jobs, and promote economic growth.

(d) Implement any plan of development necessary to achieve the purposes of this part in accordance with the powers of the authority as granted by this part.

(e) Make and enter into contracts necessary or incidental to the exercise of the board's powers and the performance of its duties.

(f) Acquire by purchase or otherwise on terms and conditions and in a manner the authority considers proper, own or lease as lessor or lessee, convey, demolish, relocate, rehabilitate, or otherwise dispose of real or personal property, or rights or interests in that property, which the authority determines is reasonably necessary to achieve the purposes of this part, and to grant or acquire licenses, easements, and options with respect to the property.

(g) Improve land, prepare sites for buildings, including the demolition of existing structures, and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, or operate a building, and any necessary or desirable appurtenances to a building, as provided in section 412(2) for the use, in whole or in part, of a public or private person or corporation, or a combination thereof.

(h) Fix, charge, and collect fees, rents, and charges for the use of a building or property or a part of a building or property under the board's control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(i) Lease a building or property or part of a building or property under the board's control.

(j) Accept grants and donations of property, labor, or other things of value from a public or private source.

(k) Acquire and construct public facilities.

(*l*) Incur costs in connection with the performance of the board's authorized functions including, but not limited to, administrative costs, and architects, engineers, legal, and accounting fees.

(m) Plan, propose, and implement an improvement to a public facility on eligible property to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state constitution code act, 1972 PA 230, MCL 125.1501 to 125.1531.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4408.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4408.new Authority as instrumentality of political subdivision.

Sec. 408. The authority shall be considered an instrumentality of a political subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4409.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4409.new Taking, transfer, and use of private property.

Sec. 409. A municipality may take private property under the uniform condemnation procedures act, 1980 PA 87, MCL 213.51 to 213.75, for the purpose of transfer to the authority, and may transfer the property to the authority for use as authorized in the development plan, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4410.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4410.new Financing activities of authority.

Sec. 410. The activities of the authority shall be financed from 1 or more of the following sources:

(a) Contributions to the authority for the performance of its functions.

(b) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(c) Tax increment revenues received pursuant to a tax increment financing plan established under sections 412 to 414.

(d) Proceeds of tax increment bonds issued pursuant to section 414.

(e) Proceeds of revenue bonds issued pursuant to section 411.

(f) Money obtained from any other legal source approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.

(g) Money obtained pursuant to section 411a.

(h) Loans from the Michigan strategic fund or the Michigan economic development corporation.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4411.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4411.new Revenue bonds.

Sec. 411. (1) The authority may borrow money and issue its negotiable revenue bonds pursuant to the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.135. Except as provided in subsection (2), revenue bonds issued by the authority shall not be considered a debt of the municipality or of the state.

(2) The municipality by a majority vote of the members of its governing body may make a limited tax pledge to support the authority's revenue bonds or, if authorized by the voters of the municipality, may pledge its full faith and credit to support the authority's revenue bonds.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4411a.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4411a.new Insufficient tax increment revenues for repayment of advance or payment of obligation; appropriation; filing claim; information required in claim; distributions; determination of amounts; limitations; distribution subject to lien; indebtedness, liability, or obligation; certification of distribution amount; basis for calculation of distributions and claims reports; use of 12-month debt payment period.

Sec. 411a. (1) If the amount of tax increment revenues lost as a result of the reduction of taxes levied by local school districts for school operating purposes required by the millage limitations under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause the tax increment revenues received in a fiscal year by an authority under section 413 to be insufficient to repay an eligible advance or to pay an eligible obligation, the legislature shall appropriate and distribute to the authority the amount described in subsection (5).

(2) Not less than 30 days before the first day of a fiscal year, an authority eligible to retain tax increment revenues from taxes levied by a local or intermediate school district or this state or to receive a distribution under this section for that fiscal year shall file a claim with the department of treasury. The claim shall include the following information:

(a) The property tax millage rates levied in 1993 by local school districts within the jurisdictional area of the authority for school operating purposes.

(b) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(c) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority plus any tax increment revenues the authority would have received for the fiscal year from property that is exempt from taxation pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's taxable value at the time the zone is designated.

(d) The tax increment revenues the authority estimates it would have received for that fiscal year if property taxes were levied by local school districts within the jurisdictional area of the authority for school operating purposes at the millage rates described in subdivision (a) and if no property taxes were levied by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(e) A list and documentation of eligible obligations and eligible advances and the payments due on each of those eligible obligations or eligible advances in that fiscal year, and the total amount of all the payments due on those eligible obligations and eligible advances in that fiscal year.

(f) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation or the repayment of an eligible advance. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development project.

(g) The amount of a distribution received pursuant to this part for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(h) A list and documentation of other protected obligations and the payments due on each of those other protected obligations in that fiscal year, and the total amount of all the payments due on those other protected obligations in that fiscal year.

(3) For the fiscal year that commences after September 30, 1993 and before October 1, 1994, an authority may make a claim with all information required by subsection (2) at any time after March 15, 1994.

(4) After review and verification of claims submitted pursuant to this section, amounts appropriated by the state in compliance with this part shall be distributed as 2 equal payments on March 1 and September 1 after receipt of a claim. An authority shall allocate a distribution it receives for an eligible obligation issued on behalf of a municipality to the municipality.

(5) Subject to subsections (6) and (7), the aggregate amount to be appropriated and distributed pursuant to this section to an authority shall be the sum of the amounts determined pursuant to subdivisions (a) and (b) minus the amount determined pursuant to subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received for the fiscal year, if property taxes were levied by local school districts on property, including property that is exempt from taxation pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's taxable value at the time the zone is designated, for school operating purposes at the millage rates described in subsection (2)(a) and if no property taxes were levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, exceed the sum of tax increment revenues the authority actually received for the fiscal year plus any tax increment revenues the authority would have received for the fiscal year from property that is exempt from taxation pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's taxable value at the time the zone is designated.

(b) A shortfall required to be reported pursuant to subsection (2)(g) that had not previously increased a distribution.

(c) An excess amount required to be reported pursuant to subsection (2)(g) that had not previously decreased a distribution.

(6) The amount distributed under subsection (5) shall not exceed the difference between the amount described in subsection (2)(e) and the sum of the amounts described in subsection (2)(c) and (f).

(7) If, based upon the tax increment financing plan in effect on August 19, 1993, the payment due on eligible obligations or eligible advances anticipates the use of excess prior year tax increment revenues permitted by law to be retained by the authority, and if the sum of the amounts described in subsection (2)(c) and (f) plus the amount to be distributed under subsections (5) and (6) is less than the amount described in subsection (2)(e), the amount to be distributed under subsections (5) and (6) shall be increased by the amount of the shortfall. However, the amount authorized to be distributed pursuant to this section shall not exceed that portion of the cumulative difference, for each preceding fiscal year, between the amount that could have been distributed pursuant to subsection (5) and the amount actually distributed pursuant to subsections (5) and (6) and this subsection.

(8) A distribution under this section replacing tax increment revenues pledged by an authority or a municipality is subject to the lien of the pledge, whether or not there has been physical delivery of the distribution.

(9) Obligations for which distributions are made pursuant to this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(10) Not later than July 1 of each year, the authority shall certify to the local tax collecting treasurer the amount of the distribution required under subsection (5), calculated without regard to the receipt of tax

increment revenues attributable to local or intermediate school district operating taxes or attributable to taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(11) Calculations of distributions under this section and claims reports required to be made under subsection (2) shall be made on the basis of each development area of the authority.

(12) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4411b.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4411b.new Retention and payment of taxes levied under state education tax act; conditions; application by authority for approval; information to be included; approval, modification, or denial of application by department of treasury; appropriation and distribution of amount; calculation of aggregate amount; lien; reimbursement calculations; legislative intent.

Sec. 411b. (1) If the amount of tax increment revenues lost as a result of the personal property tax exemptions provided by section 1211(4) of the revised school code, 1976 PA 451, MCL 380.1211, section 3 of the state education tax act, 1993 PA 331, MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will reduce the allowable school tax capture received in a fiscal year, then, notwithstanding any other provision of this part, the authority, with approval of the department of treasury under subsection (3), may request the local tax collecting treasurer to retain and pay to the authority taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be used for the following:

(a) To repay an eligible advance.

(b) To repay an eligible obligation.

(c) To repay an other protected obligation.

(d) To pay an advance or an obligation identified in a development plan, or an amendment to that plan for property located in a certified technology park approved by the board of the authority not later than 90 days after July 19, 2010 if the plan contains all of the following and the plan for the capture of school taxes has been approved within 1 year after July 19, 2010:

(*i*) A detailed description of the project.

(*ii*) A statement of the estimated cost of the project.

(*iii*) The specific location of the project.

(*iv*) The name of any developer of the project.

(e) To pay an advance or an obligation identified in a development plan, or an amendment to that plan for property located in a certified alternative energy park approved by the board of the authority if the plan contains all of the following and the plan for the capture of school taxes has been approved not later than December 31, 2012:

(*i*) A detailed description of the project.

(*ii*) A statement of the estimated cost of the project.

(*iii*) The specific location of the project.

(*iv*) The name of any developer of the project.

(2) Not later than June 15, 2008, not later than September 30, 2009, and not later than June 1 of each subsequent year, an authority eligible under subsection (1) to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section, shall apply for approval with the department of treasury. The application for approval shall include the following information:

(a) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(b) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.

(c) The tax increment revenues the authority estimates it would have received for that fiscal year if the personal property tax exemptions described in subsection (1) were not in effect.

(d) A list of eligible obligations, eligible advances, other protected obligations, and advances and obligations described in subsection (1)(d) for expenditures authorized in a certified technology park or described in subsection (1)(e) for expenditures authorized in a certified alternative energy park; the payments due on each of those in that fiscal year; and the total amount of payments due on all of those in that fiscal year.

(e) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation, the repayment of an eligible advance, the payment of another protected obligation, the payment of obligations or advances described in subsection (1)(d) for expenditures authorized in a certified technology park, or the payment of obligations or advances described in subsection (1)(e) for expenditures authorized in a certified alternative energy park. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development plan.

(f) The amount of a distribution received pursuant to this part for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(3) Not later than August 15, 2008; for 2009 only, not later than 30 days after August 1, 2012; and not later than August 15 of each subsequent year, based on the calculations under subsection (5), the department of treasury shall approve, modify, or deny the application for approval to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section. If the application for approval contains the information required under subsection (2)(a) through (f) and appears to be in substantial compliance with the provisions of this section, then the department of treasury shall approve the application. If the application is denied by the department of treasury, then the department of treasury shall provide the opportunity for a representative of the authority to discuss the denial within 21 days after the denial occurs and shall sustain or modify its decision within 30 days after receiving information from the authority. If the application for approval is approved or modified by the department of treasury, the local tax collecting treasurer shall retain and pay to the authority the amount described in subsection (5) as approved by the department. If the department of treasury denies the authority's application for approval, the local tax collecting treasurer shall not retain or pay to the authority the taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the department does not prohibit a subsequent audit of taxes retained in accordance with the procedures currently authorized by law.

(4) Each year, the legislature shall appropriate and distribute an amount sufficient to pay each authority the following:

(a) If the amount to be retained and paid under subsection (3) is less than the amount calculated under subsection (5), the difference between those amounts.

(b) If the application for approval is denied by the department of treasury, an amount verified by the department equal to the amount calculated under subsection (5).

(5) Subject to subsection (6), the aggregate amount under this section shall be the sum of the amounts determined under subdivisions (a) and (b) minus the amount determined under subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received and retained for the fiscal year, excluding taxes exempt under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax exemptions described in subsection (1) were not in effect, exceed the tax increment revenues the authority actually received for the fiscal year.

(b) A shortfall required to be reported under subsection (2)(f) that had not previously increased a distribution.

(c) An excess amount required to be reported under subsection (2)(f) that had not previously decreased a distribution.

(6) A distribution or taxes retained under this section replacing tax increment revenues pledged by an authority or a municipality are subject to any lien of the pledge described in subsection (1), whether or not there has been physical delivery of the distribution.

(7) Obligations for which distributions are made under this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(8) Not later than September 15 of each year, the authority shall provide a copy of the application for approval approved by the department of treasury to the local tax collecting treasurer and provide the amount of the taxes retained and paid to the authority under subsection (5).

(9) Calculations of amounts retained and paid and appropriations to be distributed under this section shall be made on the basis of each development area of the authority.

(10) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

(11) It is the intent of the legislature that, to the extent that the total amount of taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be retained under this section and section 15a of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a, section 312b, and section 213c exceeds the difference of the total school aid fund revenue for the tax year minus the estimated amount of revenue the school aid fund would have received for the tax year had the tax exemptions described in subsection (1) and the earmark created by section 515 of the Michigan business tax act, 2007 PA 36, MCL 208.1515, not taken effect, the general fund shall reimburse the school aid fund the difference.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4412.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 *****

125.4412.new Tax increment financing plan.

Sec. 412. (1) If the board determines that it is necessary for the achievement of the purposes of this part, the board shall prepare and submit a tax increment financing plan to the governing body. The plan shall be in compliance with section 413 and shall include a development plan as provided in section 415. The plan shall also contain the following:

(a) A statement of the reasons that the plan will result in the development of captured assessed value that could not otherwise be expected. The reasons may include, but are not limited to, activities of the municipality, authority, or others undertaken before formulation or adoption of the plan in reasonable anticipation that the objectives of the plan would be achieved by some means.

(b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value or, subject to subsection (3), of the tax increment revenues attributable to the levy of any taxing jurisdiction, but the portion intended to be used shall be clearly stated in the plan. The board or the municipality creating the authority may exclude from captured assessed value a percentage of captured assessed value as specified in the plan or growth in property value resulting solely from inflation. If excluded, the plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(c) The estimated tax increment revenues for each year of the plan.

(d) A detailed explanation of the tax increment procedure.

(e) The maximum amount of note or bonded indebtedness to be incurred, if any.

(f) The amount of operating and planning expenditures of the authority and municipality, the amount of advances extended by or indebtedness incurred by the municipality, and the amount of advances by others to be repaid from tax increment revenues.

(g) The costs of the plan anticipated to be paid from tax increment revenues as received.

(h) The duration of the development plan and the tax increment plan.

(i) An estimate of the impact of tax increment financing on the revenues of all taxing jurisdictions in which the eligible property is or is anticipated to be located.

(j) A legal description of the eligible property to which the tax increment financing plan applies or shall apply upon qualification as eligible property.

(k) An estimate of the number of jobs to be created as a result of implementation of the tax increment financing plan.

(*l*) The proposed boundaries of a certified technology park to be created under an agreement proposed to be entered into pursuant to section 412a, or of a certified alternative energy park to be created under an agreement proposed to be entered into pursuant to section 412c, or of a Next Michigan development area designated under section 412e, an identification of the real property within the certified technology park, the certified alternative energy park, or the Next Michigan development area to be included in the tax increment financing plan for purposes of determining tax increment revenues, and whether personal property located in the certified technology park, the certified alternative energy park, or the Next Michigan development area is exempt from determining tax increment revenues.

(2) Except as provided in subsection (7), a tax increment financing plan shall provide for the use of tax increment revenues for public facilities for eligible property whose captured assessed value produces the tax increment revenues or, to the extent the eligible property is located within a business development area or a Next Michigan development area, for other eligible property located in the business development area or the Next Michigan development area. Public facilities for eligible property include the development or improvement of access to and around, or within the eligible property, of road facilities reasonably required by traffic flow to be generated by the eligible property, and the development or improvement of public facilities that are necessary to service the eligible property, whether or not located on that eligible property. If the eligible property identified in the tax increment financing plan is property to which section 402(p)(*iv*) applies,

the tax increment financing plan shall not provide for the use of tax increment revenues for public facilities other than those described in the development plan as of April 1, 1991. Whether or not provided in the tax increment financing plan, if the eligible property identified in the tax increment financing plan is property to which section 402(s)(*iv*) applies, then to the extent that captured tax increment revenues are utilized for the costs of cleanup of identified soil and groundwater contamination, the captured tax increment revenues shall be first credited against the shares of responsibility for the total costs of cleanup of uncollectible parties who are responsible for the identified soil and groundwater contamination pursuant to law, and then shall be credited on a pro rata basis against the shares of responsibility for the total costs of cleanup of other parties who are responsible for the identified soil and groundwater contamination pursuant to law.

(3) The percentage of taxes levied for school operating purposes that is captured and used by the tax increment financing plan and the tax increment financing plans under part 2, part 3, and the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672, shall not be greater than the percentage capture and use of taxes levied by a municipality or county for operating purposes under the tax increment financing plan and tax increment financing plans under part 2, part 3, and the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, 1933 PA 62, MCL 211.201 to 211.217a.

(4) Except as otherwise provided by this subsection, approval of the tax increment financing plan shall be in accordance with the notice, hearing, disclosure, and approval provisions of sections 416 and 417. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together. For a plan submitted by an authority established by 2 or more municipalities under sections 403(2) and 404(7) or by an authority established by a Next Michigan development corporation under sections 403(3) and 404(8), the notice required by section 416 may be published jointly by the municipalities in which the authority district is located or by the Next Michigan development corporation. For a plan submitted by an authority exercising its powers under sections 403(2) and 404(7), the plan shall not be considered approved unless each governing body in which the authority district is located makes the determinations required by section 417 and approves the same plan, including the same modifications, if any, made to the plan by any other governing body. A plan submitted by an authority exercising its powers under sections 403(3) and 404(8) shall be approved if the governing body of the Next Michigan development corporation makes the determinations required by section 417.

(5) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to express their views and recommendations regarding the tax increment financing plan. The authority shall fully inform the taxing jurisdictions about the fiscal and economic implications of the proposed tax increment financing plan. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the authority district is located to share a portion of the captured assessed value of the district or to distribute tax increment revenues among taxing jurisdictions. Upon adoption of the plan, the collection and transmission of the amount of tax increment revenues, as specified in this part, shall be binding on all taxing units levying ad valorem property taxes or specific local taxes against property located in the authority district.

(6) Property qualified as a public facility under section 402(ff)(*ii*) that is acquired by an authority may be sold, conveyed, or otherwise disposed to any person, public or private, for fair market value or reasonable monetary consideration established by the authority with the concurrence of the Michigan economic development corporation and the municipality in which the eligible property is located based on a fair market value appraisal from a fee appraiser only if the property is sold for fair market value. Unless the property acquired by an authority was located within a certified business park, a certified technology park, a certified alternative energy park, or a Next Michigan development area at the time of disposition, an authority shall remit all monetary proceeds received from the sale or disposition of property that qualified as a public facility under section 402(ff)(*ii*) and was purchased with tax increment revenues to the taxing jurisdictions. Proceeds distributed to taxing jurisdictions shall be remitted in proportion to the amount of tax increment revenues attributable to each taxing jurisdiction in the year the property was acquired. If the property was acquired in part with funds other than tax increment revenues, only that portion of the monetary proceeds received upon disposition that represent the proportion of the cost of acquisition paid with tax increment revenues is required to be remitted to taxing jurisdictions. If the property is located within a certified business park, a certified technology park, or a certified alternative energy park, or a Next Michigan development area at the time of disposition, the monetary proceeds received from the sale or disposition of that property may be retained by the authority for any purpose necessary to further the development program for the certified business park,

certified technology park, certified alternative energy park, or Next Michigan development area in accordance with the tax increment financing plan.

(7) The tax increment financing plan may provide for the use of tax increment revenues from a certified technology park for public facilities for any eligible property located in the certified technology park. The tax increment financing plan may provide for the use of tax increment revenues from a certified alternative energy park for public facilities for any eligible property located in the certified alternative energy park. The tax increment financing plan may provide for the use of tax increment revenues within or without the development area from which the tax increment revenues are derived, provided that the tax increment revenues shall be used for public facilities within a Next Michigan development area within the municipality whose levy has contributed to the tax increment revenues except as otherwise provided in the interlocal agreement creating the Next Michigan development corporation that established the authority.

(8) If title to property qualified as a public facility under section 402(ff)(*ii*) and acquired by an authority with tax increment revenues is sold, conveyed, or otherwise disposed of pursuant to subsection (6) for less than fair market value, the authority shall enter into an agreement relating to the use of the property with the person to whom the property is sold, conveyed, or disposed of, which agreement shall include a penalty provision addressing repayment to the authority if any interest in the property is sold, conveyed, or otherwise disposed of by the person within 12 years after the person received title to the property from the authority. This subsection shall not require enforcement of a penalty provision for a conveyance incident to a merger, acquisition, reorganization, sale-lease back transaction, employee stock ownership plan, or other change in corporate or business form or structure.

(9) The penalty provision described in subsection (8) shall not be less than an amount equal to the difference between the fair market value of the property when originally sold, conveyed, or otherwise disposed of and the actual consideration paid by the person to whom the property was originally sold, conveyed, or otherwise disposed of.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4412a.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4412a.new Designation as certified technology park; application to Michigan economic development corporation; agreement; determination of sale price or rental value for public facilities; inclusion of legal and equitable remedies and rights; marketing services; additional certified technology parks; priority to certain applications; duties of state.

Sec. 412a. (1) A municipality that has created an authority may apply to the Michigan economic development corporation for designation of all or a portion of the authority district as a certified technology park and to enter into an agreement governing the terms and conditions of the designation. The form of the application shall be in a form specified by the Michigan economic development corporation and shall include information the Michigan economic development corporation determines necessary to make the determinations required under this section.

(2) After receipt of an application, the Michigan economic development corporation may designate, pursuant to an agreement entered into under subsection (3), a certified technology park that is determined by the Michigan economic development corporation to satisfy 1 or more of the following criteria based on the application:

(a) A demonstration of significant support from an institution of higher education, a private research-based institute, or a large, private corporate research and development center located within the proximity of the proposed certified technology park, as evidenced by, but not limited to, the following types of support:

(*i*) Grants of preferences for access to and commercialization of intellectual property.

(*ii*) Access to laboratory and other facilities owned by or under control of the institution of higher education or private research-based institute.

(*iii*) Donations of services.

(*iv*) Access to telecommunication facilities and other infrastructure.

(*v*) Financial commitments.

(*vi*) Access to faculty, staff, and students.

(*vii*) Opportunities for adjunct faculty and other types of staff arrangements or affiliations.

(b) A demonstration of a significant commitment on behalf of the institution of higher education, private research-based institute, or a large, private corporate research and development center to the commercialization of research produced at the certified technology park, as evidenced by the intellectual property and, if applicable, tenure policies that reward faculty and staff for commercialization and collaboration with private businesses.

(c) A demonstration that the proposed certified technology park will be developed to take advantage of the unique characteristics and specialties offered by the public and private resources available in the area in which the proposed certified technology park will be located.

(d) The existence of or proposed development of a business incubator within the proposed certified technology park that exhibits the following types of resources and organization:

(*i*) Significant financial and other types of support from the public or private resources in the area in which the proposed certified technology park will be located.

(*ii*) A business plan exhibiting the economic utilization and availability of resources and a likelihood of successful development of technologies and research into viable business enterprises.

(*iii*) A commitment to the employment of a qualified full-time manager to supervise the development and operation of the business incubator.

(e) The existence of a business plan for the proposed certified technology park that identifies its objectives in a clearly focused and measurable fashion and that addresses the following matters:

(*i*) A commitment to new business formation.

(*ii*) The clustering of businesses, technology, and research.

(*iii*) The opportunity for and costs of development of properties under common ownership or control.

(*iv*) The availability of and method proposed for development of infrastructure and other improvements, including telecommunications technology, necessary for the development of the proposed certified technology park.

(*v*) Assumptions of costs and revenues related to the development of the proposed certified technology park.

(f) A demonstrable and satisfactory assurance that the proposed certified technology park can be developed to principally contain eligible property as defined by section 402(s)(*iii*) and (*v*).

(3) An authority and a municipality that incorporated the authority may enter into an agreement with the Michigan economic development corporation establishing the terms and conditions governing the certified technology park. Upon designation of the certified technology park pursuant to the terms of the agreement, the subsequent failure of any party to comply with the terms of the agreement shall not result in the termination or rescission of the designation of the area as a certified technology park. The agreement shall include, but is not limited to, the following provisions:

(a) A description of the area to be included within the certified technology park.

(b) Covenants and restrictions, if any, upon all or a portion of the properties contained within the certified technology park and terms of enforcement of any covenants or restrictions.

(c) The financial commitments of any party to the agreement and of any owner or developer of property within the certified technology park.

(d) The terms of any commitment required from an institution of higher education or private research-based institute for support of the operations and activities at eligible properties within the certified technology park.

(e) The terms of enforcement of the agreement, which may include the definition of events of default, cure periods, legal and equitable remedies and rights, and penalties and damages, actual or liquidated, upon the occurrence of an event of default.

(f) The public facilities to be developed for the certified technology park.

(g) The costs approved for public facilities under section 402(dd).

(4) If the Michigan economic development corporation has determined that a sale price or rental value at below market rate will assist in increasing employment or private investment in the certified technology park, the authority and municipality have authority to determine the sale price or rental value for public facilities owned or developed by the authority and municipality in the certified technology park at below market rate.

(5) If public facilities developed pursuant to an agreement entered into under this section are conveyed or leased at less than fair market value or at below market rates, the terms of the conveyance or lease shall include legal and equitable remedies and rights to assure the public facilities are used as eligible property. Legal and equitable remedies and rights may include penalties and actual or liquidated damages.

(6) Except as otherwise provided in this section, an agreement designating a certified technology park may not be made after December 31, 2002, but any agreement made on or before December 31, 2002 may be amended after that date. However, the Michigan economic development corporation may enter into an agreement with a municipality after December 31, 2002 and on or before December 31, 2005 if that municipality has adopted a resolution of interest to create a certified technology park before December 31, 2002.

(7) The Michigan economic development corporation shall market the certified technology parks and the certified business parks. The Michigan economic development corporation and an authority may contract with

each other or any third party for these marketing services.

(8) Except as otherwise provided in subsections (9), (10), and (11), the Michigan economic development corporation shall not designate more than 10 certified technology parks. For purposes of this subsection only, 2 certified technology parks located in a county that contains a city with a population of more than 750,000, shall be counted as 1 certified technology park. Not more than 7 of the certified technology parks designated under this section may not include a firm commitment from at least 1 business engaged in a high technology activity creating a significant number of jobs.

(9) The Michigan economic development corporation may designate an additional 5 certified technology parks after November 1, 2002 and before December 31, 2007. The Michigan economic development corporation shall not accept applications for the additional certified technology parks under this subsection until after November 1, 2002.

(10) The Michigan economic development corporation may designate an additional 3 certified technology parks after February 1, 2008 and before December 31, 2008. The Michigan economic development corporation shall not accept applications for the additional certified technology parks under this subsection until after February 1, 2008.

(11) The Michigan economic development corporation may designate an additional 3 certified technology parks before March 31, 2013. It is the intent of the legislature that after the additional 3 certified technology parks are designated under this subsection, no additional certified technology parks shall be designated under this section.

(12) The Michigan economic development corporation shall give priority to applications that include new business activity.

(13) For an authority established by 2 or more municipalities under sections 403(2) and 404(7), each municipality in which the authority district is located by a majority vote of the members of its governing body may make a limited tax pledge to support the authority's tax increment bonds issued under section 14 or, if authorized by the voters of the municipality, may pledge its full faith and credit for the payment of the principal of and interest on the bonds. The municipalities that have made a pledge to support the authority's tax increment bonds may approve by resolution an agreement among themselves establishing obligations each may have to the other party or parties to the agreement for reimbursement of all or any portion of a payment made by a municipality related to its pledge to support the authority's tax increment bonds.

(14) Not including certified technology parks designated under subsection (8), but for certified technology parks designated under subsections (9), (10), and (11) only, this state shall do all of the following:

(a) Reimburse intermediate school districts each year for all tax revenue lost that was captured by an authority for a certified technology park designated by the Michigan economic development corporation after October 3, 2002.

(b) Reimburse local school districts each year for all tax revenue lost that was captured by an authority for a certified technology park designated by the Michigan economic development corporation after October 3, 2002.

(c) Reimburse the school aid fund from funds other than those appropriated in section 411 of the state school aid act of 1979, 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement calculations under subdivisions (a) and (b) and for all revenue lost that was captured by an authority for a certified technology park designated by the Michigan economic development corporation after October 3, 2002. Foundation allowances calculated under section 20 of the state school aid act of 1979, 1979 PA 94, MCL 388.1620, shall not be reduced as a result of tax revenue lost that was captured by an authority for a certified technology park designated by the Michigan economic development corporation under subsection (9), (10), or (11) after October 3, 2002.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4412b.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4412b.new Creation of authority in which certified technology park designated; agreement with another authority; designation of distinct geographic area; consideration of advantages and benefits; capture of amounts levied by state and local and intermediate school districts; application for approval of distinct geographic area; competitive application process; requirements.

Sec. 412b. (1) A municipality that has created an authority in which a certified technology park has been designated under this part may enter into an agreement with another authority that does not contain a certified technology park to designate a distinct geographic area within the authority district as a certified technology park. The authority shall consider the advantages of the unique characteristics and specialties offered by the public and private resources available in the distinct geographic area, shall consider the benefits to regional cooperation and collaboration, and shall consider whether designating the additional distinct geographic area adds value to the mission of the designated certified technology park. The distinct geographic area is subject to the provisions of section 412a(3), (4), and (5). The state treasurer shall not approve the capture of amounts levied by the state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and by local and intermediate school districts as permitted in section 402(jj)(*ii*)(B) for more than 9 distinct geographic areas designated under this section. In addition, beginning on July 21, 2015, the state treasurer shall not approve the capture of amounts described in this subsection unless the application for approval of a distinct geographic area under this subsection is also approved by the Michigan economic development corporation as provided in subsection (2). A copy of the designation shall be filed with the Michigan economic development corporation.

(2) Beginning on July 21, 2015, the Michigan economic development corporation shall designate the distinct geographic areas under subsection (1) pursuant to a competitive application process that has an initial application period and a final application period and that meets all the following:

(a) The initial application period shall begin on July 21, 2015 and end on October 1, 2015. All applications submitted during the initial application period shall be approved or denied not later than November 1, 2015. The Michigan economic development corporation may approve up to 3 applications as a result of the initial application period. Applications submitted outside the initial application period shall not be considered under this subdivision.

(b) The final application period shall begin on January 1, 2016 and end on July 1, 2016. All applications submitted during the final application period shall be approved or denied by September 1, 2016. The Michigan economic development corporation may approve the remaining designations available under subsection (1) as a result of the final application period. However, there is no requirement that all 9 designations be made under this section. Applications submitted outside the final application period shall not be considered under this subdivision.

(c) The Michigan economic development corporation shall publish the application process and competitive criteria upon which applications will be evaluated on its website. If an application does not meet the requirements of this section, the application shall not be approved by the Michigan economic development corporation.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4412c.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4412c.new Designation as certified alternative energy park; application; criteria; agreement; determination of sale price or rental value for public facilities; inclusion of legal and equitable remedies and rights; limitations; pledge to support authority's tax increment bonds; ownership and operation by economic development corporation.

Sec. 412c. (1) A municipality that has created an authority may apply to the Michigan economic development corporation for designation of all or a portion of the authority district as a certified alternative energy park and to enter into an agreement governing the terms and conditions of the designation. The form of the application shall be in a form specified by the Michigan economic development corporation and shall include information the Michigan economic development corporation determines necessary to make the determinations required under this section.

(2) After receipt of an application, the Michigan economic development corporation may designate, pursuant to an agreement entered into under subsection (3), a certified alternative energy park that is determined by the Michigan economic development corporation to satisfy 1 or more of the following criteria based on the application:

(a) A demonstration that the proposed alternative energy park will be developed to take advantage of the unique characteristics and specialties offered by public and private resources available in the area in which the proposed certified alternative energy park will be located.

(b) The existence of or strong likelihood of attracting alternative energy technology businesses to the proposed alternative energy park by exhibiting the following types of resources and organization:

(*i*) Significant financial and other types of support from the public or private resources in the area.

(*ii*) Proposed or actual ownership of land in sufficient quantity as to attract 1 or more major alternative energy technology businesses.

(c) The existence of a business plan for the proposed certified alternative energy park that identifies its objectives in a clearly focused and measurable fashion and that addresses the following matters:

(*i*) A commitment to new business formation or major business attraction.

(*ii*) The clustering of businesses, technology, and research within the region.

(*iii*) The opportunity for and costs of development of properties under common ownership or control.

(*iv*) The availability of and method proposed for development and sale or conveyance of shovel-ready sites to include infrastructure and other improvements, including telecommunications technology, necessary for the successful development of the proposed certified alternative energy park.

(*v*) Assumptions of costs and revenues related to the development of the proposed certified alternative energy park.

(d) A demonstrable and satisfactory assurance that the proposed certified alternative energy park can be developed to principally contain eligible property as defined by section 402(s)(*v*) and (*vi*).

(e) The proposed certified alternative energy park includes a military installation that was operated by the United States Department of Defense and closed after 1980.

(3) An authority and a municipality that incorporated the authority may enter into an agreement with the Michigan economic development corporation establishing the terms and conditions governing the certified alternative energy park. Upon designation of the certified alternative energy park pursuant to the terms of the agreement, the subsequent failure of any party to comply with the terms of the agreement shall not result in the termination or rescission of the designation of the area as a certified alternative energy park. The agreement shall include, but is not limited to, the following provisions:

(a) A description of the area to be included within the certified alternative energy park.

(b) Covenants and restrictions, if any, upon all or a portion of the properties contained within the certified alternative energy park and terms of enforcement of any covenants or restrictions.

(c) The financial commitments of any party to the agreement and of any owner or developer of property, including sale or transfer of ownership or options thereto upon designation of a certified alternative energy park for property within the certified alternative energy park.

(d) The terms of enforcement of the agreement, which may include the definition of events of default, cure periods, legal and equitable remedies and rights, and penalties and damages, actual or liquidated, upon the occurrence of an event of default.

(e) Proposed method of ownership of the land within the certified alternative energy park.

(f) The costs approved for public facilities under section 402(dd).

(g) Proposed method of operating the certified alternative energy park.

(4) If the Michigan economic development corporation has determined that a sale price or rental value at below market rate will assist in increasing employment or private investment in the certified alternative energy park, the authority and municipality have authority to determine the sale price or rental value for public facilities owned or developed by the authority and municipality in the certified alternative energy park at below market rate.

(5) If public facilities developed pursuant to an agreement entered into under this section are conveyed or leased at less than fair market value or at below market rates, the terms of the conveyance or lease shall include legal and equitable remedies and rights to assure that the public facilities are used as eligible property. Legal and equitable remedies and rights may include penalties and actual or liquidated damages.

(6) Except as otherwise provided in this section, an agreement designating a certified alternative energy park may not be made after December 31, 2012, but any agreement made on or before December 31, 2012 may be amended after that date.

(7) The Michigan economic development corporation shall not designate more than 10 certified alternative energy parks. For purposes of this subsection only, certified alternative energy parks located in the same county shall be counted as 1 certified alternative energy park.

(8) For an authority established by 2 or more municipalities under sections 403(2) and 404(7), each municipality in which the authority district is located by a majority vote of the members of its governing body may make a limited tax pledge to support the authority's tax increment bonds issued under section 414 or, if authorized by the voters of the municipality, may pledge its full faith and credit for the payment of the principal of and interest on the bonds. The municipalities that have made a pledge to support the authority's tax increment bonds may approve by resolution an agreement among themselves establishing obligations each may have to the other party or parties to the agreement for reimbursement of all or any portion of a payment made by a municipality related to its pledge to support the authority's tax increment bonds.

(9) Upon approval of the Michigan economic development corporation, the certified alternative energy park may be owned and operated by an economic development corporation created under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, or other public body agreeable to all members.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4412d.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4412d.new Conveyance or lease of public facilities at less than fair market value or below market rates.

Sec. 412d. (1) If an authority determines that a sale price or rental value at below market rate will assist in increasing employment or private investment in a development area, the authority may determine a sale price or rental value for public facilities owned or developed by the authority at below market rate.

(2) If public facilities are conveyed or leased at less than fair market value or at below market rates, the terms of the conveyance or lease shall include legal and equitable remedies and rights to assure that the public facilities are used as eligible property. Legal and equitable remedies and rights may include penalties and actual or liquidated damages. If public facilities for public benefit are provided to private owners or users of eligible property, the terms of the conveyance or lease shall include a benefit to the private owner or user.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4412e.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4412e.new Notice of designation of Next Michigan development area; marketing of authority district by Michigan economic development corporation; pledge to support tax increment bonds.

Sec. 412e. (1) A Next Michigan development corporation establishing an authority under section 403(3) shall notify the Michigan economic development corporation of the designation of a Next Michigan development area.

(2) The Michigan economic development corporation shall market the authority district including Next Michigan development areas.

(3) For an authority exercising its powers under section 403(3), each municipality and county which is a party to the interlocal agreement establishing the Next Michigan development corporation, or any 1 of them, by a majority vote of the members of its governing body, may make a limited tax pledge to support the authority's tax increment bonds issued under section 414 or, if authorized by the voters of the municipality or county, may pledge its full faith and credit for the payment of the principal of and interest on the bonds. The municipalities or counties that have made a pledge to support the authority's tax increment bonds may approve by resolution an agreement among themselves establishing obligations each may have to the other party or parties to the agreement for reimbursement of all or any portion of a payment made by a municipality or county related to its pledge to support the authority's tax increment bonds.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4413.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4413.new Tax increment revenues transmitted to authority; expenditure of tax increment revenues; retention or reversion of excess revenue; prohibition; abolition of tax increment financing plan.

Sec. 413. (1) The city, village, township, school district, and county treasurers shall transmit to the authority tax increment revenues.

(2) The authority shall expend the tax increment revenues received for the development program only in accordance with the tax increment financing plan. Tax increment revenues in excess of the estimated tax increment revenues or of the actual costs of the plan to be paid by the tax increment revenues may be retained by the authority only for purposes, that by resolution of the board, are determined to further the development program in accordance with the tax increment financing plan. The excess tax increment revenues not so used shall revert proportionately to the respective taxing jurisdictions. These revenues shall not be used to circumvent existing property tax laws or a local charter that provides a maximum authorized rate for the levy of property taxes. The governing body may abolish the tax increment financing plan if it finds that the purposes for which the plan was established are accomplished. However, the tax increment financing plan may not be abolished, allowed to expire, or otherwise terminate until the principal of, and interest on, bonds issued pursuant to section 414 have been paid or funds sufficient to make that payment have been segregated and placed in an irrevocable trust for the benefit of the holders of the bonds.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4414.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4414.new Tax increment bonds; qualified refunding obligation.

Sec. 414. (1) By resolution of its board and subject to the limitations set forth in this section, the authority may authorize, issue, and sell its tax increment bonds to finance a development program. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The authority may pledge for debt service requirements the tax increment revenues to be received from an eligible property. The bonds issued under this section shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) The municipality by majority vote of the members of its governing body may make a limited tax pledge to support the authority's tax increment bonds or, if authorized by the voters of the municipality, pledge its full faith and credit for the payment of the principal of and interest on the authority's tax increment bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 410.

(3) Bonds and notes issued by the authority and the interest on and income from those bonds and notes are exempt from taxation by the state or a political subdivision of this state.

(4) Notwithstanding any other provision of this part, if the state treasurer determines that an authority or municipality can issue a qualified refunding obligation and the authority or municipality does not make a good-faith effort to issue the qualified refunding obligation as determined by the state treasurer, the state treasurer may reduce the amount claimed by the authority or municipality under section 411a by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation or the state treasurer may require a reduction in the capture of tax increment revenues from taxes levied by a local or intermediate school district or this state by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation. This subsection does not authorize the state treasurer to require the authority or municipality to pledge security greater than the security pledged for the obligation being refunded.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4415.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4415.new Development plan generally.

Sec. 415. (1) If a board decides to finance a project under this part, it shall prepare a development plan.

(2) To the extent necessary to accomplish the proposed development program the development plan shall contain:

(a) A description of the property to which the plan applies in relation to the boundaries of the authority district and a legal description of the property.

(b) The designation of boundaries of the property to which the plan applies in relation to highways, streets, or otherwise.

(c) The location and extent of existing streets and other public facilities in the vicinity of the property to which the plan applies; the location, character, and extent of the categories of public and private land uses then existing and proposed for the property to which the plan applies, including residential, recreational, commercial, industrial, educational, and other uses.

(d) A description of public facilities to be acquired for the property to which the plan applies, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.

(e) The location, extent, character, and estimated cost of the public facilities for the property to which the plan applies, and an estimate of the time required for completion.

(f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(g) A description of any portions of the property to which the plan applies, which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

(i) An estimate of the cost of the public facility or facilities, a statement of the proposed method of financing the public facility or facilities, and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the public facility or facilities is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the public facility or facilities upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.

(*l*) Estimates of the number of persons residing on the property to which the plan applies and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the development.

(n) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 USC 4601 to 4655.

(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.

(p) Other material which the authority or governing body considers pertinent.

(3) It shall not be necessary for the board to prepare a development plan pursuant to this section if a development plan that adequately provides for accomplishing the proposed development program has already been prepared and where the development plan has been approved by the board and governing body pursuant to sections 416 and 417.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4416.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4416.new Adoption of resolution approving development plan or tax increment financing plan; public hearing; notice; record.

Sec. 416. (1) Before adoption of a resolution approving or amending a development plan or approving or amending a tax increment financing plan, the governing body shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall not be less than 20 days before the date set for the hearing. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the development plan or the tax increment financing plan is approved or amended.

(2) Notice of the time and place of hearing on a development plan shall contain the following:

(a) A description of the property to which the plan applies in relation to highways, streets, streams, or otherwise.

(b) A statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing.

(c) Other information that the governing body considers appropriate.

(3) At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the matter. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at that time.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4417.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4417.new Development plan or tax increment financing plan as constituting public purpose; approval or rejection; considerations; amendments; procedure, notice, findings, and amendment as conclusive; contest.

Sec. 417. (1) After a public hearing on the development plan or the tax increment financing plan, or both, with notice of the hearing given pursuant to section 416, the governing body shall determine whether the development plan or tax increment financing plan, or both, constitutes a public purpose. If the governing body determines that the development plan or tax increment financing plan, or both, constitutes a public purpose, the governing body may then approve or reject the plan, or approve it with modification, by resolution, based on the following considerations:

(a) Whether the development plan meets the requirements set forth in section 415(2) and the tax increment financing plan meets the requirements set forth in section 412(1), (2), and (3).

(b) Whether the proposed method of financing the public facility or facilities is feasible and the authority has the ability to arrange the financing.

(c) Whether the development is reasonable and necessary to carry out the purposes of this part.

(d) Whether the amount of captured assessed value estimated to result from adoption of the plan is reasonable.

(e) Whether the land to be acquired under the development plan is reasonably necessary to carry out the purposes of the plan and the purposes of this part.

(f) Whether the development plan is in reasonable accord with the approved master plan of the municipality, if an approved master plan exists.

(g) Whether public services, such as fire and police protection and utilities, are or will be adequate to service the property.

(h) Whether changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

(2) Except as provided in this subsection, amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection following the same notice and public hearing provisions that are necessary for approval or rejection of the original plan. Notice and hearing shall not be necessary for revisions in the estimates of captured assessed value and tax increment revenues.

(3) The procedure, adequacy of notice, and findings with respect to purpose and captured assessed value shall be conclusive unless contested in a court of competent jurisdiction within 60 days after adoption of the resolution adopting the plan. An amendment, adopted by resolution, to a conclusive plan shall likewise be conclusive unless contested within 60 days after adoption of the resolution adopting the amendment. If a resolution adopting an amendment to the plan is contested, the resolution adopting the plan is not open to contest.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4418.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4418.new Relocation of person; notice to vacate.

Sec. 418. A person to be relocated under this part shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4419.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4419.new Preparation and submission of budget; manner; approval; cost of handling and auditing funds.

Sec. 419. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this part or by the governing body.

(2) The governing body may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed for designated purposes, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4420.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4420.new Dissolution of authority; resolution; disposition of property and assets.

Sec. 420. An authority that completes the purposes for which it was organized shall be dissolved by resolution of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority shall belong to the municipality or to an agency or instrumentality designated by resolution of the municipality.

History: 2018, Act 57, Eff. Jan. 1, 2019.

PART 5

NONPROFIT STREET RAILWAYS

****** 125.4503.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4503.new Legislative intent.

Sec. 503. The legislature finds and declares that there exists in this state a need to encourage the development of transportation facilities and the provision of public transportation services by authorizing the acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, and maintaining of nonprofit street railway companies and systems and that public assistance in acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, and maintaining nonprofit street railway companies and systems in this state is declared to be a public purpose. It is the intent of the legislature that a street railway system constructed by a nonprofit corporation under this part be designed to adapt to or connect with other public transit systems. It is the intent of the legislature that resources expended to construct a street railway system under this part qualify as state and local match funds for transit systems eligible for federal funding.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4505.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4505.new Construction of act.

Sec. 505. (1) This part shall be construed liberally to effectuate the legislative intent and the purpose of this part as complete and independent authorization for the performance of each and every act and thing authorized in this part and all powers granted in this part shall be broadly interpreted to effectuate the intent and purposes of this part and not as a limitation of powers.

(2) The powers conferred in this part upon a street railway shall be in addition to any other powers the street railway possesses under law.

(3) Unless permitted by the state constitution of 1963 or this part or agreed to by a street railway, any restrictions, standards, conditions, or prerequisites of a city, village, or township otherwise applicable only to a street railway and enacted after January 12, 2009 do not apply to a street railway. This subsection is intended to prohibit special local legislation or ordinances applicable exclusively or primarily to a street railway and not to exempt a street railway from laws generally applicable to other persons or entities.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4507.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4507.new Definitions.

Sec. 507. As used in this part:

(a) "Department" means the state transportation department.

(b) "Nonprofit corporation" means that term as defined under section 108 of the nonprofit corporation act, 1982 PA 162, MCL 450.2108.

(c) "Public street or highway" means any state trunk line highway, county road, or city or village street maintained by a road authority.

(d) "Railroad" means that term as defined under section 109 of the railroad code of 1993, 1993 PA 354, MCL 462.109.

(e) "Operating license agreement" means an agreement entered into under section 513 by and among a street railway and each road authority with jurisdiction over public streets and highways upon which the street railway operates or seeks to operate a street railway system, including, but not limited to, each city, village, or township road authority in the city, village, or township in which the street railway operates or seeks to operate a street railway system.

(f) "Road authority" means each governmental agency with jurisdiction over public streets and highways. Road authority includes the department, any other state agency, and intergovernmental, county, city, and village governmental agencies responsible for the construction, repair, and maintenance of streets and highways. When a street railway operates or seeks to operate a street railway system over public streets and highways over which more than 1 road authority possesses jurisdiction, road authority includes each road authority with jurisdiction over public streets and highways upon which the street railway operates or seeks to operate a street railway system.

(g) "Street railway" means a nonprofit corporation organized under this part for the purpose of operating a street railway system other than a railroad train for transporting individuals or property. Street railway includes a nonprofit corporation incorporated under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, by a street railway organized under section 511, or by 1 or more members of the board of directors of a street railway for the purpose of assisting the street railway in acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, or maintaining a street railway system or for the purpose of financing a street railway system.

(h) "Street railway system" means the facilities, equipment, and personnel required to provide and maintain a public transportation system operated on rails at grade or above or below ground within a city, village, or township utilizing streetcars, trolleys, light rail vehicles, or trams for the transportation of individuals or property. Street railway system also includes necessary power feeds, signals, and stops or stations within a public right-of-way. Street railway system excludes facilities and improvements that are not required to maintain a public transportation system.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4509.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4509.new Street railway; organization; articles of incorporation; filing; applicability of the nonprofit corporation act.

Sec. 509. (1) After January 12, 2009, 1 or more persons may organize a street railway under this part for the purpose of acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, and maintaining a street railway system by signing in ink and filing articles of incorporation for the street railway. The articles shall include all of the following:

(a) The name of the street railway, which shall include the words "rail", "railway", "street railway", "light rail", or "metro rail".

(b) The purpose for which the corporation is organized, which shall be limited to acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, and maintaining a street railway system.

(c) The city, village, or township in which the street railway system will principally operate.

(2) Articles of incorporation shall be filed with the bureau of commercial services of the department of talent and economic development as provided under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

(3) The nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, shall apply to a street railway organized under this section unless otherwise provided in or inconsistent with this part.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4511.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4511.new Nonprofit corporation as street railway; amendment of articles of incorporation required; provisions; adoption; filing; applicability of the nonprofit corporation act.

Sec. 511. (1) A nonprofit corporation may become a street railway under this part and acquire, own, construct, furnish, equip, complete, operate, improve, and maintain a street railway system in a city if on and after January 12, 2009 the articles of incorporation for the nonprofit corporation are amended to include all of the following provisions:

(a) A provision authorizing the name of the corporation, to include the words "rail", "railway", "street railway", "light rail", or "metro rail".

(b) A provision detailing the purposes for which the corporation is organized, which shall be limited to purposes related to acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, and maintaining a street railway system.

(c) A provision indicating the city in which the street railway system will principally operate.

(2) Amendments to the articles of incorporation of a nonprofit corporation under this section shall be adopted and filed with the bureau of commercial services of the department of talent and economic development as provided under the nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192.

(3) The nonprofit corporation act, 1982 PA 162, MCL 450.2101 to 450.3192, shall apply to a street railway organized under this section unless otherwise provided in or inconsistent with this part.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4513.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4513.new Acquiring, constructing, operating, and maintaining street railway system on highways of road authority; approval; terms and conditions; operating license agreement; public hearing; decision as final and binding; costs; condition; easements; revoking consent or depriving rights and privileges; powers of street railway; "public transportation provider" defined.

Sec. 513. (1) A street railway may acquire, own, construct, furnish, equip, complete, operate, improve, and maintain a street railway system in and upon the streets and highways of a road authority with the approval of the road authority, on terms and conditions imposed by the road authority. The approval shall be embodied in an operating license agreement between a street railway and each road authority with jurisdiction over public streets and highways upon which the street railway operates or seeks to operate a street railway system, including, but not limited to, a city, village, or township road authority located in the city, village, or township in which the street railway system operates or seeks to operate. An operating license agreement shall include the terms and conditions for operation of the street railway system. An operating license agreement may require the street railway to pay the direct administrative costs incurred by the road authority in administering the operating license agreement. An operating license agreement shall not require a street railway to acquire, accept responsibility for, or obligate itself to assume liability for or pay for any legacy costs of a public transportation provider. Before approving a proposed operating license agreement, a road authority shall hold a public hearing on the proposed operating license agreement. The hearing shall be held in the city, village, or township in which the street railway seeks to operate a street railway system and shall be held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Notice of the public hearing shall be provided not less than 20 days before the date of the hearing. One or more road authorities may conduct a joint public hearing under this section. At a public hearing, a street railway and a road authority may present information regarding the proposed operating licensing agreement. When operating in and upon the streets and highways of a road authority, a street railway is subject to rules, regulations, or ordinances imposed by the road authority. A street railway shall not construct a street railway system in and upon the streets and highways of a road authority until the street railway accepts in writing any terms and conditions imposed by the road authority, the operating license agreement is approved under this section, and the agreement is filed with each road authority with jurisdiction over public streets and highways upon which the street railway will operate. A road authority may approve or disapprove an operating license agreement. A decision of a road authority regarding an operating license agreement is final and binding upon a street railway and other interested persons. The street railway shall pay a road authority for all of the road authority's costs incurred in constructing the street railway system, mitigating the impact of the street railway system on road users, the environment, and the surrounding neighborhoods, and modifying the streets or highways impacted by construction of the street railway system, as provided in the operating license agreement. As a condition to obtaining or holding an operating license agreement, a road authority shall not require a street railway to obtain any other license or franchise, assess any other fee or charge, or impose any other licensing, regulatory, or franchise requirement, including a provision regulating schedules or fares of a street railway, unless expressly authorized under this part.

(2) A street railway may acquire, own, construct, furnish, equip, complete, operate, improve, and maintain a street railway system upon public or private rights-of-way, and obtain easements when necessary for a street railway to acquire and use private property for acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, and maintaining a street railway system.

(3) After a road authority consents to the acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, and maintaining of a street railway system on the streets or highways of the road authority or grants a right or privilege to the street railway by entering into an operating license agreement with the street railway, the road authority may not revoke the consent or deprive the street railway of the rights and privileges conferred without affording the street railway procedural due process of law if and to the extent provided in the operating license agreement.

(4) A street railway may do 1 or more of the following:

(a) Acquire by gift, devise, transfer, exchange, purchase, lease, or otherwise on terms and conditions and in a manner the street railway considers proper property or rights or interests in property relating to the operation of the street railway or street railway system.

(b) Take, transport, or carry and convey individuals and property on a street railway system and receive just and fair compensation from users of the street railway system for that purpose.

(c) Erect and maintain all necessary and convenient buildings, structures, stations, depots, fixtures, and machinery for the accommodation and use of individuals and property transported by the street railway.

(d) Regulate the time and manner in which individuals and property are transported by the street railway and fares or other compensation are paid for that purpose. A street railway may charge just and fair compensation for the use of its street railway system.

(e) Borrow money and issue bonds and notes for any indebtedness incurred and mortgage street railway property and rights to secure the payment of bonds, notes, money borrowed, and any and all debts and liabilities incurred by the street railway. A street railway shall not use tax increments to repay bonds and notes.

(f) Transfer a street railway system to a public entity operating a public transportation system, with the consent of the public entity, if the transfer is authorized by a law enacted after January 12, 2009.

(5) As used in this section, "public transportation provider" means that term as defined in section 2 of the regional transit authority act, 2012 PA 387, MCL 124.542.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4515.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4515.new Use or consumption of electricity and electric power by street railway and street railway system; relocation and modification of public utility facilities; sound utility practice; costs; agreement; exemption from taxation; enforcement action; definitions.

Sec. 515. (1) Subject to applicable law and applicable regulations of this state, a city, a township, or a village, a street railway may generate, store, transmit, distribute, dispense, furnish, or use electricity and electric power for use or consumption by the street railway and the street railway system.

(2) For a street railway that constructs, expands, or modifies a street railway system outside of a qualified city, if the street railway requests a public utility to modify or relocate facilities of the public utility that lie within a public street or highway right-of-way, or if, in response to the construction, expansion, or modification of a street railway system a public utility determines that the public utility should modify or relocate the public utility's facilities, consistent with law, regulation, or sound utility practice and unless the street railway and the public utility agree otherwise, the street railway shall pay all costs of the relocation and modification of the facilities to the public utility.

(3) A street railway that constructs, expands, or modifies a street railway system in a qualified city shall protect and keep in place the facilities of a public utility affected by the construction, expansion, or modification of the street railway system in a public highway, street, or right-of-way unless sound utility practice requires modification or relocation of the facilities. If sound utility practice requires modification or relocation of the facilities, the street railway shall pay the cost of the modification or relocation, unless 1 or both of the following apply:

(a) Modification or relocation of the public utility's facilities is required because the facilities are at an unauthorized location in the public highway, street, or right-of-way. If the facilities are located anywhere in a public highway, street, or right-of-way, there is a rebuttable presumption that the public utility's facilities are at an authorized location in the public highway, street, or right-of-way.

(b) The street railway and the public utility agree to an alternative cost allocation.

(4) Notwithstanding subsection (3), a qualified city and a street railway may agree that the street railway pay the cost of modifying or relocating a public utility's facilities in the qualified city if the modification or relocation is required by the modification or relocation of a street railway system by the street railway in a public highway, street, or right-of-way in the qualified city.

(5) The property of a street railway and its income and operations are exempt from all taxation by this state or a political subdivision of this state.

(6) A public utility or a street railway may bring an action in circuit court to enforce the provisions of this section. This remedy is in addition to any other remedy that may exist at law.

(7) As used in this section:

(a) "Public utility" includes a provider of communications, data, cable television, electricity, heat, natural or manufactured gas, steam, sewage, video, water, or other similar services. Public utility also includes a telecommunications provider and a video service provider.

(b) "Qualified city" means a city that has incorporated an authority under the municipal lighting authority act, 2012 PA 392, MCL 123.1261 to 123.1295.

(c) "Telecommunications provider" means that term as defined in section 102 of the Michigan telecommunications act, 1991 PA 179, MCL 484.2102.

(d) "Video service provider" means that term as defined in section 1 of the uniform video services local franchise act, 2006 PA 480, MCL 484.3301.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4517.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4517.new Street or highway grades; conformance by company; alteration or change; consent required; manner of laying and maintaining track.

Sec. 517. (1) In constructing a street railway system, a street railway shall conform to grades established by a road authority for a public street or highway traversed by the street railway.

(2) A street railway shall not alter or change the grade or line of any public street or highway, without the consent of the road authority with public jurisdiction over the public street or highway.

(3) A street railway shall lay and maintain the track of a street railway system in a manner and with the type of track to keep the track and the pavement of the public street or highway adjacent to the track in a state of condition and repair as prescribed by the road authority with jurisdiction over the public street or highway.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4519.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4519.new Rules and regulations; establishment by road authority.

Sec. 519. A road authority may establish and prescribe rules and regulations applicable to a street railway operating in or upon a public street or highway under the jurisdiction of a road authority relating to 1 or more of the following subjects:

(a) Grading, paving, obstruction, or repairing of a street or highway.

(b) Construction, maintenance, or obstruction of public service facilities and infrastructure, including water, light, heat, power, sewage disposal, and transportation.

(c) Construction, maintenance, or obstruction of traffic control and parking control facilities and infrastructure.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4521.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4521.new Refusal of person to pay fare or obey regulations; removal of person; placement of impediment upon track as felony; throwing stone, brick, or other missile as misdemeanor.

Sec. 521. (1) If a person refuses to pay a fare owed to a street railway or refuses to obey regulations established by the street railway for the convenience and safety of passengers, the street railway may remove the person from the streetcar, tram, or trolley at a usual stopping place.

(2) A person who causes or attempts to cause the derailment of a streetcar, tram, or trolley of a street railway by the placing of an impediment upon the track of a street railway, whether the streetcar, tram, or trolley is dislodged from the track or not, or who by any other means whatsoever willfully endangers or attempts to endanger the life of any person engaged in the work of the street railway, or any person traveling on the streetcar, tram, or trolley of the street railway, is guilty of a felony punishable by imprisonment for life or any number of years. Proof that the person intended to injure or endanger the life of any particular person is not required to prove a violation of this section.

(3) A person who throws a stone, brick, or other missile at a streetcar, tram, or trolley of a street railway is guilty of a misdemeanor punishable by a fine of not less than $100.00 or more than $500.00 or imprisonment for not less than 10 days or more than 90 days, or both.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4523.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4523.new Transit operations finance zone.

Sec. 523. (1) At the request of a street railway, and with the consent of the department, a city, village, or township in which a street railway system is located may establish a transit operations finance zone for a street railway system if the city, village, or township and the department determine that it is necessary for the best interests of the public to promote and finance transit operations in a zone. A parcel shall not be included in more than 1 zone created under this section.

(2) The boundaries of a zone shall be established by the city, village, or township and may include parcels that are in whole or in part up to 1/4 mile in distance from the street railway system. Before establishing a zone, the city, village, or township shall consult with the street railway, the department, affected taxing jurisdictions, and any other person or entity that the city, village, or township considers necessary. The city, village, or township may conduct a planning study and may designate a zone before implementation of street

railway system service within the zone.

(3) If the city, village, or township and the department determine that it is necessary for the best interests of the public to promote and finance transit operations in a zone under subsection (1), the city, village, or township shall enter into an agreement with the street railway and the department for the creation of a zone. The agreement shall include, but not be limited to, all of the following:

(a) The geographic boundaries of the zone, including both of the following:

(*i*) The designation of boundaries of the zone in relation to highways, streets, streams, lakes, other bodies of water, or otherwise.

(*ii*) The location and extent of existing streets and other public facilities within the zone, designating the location, character, and extent of the categories of public and private land uses then existing in the zone, including residential, recreational, commercial, industrial, educational, and other uses, and including a legal description of the zone.

(b) A tax increment financing plan for the zone as provided under subsection (4).

(c) A description of specific actions to be taken by the parties under the agreement to help establish the zone.

(d) The requirement that amendments to the agreement must be approved by the city, village, or township, the department, and the street railway.

(e) Any other material that the city, village, or township, the department, or the street railway consider necessary or appropriate.

(4) A tax increment financing plan for a zone established under this section shall include a description of the tax increment financing procedure, the distribution of tax increment financing revenue to the street railway, and a statement of the estimated impact of tax increment financing on the assessed value of property in each taxing jurisdiction in the zone. The plan may exclude from captured assessed value growth in property value resulting solely from inflation and, if so, shall include the method for excluding that growth. The plan shall require that tax increment revenue received by a street railway under the plan be used only for the expenses of operating the street railway system. If the street railway subject to an agreement designating a zone under this section ceases to operate a street railway system in the city, village, or township that established the zone, the plan shall terminate and the zone shall be abolished. The plan shall restrict the revenue distributed to a street railway for any tax year to the lesser of 25% of any operating deficit of the street railway for the prior fiscal year or $4,000,000.00. Before including a tax increment financing plan in an agreement, the city, village, or township shall provide taxing jurisdictions in the zone levying taxes subject to capture under the plan an opportunity to meet with the city, village, or township. The city, village, or township shall fully inform the taxing jurisdictions of the fiscal and economic implications of the plan and the taxing jurisdictions may present recommendations to the city, village, or township on the tax increment financing plan.

(5) Before entering into an agreement for the creation of a zone under this section, the city, village, or township shall conduct a public hearing on the proposed agreement. Notice of the public hearing shall be published twice in a newspaper of general circulation in the city, village, or township, not less than 20 or more than 40 days before the date of the hearing. The notice shall state the date, time, and place of the hearing and shall describe the proposed boundaries of the zone. A citizen, taxpayer, or property owner of the city, village, or township, or an official from a taxing jurisdiction within the zone has the right to be heard on the agreement and the proposed boundaries of the zone. The agreement shall not include in the zone land not included in the description contained in the notice of public hearing, but the agreement may exclude described land from the zone in the final determination of the boundaries of the zone. A city, village, or township shall not execute an agreement for the creation of a zone under this section unless the city, village, or township finds that it is necessary for the best interests of the public to promote and finance transit operations in a zone.

(6) An agreement designating a zone and establishing its boundaries under this section and any amendments to the agreement shall be filed by the city, village, or township with the secretary of state.

(7) The municipal and county treasurers shall transmit tax increment revenues to the treasurer for the city, village, or township in which the street railway system is located for distribution to the street railway according to the tax increment financing plan and the agreement. The street railway shall expend the tax increment revenues only under the terms of the tax increment financing plan and the agreement under this section. Unused funds shall revert proportionately to the respective taxing jurisdictions. Tax increment revenues shall not be used to circumvent existing property tax limitations. The city, village, or township and the department may abolish the zone if the city, village, or township and the department find that the purposes for which the zone was established are accomplished. Annually, the city, village, or township, with assistance from the street railway, shall submit to the department and the state tax commission a report on the status of the tax increment financing revenue. The report shall include all of the following:

(a) The amount and source of tax increment revenue received by the street railway.

(b) The amount and purpose of expenditures from tax increment revenue.

(c) The initial assessed value of the zone.

(d) The captured assessed value retained within the zone.

(e) A description of operating expenditures of the street railway.

(8) The state tax commission may institute proceedings to compel enforcement of this section. The state tax commission may promulgate rules necessary for the administration of this section under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(9) As used in this section:

(a) "Assessed value" means the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(b) "Captured assessed value" means the amount in any 1 year by which the current assessed value of a zone, including the assessed value of property for which specific local taxes are paid in lieu of property taxes, exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(c) "Initial assessed value" means the assessed value of all the taxable property within the boundaries of a zone at the time the tax increment financing plan is approved, as shown by the most recent equalized assessment roll of the city, village, or township at the time an agreement is approved under this section. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation.

(d) "Parcel" means an identifiable unit of land that is treated as separate for valuation or zoning purposes.

(e) "Specific local tax" means a tax levied under 1974 PA 198, 1976 PA 430, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, the commercial rehabilitation act, 2005 PA 210, MCL 207.841 to 207.856, the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786, the obsolete property rehabilitation act, 2000 PA 146, MCL 125.2781 to 125.2797, or 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. The state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(f) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the zone. Tax increment revenues do not include any of the following:

(*i*) Taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(*ii*) Taxes levied by local or intermediate school districts.

(*iii*) Taxes levied by a library established by 1901 LA 359.

(*iv*) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to the ad valorem property taxes.

(*v*) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to the ad valorem property taxes.

(*vi*) Ad valorem property taxes exempted from capture under this section or specific local taxes attributable to the ad valorem property taxes.

(*vii*) Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit or specific taxes attributable to those ad valorem property taxes.

(*viii*) Ad valorem taxes captured on property in a zone by any of the following authorities if the taxes were captured on the date that the property became subject to a tax increment financing plan under this section by any of the following authorities:

(A) A downtown development authority created under 1975 PA 197, MCL 125.1651 to 125.1681.

(B) A water resource improvement tax increment finance authority created under the water resource improvement tax increment finance authority act, 2008 PA 94, MCL 125.1771 to 125.1794.

(C) A tax increment finance authority under the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830.

(D) A local development finance authority created under the local development finance authority act, 1986 PA 281, MCL 125.2151 to 125.2174.

(E) A brownfield redevelopment finance authority created under the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2651 to 125.2672.

(F) A historical neighborhood tax increment finance authority created under the historical neighborhood tax increment finance authority act, 2004 PA 530, MCL 125.2841 to 125.2866.

(G) A corridor improvement authority created under the corridor improvement authority act, 2005 PA 280, MCL 125.2871 to 125.2899.

(H) A neighborhood improvement authority created under the neighborhood improvement authority act, 2007 PA 61, MCL 125.2911 to 125.2932.

(*ix*) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(A) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(B) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(g) "Zone" means a transit operations finance zone established under this section.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4527.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4527.new Transfer of records to bureau of commercial services; organization of entity; street railway not subject to railroad code of 1993.

Sec. 527. (1) Within 30 days of January 12, 2009, the secretary of state or any other agency having records of a street railway formed under this part prior to January 12, 2009 shall certify and transfer the records to the bureau of commercial services of the department of talent and economic development.

(2) Any entity formed on or after January 12, 2009 for the purpose of acquiring, owning, constructing, furnishing, equipping, completing, operating, improving, and maintaining a street railway or street railway system shall be organized under this part.

(3) A street railway is not subject to the railroad code of 1993, 1993 PA 354, MCL 462.101 to 462.451.

History: 2018, Act 57, Eff. Jan. 1, 2019.

PART 6
CORRIDOR IMPROVEMENT AUTHORITIES

****** 125.4602.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4602.new Definitions; A to M.

Sec. 602. As used in this part:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.

(b) "Assessed value" means the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a corridor improvement authority created under section 604(1) or a joint authority created under section 604(2).

(d) "Board" means the governing body of an authority.

(e) "Business district" means an area of a municipality zoned and used principally for business.

(f) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the development area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in section 603(e), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(g) "Chief executive officer" means the mayor of a city, the president of a village, or the supervisor of a township.

(h) "Development area" means that area described in section 605 to which a development plan is applicable.

(i) "Development plan" means that information and those requirements for a development area set forth in section 621.

(j) "Development program" means the implementation of the development plan.

(k) "Fiscal year" means the fiscal year of the authority.

(*l*) "Governing body" or "governing body of a municipality" means the elected body of a municipality having legislative powers or, for a joint authority created under section 604(2), the elected body of each municipality having legislative powers that is a member of the joint authority.

(m) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the resolution establishing or amending the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. The initial assessed value may be modified once during the term of the tax increment financing plan through an amendment as provided in section 618(4) after the tax increment financing plan fails to generate captured assessed value for 3 consecutive years due to declines in assessed value. Property exempt from taxation at the time of the determination of the initial or amended assessed value shall be included as zero. For the purpose of determining initial or amended assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in section 603(e).

(n) "Land use plan" means a plan prepared under former 1921 PA 207, former 1943 PA 184, or a site plan under the Michigan zoning enabling act, 2006 PA 110, MCL 125.3101 to 125.3702.

(o) "Municipality" means 1 of the following:

(*i*) A city.

(*ii*) A village.

(*iii*) A township.

(*iv*) A combination of 2 or more cities, villages, or townships acting jointly under a joint authority created under section 604(2).

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4603.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4603.new Definitions.

Sec. 603. As used in this part:

(a) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.

(b) "Parcel" means an identifiable unit of land that is treated as separate for valuation or zoning purposes.

(c) "Public facility" means a street, plaza, pedestrian mall, and any improvements to a street, plaza, or pedestrian mall including street furniture and beautification, sidewalk, trail, lighting, traffic flow modification, park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, transit-oriented development, transit-oriented facility, or building, including access routes, that are either designed and dedicated to use by the public generally or used by a public agency, or that are located in a qualified development area and are for the benefit of or for the protection of the health, welfare, or safety of the public generally, whether or not used by 1 or more business entities, provided that any road, street, or bridge shall be continuously open to public access and that other property shall be located in public easements or rights-of-way and designed to accommodate foreseeable development of public facilities in adjoining areas. Public facility includes an improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, if the improvement complies with the barrier-free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(d) "Qualified development area" means a development area that meets 1 of the following:

(*i*) All of the following:

(A) Is located within a city with a population of 700,000 or more.

(B) Contains at least 30 contiguous acres.

(C) Was owned by this state on December 31, 2003 and was conveyed to a private owner before June 30, 2004.

(D) Is zoned to allow for mixed use that includes commercial use and that may include residential use.

(E) Otherwise complies with the requirements of section 605(a), (d), (e), and (g).

(F) Construction within the qualified development area begins on or before the date 2 years after the effective date of the amendatory act that added this subdivision.

(G) Is located in a distressed area.

(*ii*) Contains transit-oriented development or a transit-oriented facility.

(e) "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA

385, MCL 207.701 to 207.718, or 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. The state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(f) "State fiscal year" means the annual period commencing October 1 of each year.

(g) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area. Except as otherwise provided in section 29, tax increment revenues do not include any of the following:

(*i*) Taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(*ii*) Taxes levied by local or intermediate school districts.

(*iii*) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to the ad valorem property taxes.

(*iv*) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to the ad valorem property taxes.

(*v*) Ad valorem property taxes exempted from capture under section 618(5) or specific local taxes attributable to the ad valorem property taxes.

(*vi*) Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit or specific taxes attributable to those ad valorem property taxes.

(*vii*) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(A) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(B) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(C) Except as otherwise provided in section 618(5), ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016.

(h) "Transit-oriented development" means infrastructional improvements that are located within 1/2 mile of a transit station or transit-oriented facility that promotes transit ridership or passenger rail use as determined by the board and approved by the municipality in which it is located.

(i) "Transit-oriented facility" means a facility that houses a transit station in a manner that promotes transit ridership or passenger rail use.

(j) "Distressed area" means a local governmental unit that meets all of the following:

(*i*) Has a population of 700,000 or more.

(*ii*) Shows a negative population change from 1970 to the date of the most recent federal decennial census.

(*iii*) Shows an overall increase in the state equalized value of real and personal property of less than the statewide average increase since 1972.

(*iv*) Has a poverty rate, as defined by the most recent federal decennial census, greater than the statewide average.

(*v*) Has had an unemployment rate higher than the statewide average.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4604.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4604.new Multiple authorities; establishment; public body corporate; powers.

Sec. 604. (1) Except as otherwise provided in this subsection, a municipality may establish multiple authorities. A parcel of property shall not be included in more than 1 authority created under this part.

(2) A city, village, or township located in a county with a population of more than 335,000 and less than 415,000 and that has not less than 2 state public universities within its boundaries may by resolution join with 1 or more cities, villages, or townships located in a county with a population of more than 335,000 and less than 415,000 and that has not less than 2 state public universities within its boundaries to create a joint authority under this part.

(3) An authority is a public body corporate which may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out its purpose. The enumeration of a power in this part shall not be construed as a limitation upon the general powers of an authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4605.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4605.new Development area; establishment in municipality; exception; criteria; compliance.

Sec. 605. A development area shall only be established in a municipality and, except for a development area located in a qualified development area, shall comply with all of the following criteria:

(a) Is adjacent to or is within 500 feet of a road classified as an arterial or collector according to the Federal Highway Administration manual "Highway Functional Classification - Concepts, Criteria and Procedures".

(b) Contains at least 10 contiguous parcels or at least 5 contiguous acres.

(c) More than 1/2 of the existing ground floor square footage in the development area is classified as commercial real property under section 34c of the general property tax act, 1893 PA 206, MCL 211.34c.

(d) Residential use, commercial use, or industrial use has been allowed and conducted under the zoning ordinance or conducted in the entire development area, for the immediately preceding 30 years.

(e) Is presently served by municipal water or sewer.

(f) Is zoned to allow for mixed use that includes high-density residential use.

(g) The municipality agrees to all of the following:

(*i*) To expedite the local permitting and inspection process in the development area.

(*ii*) To modify its master plan to provide for walkable nonmotorized interconnections, including sidewalks and streetscapes throughout the development area.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4606.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4606.new Creation of authority; resolution by governing body; notice of public hearing; adoption of resolution designating boundaries; alteration or amendment; interlocal agreement.

Sec. 606. (1) If the governing body of a municipality determines that it is necessary for the best interests of the public to redevelop its commercial corridors and to promote economic growth, the governing body may, by resolution, do 1 of the following:

(a) Declare its intention to create and provide for the operation of an authority.

(b) Declare its intention to jointly create and provide for the operation of a joint authority created under section 604(2).

(2) In the resolution of intent, the governing body shall state that the proposed development area meets the criteria in section 605, set a date for a public hearing on the adoption of a proposed resolution creating the authority, and designate the boundaries of the development area. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed development area, to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved, and to the state tax commission. Failure of a property taxpayer to receive the notice does not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed development area not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing and shall describe the boundaries of the proposed development area. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed development area. The governing body of the municipality shall not incorporate land into the development area not included in the description contained in the notice of public hearing, but it may eliminate described lands from the development area in the final determination of the boundaries.

(3) Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority it shall adopt, by majority vote of its members, a resolution establishing the authority and designating the boundaries of the development area within which the authority shall exercise its powers. The adoption of the resolution is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of a resolution over his or her veto. This resolution shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the

municipality.

(4) The governing body of the municipality may alter or amend the boundaries of the development area to include or exclude lands from the development area in the same manner as adopting the resolution creating the authority.

(5) A municipality that has created an authority may enter into an agreement with an adjoining municipality that has created an authority to jointly operate and administer those authorities under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement shall include, but is not limited to, a plan to coordinate and expedite local inspections and permit approvals, a plan to address contradictory zoning requirements, and a date certain to implement all provisions of these plans. If a municipality enters into an interlocal agreement under this subsection, the municipality shall provide a copy of that interlocal agreement to the state tax commission within 60 days of entering into the interlocal agreement.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4607.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4607.new Annexation or consolidation; effect.

Sec. 607. If a development area is part of an area annexed to or consolidated with another municipality, the authority managing that development area shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this part shall remain in effect following the annexation or consolidation.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4608.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4608.new Authority under supervision and control of board; membership; appointment; terms; vacancy; expenses; chairperson; oath; proceedings and rules subject to open meetings act; removal of board member; financial records; writings subject to freedom of information act; members as members of business improvement district; creation of joint authority; board.

Sec. 608. (1) Except as provided in subsection (7) or as otherwise provided in subsection (8), an authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality or his or her assignee and not less than 5 or more than 9 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an ownership or business interest in property located in the development area. At least 1 of the members shall be a resident of the development area or of an area within 1/2 mile of any part of the development area. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. After the initial appointment, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.

(2) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(3) The proceedings and rules of the board are subject to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(4) After having been given notice and an opportunity to be heard, a member of the board may be removed for cause by the governing body.

(5) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.

(6) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(7) If the boundaries of the development area are the same as those of a business improvement district established under 1961 PA 120, MCL 125.981 to 125.990m, the governing body of the municipality may

provide that the members of the board of the authority shall be the members of the board of the business improvement district and 1 person shall be a resident of the development area or of an area within 1/2 mile of any part of the development area.

(8) If 2 or more cities, villages, or townships create a joint authority under section 604(2), the board shall consist of up to 3 individuals appointed by the chief executive officer of each city, village, or township that is a member of the joint authority. Each of those individuals shall be appointed for initial staggered terms of 2 years, 3 years, or 4 years. A member shall hold office until the member's successor is appointed. After the initial appointment, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the city, village, or township for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4609.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4609.new Director, treasurer, secretary, legal counsel, other personnel; compensation; duties.

Sec. 609. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before beginning his or her duties, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the sum determined in the resolution establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be considered an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this part. The director shall attend the meetings of the board and shall provide to the board and to the governing body of the municipality a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before beginning his or her duties, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the authority and who, together with the director, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform all duties delegated to him or her by the board and shall furnish bond in an amount prescribed by the board.

(3) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings and shall perform other duties delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel considered necessary by the board.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4610.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4610.new Retirement and insurance programs.

Sec. 610. The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4611.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4611.new Board; powers.

Sec. 611. (1) The board may do any of the following:

(a) Prepare an analysis of economic changes taking place in the development area.

(b) Study and analyze the impact of metropolitan growth upon the development area.

(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the development area.

(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(e) Develop long-range plans, in cooperation with the agency that is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the development area and to promote the economic growth of the development area, and take steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(f) Implement any plan of development in the development area necessary to achieve the purposes of this part in accordance with the powers of the authority granted by this part.

(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(h) On terms and conditions and in a manner and for consideration the authority considers proper or for no consideration, acquire by purchase or otherwise, or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in the property, that the authority determines is reasonably necessary to achieve the purposes of this part, and to grant or acquire licenses, easements, and options.

(i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances to those buildings, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

(j) Fix, charge, and collect fees, rents, and charges for the use of any facility, building, or property under its control or any part of the facility, building, or property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(k) Lease, in whole or in part, any facility, building, or property under its control.

(*l*) Accept grants and donations of property, labor, or other things of value from a public or private source.

(m) Acquire and construct public facilities.

(n) Conduct market research and public relations campaigns, develop, coordinate, and conduct retail and institutional promotions, and sponsor special events and related activities.

(o) Contract for broadband service and wireless technology service in a development area.

(2) Notwithstanding any other provision of this part, in a qualified development area the board may, in addition to the powers enumerated in subsection (1), do 1 or more of the following:

(a) Perform any necessary or desirable site improvements to the land, including, but not limited to, installation of temporary or permanent utilities, temporary or permanent roads and driveways, silt fences, perimeter construction fences, curbs and gutters, sidewalks, pavement markings, water systems, gas distribution lines, concrete, including, but not limited to, building pads, storm drainage systems, sanitary sewer systems, parking lot paving and light fixtures, electrical service, communications systems, including broadband and high-speed internet, site signage, and excavation, backfill, grading of site, landscaping and irrigation, within the development area for the use, in whole or in part, of any public or private person or business entity, or a combination of these.

(b) Incur expenses and expend funds to pay or reimburse a public or private person for costs associated with any of the improvements described in subdivision (a).

(c) Make and enter into financing arrangements with a public or private person for the purposes of implementing the board's powers described in this section, including, but not limited to, lease purchase agreements, land contracts, installment sales agreements, sale leaseback agreements, and loan agreements.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4612.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4612.new Authority as instrument of political subdivision.

Sec. 612. The authority is an instrumentality of a political subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4613.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4613.new Acquisition of private property; transfer to authority; use.

Sec. 613. A municipality may acquire private property under 1911 PA 149, MCL 213.21 to 213.25, for the purpose of transfer to the authority, and may transfer the property to the authority for use in an approved development, on terms and conditions it considers appropriate, and the taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4614.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4614.new Financing sources; disposition.

Sec. 614. (1) The activities of the authority shall be financed from 1 or more of the following sources:

(a) Donations to the authority for the performance of its functions.

(b) Money borrowed and to be repaid as authorized by sections 616 and 617.

(c) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(d) Proceeds of a tax increment financing plan established under sections 618 to 620.

(e) Proceeds from a special assessment district created as provided by law.

(f) Money obtained from other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.

(2) Money received by the authority and not covered under subsection (1) shall immediately be deposited to the credit of the authority, subject to disbursement under this part. Except as provided in this part, the municipality shall not obligate itself, and shall not be obligated, to pay any sums from public funds, other than money received by the municipality under this section, for or on account of the activities of the authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4615.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4615.new Special assessment; levy; borrowing money and issuing notes.

Sec. 615. (1) An authority with the approval of the governing body may levy a special assessment as provided by law.

(2) The municipality may at the request of the authority borrow money and issue its notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation of collection of the ad valorem tax authorized in this section.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4616.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4616.new Revenue bonds.

Sec. 616. The authority may, with approval of the local governing body, borrow money and issue its negotiable revenue bonds under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140. Revenue bonds issued by the authority are not a debt of the municipality unless the municipality by majority vote of the members of its governing body pledges its full faith and credit to support the authority's revenue bonds. Revenue bonds issued by the authority are never a debt of the state.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4617.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4617.new Acquisition or construction of property; financing; bonds or notes.

Sec. 617. (1) The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of acquiring or constructing or causing to be constructed property in connection with either of the following:

(a) The implementation of a development plan in the development area.

(b) The refund, or refund in advance, of bonds or notes issued under this section.

(2) Any of the following may be financed by the issuance of revenue bonds or notes:

(a) The cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the development area, and, for the implementation of the development plan in a qualified development area, the cost of reimbursing a public or private person for any of those costs.

(b) Any engineering, architectural, legal, accounting, or financial expenses.

(c) The costs necessary or incidental to the borrowing of money.
(d) Interest on the bonds or notes during the period of construction.
(e) A reserve for payment of principal and interest on the bonds or notes.
(f) A reserve for operation and maintenance until sufficient revenues have developed.

(3) The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and any money, revenues, or income received in connection with the property.

(4) A pledge made by the authority is valid and binding from the time the pledge is made. The money or property pledged by the authority immediately is subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of a pledge is valid and binding against parties having claims of any kind in tort, contract, or otherwise, against the authority, whether or not the parties have notice of the lien. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created must be filed or recorded to be enforceable.

(5) Bonds or notes issued under this section are exempt from all taxation in this state except inheritance and transfer taxes, and the interest on the bonds or notes is exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(6) The municipality is not liable on bonds or notes of the authority issued under this section, and the bonds or notes are not a debt of the municipality. The bonds or notes shall contain on their face a statement to that effect.

(7) The bonds and notes of the authority may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4618.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4618.new Tax increment financing plan.

Sec. 618. (1) If the authority determines that it is necessary for the achievement of the purposes of this part, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 621, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 619. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(2) Approval of the tax increment financing plan shall comply with the notice, hearing, and disclosure provisions of section 622. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(3) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to meet with the governing body. The authority shall fully inform the taxing jurisdictions of the fiscal and economic implications of the proposed development area. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the development area.

(4) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearings and agreements as are required for approval of the original plan.

(5) Except for a development area located in a qualified development area, not more than 60 days after the public hearing on the tax increment financing plan, the governing body in a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. The resolution shall take effect when filed with the clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk. If a separate millage for public library purposes was levied before January 1, 2017, and all obligations of the authority are paid, then the levy is exempt from capture under this part, unless the library board or commission allows all or a portion of its taxes levied to be

included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if a separate millage for public library purposes was levied before January 1, 2017, and the authority alters or amends the boundaries of the development area or extends the duration of the existing finance plan, then the library board or commission may, not later than 60 days after a public hearing is held under this subsection, exempt all or a portion of its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality that created the authority. For ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016, a library board or commission may allow all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if the library was created under section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233, then any action of the library board or commission under this subsection shall have the concurrence of the chief executive officer of the city that created the library to be effective.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4619.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4619.new Tax increment revenues; transmission; expenditures; use.

Sec. 619. (1) The municipal and county treasurers shall transmit tax increment revenues to the authority.

(2) The authority shall expend the tax increment revenues received for the development program only under the terms of the tax increment financing plan. Unused funds shall revert proportionately to the respective taxing bodies. Tax increment revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan if it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished, allowed to expire, or otherwise terminate until the principal of, and interest on, bonds issued under section 620 have been paid or funds sufficient to make the payment have been segregated.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4620.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4620.new Financing development program of tax increment financing plan; authorization, issuance, and sale of general obligation bonds; estimate of anticipated tax increment revenues; resolution; security; lien.

Sec. 620. (1) The municipality may by resolution of its governing body authorize, issue, and sell limited general obligation bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan and shall pledge its full faith and credit for the payment of the bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality under section 614. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Before the municipality may authorize the borrowing, the authority shall submit an estimate of the anticipated tax increment revenues and other revenue available under section 614 to be available for payment of principal and interest on the bonds, to the governing body of the municipality. This estimate shall be approved by the governing body of the municipality by resolution adopted by majority vote of the members of the governing body in the resolution authorizing the bonds. If the governing body of the municipality adopts the resolution authorizing the bonds, the estimate of the anticipated tax increment revenues and other revenue available under section 614 to be available for payment of principal and interest on the bonds shall be conclusive for purposes of this section. The bonds issued under this subsection shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increment revenues of a development area in which the project is located or a development area from which tax increment revenues may be used for this project, or both. In addition or in the alternative, the bonds issued by the authority under this subsection may be secured by any other revenues identified in section 614 as sources of financing for activities of the authority that the authority shall specifically pledge in the

resolution. However, the full faith and credit of the municipality shall not be pledged to secure bonds issued under this subsection. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increment revenues from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution. Bonds issued under this subsection that pledge revenue received under section 615 for repayment of the bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4621.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4621.new Development plan; preparation; contents.

Sec. 621. (1) If a board decides to finance a project in a development area by the use of revenue bonds as authorized in section 616 or tax increment financing as authorized in sections 618, 619, and 620, it shall prepare a development plan.

(2) The development plan shall contain all of the following:

(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

(b) The location and extent of existing streets and other public facilities within the development area, designating the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and including a legal description of the development area.

(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(g) A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, traffic flow modifications, or utilities.

(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

(*l*) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(n) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the uniform relocation assistance and real property acquisition policies act of 1970, Public Law 91-646, 84 Stat 1894.

(o) A plan for compliance with 1972 PA 227, MCL 213.321 to 213.332.

(p) The requirement that amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.

(q) A schedule to periodically evaluate the effectiveness of the development plan.

(r) Other material that the authority, local public agency, or governing body considers pertinent.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4622.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4622.new Development plan; public hearing; notice; contents; opportunity to speak; hearing record.

Sec. 622. (1) The governing body, before adoption of a resolution approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the development area not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the development area and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the tax increment financing plan is approved not less than 20 days before the hearing. The notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the tax increment financing plan is approved.

(2) Notice of the time and place of hearing on a development plan shall contain all of the following:

(a) A description of the proposed development area in relation to highways, streets, streams, or otherwise.

(b) A statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice.

(c) A statement that all aspects of the development plan will be open for discussion at the public hearing.

(d) Other information that the governing body considers appropriate.

(3) At the time set for the hearing, the governing body shall provide an opportunity for interested persons to speak and shall receive and consider communications in writing. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for consideration of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at the hearing.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4623.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4623.new Approval, rejection, or approval with modification; considerations.

Sec. 623. The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice given under section 622, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall by resolution approve or reject the plan, or approve it with modification, based on the following considerations:

(a) The plan meets the requirements under section 620(2).

(b) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of this part.

(d) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this part in an efficient and economically satisfactory manner.

(e) The development plan is in reasonable accord with the land use plan of the municipality.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.

(g) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4624.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4624.new Notice to vacate.

Sec. 624. A person to be relocated under this part shall be given not less than 90 days' written notice to vacate unless modified by court order issued for good cause and after a hearing.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4625.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4625.new Budget; submission to board; preparation; approval; adoption; cost of handling and auditing funds.

Sec. 625. (1) The director of the authority shall submit a budget to the board for the operation of the authority for each fiscal year before the beginning of the fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. After review by the board, the budget shall be submitted to the governing body. The governing body must approve the budget before the board may adopt the budget. Unless authorized by the governing body or this part, funds of the municipality shall not be included in the budget of the authority.

(2) The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which shall be paid annually by the board pursuant to an appropriate item in its budget.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4626.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4626.new Preservation of historical sites.

Sec. 626. (1) A public facility, building, or structure that is determined by the municipality to have significant historical interests shall be preserved in a manner considered necessary by the municipality in accordance with laws relative to the preservation of historical sites.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the National Register of Historic Places to the applicable historic district commission created under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, or the Michigan state housing development authority for review.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4627.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4627.new Dissolution.

Sec. 627. An authority that has completed the purposes for which it was organized shall be dissolved by resolution of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4629.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4629.new Tax increment revenues; definition; condition.

Sec. 629. (1) Subject to the requirements of subsection (2), within 60 days after a development plan for a qualified development area has been approved under section 618, upon written request from the authority, the Michigan economic growth authority under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810, may include the following within the definition of tax increment revenues under section 3(g):

(a) Taxes under the state education tax act, 1933 PA 331, MCL 211.901 to 211.906.

(b) Taxes levied by local or intermediate school districts under the revised school code, 1976 PA 451, MCL 380.1 to 380.1852.

(2) The Michigan economic growth authority may only allow inclusion of the taxes described in subsection (1) in the definition of tax increment revenues if the Michigan economic growth authority under the Michigan economic growth authority act, 1995 PA 24, MCL 207.801 to 207.810, determines that the inclusion is necessary to reduce unemployment, promote economic growth, and increase capital investment in a qualified development area.

History: 2018, Act 57, Eff. Jan. 1, 2019.

PART 7

WATER RESOURCE IMPROVEMENT AUTHORITIES

****** 125.4702.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4702.new Definitions; A to M.

Sec. 702. As used in this part:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.

(b) "Assessed value" means the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a water resource improvement tax increment finance authority created under this part.

(d) "Board" means the governing body of an authority.

(e) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the development area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in section 803(d), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(f) "Chief executive officer" means the mayor or city manager of a city, the president or village manager of a village, or the supervisor of a township.

(g) "Development area" means that area described in section 805 to which a development plan is applicable.

(h) "Development plan" means that information and those requirements for a development area set forth in section 822.

(i) "Development program" means the implementation of the development plan.

(j) "Fiscal year" means the fiscal year of the authority.

(k) "Governing body" or "governing body of a municipality" means the elected body of a municipality having legislative powers.

(*l*) "Initial assessed value" means the assessed value of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in section 803(d).

(m) "Inland lake" means a natural or artificial lake, pond, or impoundment. Inland lake does not include the Great Lakes, Lake St. Clair, or a lake or pond that has a surface area of less than 5 acres.

(n) "Land use plan" means a plan prepared under former 1921 PA 207, or a site plan under the Michigan zoning enabling act, 2006 PA 110, MCL 125.3101 to 125.3702.

(o) "Municipality" means a city, village, or township.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4703.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4703.new Definitions; O to W.

Sec. 703. As used in this part:

(a) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.

(b) "Parcel" means an identifiable unit of land that is treated as separate for valuation or zoning purposes.

(c) "Public facility" means a street, and any improvements to a street, including street furniture and beautification, park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, or building, including access routes designed and dedicated to use by the public generally, or used by a public agency, that is related to access to inland lakes or a water resource improvement, or means a water resource improvement. Public facility includes an improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, if the improvement complies with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(d) "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, or 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. The state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(e) "State fiscal year" means the annual period commencing October 1 of each year.

(f) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area. Tax increment revenues do not include any of the following:

(*i*) Taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(*ii*) Taxes levied by local or intermediate school districts.

(*iii*) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to the ad valorem property taxes.

(*iv*) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to the ad valorem property taxes.

(*v*) Ad valorem property taxes exempted from capture under section 815(5) or specific local taxes attributable to the ad valorem property taxes.

(*vi*) Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit or specific taxes attributable to those ad valorem property taxes.

(*vii*) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(A) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(B) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(C) Except as otherwise provided in section 715(5), ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016.

(g) "Water resource improvement" means enhancement of water quality and water dependent natural resources, including, but not limited to, the following:

(*i*) The elimination of the causes and the proliferation of aquatic nuisance species, as defined in section 3101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.3101.

(*ii*) Sewer systems that service existing structures that have failing on-site disposal systems.

(*iii*) Storm water systems that service existing infrastructure.

(*iv*) Dredging, removal of spoils, or other improvements or maintenance activities that enhance navigability of a waterway.

(h) "Water resource improvement district" or "district" means 1 or more of the following:

(*i*) An inland body of water and land that is up to 1 mile from the shoreline of an inland lake that contains 1 or more public access points.

(*ii*) An inland body of water and parcels of land that are contiguous to the shoreline of an inland lake that does not contain a public access point.

(*iii*) The shoreline of a harbor on a Great Lake and 1 or more of the following:

(A) Land up to 1 mile from the shoreline of the harbor.

(B) A tributary to that Great Lake harbor up to 5 miles upstream from the shoreline of the Great Lake harbor.

(C) Land up to 1 mile from each bank of the tributary described in sub-subparagraph (B).

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4704.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 *****

125.4704.new Establishment of multiple authorities; powers.

Sec. 704. (1) Except as otherwise provided in this subsection, a municipality may establish multiple authorities. A parcel of property shall not be included in more than 1 authority created under this part.

(2) An authority is a public body corporate that may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out its purpose. The enumeration of a power in this part shall not be construed as a limitation upon the general powers of an authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4705.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4705.new Intent to create and provide for operation of authority within water resource improvement district; resolution of intent; notice of public hearing; adoption of ordinance; filing; publication; alteration or amendment of boundaries; agreement with adjoining municipality.

Sec. 705. (1) If the governing body of a municipality determines that it is necessary for the best interests of the public to promote water resource improvement or access to inland lakes, or both, in a water resource improvement district, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority within the boundaries of a water resource improvement district.

(2) In the resolution of intent, the governing body shall set a date for a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the development area. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed development area and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure of a property taxpayer to receive the notice does not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed development area not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing and shall describe the boundaries of the proposed development area. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed development area. The governing body of the municipality shall not incorporate land into the development area not included in the description contained in the notice of public hearing, but it may eliminate described lands from the development area in the final determination of the boundaries.

(3) Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the development area within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his or her veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(4) The governing body of the municipality may alter or amend the boundaries of the development area to include or exclude lands from the development area in the same manner as adopting the ordinance creating the authority.

(5) A municipality that has created an authority may enter into an agreement with an adjoining municipality that has created an authority to jointly operate and administer those authorities under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4706.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4706.new Annexation or consolidation.

Sec. 706. If a development area is part of an area annexed to or consolidated with another municipality, the authority managing that development area shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this part shall remain in effect following the annexation or consolidation.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4707.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4707.new Board; membership; qualifications; terms; appointment to fill vacancy; compensation; oath of office; proceedings and rules subject to open meetings act; meetings; removal of board member; publication of expense items; availability of financial records; writings subject to freedom of information act.

Sec. 707. (1) An authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality or his or her designee and not less than 5 or more than 9 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an ownership or business interest in property located in the development area. At least 1 of the members shall be a resident of the development area or of an area within 1/2 mile of any part of the development area. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. After the initial appointment, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.

(2) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(3) The proceedings and rules of the board are subject to the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(4) After having been given notice and an opportunity to be heard, a member of the board may be removed for cause by the governing body.

(5) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.

(6) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4708.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4708.new Director; compensation; service; oath; bond; duties; acting director; treasurer; secretary; legal counsel; duties; other personnel.

Sec. 708. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before beginning his or her duties, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be considered an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this part. The director shall attend the meetings of the board and shall provide to the board and to the governing body of the municipality a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before beginning his or her duties, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the authority and who, together with the director, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform all duties delegated to him or her by the board and shall furnish bond in an amount prescribed by the board.

(3) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings and shall perform other duties delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel considered necessary by the board.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4709.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4709.new Participation of employees in municipal retirement and insurance programs; employees not civil service employees.

Sec. 709. The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4710.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4710.new Board; powers; duties; preparation of water resource management plan; consultation with certain entities; application for state and federal permits.

Sec. 710. (1) The board may do any of the following:

(a) Prepare an analysis of water resource improvement and access to inland lakes issues taking place in the development area.

(b) Study and analyze the need for water resource improvements and access to inland lakes upon the development area.

(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility that may be necessary or appropriate to the execution of a plan that, in the opinion of the board, aids in water resource improvement or access to inland lakes in the development area. The board is encouraged to develop a plan that conserves the natural features, reduces impervious surfaces, and uses landscaping and natural features to reflect the predevelopment site.

(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(e) Develop long-range plans for water resource improvement and access to inland lakes within the district.

(f) Implement any plan of development for water resource improvement and access to inland lakes in the development area necessary to achieve the purposes of this part in accordance with the powers of the authority granted by this part.

(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in the property, that the authority determines is reasonably necessary to achieve the purposes of this part, and to grant or acquire licenses, easements, and options.

(i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, clear, improve, maintain, and repair any public facility, building, and any necessary or desirable appurtenances to those buildings and operate a water resource improvement, as determined by the authority to be reasonably necessary to achieve the purposes of this part, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

(j) Fix, charge, and collect fees, rents, and charges for the use of any facility, building, or property under its control or any part of the facility, building, or property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(k) Lease, in whole or in part, any facility, building, or property under its control.

(*l*) Accept grants and donations of property, labor, or other things of value from a public or private source.

(m) Acquire and construct public facilities.

(n) Plan and implement water resource improvements in harbors of the Great Lakes and their tributaries, including, but not limited to, dredging, removal of spoils, and other improvements or maintenance activities that enhance navigability of a waterway.

(2) The board shall prepare a water resource management plan in consultation with the department of environmental quality, the department of natural resources, or any other entity with expertise in water quality management and invasive species management.

(3) The board may apply for the necessary state and federal permits required for a public facility or a water resource improvement under this part.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4711.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4711.new Authority as instrumentality of political subdivision.

Sec. 711. The authority is an instrumentality of a political subdivision for purposes of 1972 PA 227, MCL 213.321 to 213.332.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4712.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4712.new Financing sources; disposition of money received.

Sec. 712. (1) The activities of the authority shall be financed from 1 or more of the following sources:

(a) Donations to the authority for the performance of its functions.

(b) Money borrowed and to be repaid as authorized by sections 713 and 714.

(c) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(d) Proceeds of a tax increment financing plan established under sections 715 to 717.

(e) Proceeds from a special assessment district created as provided by law.

(f) Money obtained from other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.

(2) Money received by the authority and not covered under subsection (1) shall immediately be deposited to the credit of the authority, subject to disbursement under this part. Except as provided in this part, the municipality shall not obligate itself, and shall not be obligated, to pay any sums from public funds, other than money received by the municipality under this section, for or on account of the activities of the authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4713.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4713.new Borrowing money and issuing bonds.

Sec. 713. The authority may borrow money and issue its negotiable revenue bonds under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4714.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4714.new Borrowing money and issuing bonds or notes; security; pledge; lien; exemption of bonds or notes from taxation; municipality not liable on bonds and notes of authority; statement; investment; deposit.

Sec. 714. (1) The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of water resource improvements in connection with either of the following:

(a) The implementation of a development plan in the development area.

(b) The refund, or refund in advance, of bonds or notes issued under this section.

(2) Any of the following may be financed by the issuance of revenue bonds or notes:

(a) The cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the development area.

(b) Any engineering, architectural, legal, accounting, or financial expenses.

(c) The costs necessary or incidental to the borrowing of money.

(d) Interest on the bonds or notes during the period of construction.

(e) A reserve for payment of principal and interest on the bonds or notes.

(f) A reserve for operation and maintenance until sufficient revenues have developed.

(3) The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and

any money, revenues, or income received in connection with the property.

(4) A pledge made by the authority is valid and binding from the time the pledge is made. The money or property pledged by the authority immediately is subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of a pledge is valid and binding against parties having claims of any kind in tort, contract, or otherwise, against the authority, whether or not the parties have notice of the lien. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created must be filed or recorded to be enforceable.

(5) Bonds or notes issued under this section are exempt from all taxation in this state, and the interest on the bonds or notes is exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(6) The municipality is not liable on bonds or notes of the authority issued under this section, and the bonds or notes are not a debt of the municipality. The bonds or notes shall contain on their face a statement to that effect.

(7) The bonds and notes of the authority may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4715.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4715.new Tax increment financing plan; preparation and submission; development plan; statement of estimated impact; approval; notice, hearing, and disclosure provisions; modification; exempting taxes from capture; resolution; action of library board or commission.

Sec. 715. (1) If the authority determines that it is necessary for the achievement of the purposes of this part, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 718, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 716. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(2) Approval of the tax increment financing plan shall comply with the notice, hearing, and disclosure provisions of section 821. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(3) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to meet with the governing body. The authority shall fully inform the taxing jurisdictions of the fiscal and economic implications of the proposed development area. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the development area.

(4) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearings and agreements as are required for approval of the original plan.

(5) Not more than 60 days after the public hearing, the governing body in a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. In the event that the governing body levies a separate millage for public library purposes, at the request of the public library board, that separate millage shall be exempt from the capture. The resolution shall take effect when filed with the clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk. If a separate millage for public library purposes was levied before January 1, 2017, and all obligations of the authority are paid, then the levy is exempt from capture under this part, unless the library board or commission allows all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the

library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if a separate millage for public library purposes was levied before January 1, 2017, and the authority alters or amends the boundaries of the district or extends the duration of the existing finance plan, then the library board or commission may, not later than 60 days after a public hearing is held under this subsection, exempt all or a portion of its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality that created the authority. For ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016, a library board or commission may allow all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if the library was created under section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233, then any action of the library board or commission under this subsection shall have the concurrence of the chief executive officer of the city that created the library to be effective.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4716.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4716.new Transmission of tax increment revenues to authority; expenditures; terms; reversion of unused funds; abolishment of plan; conditions.

Sec. 716. (1) The municipal and county treasurers shall transmit tax increment revenues to the authority.

(2) The authority shall expend the tax increment revenues received for the development program only under the terms of the tax increment financing plan. Unused funds shall revert proportionately to the respective taxing bodies. Tax increment revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan if it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished, allowed to expire, or otherwise terminate until the principal of, and interest on, bonds issued under section 717 have been paid or funds sufficient to make the payment have been segregated.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4717.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4717.new Authorization, issuance, and sale of tax increment bonds.

Sec. 717. (1) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increment revenues of a development area in which the project is located or a development area from which tax increment revenues may be used for this project, or both. In addition or in the alternative, the bonds issued by the authority under this subsection may be secured by any other revenues identified in section 712 as sources of financing for activities of the authority that the authority shall specifically pledge in the resolution. However, except as otherwise provided in this section, the full faith and credit of the municipality shall not be pledged to secure bonds issued under this subsection. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increment revenues from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution. Bonds issued under this subsection that pledge revenue received under section 715 for repayment of the bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) The municipality, by majority vote of the members of its governing body, may make a limited tax pledge to support the authority's tax increment bonds or notes or, if authorized by the voters of the municipality, may pledge its unlimited tax full faith and credit for the payment of the principal of and interest on the authority's tax increment bonds or notes.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4718.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4718.new Development plan; contents.

Sec. 718. (1) If a board decides to finance a project in a development area by the use of revenue bonds as authorized in section 713 or tax increment financing as authorized in sections 715, 716, and 717, it shall prepare a development plan.

(2) The development plan shall contain all of the following:

(a) The designation of boundaries of the development area in relation to highways, streets, streams, lakes, other bodies of water, or otherwise.

(b) The location and extent of existing streets and other public facilities within the development area, designating the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and including a legal description of the development area.

(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(g) A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, or utilities.

(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

(*l*) The requirement that amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.

(m) The water resource improvements that will be made in the development area.

(n) Other material that the authority, local public agency, or governing body considers pertinent.

(o) Based on consultation with the affected state and federal authorities, an identification of the permits the board believes necessary to complete the proposed public facility and an explanation of how the proposed public facility will meet the requirements necessary for issuance of each permit.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4719.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4719.new Development plan or tax increment financing plan; adoption of ordinance; notice of public hearing; purpose of public hearing.

Sec. 719. (1) The governing body, before adoption of an ordinance approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the development area not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the development area and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the tax increment financing plan is approved not less than 20 days before the hearing.

(2) Notice of the time and place of hearing on a development plan shall contain all of the following:

(a) A description of the proposed development area in relation to highways, streets, streams, or otherwise.

(b) A statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice.

(c) A statement that all aspects of the development plan will be open for discussion at the public hearing.

(d) Other information that the governing body considers appropriate.

(3) At the time set for the hearing, the governing body shall provide an opportunity for interested persons to speak and shall receive and consider communications in writing. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for consideration of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at the hearing.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4720.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4720.new Determination of public purpose; approval or rejection of plan; modification; considerations.

Sec. 720. The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice given under section 819, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall by ordinance approve or reject the plan, or approve it with modification, based on the following considerations:

(a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.

(b) The plan meets the requirements under section 818(2).

(c) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(d) The development is reasonable and necessary to carry out the purposes of this part.

(e) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this part in an efficient and economically satisfactory manner.

(f) The development plan is in reasonable accord with the land use plan of the municipality.

(g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.

(h) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4721.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4721.new Operation of authority; budget; review by board; submission to governing body; adoption; cost of handling and auditing funds.

Sec. 721. (1) The director of the authority shall submit a budget to the board for the operation of the authority for each fiscal year before the beginning of the fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. After review by the board, the budget shall be submitted to the governing body. The governing body must approve the budget before the board may adopt the budget. Unless authorized by the governing body or this part, funds of the municipality shall not be included in the budget of the authority.

(2) The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which shall be paid annually by the board pursuant to an appropriate item in its budget.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4722.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4722.new Dissolution of authority.

Sec. 722. An authority that has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.

History: 2018, Act 57, Eff. Jan. 1, 2019.

PART 8

NEIGHBORHOOD IMPROVEMENT AUTHORITIES

****** 125.4802.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4802.new Definitions; A to M.

Sec. 802. As used in this part:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.

(b) "Assessed value" means the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a neighborhood improvement authority created under this part.

(d) "Board" means the governing body of an authority.

(e) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the development area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in section 803(d), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(f) "Chief executive officer" means the mayor or city manager of a city or the president or village manager of a village.

(g) "Development area" means that area described in section 805 to which a development plan is applicable.

(h) "Development plan" means that information and those requirements for a development area set forth in section 819.

(i) "Development program" means the implementation of the development plan.

(j) "Fiscal year" means the fiscal year of the authority.

(k) "Governing body" or "governing body of a municipality" means the elected body of a municipality having legislative powers.

(*l*) "Housing" means publicly owned housing, individual or multifamily.

(m) "Initial assessed value" means the assessed value of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in section 803(d).

(n) "Land use plan" means a plan prepared under former 1921 PA 207 or a site plan under the Michigan zoning enabling act, 2006 PA 110, MCL 125.3101 to 125.3702.

(o) "Municipality" means a city or a village.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4803.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4803.new Definitions; O to T.

Sec. 803. As used in this part:

(a) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.

(b) "Parcel" means an identifiable unit of land that is treated as separate for valuation or zoning purposes.

(c) "Public facility" means housing, a street, plaza, pedestrian mall, and any improvements to a street, plaza, or pedestrian mall including street furniture and beautification, park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, or building, including access routes designed and dedicated to use by the public generally, or used by a public agency. Public facility includes an improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, if the improvement complies with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(d) "Residential district" means an area of a municipality where 75% or more of the area is zoned for residential housing.

(e) "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA

385, MCL 207.701 to 207.718, 1953 PA 189, MCL 211.181 to 211.182, the neighborhood enterprise zone act, 1992 PA 147, MCL 207.771 to 207.786, or the commercial rehabilitation act, 2005 PA 210, MCL 207.841 to 207.856. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. The state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(f) "State fiscal year" means the annual period commencing October 1 of each year.

(g) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area. Tax increment revenues do not include any of the following:

(*i*) Taxes under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(*ii*) Taxes levied by local or intermediate school districts.

(*iii*) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to the ad valorem property taxes.

(*iv*) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to the ad valorem property taxes.

(*v*) Ad valorem property taxes exempted from capture under section 814(5) or specific local taxes attributable to those ad valorem property taxes.

(*vi*) Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit or specific taxes attributable to those ad valorem property taxes.

(*vii*) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(A) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(B) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(C) Except as otherwise provided in section 814(5), ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4804.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4804.new Multiple authorities; establishment; authority as public body corporate.

Sec. 804. (1) Except as otherwise provided in this subsection, a municipality may establish multiple authorities. A parcel of property shall not be included in more than 1 authority created under this part.

(2) An authority is a public body corporate that may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out its purpose. The enumeration of a power in this part shall not be construed as a limitation upon the general powers of an authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4805.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4805.new Operation of authority; resolution of intent; public hearing; notice; adoption of ordinance establishing authority; filing; alteration or amendment of boundaries; exclusions; duration.

Sec. 805. (1) If the governing body of a municipality determines that it is necessary for the best interests of the public to promote residential growth in a residential district and to promote economic growth, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the development area. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed development area and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing

plan is approved. Failure of a property taxpayer to receive the notice does not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed development area not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing and shall describe the boundaries of the proposed development area. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed development area. The governing body of the municipality shall not incorporate land into the development area not included in the description contained in the notice of public hearing, but it may eliminate described lands from the development area in the final determination of the boundaries.

(3) Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the development area within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his or her veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(4) The governing body of the municipality may alter or amend the boundaries of the development area to include or exclude lands from the development area in the same manner as adopting the ordinance creating the authority.

(5) A residential district or development area under this part shall not include an area of a municipality that is part of a residential district or a development area under the historical neighborhood tax increment finance authority act, 2004 PA 530, MCL 125.2841 to 125.2866.

(6) An authority created under this part shall have a duration of not more than 30 years from the date of the resolution creating the authority. The governing body of a municipality may extend the duration of the authority by resolution if the purposes for which the authority was created still exist.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4806.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4806.new Annexation or consolidation with another municipality.

Sec. 806. If a development area is part of an area annexed to or consolidated with another municipality, the authority managing that development area shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this part shall remain in effect following the annexation or consolidation.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4807.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4807.new Board; chief executive officer; membership; appointment; terms; vacancy; oath; open meetings; removal of member; financial records; writings subject to freedom of information act.

Sec. 807. (1) An authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality or his or her designee and not less than 5 or more than 9 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an ownership or business interest in property located in the development area. At least 1 of the members shall be a resident of the development area or of an area within 1/2 mile of any part of the development area. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. After the initial appointment, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.

(2) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(3) The proceedings and rules of the board are subject to the open meetings act, 1976 PA 267, MCL 15.261

to 15.275. The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(4) After having been given notice and an opportunity to be heard, a member of the board may be removed for cause by the governing body.

(5) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.

(6) A writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function is subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4808.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4808.new Director; compensation; service; eligibility; oath; posting of bond; director as chief executive officer; duties of director; acting director; treasurer; secretary; retention of legal counsel; other personnel.

Sec. 808. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before beginning his or her duties, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be considered an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this part. The director shall attend the meetings of the board and shall provide to the board and to the governing body of the municipality a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before beginning his or her duties, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the authority and who, together with the director, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform all duties delegated to him or her by the board and shall furnish bond in an amount prescribed by the board.

(3) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings and shall perform other duties delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel considered necessary by the board.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4809.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4809.new Municipal retirement and insurance programs; participation.

Sec. 809. The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4810.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4810.new Powers of board.

Sec. 810. The board may do any of the following:

(a) Prepare an analysis of economic changes taking place in the development area.

(b) Study and analyze the impact of metropolitan growth upon the development area.

(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the residential growth and economic growth of the development area.

(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(e) Develop long-range plans, in cooperation with the agency that is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the development area and to promote the residential growth and economic growth of the development area, and take steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(f) Implement any plan of development, including housing for low-income individuals, in the development area necessary to achieve the purposes of this part in accordance with the powers of the authority granted by this part.

(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in the property, that the authority determines is reasonably necessary to achieve the purposes of this part, and to grant or acquire licenses, easements, and options.

(i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, clear, improve, maintain, repair, and operate any public facility, building, including multiple-family dwellings, and any necessary or desirable appurtenances to those buildings, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

(j) Fix, charge, and collect fees, rents, and charges for the use of any facility, building, or property under its control or any part of the facility, building, or property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(k) Lease, in whole or in part, any facility, building, or property under its control.

(*l*) Accept grants and donations of property, labor, or other things of value from a public or private source.

(m) Acquire and construct public facilities.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4811.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4811.new Financing sources; disposition of money received.

Sec. 811. (1) The activities of the authority shall be financed from 1 or more of the following sources:

(a) Donations to the authority for the performance of its functions.

(b) Money borrowed and to be repaid as authorized by sections 812 and 813.

(c) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(d) Proceeds of a tax increment financing plan established under sections 814 to 816.

(e) Proceeds from a special assessment district created as provided by law.

(f) Money obtained from other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.

(2) Money received by the authority and not covered under subsection (1) shall immediately be deposited to the credit of the authority, subject to disbursement under this part. Except as provided in this part, the municipality shall not obligate itself, and shall not be obligated, to pay any sums from public funds, other than money received by the municipality under this section, for or on account of the activities of the authority.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4813.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4812.new Borrowing money and issuing negotiable revenue bonds.

Sec. 812. The authority may borrow money and issue its negotiable revenue bonds under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4813.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4813.new Acquisition or construction of property; borrowing money and issuing

revenue bonds; other financing; securing bonds and notes; pledge; exemption from taxation; exceptions; liability; investments.

Sec. 813. (1) The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of acquiring or constructing property in connection with either of the following:

(a) The implementation of a development plan in the development area.

(b) The refund, or refund in advance, of bonds or notes issued under this section.

(2) Any of the following may be financed by the issuance of revenue bonds or notes:

(a) The cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the development area.

(b) Any engineering, architectural, legal, accounting, or financial expenses.

(c) The costs necessary or incidental to the borrowing of money.

(d) Interest on the bonds or notes during the period of construction.

(e) A reserve for payment of principal and interest on the bonds or notes.

(f) A reserve for operation and maintenance until sufficient revenues have developed.

(3) The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and any money, revenues, or income received in connection with the property.

(4) A pledge made by the authority is valid and binding from the time the pledge is made. The money or property pledged by the authority immediately is subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of a pledge is valid and binding against parties having claims of any kind in tort, contract, or otherwise, against the authority, whether or not the parties have notice of the lien. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created must be filed or recorded to be enforceable.

(5) Bonds or notes issued under this section are exempt from all taxation in this state except inheritance and transfer taxes, and the interest on the bonds or notes is exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(6) The municipality is not liable on bonds or notes of the authority issued under this section, and the bonds or notes are not a debt of the municipality. The bonds or notes shall contain on their face a statement to that effect.

(7) The bonds and notes of the authority may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4814.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4814.new Tax increment financing plan; preparation and submission; contents; hearing and approval procedure; agreement with taxing jurisdiction; modification; exemption from tax; separate millage for public library purposes; resolution.

Sec. 814. (1) If the authority determines that it is necessary for the achievement of the purposes of this part, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 816, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 815. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(2) Approval of the tax increment financing plan shall comply with the notice, hearing, and disclosure provisions of section 818. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(3) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to meet with the governing body. The authority shall fully inform the taxing jurisdictions of the fiscal and economic implications of the proposed development area. The taxing jurisdictions may present their recommendations at the public hearing

on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the development area.

(4) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearings and agreements as are required for approval of the original plan.

(5) Not more than 60 days after the public hearing, the governing body in a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. In the event that the governing body levies a separate millage for public library purposes, at the request of the public library board, that separate millage shall be exempt from the capture. The resolution shall take effect when filed with the clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk. If a separate millage for public library purposes was levied before January 1, 2017, and all obligations of the authority are paid, then the levy is exempt from capture under this part, unless the library board or commission allows all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if a separate millage for public library purposes was levied before January 1, 2017, and the authority alters or amends the boundaries of a development area or extends the duration of the existing finance plan, then the library board or commission may, not later than 60 days after a public hearing is held under this subsection, exempt all or a portion of its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality that created the authority. For ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016, a library board or commission may allow all or a portion of its taxes levied to be included as tax increment revenues and subject to capture under this part under the terms of a written agreement between the library board or commission and the authority. The written agreement shall be filed with the clerk of the municipality. However, if the library was created under section 1 or 10a of 1877 PA 164, MCL 397.201 and 397.210a, or established under 1869 LA 233, then any action of the library board or commission under this subsection shall have the concurrence of the chief executive officer of the city that created the library to be effective.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4815.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4815.new Tax increment revenues; transmission to authority; expenditures.

Sec. 815. (1) The municipal and county treasurers shall transmit tax increment revenues to the authority.

(2) The authority shall expend the tax increment revenues received for the development program only under the terms of the tax increment financing plan. Unused funds shall revert proportionately to the respective taxing bodies. Tax increment revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan if it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished, allowed to expire, or otherwise terminate until the principal of, and interest on, bonds issued under section 816 have been paid or funds sufficient to make the payment have been segregated.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4816.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4816.new Authorization, issuance, and sale of tax increment bonds; limitations; pledge; resolution to create lien on revenues; limited tax pledge.

Sec. 816. (1) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increment revenues of a development area in which the project is located or a development area from which tax increment revenues may be used for this project, or both. In addition or in the alternative, the bonds issued by the authority under this subsection may be secured by any other revenues identified in section 811 as sources of financing for activities of the authority that the authority shall specifically pledge in the resolution. However, except as otherwise provided in this section, the full faith and credit of the municipality shall not be pledged to secure bonds issued under this subsection. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increment revenues from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution. Bonds issued under this subsection are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) The municipality, by majority vote of the members of its governing body, may make a limited tax pledge to support the authority's tax increment bonds or notes or, if authorized by the voters of the municipality, may pledge its unlimited tax full faith and credit for the payment of the principal of and interest on the authority's tax increment bonds or notes.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4817.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4817.new Development plan; contents.

Sec. 817. (1) If a board decides to finance a project in a development area by the use of revenue bonds as authorized in section 812 or tax increment financing as authorized in sections 814, 815, and 816, it shall prepare a development plan.

(2) The development plan shall contain all of the following:

(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

(b) The location and extent of existing streets and other public facilities within the development area, designating the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and including a legal description of the development area.

(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(g) A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, or utilities.

(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

(*l*) The requirement that amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.

(m) Other material that the authority, local public agency, or governing body considers pertinent.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4818.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4818.new Development plan; public hearing; notice; opportunity to speak and provide written comment.

Sec. 818. (1) The governing body, before adoption of an ordinance approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the development area not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the development area and to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the tax increment financing plan is approved not less than 20 days before the hearing.

(2) Notice of the time and place of hearing on a development plan shall contain all of the following:

(a) A description of the proposed development area in relation to highways, streets, streams, or otherwise.

(b) A statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, if any, are available for public inspection at a place designated in the notice.

(c) A statement that all aspects of the development plan will be open for discussion at the public hearing.

(d) Other information that the governing body considers appropriate.

(3) At the time set for the hearing, the governing body shall provide an opportunity for interested persons to speak and shall receive and consider communications in writing. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for consideration of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at the hearing.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4819.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4819.new Development plan or tax increment financing plan as public purpose; consideration for approval, rejection, or modification.

Sec. 819. The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice given under section 818, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall by ordinance approve or reject the plan, or approve it with modification, based on the following considerations:

(a) The plan meets the requirements under section 817(2).

(b) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of this part.

(d) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this part in an efficient and economically satisfactory manner.

(e) The development plan is in reasonable accord with the land use plan of the municipality.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.

(g) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4820.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4820.new Budget; submission; approval; cost of handling and auditing funds.

Sec. 820. (1) The director of the authority shall submit a budget to the board for the operation of the authority for each fiscal year before the beginning of the fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. After review by the board, the budget shall be submitted to the governing body. The governing body must approve the budget before the board may adopt the budget. Unless authorized by the governing body or this part, funds of the municipality shall not be included in the budget of the authority.

(2) The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which shall be paid annually by the board pursuant to an appropriate item in its budget.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4821.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4821.new Dissolution of authority; property and assets.

Sec. 821. An authority that has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.

History: 2018, Act 57, Eff. Jan. 1, 2019.

PART 9

REPORTING REQUIREMENTS

****** 125.4901.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4901.new Definitions.

Sec. 901. As used in this part:

(a) "Authority" means all of the following:

(*i*) An authority as defined in part 2.

(*ii*) An authority as defined in part 3.

(*iii*) An authority as defined in part 4.

(*iv*) An authority as defined in part 6.

(*v*) An authority as defined in part 7.

(*vi*) An authority as defined in part 8.

(b) "Municipality" means all of the following:

(*i*) A municipality as defined in part 2.

(*ii*) A municipality as defined in part 3.

(*iii*) A municipality as defined in part 4.

(*iv*) A municipality as defined in part 6.

(*v*) A municipality as defined in part 7.

(*vi*) An municipality as defined in part 8.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4910.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4910.new Website; requirements.

Sec. 910. (1) Subject to subsection (5), each municipality that has created an authority or that creates an authority shall create a website or utilize the existing website of the municipality that is operated and regularly maintained with access to authority records and documents for the fiscal year beginning on the effective date of this act, including all of the following:

(a) Minutes of all board meetings.

(b) Annual budget, including encumbered and unencumbered fund balances.

(c) Annual audits.

(d) Currently adopted development plan, if not included in a tax increment financing plan.

(e) Currently adopted tax increment finance plan, if currently capturing tax increment revenues.

(f) Current authority staff contact information.

(g) A listing of current contracts with a description of those contracts and other documents related to management of the authority and services provided to the authority.

(h) An updated annual synopsis of activities of the authority. An updated synopsis of the activities of the authority includes all of the following, if any:

(*i*) For any tax increment revenues described in the annual audit that are not expended within 5 years of their receipt, a description that provides the following:

(A) The reasons for accumulating those funds and the uses for which those funds will be expended.

(B) A time frame when the fund will be expended.

(C) If any funds have not been expended within 10 years of their receipt, both of the following:

(I) The amount of those funds.

(II) A written explanation of why those funds have not been expended.

(*ii*) List of authority accomplishments, including progress made on development plan and tax increment finance plan goals and objectives for the immediately preceding fiscal year.

(*iii*) List of authority projects and investments, including active and completed projects for the immediately preceding fiscal year.

(*iv*) List of authority events and promotional campaigns for the immediately preceding fiscal year.

(2) The requirements in subsection (1) are required for records and documents related to fiscal years as follows:

(a) For the fiscal year in which this act takes effect, the records and documents for that fiscal year.

(b) For the fiscal year 1 year following the effective date of this act, the records and documents for that fiscal year and the immediately preceding fiscal year.

(c) For the fiscal year 2 years following the effective date of this act, the records and documents for that fiscal year and the 2 immediately preceding fiscal years.

(d) For the fiscal year 3 years following the effective date of this act, the records and documents for the fiscal year and the 3 immediately preceding fiscal years.

(e) For the fiscal year 4 years following the effective date of this act and each subsequent fiscal year, the records and documents for the fiscal year and the 4 immediately preceding fiscal years.

(3) The requirements of this section shall not take effect until 180 days after the end of an authority's current fiscal year as of the effective date of this act.

(4) Each year, the board of an authority shall hold not fewer than 2 informational meetings. Notice of an informational meeting shall be posted on the municipality's or authority's website not less than 14 days before the date of the informational meeting. Not less than 14 days before the informational meeting, the board of an authority shall mail notice of the informational meeting to the governing body of each taxing jurisdiction levying taxes that are subject to capture by an authority under this act. As an alternative to mailing notice of the informational meeting, the board of the authority may notify the clerk of the governing body of each taxing jurisdiction levying taxes that are subject to capture by an authority under this act by electronic mail. The informational meetings may be held in conjunction with other public meetings of the authority or municipality.

(5) If the municipality creating an authority does not have an existing website and chooses not to create a website under subsection (1), the municipality shall maintain the records described in subsection (1) at a physical location within the municipality that is open to the public.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4911.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4911.new Capture of tax increment revenues; report by authority; contents; filing; compilation by department of treasury; submission to legislature; consultation with professional organizations.

Sec. 911. (1) Annually, on a form and in the manner prescribed by the department of treasury, an authority that is capturing tax increment revenues shall submit to the governing body of the municipality, the governing body of a taxing unit levying taxes subject to capture by an authority, and the department of treasury a report on the status of the tax increment financing account. However, an authority may submit by electronic means a report described in this subsection to the governing body of the municipality and the governing body of a taxing unit levying taxes subject to capture by the authority. The report shall include all of the following:

(a) The name of the authority.

(b) The date the authority was formed, the date the tax increment financing plan is set to expire or terminate, and whether the tax increment financing plan expired during the immediately preceding fiscal year.

(c) The date the authority began capturing tax increment revenues.

(d) The current base year taxable value of the tax increment financing district.

(e) The unencumbered fund balance for the immediately preceding fiscal year.

(f) The encumbered fund balance for the immediately preceding fiscal year.

(g) The amount and source of revenue in the account, including the amount of revenue from each taxing jurisdiction.

(h) The amount in any bond reserve account.

(i) The amount and purpose of expenditures from the account.

(j) The amount of principal and interest on any outstanding bonded indebtedness.

(k) The initial assessed value of the development area or authority district by property tax classification.

(*l*) The captured assessed value retained by the authority by property tax classification.

(m) The tax increment revenues received for the immediately preceding fiscal year.

(n) Whether the authority amended its development plan or its tax increment financing plan within the immediately preceding fiscal year and if the authority amended either plan, a link to the current development plan or tax increment financing plan that was amended.

(o) Any additional information the governing body of the municipality or the department of treasury considers necessary.

(2) The report described in subsection (1) shall be filed with the department of treasury at the same time as the annual financial report is filed with the department of treasury under section 4 of the uniform budgeting and accounting act, 1968 PA 2, MCL 141.424.

(3) The department of treasury shall collect the reports described in subsection (1) and annually compile a

combined report that summarizes the information reported in subsection (1) and annually submit a copy of that combined report to each member of the legislature.

(4) The department of treasury shall consult with the professional organizations that represent municipalities in developing the reporting form described in subsection (1).

(5) The department of treasury shall consult with the professional organizations described in subsection (4) and finalize and publish the form described in subsection (1) not later than 60 days after the effective date of this act.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4912.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4912.new Copy or electronic mail link of adopted development plan or tax increment finance plan.

Sec. 912. Within 90 days of the effective date of this act, each authority shall send a copy or an electronic mail link of its currently adopted development plan or its currently adopted tax increment finance plan, if separate from the development plan, to the department of treasury.

History: 2018, Act 57, Eff. Jan. 1, 2019.

****** 125.4915.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 ******

125.4915.new Enforcement of act.

Sec. 915. (1) The department of treasury may institute proceedings to compel enforcement of this act and shall send written notification to an authority that fails to comply with this act, to each taxing jurisdiction that has tax increment revenues captured by the authority, and to the governing body of the municipality that established the authority of a violation of any provision of this act. The written notification shall specifically detail the authority's noncompliance with this act.

(2) If the department of treasury notifies an authority in writing that the authority failed to comply with any provision of this act, and after 60 days following receipt of that notice the authority does not comply, that authority shall not capture any tax increment revenues that are in excess of amounts necessary to pay bonded indebtedness and other obligations for the period of noncompliance. During the period of noncompliance, an authority cannot amend or approve a tax increment financing plan. However, if the period of noncompliance exceeds 2 consecutive years, that authority shall not capture any tax increment revenues that are in excess of amounts necessary to pay bonded indebtedness and other obligations without a resolution of authorization of the municipality that created the authority and each taxing jurisdiction whose ad valorem taxes are subject to capture by the authority. Any excess funds captured shall be returned to the taxing jurisdiction from which they were captured as follows:

(a) For part 2, as provided in section 215(2).
(b) For part 3, as provided in section 314(2).
(c) For part 4, as provided in section 413(2).
(d) For part 5, as provided in section 523(7).
(e) For part 6, as provided in section 619(2).
(f) For part 7, as provided in section 716(2).
(g) For part 8, as provided in section 815(2).

History: 2018, Act 57, Eff. Jan. 1, 2019.

ARTICLE III. - DOWNTOWN DEVELOPMENT AUTHORITY
FOOTNOTE(S):

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State Law reference— Downtown development authority, MCL 125.1651 et seq., as amended.

DIVISION 1. - GENERALLY

Secs. 7-51—7-60. - Reserved.
DIVISION 2. - WEST DEARBORN
Subdivision I. - In General

Sec. 7-61. - Established.

In recognition of the fact that it is in the best interest of the public to halt property value deterioration in the downtown business district of West Dearborn, to eliminate the causes of such deterioration and to promote economic growth in the downtown business district, a downtown development authority is hereby established pursuant to Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.), to be known as the Downtown Development Authority - West Dearborn within the City of Dearborn.

(Ord. No. 81-116, § 1, 11-4-81)

Sec. 7-62. - Organization.

The authority shall be under the supervision and control of a board consisting of the mayor and ten members appointed by the mayor, subject to approval by the city council. Not less than a majority of the members shall be persons having an interest in property located in the downtown district. Not less than one of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for one year, two years, three years and four years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of four years. An appointment to fill a vacancy shall be made by the mayor for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.

(Ord. No. 81-116, § 2, 11-4-81; Ord. No. 85-340, 10-15-85)

Sec. 7-63. - Duties.

The Downtown Development Authority - West Dearborn shall be charged with the following duties:

(1) Prepare an analysis of economic changes taking place in the downtown district.
(2) Study and analyze the impact of metropolitan growth upon the downtown district.
(3) Plan and propose the construction, the renovation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of a public facility, an existing building or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.

(4) Develop long-range plans, in cooperation with the city plan commission, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(5) Implement any plan of development in the downtown district necessary to achieve the purposes of this division, in accordance with the powers of the authority, as granted by this division.

(6) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(7) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper or own, convey or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal or rights or interest therein, which the authority determines is reasonably necessary to achieve the purposes of this division, and to grant or acquire licenses, easements and options with respect thereto.

(8) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances thereto, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

(9) Fix, charge and collect fees, rents and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents and charges for the payment of revenue bonds issued by the authority.

(10) Lease any building or property under its control, or any part thereof.

(11) Accept grants and donations of property, labor or other things of value from a public or private source.

(12) Acquire and construct public facilities.

(Ord. No. 81-116, § 3, 11-4-81)

Sec. 7-64. - Financing.

The activities of the Downtown Development Authority - West Dearborn shall be financed from one or more of the following sources:

(1) Donations to the authority for the performance of its functions.

(2) Proceeds of a tax imposed pursuant to section 12 of Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq., MSA 5.3010 et seq.).

(3) Monies borrowed and to be repaid as authorized by section 13 of Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq., MSA 5.3010 et seq.).

(4) Revenues from any property, building or facility owned, leased, licensed or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(5) Proceeds of a tax increment financing plan, established under sections 14 through 16 of Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq., MSA 5.3010(1) et seq.).

(6) Monies obtained from other sources approved by the city council.

(7) Monies received by the authority shall be immediately deposited to the credit of the authority, subject to disbursement pursuant to Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq., MSA 5.3010(1) et seq.). Except as provided in such act, the city shall not obligate

itself, nor shall it ever be obligated to pay any sums from public monies, other than monies received by the city pursuant to this section, for or on account of the activities of the authority.

(Ord. No. 81-116, § 4, 11-4-81)

Sec. 7-65. - Development plans.

When the board decides to finance a project in the downtown district by the use of revenue bonds, as authorized in section 13, or tax increment financing, as authorized in sections 14, 15 and 16 of Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq., MSA 5.3010(1) et seq.), it shall prepare a development plan. The development plan shall contain:

(1) The designation of boundaries of the development area in relation to highways, streets, streams or otherwise.

(2) The location and extent of existing streets and other public facilities within the development area and shall designate the location, character and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational and other uses and shall include a legal description of the development area.

(3) A description of existing improvements in the development area to be demolished, repaired or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(4) The location, extent, character and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(5) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(6) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(7) A description of any portions of the development area which the authority desires to sell, donate, exchange or lease to or from the city and the proposed terms.

(8) A description of desired zoning changes and changes in streets, street levels, intersections and utilities.

(9) An estimate of the cost of the development, a statement of the proposed method of financing the development and the ability of the authority to arrange the financing.

(10) Designation of the person to whom all or a portion of the development is to be leased, sold or conveyed in any manner and for whose benefit the project is being undertaken, if that information is available to the authority.

(11) The procedures for bidding for the leasing, purchasing or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold or conveyed in any manner to those persons.

(12) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in

existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(13) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(14) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, being Public Law 91-646, 42 USC, sections 4601, et seq.

(15) A plan for compliance with Act No. 227 of the Public Acts of Michigan of 1972 (MCL 213.321 et seq.).

(16) Other material which the authority, local public agency, or governing body deems pertinent.

(Ord. No. 81-116, § 5, 11-4-81)

Sec. 7-66. - Development area citizens' council.

If a proposed development area has residing within it 100 or more residents, a development area citizens' council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The members of the development area citizens' council shall be residents of the development area, shall be at least 18 years of age, and shall be representative of the development area.

There is hereby created and established a downtown development authority—West Dearborn Development Area Citizens' Council. The West Dearborn Development Area Citizens' Council shall consist of nine members appointed by the mayor and approved by the city council. Each term of appointment shall be for three years, except at the creation of the council whereby there shall be three members appointed for one, two, and three year terms. The West Dearborn Development Area Citizens' Council shall be governed by Robert's Rule of Order and shall meet as necessary, in conformity with the Open Meetings Act.

The West Dearborn Development Area Citizens' Council shall act as an advisory board to the downtown development authority and to the city council in the adoption of the development or tax increment financing plans. The West Dearborn Development Area Citizen's Council shall make findings and recommendations in conformity with MCL 125.1667, et seq.

(Ord. No. 81-116, § 6, 11-4-81; Ord. No. 02-872, 1-15-02)

Sec. 7-67. - Governing procedures.

The Downtown Development Authority - West Dearborn shall have all the powers and duties prescribed by Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.). Any questions of interpretation of the powers and duties and responsibilities of the authority shall be resolved by reference to such act. The authority shall provide the city council and plan commission with all reports and studies regulating the formation and implementation of project development plans. The authority shall submit the proposed development plan to the city plan commission for review and recommendation to the city council prior to the hearing specified in section 18 of Act No. 197 of the Public Acts of Michigan of 1975

(MCL 125.1651 et seq.). It shall also consult with and advise any development area citizens' council formed pursuant to the state legislation regarding all preparation and implementation of development plans, whenever such plans are conceived.

(Ord. No. 81-116, § 7, 11-4-81)

Sec. 7-68. - Boundaries.

The authority shall exercise its powers within the following described area:

Beginning at the intersection of the northerly line of the Consolidated Rail Corporation Railroad Right-of-Way, variable width, and the easterly line of Military Avenue, variable width; thence northerly along the said easterly line of Military Avenue extended to the northerly line of Garrison, variable width; thence easterly along said northerly line of Garrison extended to the easterly line of Howard, 50 feet wide; thence northerly along said easterly line of Howard to the line common to Lot 63 and Lot 104, Detroit Arsenal Ground; thence easterly along said common line extended to the easterly line of Mason, 60 feet wide; thence northerly along said easterly line of Mason extended to the southerly line of Morley, 80 feet wide, thence easterly along said southerly line of Morley to the westerly line of Monroe, 80 feet wide, thence southerly along said westerly line of Monroe to the line common to Lot 95 and Lot 71 of Detroit Arsenal Ground; thence along the easterly extension of said common line to the westerly line of Oakwood; variable width; thence southerly along said westerly line of Oakwood extended to the said northerly line of the Consolidated Rail Corporation Railroad Right-of-Way; thence westerly along said northerly line of the Consolidated Rail Corporation Railroad Right-of-Way to the said easterly line of Military Avenue and the Point of Beginning.

Additionally, the area beginning at the intersection of the north line of Consolidated Rail Corporation Railroad Right-of-Way, 60 feet wide, and west line extended of Monroe Boulevard, 80 feet wide; thence southerly along the said west line extended of Monroe Boulevard, 260 feet; thence westerly along the north line of Park Street 30 feet wide, 100 feet; thence northerly 160 feet; thence westerly along a line 40 feet south of and parallel to the south line of said Consolidated Rail Corporation Railroad Right-of-Way, 200 feet; thence southerly 60 feet; thence westerly 200 feet; thence northerly along the east line of Mason Street, 60 feet wide, 160 feet; thence easterly along the said north line of Consolidated Rail Corporation Railroad Right-of-Way, 500 feet to the Point of Beginning.

(Ord. No. 81-116, § 8, 11-4-81; Ord. No. 82-264, 12-21-82; Ord. No. 98-727, 8-18-98)

Secs. 7-69—7-80. - Reserved.

Subdivision II. - Tax Increment Finance Plan

Sec. 7-81. - Public purpose determined.

The city council has been presented with the Development and Tax Increment Financing Plan amendment 2003, of the Downtown Development Authority - West Dearborn (the "authority"), which was amended and adopted by that body of February 6, 2003 (as amended and adopted, the "plan"), pursuant to the provision of Act 197 of the Public Acts of Michigan, 1975, as amended (the "act"). The city council hereby determines that the plan constitutes a public purpose.

(Ord. No. 82-265, § 1, 4-4-82; Ord. No. 89-446, 4-4-89; Ord. No. 98-728, 7-7-98; Ord. No. 99-764, 4-20-99; Ord. No. 03-966, 6-17-03)

Sec. 7-82. - Modifications.

The city council hereby modifies the plan as follows:

(1) Commencing with the taxes due and payable on July 1, 1989, the authority shall retain none of the tax levied by the Dearborn Public Schools, the "school district," on real and personal property in the development area on the captured assessed value. The city treasurer shall pay over to the school district all of the tax levied by the school district on the real and personal property in the development area on the captured assessed value in the ordinary course.

(2) The authority shall return to the school district moneys collected through June 30, 1989, pursuant to the plan which are attributable to the application of tax millage levied by the school district in the development area on the captured assessed value. Such moneys shall be returned from tax increment revenues received by the authority remaining after the authority has paid over to the city the amounts required to pay debt service on the municipal parking structure bonds authorized by the plan, together with interest thereon, as set forth more specifically in Exhibit K to the plan.

(Ord. No. 82-265, § 2, 4-4-82; Ord. No. 89-446, 4-4-89)

Sec. 7-83. - Approval.

The plan, as submitted by the authority is hereby approved.

(Ord. No. 82-265, § 3, 4-4-82; Ord. No. 89-446, 4-4-89; Ord. No. 98-728, 7-7-98; Ord. No. 99-764, 4-20-99; Ord. No. 03-966, 6-17-03)

Sec. 7-84. - Considerations for approval.

As required by the act, the city council has in reviewing and approving the plan herein taken into account the following considerations:

(a) The development plan meets the requirements set forth in section 17(2) of the act, and the tax increment financing plan meets the requirements set forth in section 14(2) of the act.

(b) The proposed method of financing the development is feasible, and the authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the act.

(d) The land included within the development area to be acquired (to the extent required by the plan) is reasonably necessary to carry out the purposes of the plan and the purposes of the act in an efficient and economically satisfactory manner.

(e) The development plan is in reasonable accord with the master plan of the city.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the development area.

(g) Changes in zoning, streets, street levels, intersections, and utilities (to the extent required by the plan) are reasonably necessary for the project and for the city.

(h) The findings and recommendations of the West Dearborn Development area citizens' council.

(Ord. No. 82-265, § 4, 4-4-82; Ord. No. 89-446, 4-4-89; Ord. No. 98-728, 7-7-98; Ord. No. 99-764, 4-20-99; Ord. No. 03-966, 6-17-03)

Sec. 7-85. - Public copy on file.

A copy of the plan, in the form approved hereby, which is approximately 61 pages in length, shall be maintained on file in the office of the city clerk for inspection at all times during regular business hours.

(Ord. No. 82-265, § 5, 4-4-82; Ord. No. 85-339, 10-15-85; Ord. No. 88-428, 9-6-88; Ord. No. 89-446, 4-4-89; Ord. No. 98-728, 7-7-98; Ord. No. 99-764, 4-20-99; Ord. No. 03-966, 6-17-03)

Secs. 7-86—7-95. - Reserved.

DIVISION 3. - EAST DEARBORN

Subdivision I. - In General

Sec. 7-96. - Established.

In recognition of the fact that it is in the best interest of the public to halt property value deterioration in the downtown business district of East Dearborn, to eliminate the causes of such deterioration and to promote economic growth in the downtown business district, a downtown development authority is hereby established pursuant to Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.), to be known as the Downtown Development Authority - East Dearborn within the City of Dearborn.

(Ord. No. 77-1877, § 1, 11-1-77; Ord. No. 81-117, § 1, 11-4-81)

Sec. 7-97. - Organization.

The authority shall be under the supervision and control of a board consisting of the mayor and ten members appointed by the mayor, subject to approval by the city council. Not less than a majority of the members shall be persons having an interest in property located in the downtown district. Not less than one of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for one year, two years, three years and four years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of four years. An appointment to fill a vacancy shall be made by the mayor for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.

(Ord. No. 77-1877, § 2, 11-1-77; Ord. No. 81-117, § 2, 11-4-81; Ord. No. 85-342, 11-6-85)

Sec. 7-98. - Duties.

The Downtown Development Authority - East Dearborn as herein created shall be charged with the following duties:

(1) Prepare an analysis of economic changes taking place in the downtown district.

(2) Study and analyze the impact of metropolitan growth upon the downtown district.

(3) Plan and propose the construction, the renovation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of a public facility, an existing building or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.

(4) Develop long range plans, in cooperation with the city plan commission, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(5) Implement any plan of development in the downtown district necessary to achieve the purposes of this division, in accordance with the powers of the authority as granted by this division.

(6) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(7) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper; or own, convey or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of this division; and to grant or acquire licenses, easements and options with respect thereto.

(8) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances thereto, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

(9) Fix, charge and collect fees, rents and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents and charges for the payment of revenue bonds issued by the authority.

(10) Lease any building or property under its control, or any part thereof.

(11) Accept grants and donations of property, labor or other things of value from a public or private source.

(12) Acquire and construct public facilities.

(Ord. No. 77-1877, § 3, 11-1-77; Ord. No. 81-117, § 3, 11-4-81)

Sec. 7-99. - Financing.

The activities of the Downtown Development Authority - East Dearborn shall be financed from one or more of the following sources:

(1) Donations to the authority for the performance of its functions.

(2) Proceeds of a tax imposed pursuant to section 12 of Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.).

(3) Monies borrowed and to be repaid as authorized by section 13 of Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.).

(4) Revenues from any property, building or facility owned, leased, licensed or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.

(5) Proceeds of a tax increment financing plan, established under sections 14 through 16 of Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.).

(6) Monies obtained from other sources approved by the city council.

(7) Monies received by the authority shall be immediately deposited to the credit of the authority, subject to disbursement pursuant to Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.). Except as provided in such act, the city shall not obligate itself, nor shall it ever be obligated to pay any sums from public monies, other than monies received by the city pursuant to this section, for or on account of the activities of the authority.

(Ord. No. 77-1877, § 4, 11-1-77; Ord. No. 81-117, § 4, 11-4-81)

Sec. 7-100. - Development plans.

When the board decides to finance a project in the downtown district by the use of revenue bonds, as authorized in section 13, or tax increment financing, as authorized in sections 14, 15 and 16 of Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.), it shall prepare a development plan. The development plan shall contain:

(1) The designation of boundaries of the development area in relation to highways, streets, streams or otherwise.

(2) The location and extent of existing streets and other public facilities within the development area and shall designate the location, character and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational and other uses and shall include a legal description of the development area.

(3) A description of existing improvements in the development area to be demolished, repaired or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(4) The location, extent, character and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(5) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(6) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(7) A description of any portions of the development area which the authority desires to sell, donate, exchange or lease to or from the city and the proposed terms.

(8) A description of desired zoning changes and changes in streets, street levels, intersections and utilities.

(9) An estimate of the cost of the development, a statement of the proposed method of financing the development and the ability of the authority to arrange the financing.

(10) Designation of the person to whom all or a portion of the development is to be leased, sold or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(11) The procedures for bidding for the leasing, purchasing or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold or conveyed in any manner to those persons.

(12) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition; a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction; the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing

and the range of rents and sale prices; an estimate of the total demand for housing in the community; and the estimated capacity of private and public housing available to displaced families and individuals.

(13) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(14) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, being Public Law 91-646, 42 USC sections 4601, et seq.

(15) A plan for compliance with Act No. 227 of the Public Acts of Michigan of 1972 (MCL 213.321 et seq.).

(16) Other material which the authority, local public agency, or governing body deems pertinent.

(Ord. No. 77-1877, § 5, 11-1-77; Ord. No. 81-117, § 5, 11-4-81)

Sec. 7-101. - Development area citizens' council.

If a proposed development area has residing within it 100 or more residents, a development area citizens' council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The members of the development area citizens' council shall be residents of the development area, shall be at least 18 years of age, and shall be representative of the development area.

There is hereby created and established a downtown development authority—East Dearborn Development Area Citizens' Council. The East Dearborn Downtown Development Area Citizens' Council shall consist of nine members appointed by the mayor and approved by the city council. Each term of appointment shall be for three years, except at the creation of the council whereby there shall be three members appointed for one, two, and three year terms. The East Dearborn Development Area Citizens' Council shall be governed by Robert's Rule of Order and shall meet as necessary, in conformity with the Open Meetings Act.

The East Dearborn Development Area Citizens' Council shall act as an advisory board to the downtown development authority and to the city council in the adoption of the development or tax increment financing plans. The East Dearborn Development Area Citizens' Council shall make findings and recommendations in conformity with MCL 125.1667, et seq.

(Ord. No. 77-1877, § 6, 11-1-77; Ord. No. 81-117, § 6, 11-4-81; Ord. No. 02-871, 1-15-02)

Sec. 7-102. - Governing procedures.

The Downtown Development Authority - East Dearborn shall have all the powers and duties prescribed by Act No. 197 of the Public Acts of Michigan of 1975 (MCL 125.1651 et seq.). Any questions of interpretation of the powers and duties and responsibilities of the authority shall be resolved by reference to such Act. The authority shall provide the city council and plan commission with all reports and studies regulating the formation and implementation of project development plans. The authority shall submit the proposed development plan to the city plan commission for review and recommendation to the city council prior to the hearing specified in section 18 of such act. It shall also consult with and advise any development area citizens' council formed pursuant to the state legislation regarding all preparation and implementation of development plans whenever such plans are conceived.

(Ord. No. 77-1877, § 7, 11-1-77; Ord. No. 81-117, § 7, 11-4-81)

Sec. 7-103. - Boundaries.

The authority shall exercise its powers within the following described area:

Beginning at the intersection of the west line of Oakman Boulevard, 120 feet wide, and the northerly line of Michigan Avenue, variable width; thence westerly along the said northerly line of Michigan Ave. to the northerly extension of the west line of Lois, 58 feet wide; thence southerly along with said northerly extension of the west line of Lois to the southerly line of Lot 111 of Miller Home Subdivision; thence westerly along said southerly line of Lot 111, extended to the west line of Bingham, 50 feet wide; thence southerly along said west line of Bingham to the north line of Osborn, 50 feet wide; thence westerly along said north line of Osborn to the northerly extension of the west line of the 20 foot wide public alley, lying North of Bryan, between Schaefer and Calhoun; thence southerly along the said northerly extension of the west line of said 20 foot wide public alley to the north line of Bryan, 50 feet wide; thence westerly along said north line of Bryan extended to the west line of Schaefer Road, 86 feet wide; thence southerly along said west line of Schaefer Road to the south line of Fractional Section 18, T. 2 S, R. 11 E.; thence westerly along said south line of Fractional Section 18 to the easterly line of Maple, 66 feet wide; thence northerly along said easterly line of Maple to the easterly extension of the north line of the vacated 18 foot wide public alley lying east of Schlaff between Lithgow and Robertson; thence westerly along said easterly extension of the north line of the vacated 18 foot wide public alley and extending said north line of alley westerly to the east line of Schlaff, variable width; thence northerly along said east line of Schlaff extended to the north line of Wellesley, 60 feet wide; thence westerly along said north line of Wellesley to the east line of Roemer, 66 feet wide south of Michigan Ave.; thence northerly along said east line of Roemer, to the south line of Michigan Ave., 100 feet wide; thence northerly to the intersection of the northerly line of Michigan Ave. and the east line of Roemer, 60 feet wide north of Michigan Ave.; thence northerly along said east line of Roemer, north of Michigan Ave., to the north line of Lot 95 of Chase Subdivision; thence easterly along said north line of Lot 95 extended to the east line of the 18 foot wide public alley lying north of Michigan between Roemer and Schlaff; thence southerly along the said east line of said 18 foot wide public alley to the north line of Lot 38, Chase Subdivision; thence easterly along said north line of Lot 38 of Chase Subdivision to the westerly line of Schlaff, variable width; thence easterly to the intersection of the easterly line of Schlaff and the southeasterly line of Argyle, variable width; thence northeasterly along said southeasterly line of Argyle to the north line of Lot 245 of Ardross Subdivision; thence easterly along said north line of Lot 245, extended to the east line of Middlesex, 50 feet wide; thence northerly along said east line of Middlesex to the north line of Lot 55 of Ardross Subdivision; thence easterly along said north line of Lot 55, extended to the east line of Horger, 55 feet wide; thence northerly along said east line of Horger to the north line of Lot 381 of Maplewood Park Subdivision; thence easterly along said north line of Lot 381, extended to the east line of the 18 foot wide public alley lying north of Michigan Ave. between Maple and Neckel; thence northerly along the said east line of the said 18 foot wide public alley to the southerly line of Colson, variable width; thence easterly along said southerly line of Colson to the westerly line of Neckel, 55 feet wide; thence easterly to the intersection of the southerly line of Colson and the easterly line of Neckel; thence northerly along said easterly line of Neckel to the south line of Ruby, 50 feet wide west of Schaefer; thence easterly along said south line of Ruby, extended to the east line of Schaefer, 86 feet wide; thence northerly along said east line of Schaefer to the south line of Ruby, 50 feet wide east of Schaefer; thence easterly along said south line of Ruby, to the west line of Calhoun, 50 feet wide;

thence southerly along said west line of Calhoun extended to the south line of Colson, 60 feet wide; thence easterly along said south line of Colson to the West line of Bingham, 50 feet wide; thence southerly along said west line of Bingham to the westerly extension of the north line of Lot 297 in the Addition to Maplewood Park Subdivision; thence easterly along said westerly extension to the north line of Lot 297 extended to the centerline of the vacated 18 foot wide public alley, lying north of Michigan between Bingham and Jonathon; thence northerly along said centerline of the vacated 18 foot wide public alley to the westerly extension of the north line of Lot 397 in the Addition to Maplewood Park Subdivision; thence easterly along said westerly extension of the north line of Lot 397 extended to the east line of Jonathon, 50 feet wide; thence northerly along said east line of Jonathon to the north line of Lot 408 in the Addition to Maplewood Park Subdivision; thence easterly along said north line of Lot 408 extended to the centerline of the vacated 18 foot wide public alley lying north of Michigan Ave. between Jonathon and Reuter; thence northerly along said centerline of said vacated 18 foot wide public alley to the westerly extension of the north line of Lot 504 in the Addition to Maplewood Park Subdivision; thence easterly along said north line of Lot 504 extended to the east line of Reuter, 60 feet wide; thence northerly along said east line of Reuter to the north line of Lot 137, of Woodbridge Park Subdivision; thence easterly along said north line of Lot 137 extended to the east line of the 18 foot wide public alley lying north of Michigan Ave. between Reuter and Hartwell; thence northerly along the said east line of said 18 foot wide public alley to the north line of Lot 116 of Woodbridge Park Subdivision; thence easterly along said north line of Lot 116, extended to the east line of Hartwell, 50 feet wide; thence northerly along said east line of Hartwell to the south line of Colson, 60 feet wide; thence easterly along said south line of Colson to the west line of Oakman Blvd., 120 feet wide; thence southerly along said west line of Oakman Blvd. to the Point of Beginning.

(Ord. No. 77-1877, § 8, 11-1-77; Ord. No. 81-117, § 8, 11-4-81)

Secs. 7-104—7-115. - Reserved.

Subdivision II. - Tax Increment Finance Plan

Sec. 7-116. - Adoption.

The Development and Tax Increment Financing Plan Amendment 2008 of the Downtown Development Authority—East Dearborn, which was amended and approved by that body on July 31, 2008, is hereby adopted pursuant to the provisions of Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act", MCL 125.1651 et seq.).

As required by the Act, the city council has taken into account the following considerations, and, in reviewing and approving the plan, has specifically determined that the plan constitutes a public purpose.

(a) The development plan meets the requirements set forth in section 17(2) of the Act and the tax increment financing plan meets the requirements set forth in section 14(2) of the Act.
(b) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.
(c) The development is reasonable and necessary to carry out the purposes of the Act.
(d) The land included within the development area to be acquired (to the extent required by the plan) is reasonably necessary to carry out the purposes of the plan and the purposes of the Act in an efficient and economically satisfactory manner.
(e) The development plan is in reasonable accord with the master plan of the city.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the development area.

(g) Changes in zoning, streets, street levels, intersections, and utilities (to the extent required by the plan) are reasonably necessary for the project and for the city.

(h) The findings and recommendations of the East Dearborn Development Area Citizens' Council.

(Ord. No. 83-272, § 1, 5-3-83; Ord. No. 08-1179, 9-15-08)

Sec. 7-117. - Public copy on file.

A copy of the Development and Tax Increment Financing Plan Amendment 2008, of the Downtown Development Authority—East Dearborn, which is approximately 19 pages in length plus exhibits, shall be maintained on file in the office of the city clerk for inspection by the public during regular business hours.

(Ord. No. 83-272, § 2, 5-3-83; Ord. No. 91-528, § 5, 11-19-91; Ord. No. 08-1179, 9-15-08)

Secs. 7-118—7-140. - Reserved.

Downtown Development Authority
West Dearborn

Development and Tax Increment Financing Plan Amendment 2003

Ordinance No. 03-966

June 26, 2003

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EXHIBITS

I. INTRODUCTION

A. Purpose

The purpose of this Development and Tax Increment Financing Plan is to halt property value deterioration and increase property tax valuation where possible, to eliminate the causes of such deterioration and to promote economic growth in the West Dearborn business district. In order to achieve these purposes, the West Dearborn Downtown Development Authority (WDDDA) has adopted this Plan, which provides generally for the financing of a variety of activities and physical improvements within the downtown district which market, attract and maintain a customer base from which the district can justify investment and development, as authorized by the Downtown Development Authority Act, Act No. 197 of Public Acts of Michigan, 1975, as amended. These activities increase the private sectors ability to invest in the District. The increased private investment caused by WDDDA prevents further deterioration within the District, preserves its historic character and promotes growth in the tax base for the benefit of all taxing units levying taxes within the District.

The City of Dearborn and the Authority believe that a prosperous, vital West Dearborn Business District is essential to the continued well being of the nearby residential areas and to the health of the City of Dearborn in general. The West Dearborn Business District, however, like many aging commercial districts in other Michigan cities and towns, faces constant competition from a changing commercial environment, including newer developments such as mega, discount and regional shopping centers as well as newly emerging internet retail competition. As a means of offsetting the competitive advantage that such newer developments often enjoy, the City and the Authority believe that the powers granted by Act 197, prudently applied, can provide sufficient economic incentives enabling the District to remain competitive.

B. Background and History

The Downtown Development Authority -- West Dearborn was officially formed by the City of Dearborn by Ordinance No. 77-1876 in October, 1977. The Authority consists of an eleven-member[1] board which serves without compensation, composed of the Mayor, business leaders and community representatives. Staff support for the Authority is provided through the City's Economic and Community Development Department or staffing hired by or on behalf of the Authority.

[1] Per Ordinance No. 85-340, adopted October 15, 1985 and effective October 25, 1985.

Downtown District Boundaries. The Authority's downtown district boundaries were initially established under Ordinance No. 77-1876, and subsequently were amended pursuant to the Act in February 1979 by Ordinance No. 79-1916. The 1979 amendment reduced the District's total area by moving the western boundary from Outer Drive east to Military and by moving the eastern boundary from Brady one block west to Oakwood. Ordinance No. 77-1876, as amended by Ordinance No. 79-1916, was readopted by the Re-adoption Ordinance (Ordinance No. 81-54) and renumbered Ordinance No. 81-116, attached hereto as Exhibit I, pages 41-46.

In December 1982, by Ordinance No. 82-264, attached hereto as Exhibit J, pages 47-48, the amended boundaries of the District were amended again to include the northern one-half of the Adams School site between Mason and Monroe, bounded on the north by Morley. The District boundaries are coterminous with the boundaries of the City's Commercial Redevelopment District established in September 1979 by Council Resolution CR 9-936-79 and amended in August 1984 by Council Resolution CR 8-559/560-84.

On August 18, 1998, boundary modifications were approved by the City Council by adoption of Ordinance No. 98-727, attached hereto as Exhibit L, pages 52-53. This amendment changes and extends the boundaries of the West Dearborn Downtown Development Authority to include property south of the railroad tracks between Monroe and Mason.

Development and TIF Plan. Development and Tax Increment Financing Plan No. 1 initially was approved by the City Council on December 21, 1982, by adoption of Ordinance No. 82-265, attached hereto as Exhibit G, page 33.

The Plan was first amended on October 15, 1985, by adoption of Ordinance No. 85-339, attached hereto as Exhibit F, page 32, to (i) delete authorization for tax increment bonds, (ii) add the projects and estimated costs set forth in Downtown Development Study 1985, by Beckett and Raeder, Inc. and Abraham Kadushin Associates (the "1985 Projects"), and (iii) make other technical corrections and modifications necessary for the Plan to reflect recent developments within the Development Area.

The Plan was amended again in 1988 by adoption of Ordinance No. 88-428, attached hereto as Exhibit E, pages 30-31, to provide for the use of TIF revenues in support of the financing of an 800 space automobile parking deck.

The Plan was amended again in 1989 by adoption of Ordinance 89-446, attached hereto as Exhibit D, page 29, to respond to additional input from the Dearborn public schools and public. The 1989 amendment narrowed the scope of the Plan by (i) deleting all projects other than construction of the municipal public parking structure, including deleting all of the 1985 projects, (ii) scaling down the size and cost of the parking structure, (iii) shortening the term of the Plan from 40 to 15 years, and (iv) authorizing the WDDDA to enter into agreements for the sharing of captured assessed value of the District with the various taxing units of government.

On July 7, 1998, the Development and TIF Plan Amendments were approved by the City Council by adoption of Ordinance No. 98-728, attached hereto as Exhibit M, pages 54-55. This amendment changes the previous plan adopted in 1989 by (i) extending the life of the Plan through 2020; (ii) adding activities of Planning and Administration and District Marketing, Promotion and Recruitment; (iii) providing property for additional surface parking; (iv) implementing a Private Sector Improvement Incentive Program; (v) funding streetscape and parking lot reconstruction projects; and (vi) modifying the previously identified parking structure by reducing the size from 800 spaces to approximately 340 and update appropriate cost estimates.

In 1999, the Plan was amended by Ordinance No. 99-764, attached hereto as Exhibit N, pages 56-57. This amendment changes the Plan adopted in 1998 by (i) providing for the potential purchase of properties within the district; (ii) authorizing the subsequent sale of properties purchased for redevelopment/re-use purposes; (iii) allowing demolition of structures on properties within the district to facilitate redevelopment; (iv) authorizing tax increment bonds or otherwise borrow to finance projects identified within the Plan, as permitted by the Act; and (v) extending the life of the plan through 2030.

In 2002, to recognize the increasing number of residents within the district, Ordinance No. 02-872, attached hereto as Exhibit O, pages 58-59, was adopted creating the West Dearborn Development Area Citizens' Council to act as an advisory board relating to proposed amendments and modifications to the Tax Increment Financing Plan.

In 2003, the Plan was amended by Ordinance No. 03-966, attached hereto as Exhibit P, pages 60-61. This amendment changes the Plan adopted in 1999 by (i) providing for the development of more than one parking deck, for which the capacity will be determined by the needs of development and of the district as a whole; (ii) describing intended bond financing; (iii) adding a new activity, environmental due care; and, (iv) generally updating project descriptions, cost estimates, and time-tables contained in the previous plan.

C. Definitions and Abbreviations

"Act" or "Act 197" means Act No. 197, Public Acts of Michigan, 1975, as amended.

"Authority" or "WDDDA" means the Downtown Development Authority--West Dearborn.

"Development Area" means the project area in the District to which the Authority's Development and Tax Increment Financing Plan, as amended, is applicable. The Development Area shall be coterminous with the District.

"District" means the downtown district, established by the City pursuant to the Act, within which the Authority exercises its powers and which is described in Ordinance 98-727 (Exhibit L).

"Plan" means the Authority's Development and Tax Increment Financing Plan, as amended from time to time.

"Tax Levy" means the ad valorem tax which the Authority is authorized to levy on real and tangible personal property in the District under Section 12 of the Act.

"TIF" means tax increment financing, as provided for under the Act.

II. DEVELOPMENT PLAN

This Development Plan contains the information required by Section 17(2) of Act 197.

Section 17(2)(a)

DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS, STREAMS OR OTHERWISE.

The Development Area is bounded generally by Oakwood on the east, the Conrail right-of-way on the south, Military on the west and Garrison on the north, although various properties to the north of Garrison and south of the Conrail right-of-way fall within the Development Areas, as shown on the District Boundary Map, attached as Exhibit A, to this Development Plan. The major thoroughfare is Michigan Avenue, which roughly bisects the Development Area on an east-west axis. Also included within the Development Area are portions of Tenny, Howard, Mason, Monroe, Newman, West Village Drive and Morley Streets.

Section 17(2)(b)

LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA, LOCATION, CHARACTER AND EXTENT OF CATEGORIES OF PUBLIC AND PRIVATE LAND USES EXISTING AND PROPOSED FOR THE DEVELOPMENT AREA, INCLUDING LEGAL DESCRIPTION OF THE DEVELOPMENT AREA.

An Existing Land Use Map is attached as Exhibit B, to this Development Plan, setting forth the foregoing. The general pattern of mixed land uses within the development area is not expected to materially change as a result of this Development Plan. However, if the Authority and City of Dearborn were to determine that a land use change would be necessary or convenient to initiate or facilitate a beneficial redevelopment project, a land use change could be made. A legal description of the Development Area is contained within Ordinance No. 98-727, attached hereto as Exhibit L.

COMBINED
Section 17(2)(c)
Section 17(2)(d)
Section 17(2)(e)

(c) DESCRIPTION OF EXISTING IMPROVEMENTS TO BE DEMOLISHED, REPAIRED OR ALTERED, INCLUDING DESCRIPTION OF REPAIRS AND ALTERATIONS, AND ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

(d) LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS AND ESTIMATED TIME FOR COMPLETION.

(e) STAGES OF CONSTRUCTION AND ESTIMATED TIME OF EACH STAGE.

This section of the plan is intended to reflect current and future programs and activities of the WDDDA. WDDDA programs and activities completed prior to this 2003 amendment, therefore, are not included.

The WDDDA plans to undertake a broad spectrum of projects, programs and activities under this Plan. Listed below are the general categories and a brief description of each:

A) Planning and Administration

Activities under this category will include soft costs necessary to implement and carry out activities identified within the Plan. Examples include studies, analysis, data gathering, overall program management, audits, legal and other professional services as well as support staff costs.

Funding for planning and administration will require annual appropriations beginning in the first year of this Plan and in each following year throughout the life of the Plan. The number and complexity of activities during any one year will dictate annual funding needs, however, an annual average (to be adjusted for inflation) will be $200,000 per year.

B) District Marketing, Promotion, Recruitment, Support of Arts and Cultural Programs

This category includes activities that coordinate district marketing, various promotions, business retention and attraction, management of joint business services (waste management security, snow removal, etc.) that sustain and increase business activity within the district.

Activities will occur annually throughout the life of this Plan. Estimated cost will average $150,000 per year, adjusted for inflation.

C) Private Sector Improvement Incentives

Activities within this category will provide TIF funding to encourage private sector improvements. (Incentives to attract and retain appropriate businesses to locate within the district as determined necessary by the WDDDA board and to the extent permitted by law.)

The level of participation under this Plan will be determined on a case by case basis. The WDDDA board will determine an appropriate percentage of participation necessary to achieve its goal. Incentives will be available as opportunity presents itself over the life of the Plan. A $500,000 overall budget will be established with annual appropriations determined by the WDDDA and Dearborn City Council when adopting annual WDDDA/TIF budgets.

D) Public Facility Improvements

The WDDDA plans to undertake several public improvements within the district. Projects will include developing additional parking (surface lots and parking decks), streetscape improvements, street and parking lot lighting improvements, placing utilities underground, redesign and reconstruction of existing public parking lots within the district and signage for the district.

1) Reconstruction and Improvement--Existing Parking

In 2002, the City of Dearborn, with the WDDDA as a major partner, initiated a long overdue program to reconstruct, reconfigure, and beautify the public surface parking lots in the Development Area. Improvements to the public parking lots may include various components such as reconstruction, lighting (both in the lot and on streets adjacent to the lot), underground utilities, landscaping and other amenities necessary to create a functional yet pedestrian friendly environment.

During the summer of 2002, three surface lots north of Michigan Avenue between Military and Monroe were reconstructed. The work on these lots will continue in 2003 to include parking lot lighting, Garrison Avenue street lighting, landscaping, and other pedestrian friendly amenities.

It is anticipated that this program will continue until all of the Development Area surface lots have been reconstructed. The program envisions reconstructing lots in logical groupings, staging the construction so that the impact to parking capacity and convenience is minimized. This activity should be completed within a 2-4 year time frame.

The redevelopment of lots that are under consideration for development of parking structures, however, may be delayed until decisions regarding the future use of those lots have been made.

The estimated total cost for the reconstruction and beautification of existing surface lots throughout the Development Area is $5,000,000.

2) Construction--New Parking

As redevelopment and other positive changes in the area increase the demand for parking, it will be desirable to increase the number of available parking spaces. Construction of new surface parking is generally more economical than the construction and maintenance of parking structures and will be considered if the need and opportunity arises.

In general, however, there is no undeveloped land in the Development Area. Therefore, it is anticipated that the need for increased parking capacity will be addressed vertically, through the construction of parking decks.

The current "Jacobson Redevelopment" initiative (a mixed-use development project south of Michigan Avenue between Tenny and Howard) contemplates the construction of two parking decks. The capacity of these decks, currently under study, shall be sufficient to meet the anticipated needs development project, as well those of the surrounding area.

These decks will be constructed on the site of the surface parking lot south of West Village Drive between Tenny and Howard. This construction will be carefully coordinated with the construction of the mixed-use redevelopment project contemplated for this site. The current estimate of cost for construction of parking decks associated with this redevelopment project (including architectural, engineering, management, and other associated costs) is $12,000,000 excluding debt service costs and will be financed through the issuance of bonds.

Future redevelopment initiatives, the increasing vitality of the Development Area, and other positive changes are expected to continue to increase the demand for parking spaces. It is anticipated that, even without additional redevelopment projects, at least one additional parking deck will be constructed within the next 3-5 year period. At present, parking studies suggest that one likely site for construction of a parking deck is the surface lot south of Michigan between Mason and Monroe. Staging of major construction projects, such as this, will be coordinated with other ongoing projects, and expedited (generally phased over 1-2 construction seasons) in a manner to cause the least possible disruption to the area as a whole.

Future redevelopment projects (as yet undetermined) that increase the density of the Development Area will also require the construction of parking decks to meet any projected increase in parking demand.

WDDDA Plan budget for "future" parking deck construction, $6,000,000.

Costs to construct additional parking may be partially offset by revenues from user fees, special assessments, or other non-TIF contributions.

3) <u>Streetscapes</u>

In addition to Michigan Avenue serving as the major thoroughfare through the district, a number of secondary streets serve the district including Oakwood, Monroe, Mason, Howard, Military, Garrison and Newman/West Village Drive. The WDDDA plans to implement streetscape beautification projects on Michigan Avenue and all of the secondary streets which would include landscaping, street furniture, underground utilities, special sidewalk paving, decorative lighting and other pedestrian friendly features. Streetscape improvements may extend into neighborhoods abutting the district to link commercial and residential areas and promote area residents to walk to the district businesses.

In 2002, the WDDDA Streetscape Committee initiated a program that provided decorative litter receptacles and planters that are now located along Michigan Avenue. In 2003, the Committee will add decorative benches, additional litter receptacles, and updated pedestrian scale street lighting. These amenities will be placed on secondary streets as well as Michigan Avenue.

Projects planned for the next 2-4 year period include decorative street signage, painting other existing light and utility poles to better coordinate with new decorative amenities, and the enhancement and upkeep of plantings throughout the area.

Projects that involve construction (such as decorative paving or underground utilities) will generally be staged to coincide with other related construction projects in the area (such as street or parking lot resurfacing). Such projects will generally be completed in one stage, during one construction season.

The estimated cost for all current and future streetscape activities is $1,500,000.

4) District Signage

The WDDDA plans to design and implement a district wide signage program. Signs will welcome customers to the district and direct them to parking areas and to district businesses. Kiosks may be constructed and located in public areas providing a directory of the district's businesses and services along with their location.

The signage project may begin in approximately 2003 and may run through 2005. The project would be completed over the three-year period.

Cost of the signage program is estimated at $250,000. The WDDDA will be investigating a cost share program whereby businesses would contribute a portion of the cost by special assessment or other contributions.

E) Property Purchase; Conveyance; Demolition

From time to time during the life of this Plan, properties within the district may be acquired, conveyed, and/or demolished for the purpose of facilitating redevelopment. The Authority may purchase buildings and other property from time to time to assure coherent and beneficial redevelopment by demolishing existing buildings and selling the property to a third party.

The Authority may decide to purchase other properties within the district to spur further development. Opportunities may become available which require an immediate action by the Authority. This Plan, therefore, provides for "response to opportunities," and permits the Authority to purchase property, demolish buildings and to sell, lease or convey property to public or private entities to meet the objectives of this Plan as determined by the Board of the WDDDA.

Cost of acquisition is estimated at $3 million and demolition is estimated at $1.5 million. The WDDDA plans to pursue other funding sources whenever possible to support their activities.

F) Environmental Due Care Activities

To implement or facilitate various improvements and developments contemplated in this Plan, the WDDDA may undertake environmental investigations, remediation or due care activities. Environmental activities are estimated at $2 million.

Financing Projects

Projects and activities described within this Plan will require financial support beyond TIF revenues captured under this Plan. The City and WDDDA are investigating various mechanisms to generate additional revenues through special assessments, parking user fees, creation of a Business Improvement District (BID), donations and other means as may be identified.

Section 17(2)(f)

PARTS OF DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND USE CONTEMPLATED FOR SUCH SPACE.

For the purpose of this section, "open space" includes, but is not limited to, landscaped areas, courtyards, parks, and parking lots. In general, current open space will remain open with no contemplated change of use.

However, current redevelopment initiatives, increases or decreases in the demand for parking, and future redevelopment initiatives may result in the conversion of current open spaces to other uses such as parking deck(s), new development, or a combination of both.

The current "Jacobson Redevelopment" initiative contemplates the conversion of the site's current surface parking lot to a mixed-use development with open spaces and two public parking decks.

As with the "Jacobson Redevelopment", any future development initiatives that impact current open space, will be expected to include landscaping or other features that will at least partially offset the loss of current open space.

Section 17(2)(g)

PORTIONS OF THE DEVELOPMENT AREA WHICH THE WDDDA DESIRES TO SELL, DONATE, EXCHANGE OR LEASE TO OR FROM THE MUNICIPALITY AND PROPOSED TERMS.

The City or WDDDA may convey, donate, exchange or lease property as necessary to carry out the projects and activities described within this Plan.

Section 17(2)(h)

ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES.

As previously described, the WDDDA plans to relocate overhead utilities to underground in connection with streetscape activities and parking lot reconstruction.

Material changes in zoning, streets, street level, intersections and utilities are not contemplated at the time of this Plan's writing. However, if the Authority and City determine changes would be necessary or convenient to achieve the goal of redeveloping the district, these changes would be undertaken.

Section 17(2)(i)

ESTIMATE OF COST OF DEVELOPMENT, STATEMENT OF PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY OF THE DDA TO ARRANGE THE FINANCING.

The total cost of various elements of the Development Plan are estimated to be $61,550,000 (including estimated financing costs). To finance the Plan, a combination of cash payments and issuance of a bond or bonds supported by future TIF revenues, parking user fees and other support such as special assessments and creation of a Business Improvement District may be utilized.

As previously described, the cost of parking facilities and other public facility improvements associated with the "Jacobson Redevelopment" project is currently estimated not to exceed $12,000,000. In order to obtain the lowest financing cost for this project, it is contemplated that the City will issue one or more series of its general obligation bonds pursuant to Section 16 of Act 197 to pay the cost of the project, and that the WDDDA will pay its tax increment revenues to the City in amounts sufficient to pay the debt service on said bonds. In the event that funds of the WDDDA are insufficient to pay the principal of and interest on said bonds as they become due, the WDDDA will reimburse the City in whole for such payments from funds of the WDDDA as the same are received.

Throughout the life of this plan, the WDDDA may consider issuing bonds in addition to the above described bonds for the "Jacobson Redevelopment". Whenever the WDDDA contemplates issuing bonds utilizing the full faith and credit of the City of Dearborn, City Council approval will be requested and secured. Further, the WDDDA may enter into agreements with the Dearborn Municipal Building Authority or Parking Authority, pledging the future TIF revenues to pay debt service on the bonds. Additionally, the WDDDA may seek to use another financing mechanism permitted by the Act if it is determined to be a more feasible method to finance the projects identified.

Pursuant to Act 197, the WDDDA's contractual obligations also are permitted to be financed by donations received by the WDDDA, proceeds of a tax imposed pursuant to Section 12 of Act 197, proceeds of a special assessment district created as provided by law, money obtained from other sources approved by the City Council, or a combination of the foregoing sources.

Table I, Page 16, summarizes the total estimated project costs identified within this Plan (including financing costs). The number of projects contemplated is ambitious and implementation of some projects may be dependent upon obtaining other revenue to support the total Plan.

Table II, Page 17, projects TIF revenues over the life of the Plan. Estimated revenues in Table II are based on a projected 2.25% annual growth rate in State Equalized Value (SEV) for the District at millage rates currently in effect.

Both projected revenues and expenditures are estimates based on the best information available at this time. However, attempting to project almost thirty years into the future is difficult at best. Revenues and project cost estimates may experience substantial variances from the Plan.

TABLE I

WEST DEARBORN DOWNTOWN DEVELOPMENT AUTHORITY
TAX INCREMENT FINANCING
PROPOSED EXPENDITURES

Reconstruction/Improvement--Existing Parking	5,000,000
Construction--New Parking	18,000,000
Planning/Admin ($200,000/yr.)	5,600,000
Incentive Program	500,000
Marketing/Promotion ($150,000/yr.)	4,200,000
District Signage	250,000
Streetscapes	1,500,000
Property Purchases	3,000,000
Demolition	1,500,000
Environmental Due Care	2,000,000
Other (Inflation, Financing, Contingencies)	20,000,000
TOTAL	$61,550,000

NOTE: This table is for illustration purposes only. Figures used within program categories represent the WDDDA's best estimate at this time and are subject to review and change. Actual amounts may vary, even substantially, from these estimates, and different program categories may be pursued.

TABLE II

City of Dearborn
West Dearborn Downtown Development Authority
West Dearborn TIF Projection

	District SEV (True Cash * 50%)	Captured SEV (District SEV - $11,121,012) (Base Year SEV)	Total TIF Receipts (Captured SEV * Tax Rates)	TIF Fund Balance
Actual:				
1984-2002 Total				3,178,476
Projected:				
2002-03	33,457,659	22,336,647	517,551	3,696,027
2003-04	34,210,457	23,089,445	534,994	4,231,021
2004-05	40,405,192	29,284,180	678,529	4,909,550
2005-06	46,739,309	35,618,297	825,294	5,734,844
2006-07	47,790,944	36,669,932	849,661	6,584,505
2007-08	48,866,240	37,745,228	874,577	7,459,082
2008-09	49,965,730	38,844,718	900,051	8,359,132
2009-10	51,089,959	39,968,947	926,100	9,285,233
2010-11	52,239,483	41,118,471	952,736	10,237,968
2011-12	53,414,871	42,293,859	979,971	11,217,939
2012-13	54,616,706	43,495,694	1,007,818	12,225,757
2013-14	55,845,582	44,724,570	1,036,290	13,262,047
2014-15	57,102,107	45,981,095	1,065,405	14,327,452
2015-16	58,386,905	47,265,893	1,095,174	15,422,626
2016-17	59,700,610	48,579,598	1,125,616	16,548,242
2017-18	61,043,874	49,922,862	1,156,737	17,704,978
2018-19	62,417,361	51,296,349	1,188,562	18,893,540
2019-20	63,821,751	52,700,739	1,221,101	20,114,642
2020-21	65,257,741	54,136,729	1,254,375	21,369,017
2021-22	66,726,040	55,605,028	1,288,396	22,657,413
2022-23	68,227,376	57,106,364	1,323,183	23,980,596
2023-24	69,762,492	58,641,480	1,358,753	25,339,350
2024-25	71,332,148	60,211,136	1,395,122	26,734,472
2025-26	72,937,121	61,816,109	1,432,310	28,166,782
2026-27	74,578,206	63,457,194	1,470,335	29,637,117
2027-28	76,256,216	65,135,204	1,509,215	31,146,332
2028-29	77,971,981	66,850,969	1,548,970	32,695,302
2029-30	79,726,350	68,605,338	1,589,620	34,284,922
TOTAL PROJECTED RECEIPTS			31,106,446	

Projections based on:

SEV Growth Factor:	2.25%	Total TIF Receipts based on taxable value of Jacobson Redevelopment of $10,850,000. Projections reflect development being completed equally in 2004-05 and 2005-06.
City Millage:	14.7800	
County Millage:	8.3905	

NOTE: This spreadsheet is for illustration purposes only. Figures used represent the City's best estimate at this time and are subject to review and change. Actual amounts may vary, even substantially, from these estimates.

Section 17(2)(j)

DESIGNATION OF PERSONS OR PERSONS, NATURAL OR CORPORATE, TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE LEASED, SOLD OR CONVEYED, AND FOR WHOSE BENEFIT THE PROJECT IS BEING UNDERTAKEN.

The WDDDA will convey, lease or sell all or a portion of the development to any entity, public or private, as may be necessary or convenient to carry out this Plan. An example would be to enter a lease agreement with the City or Municipal Building Authority to facilitate the development of the parking structure.

Section 17(2)(k)

PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING ALL OR ANY PORTION OF THE DEVELOPMENT.

The WDDDA will comply with the procedures set forth in State law.

Section 17(2)(I)

ESTIMATES OF THE NUMBERS OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED.

Approximately 110 people reside in the Development Area. No families or individuals will be displaced by the various projects described herein.

Section 17(2)(m)

A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA.

Not applicable.

Section 17(2)(n)

PROVISION FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT AND FINANCIAL ASSISTANCE AND REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION EXPENSES AND EXPENSES INCIDENT TO THE TRANSFER OF TITLE, IN ACCORDANCE WITH THE STANDARDS AND PROVISIONS OF THE FEDERAL UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, BEING PUBLIC LAW 91-646, 42 U.S.C. SECTIONS 4601, ET SEQ.

Not applicable.

Section 17(2)(n)

PLAN FOR COMPLIANCE WITH ACT 227 OF 1972, BEING SECTIONS 213.321 - 213.332 OF MICHIGAN COMPILED LAWS.

Not applicable.

Section 14(2)

A. <u>TAX INCREMENT PROCEDURE</u>

Tax increment revenue to be transmitted to a downtown development authority is generated when the current assessed value of all properties within a development area exceeds the initial assessed value of the properties. The initial assessed value is defined in Act 197 as "the most recently assessed value of all taxable property within the boundaries of the development area at the time the ordinance establishing the area is approved." The current assessed value refers to the assessed value of all properties, real and personal, within the development area as established each year subsequent to the adoption of the tax increment financing plan. The amount in any one year by which the current assessed value exceeds the initial assessed value is defined as the "captured assessed value." The tax increment revenue transmitted to the authority results from applying the total tax levy of all taxing units within the development area to the captured assessed value.

Increases in assessed values within a development area which result in the generation of tax increment revenues can result from any of the following:

a. Construction of new developments occurring after the date establishing the "initial assessed value."

b. Rehabilitation, remodeling, alterations, or additions occurring after the date establishing the "initial assessed value."

c. Increases in property values that occur for any other reasons.

Tax increment revenues transmitted to the authority can be used as they accrue annually, can be held to accumulate amounts necessary to make improvements described in the Plan, can be contractually obligated to the municipality as a revenue source with which to meet debt service on certain of the municipality's obligations, or can be pledged for debt service on general obligation tax increment bonds issued by the municipality.

For the duration of the tax increment financing plan, the local taxing jurisdictions will continue to receive tax revenues based upon the initial assessed value. The authority, however, (subject to the provisions of agreements for the sharing of captured assessed value) receives that portion of the tax levy of all taxing jurisdictions paid each year on the captured assessed value of the property within the development area; provided, however, that the Authority will not receive any part of a millage specifically levied for the payment of principal of and interest on obligations approved by the electors or obligations pledging the unlimited taxing power of a local governmental unit.

For example, suppose that in the first year a tax increment financing plan relating to a development area having a state equalized value of $5,000,000 is established. The initial assessed value is $5,000,000. Assume that the tax rate applicable to the development area is 22 mills, and that of the 22 mills, 2 mills are levied by various taxing units for the payment of principal and interest on obligations described above. In the first year the taxes on the eligible property will be $110,000 (22 mills times $5,000,000). None of those taxes will be paid to the authority. In the second year, because of construction, the state equalized valuation of the development area is $25,000,000. The current assessed value in year two is $25,000,000 and the captured assessed value is $20,000,000 ($25,000,000 less the initial assessed value of $5,000,000).

If there were no agreements for the sharing of captured assessed value, the authority would receive tax increments of $400,000 (20 mills times $20,000,000). The taxing jurisdictions would receive $150,000 (22 mills times the initial assessed value of $5,000,000 plus 2 mills times the captured assessed value of $20,000,000). In each subsequent year for the duration of the tax increment financing plan a similar computation would be made.

If agreements to share captured assessed value are in place, the calculations would be adjusted to reflect the terms of those agreements. If we assume that agreements were in effect to share with each of the taxing jurisdictions 50% of the captured assessed value, the calculation for year two would be as follows: Tax increment revenue paid to the authority would be $200,000 (20 mills times $10,000,000 which represents one half of the captured assessed value) and the taxing jurisdictions would receive $350,000 (22 mills times $5,000,000, the initial assessed value, plus 22 mills times $10,000,000 which represents the shared captured assessed value, plus 2 mills times $10,000,000 representing the unshared captured assessed value.) The WDDDA is authorized by this Plan to enter into agreements to share a portion of the captured assessed value. Such agreements are subject to negotiation with the foregoing example, the WDDDA will not capture any TIF revenues attributable to the application of voted millage levied by any taxing units for debt service.

The WDDDA may expend tax increment revenues only in accordance with the tax increment financing plan; surplus revenues revert proportionally to the respective taxing jurisdictions. The tax increment financing plan may be modified upon approval of the City Council after notification and hearings as required by Act 197. When the City Council finds that the purposes for which the Plan was established have been accomplished, they may abolish the Plan.

B. MAXIMUM INDEBTEDNESS AND DURATION OF PLAN

The maximum amount of bonded indebtedness to be incurred under this Tax Increment Plan is not to exceed $20 million. The maximum duration of the Plan will run through the calendar year 2030 or such time as necessary to fully repay any and all indebtedness created under this Plan.

C. ESTIMATED IMPACT ON ALL TAXING JURISDICTIONS

All taxing units should benefit from the projects and programs initiated under this Plan. The WDDDA Plan will strengthen the Downtown District and arrest stagnation and deterioration in property values. A strengthened district will result in higher property value translating into a proportionate increase in property taxes derived from the district.

It is anticipated that the public improvements and programs proposed for the district will induce private sector investment and provide long-term stability and growth in the Downtown District. This will greatly benefit all taxing jurisdictions that are dependent upon the well being of the Downtown District which impacts the surrounding residential neighborhoods and the city in general. Activities funded under this Plan are an investment in the future of the downtown to assure a viable business district will be part of Dearborn's future. (See Table II, Page 17.)

DOWNTOWN WEST DEARBORN
DEVELOPMENT/TIF AREA BOUNDARY MAP

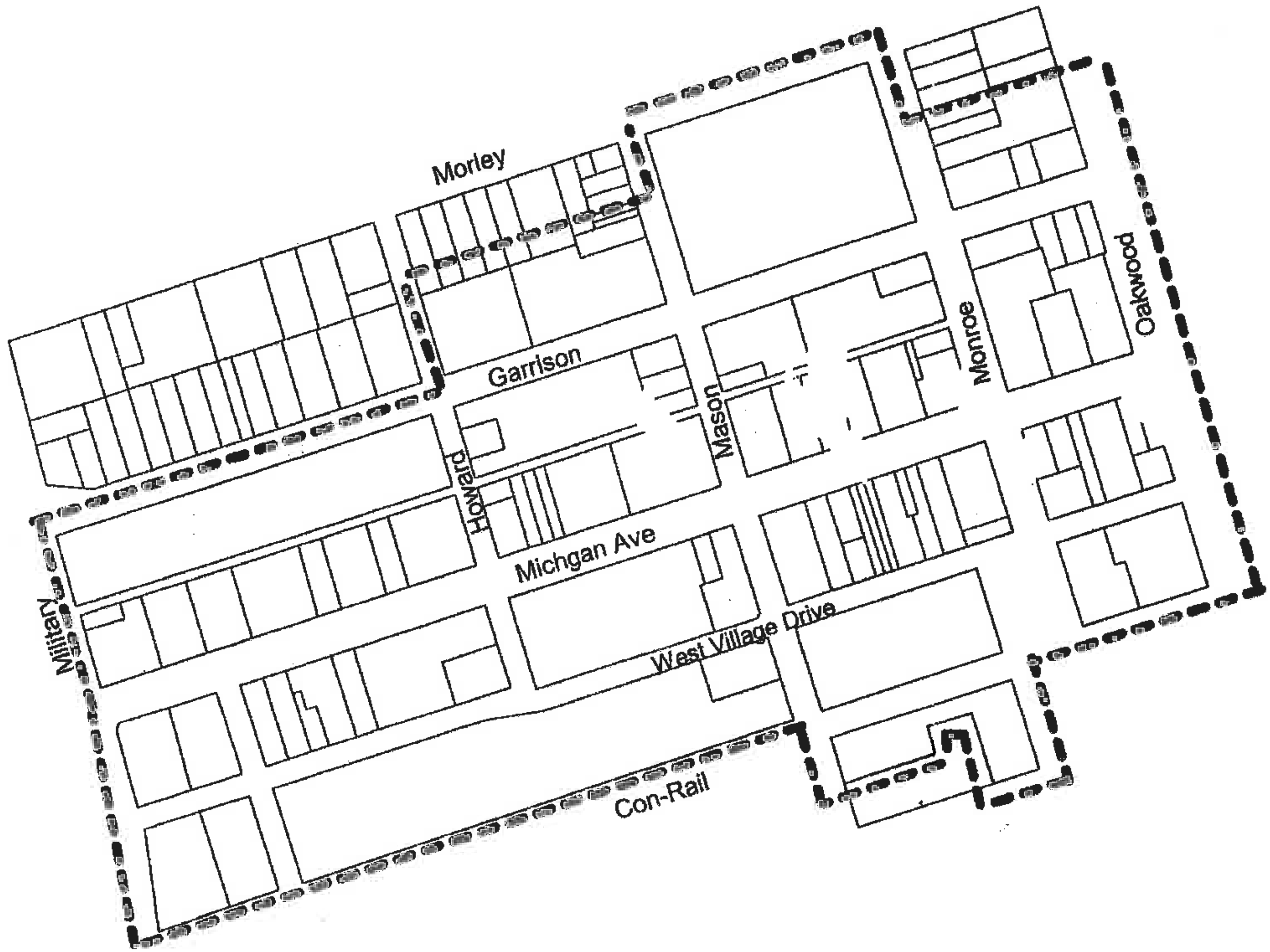
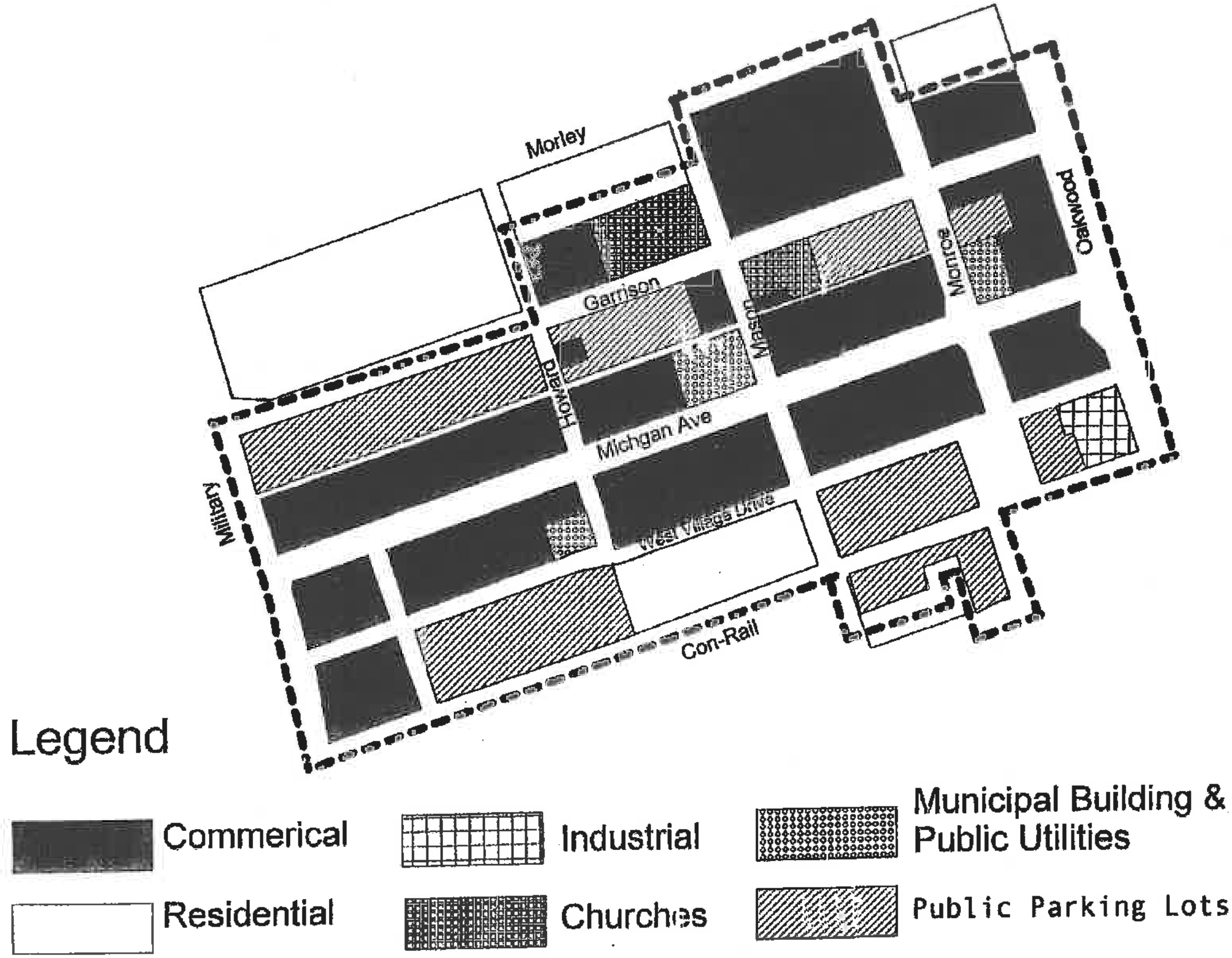


EXHIBIT A

DOWNTOWN WEST DEARBORN
EXISTING LAND USE MAP



3/2003

EXHIBIT B

DOWNTOWN WEST DEARBORN
EXISTING ZONING MAP

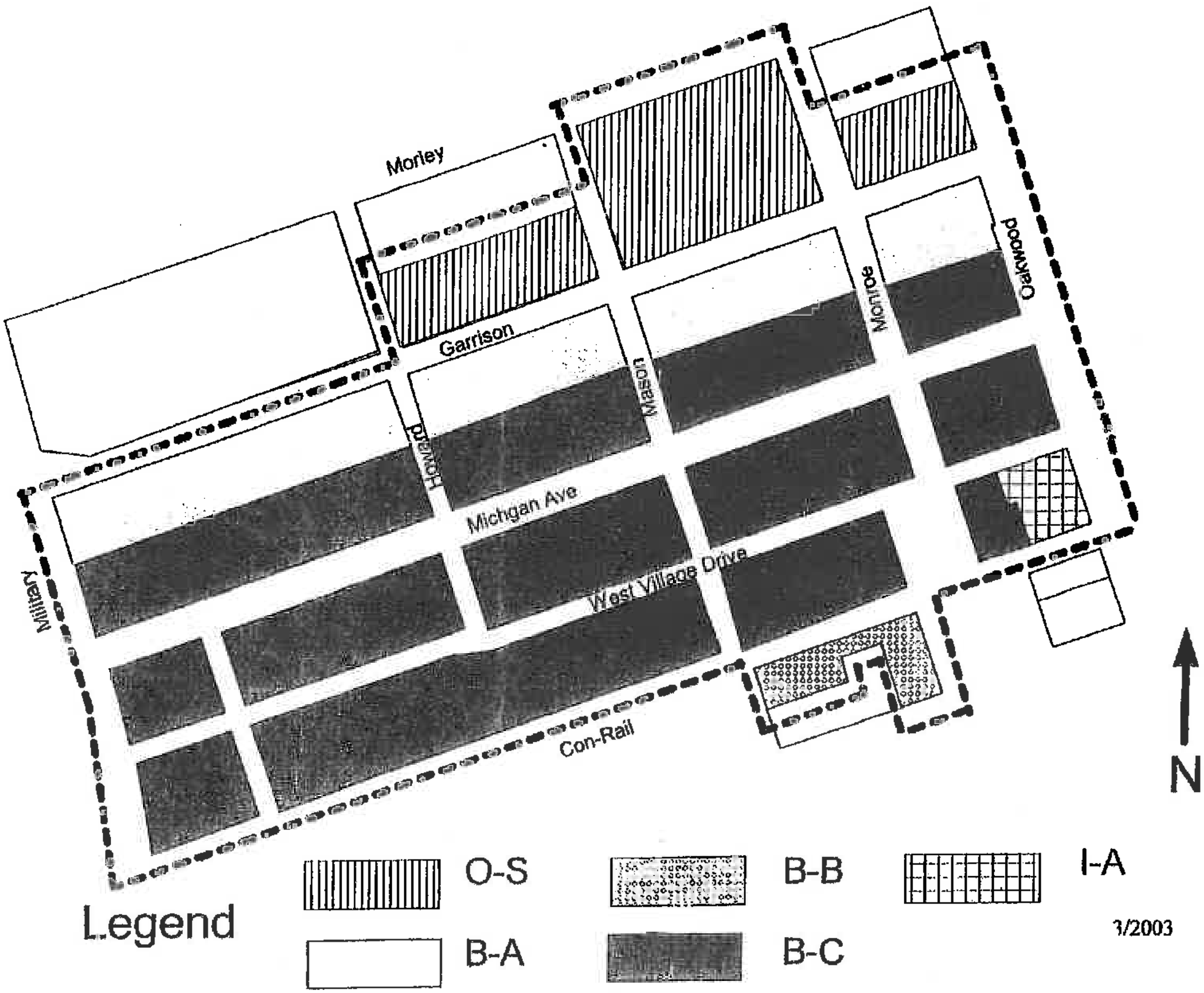


EXHIBIT C

EXHIBIT D

ORDINANCE NO. 89-446

AN ORDINANCE TO AMEND ORDINANCE NO. 82-265, AS AMENDED, AN ORDINANCE TO ADOPT THE DEVELOPMENT AND TAX INCREMENT FINANCING PLAN NO. 1 OF THE DOWNTOWN DEVELOPMENT AUTHORITY - WEST DEARBORN

THE CITY OF DEARBORN ORDAINS:

Section 1. The City Council has been presented with the Development and Tax Increment Financing Plan No. 1, as amended, of the Downtown Development Authority - West Dearborn (the "Authority"), which was amended and adopted by that body on January 23, 1989 (as amended and adopted, the "Plan"), pursuant to the provisions of Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act"). The City Council hereby determines that the Plan constitutes a public purpose.

Section 2. The City Council hereby modifies the Plan as follows:

(a) Commencing with the taxes due and payable on July 1, 1989, the Authority shall retain none of the tax levied by the Dearborn Public Schools (the "School District") on real and personal property in the development area on the captured assessed value. The City Treasurer shall pay over to the School District all of the tax levied by the School District on the real and personal property in the development area on the captured assessed value in the ordinary course.

(b) The Authority shall return to the School District moneys collected through June 30, 1989, pursuant to the Plan which are attributable to the application of tax millage levied by the School District in the development area on the captured assessed value. Such moneys shall be returned from tax increment revenues received by the Authority remaining after the Authority has paid over to the City the amounts required to pay debt service on the municipal parking structure bonds authorized by the Plan, together with interest thereon, as set forth more specifically in Exhibit K to the Plan.

Section 3. The Plan, as modified by the foregoing Section 2, is hereby approved.

Section 4. As required by the Act, the City Council has in reviewing and approving the Plan as modified herein taken into account the following considerations:

(a) The Development Plan meets the requirements set forth in section 17(2) of the Act and the Tax Increment Financing Plan meets the requirements set forth in section 14(2) of the Act.

ORDINANCE NO. 88-428

EXHIBIT E

AN ORDINANCE TO AMEND ORDINANCE NO. 82-265, AS AMENDED ENTITLED, "AN ORDINANCE TO ADOPT THE DEVELOPMENT AND TAX INCREMENT FINANCING PLAN NO. 1 OF THE DOWNTOWN DEVELOPMENT AUTHORITY - WEST DEARBORN"

THE CITY OF DEARBORN ORDAINS:

That Ordinance No. 82-265, entitled, "An Ordinance To Adopt The Development And Tax Increment Financing Plan No. 1 Of The Downtown Development Authority - West Dearborn" is hereby amended by changing and/or renumbering/adding Sections 1 through 6 as follows:

Section 1. The Development and Tax Increment Financing Plan No. 1, as amended, of the Downtown Development Authority - West Dearborn, which was adopted by that body on June 13, 1988, is hereby approved and adopted pursuant to Section 19 of Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act"), and the City does specifically find that said Plan, as amended, constitutes a public purpose.

Section 2. As required by the Act, the City Council has in reviewing the Plan taken into account the following considerations:

(a) The Development Plan meets the requirements set forth in section 17(2) of the Act and the Tax Increment Financing Plan meets the requirements set forth in section 14 (2) of the Act.

(b) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the Act.

(d) The land included within the Development Area to be acquired (to the extent required by the Plan) is reasonably necessary to carry out the purposes of the Plan and the purposes of the Act in an efficient and economically satisfactory manner.

(e) The Development Plan is in reasonable accord with the master plan of the City.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service protection and utilities, are or will be adequate to service the Development Area.

(g) Changes in streets, street levels, intersections, and utilities (to the extent required by the Plan) are reasonably necessary for the Project and for the City.

Section 3. A copy of the Development and Tax Increment Financing Plan No. 1, as amended of the Downtown Development Authority - West Dearborn, which was adopted by that Body on June 13, 1988, which is approximately thirty-five pages in length shall be maintained on file in the Office of the City Clerk for inspection by the public at all times during regular business hours.

Section 4. Should any section, clause or phrase of this Ordinance be declared to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof other than the part declared to be invalid.

Section 5. All Ordinances or parts of Ordinances in conflict with any of the provisions of this Ordinance are hereby repealed.

Section 6. This Ordinance shall take effect the day after its publication in accordance with the provisions of Chapter 9, Section 9.2 of the City Charter.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on September 6, 1988 and published on September 14, 1988, effective the day following publication.

MICHAEL A. GUIDO, Mayor

DUANE WYDENDORF, City Clerk

F

ORDINANCE NO. 85-339

AN ORDINANCE TO AMEND ORDINANCE NO. 82-265 AN ORDINANCE TO ADOPT THE DEVELOPMENT AND TAX INCREMENT FINANCING PLAN NO. 1 OF THE DOWNTOWN DEVELOPMENT AUTHORITY-WEST DEARBORN

THE CITY OF DEARBORN ORDAINS:

Section 1. The Development and Tax Increment Financing Plan No. 1, as amended, of the Downtown Development Authority-West Dearborn is hereby adopted pursuant to Michigan Compiled Laws Section 125.1669, and the City does specifically find that said Plan, as amended, constitutes a public purpose.

Section 2. A copy of the Development and Tax Increment Financing Plan No. 1, as amended, of the Downtown Development Authority-West Dearborn, which was adopted by that Body on November 4, 1982, modified on December 9, 1982, and amended on August 8, 1985, which is approximately thirty-three pages in length shall be maintained on file in the Office of the City Clerk for inspection by the public at all times during regular business hours.

Section 3. Should any section, clause or phrase of this Ordinance be declared to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof other than the part declared to be invalid.

Section 4. All Ordinances or parts of Ordinances in conflict with any of the provisions of this Ordinance are hereby repealed.

Section 5. This Ordinance shall take effect the day after its publication in accordance with the provisions of Chapter 9, Section 9.2 of the City Charter.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on October 15, 1985 and published on October 24, 1985, effective the day following publication.

JOHN B. O'REILLY, Mayor

DUANE WYDENDORF, City Clerk

EXHIBIT G

ORDINANCE 82-265

AN ORDINANCE TO ADOPT THE DEVELOPMENT
AND TAX INCREMENT FINANCING PLAN NO. 1 OF
THE DOWNTOWN DEVELOPMENT AUTHORITY - WEST DEARBORN

THE CITY OF DEARBORN ORDAINS:

Section 1. The Development and Tax Increment Financing Plan No. 1, as amended, of the Downtown Development Authority-West Dearborn is hereby adopted pursuant to Michigan Compiled Laws Section 125.1669, and the City does specifically find that said Plan, as amended, constitutes a public purpose.

Section 2. A copy of the development and Tax Increment Financing Plan No. 1, as amended, of the Downtown Development Authority-West Dearborn, which was adopted by that Body on November 4, 1982, modified on December 9, 1982, and amended on August 8, 1985, which is approximately thirty-three pages in length shall be maintained on file in the Office of the City Clerk for inspection by the public at all times during regular business hours.

Section 3. Should any section, clause or phrase of this Ordinance be declared to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof other than the part declared to be invalid.

Section 4. All Ordinances or parts of Ordinances in conflict with any of the provisions of this Ordinance are hereby repealed.

Section 5. This Ordinance shall take effect the day after its publication in accordance with the provisions of Chapter 9, Section 9.2 of the City Charter.
(Note. Sections 1 & 2 amended by Ord. No. 85-339 adopted October 15, 1985)

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on December 21, 1982 and published on December 30, 1982, effective the day following publication.

JOHN B. O'REILLY, Mayor

DUANE WYDENDORF, City Clerk

Amendments incorporated hereinto October 25, 1985

Ordinance	Adopted	Effective
85-339	10/15/85	10/25/85

EXHIBIT H

DATA PROCESSING DIVISION

PROPERTY ADDRESS / PARCEL CROSS REFERENCE

----STREET ADDRESS----	SEV-REAL	----------MAIL ADDRESS----------	---NEW PARCEL---	PERSONAL SEV	TOTAL SEV	
22170 GARRISON	377,400	GARRISON SQUARE PROFESSIONAL CENTER INC 22170 GARRISON DEARBORN MI 48124	82-09-221-04-002	173,350	550,750	19 tenants
22124 GARRISON		FIRST METHODIST CHURCH EXEMPT 22124 GARRISON DEARBORN MI 48124	82-09-221-04-003	None	--	
81 340 MASON	34,124	DAVID R PHIPPS 840 N MASON DEARBORN MI 48124	82-09-221-04-004	None	34,124	
		DEARBORN SCHOOL DIST EXEMPT	82-09-221-05-001	None	--	
		DEARBORN SCHOOL DIST EXEMPT	82-09-221-05-002	None	--	
CU	8,150	ROBERT S LAPHAM BOX 2666 DEARBORN MI 48123	82-09-221-06-005	None	8,150	
RU	7,613	CHARLES R JOHNSON 22419 MICHIGAN DEARBORN MI 48124	82-09-221-06-006	None	7,613	
841 MONROE	124,950	GEORGE E DIMOND 841 MONROE DEARBORN MI 48124	82-09-221-06-007	18,350	143,300	5 tenants
21924 GARRISON	21,250	GINA M SOLECKI 21924 GARRISON DEARBORN MI 48124	82-09-221-06-008	None	21,250	
21936 GARRISON	27,550	ROY D & DOLORES T MALTESE 23659 FORDSON DEARBORN MI 48124	82-09-221-06-009	2,350	29,900	4 tenants
CU	22,250	CHARLES R JOHNSON 22419 MICHIGAN DEARBORN MI 48124	82-09-221-06-010	None	22,250	
		CITY OF DEARBORN EXEMPT-PARKING	82-09-221-07-001	None	--	
935 MILITARY S		CITY OF DEARBORN EXEMPT	82-09-221-07-002	None	--	
949 MILITARY S	17,850	LUCIEANE N DELMENICO 949 S MILITARY DEARBORN MI 48124	82-09-221-07-003	750	18,600	
22370 MICHIGAN	545,700	JOHN N MUIRHEAD 22370 MICHIGAN DEARBORN MI 48124	82-09-221-07-004	44,000	589,700	
22340 MICHIGAN	214,200	VIC TANNY INTERNATIONAL INC	82-09-221-07-005	177,000	391,200	

DATA PROCESSING DIVISION

PROPERTY ADDRESS / PARCEL CROSS REFERENCE

----STREET ADDRESS----	SEV-REAL	----------MAIL ADDRESS----------	---NEW PARCEL---	PERSONAL SEV	TOTAL SEV	
22324 MICHIGAN	104,550	ROY ZURKOWSKI C/O A ALDEHT SUGAR 26555 EVERGREEN - SUITE 1800 SOUTHFIELD MI 48076	02-09-221-07-006	Assessed with 22340 Michigan ---	104,550	
22290 MICHIGAN	122,400	FRANK FRANCHI 33 BLAIR LANE DEARBORN MI 48120	02-09-221-07-007	90,000	212,400	
	16,050	FRANK FRANCHI 33 BLAIR LANE DEARBORN MI 48120	02-09-221-07-008	None	16,050	
22266 MICHIGAN	131,600	SOPHIE & ELIOPOULOS PAVCRIS 90C S SILVERY LANE DEARBORN MI 48124	02-09-221-07-009	18,450	150,050	
22250 MICHIGAN	255,000	WEINSTEIN & WEINSTEIN SUITE 314 26211 CENTRAL PARK BLVD SOUTHFIELD MI 48076	02-09-221-07-010	17,350	272,350	
22236 MICHIGAN	76,500	DAVID ASKIN 22236 MICHIGAN DEARBORN MI 48124	02-09-221-07-011	2,200	78,700	
22224 MICHIGAN	270,300	ROBT SLATKIN INC SUITE 2CC 1800C W 1C MILE RD SOUTHFIELD MI 48075	02-09-221-07-012	14,800	285,100	
		CITY OF DEARBORN EXEMPT - PARKING LOT	02-09-221-08-001	None	--	
921 HOWARD	50,500	CHARLES & HELEN JOHNSON 1414 BELMONT DEARBORN MI 48128	02-09-221-08-002	11,350	61,850	5 tenants
939 HOWARD	69,350	COSTUMES BY LYNCH INC 535 HOWARD DEARBORN MI 48124	02-09-221-08-003	3,450	72,800	
22190 MICHIGAN	86,700	RICHARD F NADEAU 22194 MICHIGAN DEARBORN MI 48124	02-09-221-08-004	30,500	117,200	2 tenants
22184 MICHIGAN	46,900	MISKO BLDG CO 22184 MICHIGAN DEARBORN MI 48124	02-09-221-08-005	4,650	51,550	
22130 MICHIGAN	58,650	ANTHONY FERA 22180 MICHIGAN DEARBORN MI 48124	02-09-221-08-006	4,150	62,800	
22174 MICHIGAN	46,900	ANTHONY FERA 22174 MICHIGAN DEARBORN MI 48124	02-09-221-08-007	4,150	51,050	
22141 [illegible]CHIGAN	200,000	CALVIN BUILDING C/O AMERICAN COMMERCIAL-IND [illegible]	0[illegible] -221-08-008	[illegible]	[illegible]0,000	

DA... ...ROCESSING DIVISION

PROPERTY ADDRESS / PARCEL CROSS REFERENCE

STREET ADDRESS	SEV-REAL	MAIL ADDRESS	NEW PARCEL	PERSONAL SEV	TOTAL SEV	
22100 MICHIGAN	[illegible]	CITY OF DEARBORN LIBRARY EXEMPT	82-09-221-08-009	None	[illegible]	
932 MASON	45,900	S GEMUS G EVANS 932 MASON DEARBORN MI 48124	82-09-221-08-010	7,850	53,750	2 tenants
924 MASON	61,700	NOEL KEANE 930 MASON DEARBORN MI 48124	82-09-221-08-011	2,400	64,100	2 tenants
934 MASON	32,650	N S CAMPBELL 914 MASON DEARBORN MI 48124	82-09-221-08-012	4,850	37,500	
935 MASON		CENTRAL CHURCH OF THE CHRISTIAN & MISSIONARY ALLIANCE 909 MASON EXEMPT DEARBORN MI 48124	82-09-221-09-001	None	----	
925 MASON	27,300	FAIRLAND COMMUNITY CHURCH OF CHRISTIAN & MISSIONARY ALIANCE 909 MASON DEARBORN MI 48124	82-09-221-09-002	None	27,300	
22096 MICHIGAN	33,150	AMOCO OIL COMPANY PROPERTY TAXES SUITE 312 26895 NORTHWESTERN HWY SOUTHFIELD MI 48034	82-09-221-09-003	2,000	35,150	
22070 MICHIGAN	102,000	SIMS BUILDING 22C74 MICHIGAN DEARBORN MI 48124	82-09-221-09-004	17,200	119,200	
22062 MICHIGAN	41,300	PAVLICH 22062 MICHIGAN DEARBORN MI 48124	82-09-221-09-005	13,000	54,300	
22054 MICHIGAN	42,850	CONTACTLESS LENSE SERVICE CORP 19800 W 8 MILE RD SOUTHFIELD MI 48075	82-09-221-09-006	11,300	54,150	2 tenants
22048 MICHIGAN	146,350	MORRIS & VICTOR BAROCAS 71 WEST 35TH ST NEW YORK NY 10001	82-09-221-09-007	17,250	163,600	
22022 MICHIGAN	156,650	DON DELROSE 901 WEST FOURTEEN MILE ROAD TROY MI 48084	82-09-221-09-008	None	156,650	
22012 MICHIGAN	79,050	DETROIT EDISON CO 2000 SECOND AVE DETROIT MI 48226	82-09-221-09-009	None	79,050	
22030 MICHIGAN	35,700	PHILIP & SHARON LE ARRAIS 43411 GALWAY NORTHVILLE MI 48167	82-09-221-09-010	9,900	45,600	2 tenants
950 MONROE	39,800	JOAN M LEDBETTER	82-09-221-09-011	2,600	42,400	

DATA PROCESSING DIVISION

PROPERTY ADDRESS / PARCEL CROSS REFERENCE

----STREET ADDRESS----	SEV-REAL	----------MAIL ADDRESS----------	---NEW PARCEL---	PERSONAL SEV	TOTAL SEV	
940 MONROE	17,350	V F W POST 134 940 MONROE DEARBORN MI 48124	82-09-221-09-012	2,100	19,450	
920 MONROE	13,250	JACK R ROSENTHAL 920 N MONROE DEARBORN MI 48124	82-09-221-09-014	800	14,050	
904 MONROE		CITY OF DEARBORN EXEMPT	82-09-221-09-015	2,800	2,800	2 tenants
		CITY OF DEARBORN EXEMPT-PARKING LOT	82-09-221-09-016	None	---	
22051 GARRISON	18,800	CITY OF DEARBORN	82-09-221-09-017	1,700	20,500	
		CITY OF DEARBORN EXEMPT	82-09-221-09-018	None	---	
937 MONROE	98,550	DEARBORN MASONIC TEMPLE 907 MONROE BLVD DEARBORN MI 48124	82-09-221-10-001	None	98,550	
		CITY OF DEARBORN EXEMPT-PARKING LOT	82-09-221-10-002	None	---	
21950 MICHIGAN		CITY OF DEARBORN MUSEUM EXEMPT	82-09-221-10-003	None	---	
21928 MICHIGAN	119,350	JEAN ROSEN 12717 LUDLOW HUNTINGTON WOODS MI 48070	82-09-221-10-004	27,600	146,950	2 tenants
21918 MICHIGAN	57,100	ANTHONY KOLSIAS 712 MORLEY CT DEARBORN MI 48124	82-09-221-10-005	21,350	78,450	
Parking	12,250	ANTHONY KOLSIAS 712 MORLEY CT DEARBORN MI 48124	82-09-221-10-006	None	12,250	
RI 21935 GARRISON	26,085	JARAK CO 21505 GARRISON DEARBORN MI 48124	82-09-221-10-007	4,400	30,485	
21917 GARRISON	17,100	JAMES F & KATHLEEN T SCHOUMAN 21925 GARRISON DEARBORN MI 48124	82-09-221-10-008	None	17,100	
21925 GARRISON	18,000	JAMES F & KATHLEEN T SCHOUMAN 21925 GARRISON DEARBORN MI 48124	82-09-221-10-009	21,925	39,925	
22361 MICHIGAN	200,000	WILLIAM E BRADLEY 22361 MICHIGAN DEARBORN MI 48124	82-09-223-01-001	17,950	217,950	2 tenants
	45,500	DEARBORN FED SAV & LOAN	[illegible]-09-[illegible]-01-[illegible]	None	45,[illegible]	

PROPERTY ADDRESS / PARCEL CROSS REFERENCE

----STREET ADDRESS----	SEV-REAL	----------MAIL ADDRESS----------	---NEW PARCEL---	PERSONAL SEV	TOTAL SEV	
22315 MICHIGAN	218,100	DUN FED SAV & LOAN 22315 MICHIGAN DEARBORN MI 48124	82-09-223-02-001	None	218,100	
22291 MICHIGAN	118,300	FRED SCHWENDENMAN 10123 TECUMSEH REDFORD TWP DETROIT MI 48239	82-09-223-02-002	9,550	127,850	3 tenants
22283 MICHIGAN	69,300	KAY BAUM ASSOC 166 W MAPLE BIRMINGHAM MI 48011	82-09-223-02-003	7,250	76,550	
22273 MICHIGAN	385,250	JACOBSON STORES INC 1200 N WEST AVE JACKSON MI 49202	82-09-223-02-004	33,150	418,400	
22263 MICHIGAN	156,100	PRICE'S 22263 MICHIGAN DEARBORN MI 48124	82-09-223-02-005	26,550	182,650	
22231 MICHIGAN	1,289,750	JACOBSON STORES REALTY CO. 1200 NORTHWEST JACKSON MI 49202	82-09-223-02-006	212,600	1,502,350	2 tenants
22213 NEWMAN	105,200	DETROIT EDISON CO 2000 SECOND AVE DETROIT MI 48226	82-09-223-02-007	None	105,200	
22199 MICHIGAN	270,300	HERKIMER MANAGEMENT CC C/O HAMILTON BANK TRUST DEPT 222 MARKET ST HARRISBURG PA 17108	82-09-223-03-001	4,650	274,950	5 tenants
1031 HOWARD	32,500	TERNES & GLINAN 22167 MICHIGAN DEARBORN MI 48124	82-09-223-03-002	None	32,500	
CU	70,000	TERNES & GLINAN INC 22167 MICHIGAN DEARBORN MI 48124	82-09-223-03-003	None	70,000	
22175 MICHIGAN	30,000	LLOYD G TERNES 24528 WARD DEARBORN MI 48124	82-09-223-03-004	None	30,000	
22167 MICHIGAN	36,450	TERNES & GLINAN INC 22167 MICHIGAN DEARBORN MI 48124	82-09-223-03-005	250	36,700	
22151 MICHIGAN	275,400	M KING INVESTMENT CO 22C85 MICHIGAN DEARBORN MI 48124	82-09-223-03-006	3,800	279,200	2 tenants
22123 MICHIGAN	96,900	GEORGE GIANIS 3436 PENOBSCOT BLDG DETROIT MI 48226	82-09-223-03-007	9,500	106,400	2 tenants
22113 MICHIGAN	45,900	DAVID A SLOSS 601 BRENTWOOD DEARBORN MI 48124	82-09-223-03-008	5,800	51,700	2 tenants

DATA PROCESSING DIVISION

PROPERTY ADDRESS / PARCEL CROSS REFERENCE

	----STREET ADDRESS----	SEV-REAL	----------MAIL ADDRESS----------	---NEW PARCEL---	PERSONAL SEV	TOTAL SEV	
	22131 MICHIGAN	206,550	MANUF NATL BANK OF DET MICH-MASON BRANCH NO 3 411 W LAFAYETTE DETROIT MI 48226	82-09-223-03-009	None	206,550	
	1031 MASON	268,515	N KING INVESTMENT CO 22085 MICHIGAN DEARBORN MI 48124	82-09-223-04-001	38,850	307,365	4 tenants
	22075 MICHIGAN	45,900	DAVID A SLOSS 601 BRENTWOOD DEARBORN MI 48124	82-09-223-04-002	2,000	47,900	
	22065 MICHIGAN	73,950	HACK & SONS INC 7376 AZALEA COURT WEST BLOOMFIELD MI 48033	82-09-223-04-003	8,850	82,800	2 tenants
CU		10,200	HACK & SONS INC 7376 AZALEA COURT WEST BLOOMFIELD MI 48033	82-09-223-04-004	None	10,200	
	22053 MICHIGAN	48,450	SIDNEY SIMON & MARVIN KELKIN JACK GREGORIANO & MARILYN WALOCK 22053 MICHIGAN DEARBORN MI 48124	82-09-223-04-005	10,100	58,550	3 tenants
	22041 MICHIGAN	108,900	CRABBIE JOES 22041 MICHIGAN DEARBORN MI 48124	82-09-223-04-006	50,000	158,900	
	22039 MICHIGAN	30,600	CRABBIE JOES 22041 MICHIGAN DEARBORN MI 48124	82-09-223-04-007	1,700	32,300	
	22035 MICHIGAN	53,550	SAM L SCHNEIDER BLDG 5 - APT 109 6512 BURNINGWOOD DR BOCA RATON FL 33432	82-09-223-04-008	3,050	56,600	3 tenants
	22027 MICHIGAN	99,450	SAM L SCHNEIDER BLDG 5 - APT 109 6512 BURNINGWOOD DR BOCA RATON FL 33432	82-09-223-04-009	11,000	110,450	
	1034 MONROE	44,900	GERALD HAYNES 32770 FRANKLIN FRANKLIN HILLS MI 48025	82-09-223-04-010	13,500	58,400	
	22031 MICHIGAN	106,100	SAM L SCHNEIDER BLDG 5 - APT 109 6512 BURNINGWOOD DR BOCA RATON FL 33432	82-09-223-04-011	16,600	122,700	5 tenants
	1023 MONROE	33,150	STANDARD AUTO SUPPLY INC 13615 GRATIOT DETROIT MI 48205	82-09-223-05-001	7,450	40,600	3 tenants
		16,050	STANDARD AUTO SUPPLY INC 13615 GRATIOT [illegible]	82 -223-05-002	None	16,050	

DATA PROCESSING DIVI

PROPERTY ADDRESS / PARCEL CROSS REFERENCE

----STREET ADDRESS---- SEV-REAL	-----------MAIL ADDRESS-----------	---NEW PARCEL---	PERSONAL SEV	TOTAL SEV	
21947 MICHIGAN 11,950	TERENCE & ARTHUR E KIERNAN 21531 MICHIGAN DEARBORN MI 48124	82-09-223-05-003	None	11,950	
21931 MICHIGAN 37,250	HANK GNIEWEK'S TROPHIES INC 21531 MICHIGAN DEARBORN MI 48124	82-09-223-05-004	35,000	72,250	
21925 MICHIGAN 102,000	HANK GNIEWEK'S TROPHIES INC 21531 MICHIGAN DEARBORN MI 48124	82-09-223-05-005	6,000	108,000	
21917 MICHIGAN 53,550	GEORGE & KAREN NIGOGHOSIAN 21517-19 MICHIGAN DEARBORN MI 48124	82-09-223-05-006	300	53,850	
21933 MICHIGAN 32,350	LANSON DEVELOPMENT CO 31065 MCKINNEY FRANKLIN MI 48025	82-09-223-05-007	750	33,100	
21917 MICHIGAN 11,200	/GEORGE & KAREN NIGOGHOSIAN 21517-19 MICHIGAN DEARBORN MI 48124	82-09-223-05-008	None	11,200	
22371 NEWMAN 212,000	DAVID NEWMAN 22371 NEWMAN DEARBORN MI 48124	82-09-223-06-001	20,050	232,050	11 tenants
22361 NEWMAN 144,000	DAVID NEWMAN 22371 NEWMAN DEARBORN MI 48124	82-09-223-06-002	None	144,000	
	CITY OF DEARBORN EXEMPT PARKING LOT	82-09-223-07-001	None	---	
44,900	MANUFACTURERS NAT'L BANK BANK PROPERTIES DEPARTMENT 411 W LAFAYETTE DETROIT MI 48226	82-09-223-07-003	None	44,900	
	CITY OF DEARBORN EXEMPT-PARKING LOT & NEWMAN ST WIDENING	82-09-223-08-001	None	---	
	CITY OF DEARBORN EXEMPT	82-09-223-09-001	None	---	
1130 OAKWOOD 118,150	OAKWOOD INDUSTRIES INC 1100 OAKWOOD DEARBORN MI 48124	82-09-223-09-002	219,650	337,800	
9,557,237			1,563,775	11,121,012	

EXHIBIT I

ORDINANCE NO. 81-116

AN ORDINANCE TO CREATE A DOWNTOWN DEVELOPMENT AUTHORITY FOR WEST DEARBORN WITHIN THE CITY OF DEARBORN

THE CITY OF DEARBORN ORDAINS:

Section 1. DOWNTOWN DEVELOPMENT AUTHORITY - WEST DEARBORN ESTABLISHED. In recognition of the fact that it is in the best interest of the public to halt property value deterioration in the downtown business district of West Dearborn, to eliminate the causes of such deterioration and to promote economic growth in the downtown business district, a Downtown Development Authority is hereby established pursuant to Act No. 197 of the Public Acts of 1975, to be known as the Downtown Development Authority - West Dearborn within the City of Dearborn.

Section 2. ORGANIZATION. The Authority shall be under the supervision and control of a Board consisting of the Mayor and ten (10) members appointed by the Mayor, subject to approval by the City Council. Not less than a majority of the members shall be persons having an interest in property located in the downtown district. Not less than 1 of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the Mayor for the unexpired term only. Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The Chairperson of the Board shall be elected by the Board.
(Note. Section 2 amended by Ord. 85-340 adopted 10/15/85)

Section 3. DUTIES. The Downtown Development Authority - West Dearborn as herein created shall be charged with the following duties:

(a) Prepare an analysis of economic changes taking place in the downtown district.

(b) Study and analyze the impact of metropolitan growth upon the downtown district.

(c) Plan and propose the construction, the renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.

(d) Develop long-range plans, in cooperation with the City Plan Commission, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plants to the fullest extent possible.

(e) Implement any plan of development in the downtown district necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.

(f) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(g) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal or rights or interest therein, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.

(h) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings and any necessary or desirable appurtenances thereto, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

(i) Fix, charge, and collect fees, rents and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(j) Lease any building or property under its control, or any part thereof.

(k) Accept grants and donations of property, labor, or othr things of value from a public or private source.

(l) Acquire and construct public facilities.

Section 4. FINANCING. The activities of the Authority shall be financed from one or more of the following sources:

(a) Donations to the Authority for the performance of its functions.

(b) Proceeds of a tax imposed pursuant to Section 12 of Act No. 197 of the Public Acts of 1975.

(c) Monies borrowed and to be repaid as authorized by Section 13 of Act No. 197 of the Public Acts of 1975.

(d) Revenues from any property, building, or facility owned, leased, licensed or operated by the Authority or under its control, subject to the limitations imposed upon the Authority by trusts or other agreements.

(e) Proceeds of a tax increment financing plan, established under Sections 14 - 16 of Act No. 197 of the Public Acts of 1975.

(f) Monies obtained from other sources approved by the City Council of the City of Dearborn.

(g) Monies received by the Authority and not covered under Subsection 1 shall be immediately deposited to the credit of the Authority, subject to disbursement pursuant to Act No. 197 of the Public Acts of 1975. Except as provided in Act No. 197 of the Public Acts of 1975, the City shall not obligate itself, nor shall it ever be obligated to pay any sums from public monies, other than monies received by the City pursuant to this section, for or on account of the activities of the Authority.

Section 5. DEVELOPMENT PLANS - When the Board decides to finance a project in the downtown district by the use of revenue bonds as authorized in Section 13 or tax increment financing as authorized in Sections 14, 15 and 16 of Act No. 197 of the Public Acts of 1975, it shall prepare a development plan. The development plan shall contain:

(a) The designation of boundaries of the development area in relation to highways, streets, streams or otherwise.

(b) The location and extent of existing streets and other public facilities within the development area and shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area.

(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(g) A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

(i) An estimate of the cost of the development, a statement of the proposed method of financing the development and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

(l) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(n) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, being Public Law 91-646, 42 USC sections 4601, et seq.

(o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

(p) Other material which the authority, local public agency, or governing body deems pertinent.

Section 6. DEVELOPMENT AREA CITIZENS COUNCIL - If a proposed development area has residing within it 100 or more residents, a Development Area Citizens Council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The Development Area Citizens Council shall be established by the governing body and shall consist of not less than nine (9) members. The members of the Development Area Citizens Council shall be residents of the development area and shall be appointed by the City Council. A member of a Development Area Citizens Council shall be at least 18 years of age. The Development Area Citizens Council shall be representative of the development area.

Section 7. GOVERNING PROCEDURES - The Downtown Development Authority - West Dearborn shall have all the powers and duties prescribed by Act No. 197 of the Public Acts of 1975. Any questions of interpretation of the powers and duties and responsibilities of the Authority shall be resolved by reference to Act No. 197 of the Public Acts of 1975. The Authority shall provide the City Council and Planning Commission with all reports and studies regulating the formation and implementation of project development plans. The Authority shall submit the proposed development plan to the City Plan Commission for review and recommendation to the City Council prior to the hearing specified in Section 18 of Act No. 197 of the Public Acts of 1975. It shall also consult with and advise any Development Area Citizens Council formed pursuant to the state legislation regarding all preparation and implementation of development plans whenever such plans are conceived.

Section 8. BOUNDARIES. The Authority shall exercise its powers within the following described area:

> Beginning at the intersection of the northerly line of the Consolidated Rail Corporation Railroad Right-of-Way, variable width, and the easterly line of Military Avenue, variable width; thence northerly along the said easterly line of Military Avenue extended to the northerly line of Garrison, variable width; thence easterly along said northerly line of Garrison extended to the easterly line of Howard, 50 feet wide; thence northerly along said easterly line of Howard to the line common to Lot 63 and Lot 104, Detroit Arsenal Ground; thence easterly along said common line extended to the easterly line of Mason, 60 feet wide; thence northerly along said easterly line of Mason extended to the southerly line of Morley, 80 feet wide, thence easterly along said southerly line of Morley to the westerly line of Monroe, 80 feet wide, thence southerly along said westerly line of Monroe to the line common to Lot 95 and Lot 71 of Detroit Arsenal Ground; thence along the easterly extension of said common line to the westerly line of Oakwood; variable width; thence southerly along said westerly line of Oakwood extended to the said northerly line of the Consolidated Rail Corporation Railroad Right-of Way; thence westerly along said northerly line of the Consolidated Rail Corporation Railroad Right-of-Way to the said easterly line of Military Avenue and the Point of Beginning.

(Note. Section 8 Amended by Ord. No. 82-264 adopted 12/21/82)

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance readopted November 4, 1981 and published on November 12, 1981, effective the day following publication.

JOHN B. O'REILLY, Mayor

JOHN JAY HUBBARD, City Clerk

Amendments incorporated hereinto October 25, 1985

Ordinance	Adopted	Effective
82-264	12/21/82	12/31/82
85-340	10/15/85	10/25/85

EXHIBIT J

ORDINANCE NO. 82-264

AN ORDINANCE TO AMEND ORDINANCE NO. 81-116 ENTITLED "AN ORDINANCE TO CREATE A DOWNTOWN DEVELOPMENT AUTHORITY FOR WEST DEARBORN WITHIN THE CITY OF DEARBORN"

THE CITY OF DEARBORN ORDAINS:

That Ordinance No. 81-116 entitled "An Ordinance to Create a Downtown Development Authority for West Dearborn within the City of Dearborn" be and it is hereby amended by changing Section 8 to read as follows:

Section 8. BOUNDARIES. The Authority shall exercise its powers within the following described area:

Beginning at the intersection of the northerly line of the Consolidated Rail Corporation Railroad Right-of-Way, variable width, and the easterly line of Military Avenue, variable width; thence northerly along the said easterly line of Military Avenue extended to the northerly line of Garrison, variable width; thence easterly along said northerly line of Garrison extended to the easterly line of Howard, 50 feet wide; thence northerly along said easterly line of Howard to the line common to Lot 63 and Lot 104, Detroit Arsenal Ground; thence easterly along said common line extended to the easterly line of Mason, 60 feet wide; thence northerly along said easterly line of Mason extended to the southerly line of Morley, 80 feet wide, thence easterly along said southerly line of Morley to the westerly line of Monroe, 80 feet wide; thence southerly along said westerly line of Monroe to the line common to Lot 95 and Lot 71 of Detroit Arsenal Ground; thence along the easterly extension of said common line to the westerly line of Oakwood; variable width; thence southerly along said westerly line of Oakwood extended to the said northerly line of the Consolidated Rail Corporation Railroad Right-of-Way; thence westerly along said northerly line of the Consolidated Rail Corporation Railroad Right-of Way to the said easterly line of Military Avenue and the Point of Beginning.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on December 21, 1982 and published on December 30, 1982, effective the day following publication.

JOHN B. O'REILLY, Mayor

DUANE WYDENDORF, City Clerk

WDDDA/DEARBORN SCHOOL BOARD AGREEMENT

Section 15(2) of the Act states that the Authority shall expend tax increments received for the development program only pursuant to the tax increment financing plan. In satisfaction of that requirement, commencing with the taxes due and payable on July 1, 1989, the Authority shall expend tax increments received only in accordance with the following order of priority:

A. DEBT SERVICE OBLIGATIONS:

Out of the tax increment revenues received by the Authority there shall be first set aside a sum sufficient to pay in full the current annual debt service requirements of principal of and interest on bonds (the "Bonds") issued to finance the construction of the municipal parking structure authorized by the Plan. Current annual debt service requirements shall include reimbursement of moneys advanced by the City of Dearborn on account of insufficiency of tax increment revenues for payment of annual debt service on the bonds. In the event that tax increment revenues are not sufficient to meet current annual debt service requirements, such deficiency shall be added to the next succeeding annual debt service requirements.

B. SCHOOL DISTRICT REPAYMENT:

Out of the tax increment revenues received by the Authority, after provision for Debt Service Obligations as set forth in subsection (A) above, there shall be next set aside a sum sufficient to pay in full to the Dearborn Public Schools (the "School District") all tax increment revenues captured to date by the Authority attributable to tax millage levied prior to June 30, 1989 by the School District (the "School District Repayment"). In the event that tax increment revenues remaining after provision for Debt Service Obligations are not sufficient to pay in full the School District Repayment amount, such deficiency shall be carried forward with interest thereon at the rate per annum equal to the highest per annum rate available to municipalities on the investment of surplus funds as provided by law, but in no event in excess of the interest rate on the Bonds. Interest shall accrue from July 1, 1989 and be paid out of the tax increment revenues received by the Authority, after provision for Debt Service Obligations.

C. COUNTY REPAYMENT:

Out of the tax increment revenues received by the Authority, after provision for Debt Service Obligations and School District Repayment, there shall be next set aside a sum sufficient to pay in full to the County of Wayne (the "County") a sum equal to the County's aggregate share of residual revenues, calculated as if the School District had participated proportionately in payment of debt service on the Bonds, using current applicable millage rates rounded to the nearest tenth of a percent (the "County Repayment"). In the event that tax increment revenues remaining after provision for Debt Service Obligations and School District Repayment are not sufficient to pay in full the County Repayment, such deficiency shall be carried forward, without interest.

D. CITY REPAYMENT:

Out of the tax increment revenues received by the Authority, after provision for Debt Service Obligations, School District Repayment, and County Repayment, there shall be next set aside a sum sufficient to pay to the City of Dearborn (the "City") a sum equal to the City's aggregate share of debt service on the Bonds, using current applicable millage rates rounded to the nearest tenth of a percent (the "City Repayment"). In the event that tax increment revenues remaining after provision for Debt Service Obligations, School District Repayment, and County Repayment are not sufficient to pay in full the City Repayment, such deficiency shall be carried forward, without interest..

E. SURPLUS FUNDS:

Thereafter, any tax increment revenues received by the Authority, after satisfying each and every foregoing requirement, shall revert proportionately to the respective taxing bodies pursuant to the provisions of the Act.

21726/0001/dmpm0767.txt

EXHIBIT L

ORDINANCE 98-727

AN ORDINANCE TO AMEND SECTION 7-68 OF CHAPTER 7 OF THE CODE OF THE CITY OF DEARBORN, ENTITLED "COMMUNITY DEVELOPMENT BOUNDARIES"

THE CITY OF DEARBORN ORDAINS:

That Section 7-68 of Chapter 7 of the Code of the City of Dearborn, entitled "Community Development Boundaries" be and it is hereby amended changing Section 7-68 to read as follows:

Section 7-68. BOUNDARIES. The Authority shall exercise its powers within the following described area:

Beginning at the intersection of the northerly line of the Consolidated Rail Corporation Railroad Right-of Way, variable width, and the easterly line of Military Avenue, variable width; thence northerly along the said easterly line of Military Avenue extended to the northerly line of Garrison, variable width; thence easterly along said northerly line of Garrison extended to the easterly line of Howard, 50 feet wide; thence northerly along said easterly line of Howard to the line common to Lot 63 and Lot 104, Detroit Arsenal Ground; thence easterly along said common line extended to the easterly line of Mason, 60 feet wide; thence northerly along said easterly line of Mason extended to the southerly line of Morley, 80 feet wide; thence easterly along said southerly line of Morley to the westerly line of Monroe, 80 feet wide; thence southerly along said westerly line of Monroe to the line common to Lot 95 and Lot 71 of Detroit Arsenal Ground; thence along the easterly extension of said common line to the westerly line of Oakwood, variable width; thence southerly along said westerly line of Oakwood extended to the said northerly line of the Consolidated Rail Corporation Railroad Right-of-Way; thence westerly along said northerly line of the Consolidated Rail Corporation Railroad Right-of-Way to the said easterly line of Military Avenue and the Point of Beginning.

Additionally, the area beginning at the intersection of the north line of Consolidated Rail Corporation Railroad Right-of-Way, 60 feet wide, and the west line extended of Monroe Boulevard, 80 feet wide; thence southerly along the said west line extended of Monroe Boulevard, 260 feet; thence westerly along the north line of Park Street 30 feet wide, 100 feet; thence northerly 160 feet; thence westerly along a line 40 feet south of and parallel to the south line of said Consolidated Rail Corporation Railroad Right-of-Way, 200 feet; thence southerly 60 feet; thence westerly 200 feet; thence northerly along the east line of Mason Street, 60 feet wide, 160 feet; thence easterly along the said north line of Consolidated Rail Corporation Railroad Right-of-Way, 500 feet to the Point of Beginning.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on August 18, 1998 and published on August 27, 1998, effective the day following publication. True copies of this Ordinance may be inspected or obtained in the Office of the City Clerk.

Michael A Guido

Michael A. Guido, Mayor

Kathleen Buda

Kathleen Buda, City Clerk

EXHIBIT M

ORDINANCE NO. 98-728

AN ORDINANCE TO AMEND SECTIONS 7-81, 7-83, 7-84 AND 7-85 OF THE CODE OF THE CITY OF DEARBORN, ENTITLED "COMMUNITY DEVELOPMENT TO ADOPT THE DEVELOPMENT AND TAX INCREMENT FINANCING PLAN AMENDMENT, 1998 OF THE DOWNTOWN DEVELOPMENT AUTHORITY - WEST DEARBORN"

THE CITY OF DEARBORN ORDAINS:

SECTION 7-81. The City Council has been presented with the Development and Tax Increment Financing Plan Amendments, 1998, as amended, of the Downtown Development Authority - West Dearborn (the "Authority"), which was amended and adopted by that body on April 23, 1998 (as amended and adopted, the "Plan"), pursuant to the provisions of Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act"). The City Council hereby determines that the Plan constitutes a public purpose.

SECTION 7-83. The Plan, as submitted by the Authority is hereby approved.

SECTION 7-84. As required by the Act, the City Council has in reviewing and approving the Plan herein taken into account the following considerations:

(a) The Development Plan meets the requirements set forth in Section 17(2) of the Act and the Tax Increment Financing Plan meets the requirements set forth in Section 14(2) of the Act.

(b) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the Act.

(d) The land included within the Development Area to be acquired (to the extent required by the Plan) is reasonable necessary to carry out the purposes of the Plan and the purposes of the Act in an efficient and economically satisfactory manner.

(e) The Development Plan is in reasonable accord with the Master Plan of the City.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the Development Area.

(g) Changes in streets, street levels, intersections, utilities (to the extent required by the Plan) are reasonably necessary for the Project and for the City.

SECTION 7-85. A copy of the Plan, in the form approved hereby, which is approximately 40 pages in length shall be maintained on file in the office of the City Clerk for inspection by the public at all times during regular business hours.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on July 7, 1998 and published on July 16, 1998, effective the day following publication. True copies of this Ordinance may be inspected or obtained in the Office of the City Clerk.

Michael A Guido

Michael A. Guido, Mayor

Kathleen Buda

Kathleen Buda, City Clerk

ORDINANCE NO. 99-764

AN ORDINANCE TO AMEND SECTIONS 7-81, 7-83, 7-84 AND 7-85 OF THE CODE OF THE CITY OF DEARBORN, ENTITLED "COMMUNITY DEVELOPMENT TO ADOPT THE DEVELOPMENT AND TAX INCREMENT FINANCING PLAN AMENDMENT, 1999, OF THE DOWNTOWN DEVELOPMENT AUTHORITY – WEST DEARBORN"

THE CITY OF DEARBORN ORDAINS:

SECTION 7-81. The City Council has been presented with the Development and Tax Increment Financing Plan Amendments, 1999, as amended, of the Downtown Development Authority – West Dearborn (the "Authority"), which was amended and adopted by that body on April 20, 1999 (as amended and adopted, the "Plan"), pursuant to the provisions of Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act"). The City Council hereby determines that the Plan constitutes a public purpose.

SECTION 7-83. The Plan, as submitted by the Authority is hereby approved.

a. It is understood that by approving this plan, the City Council is not divesting or transferring any of its obligations, powers or rights.

SECTION 7-84. As required by the Act, the City Council has in reviewing and approving the Plan herein taken into account the following considerations:

a. The Development Plan meets the requirements set forth in Section 17(2) of the Act and the Tax Increment Financing Plan meets the requirements set forth in Section 14(2) of the Act.

b. The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing. Whenever the City's full faith and credit is needed for bonds to be issued to finance an acquisition of property, the City Council's prior approval of the contemplated plan to purchase shall be obtained prior to entering a purchase agreement.

c. The development is reasonable and necessary to carry out the purposes of the Act.

d. The land included within the Development Area to be acquired (to the extent required by the Plan) is reasonably necessary to carry out the purposes of the Plan and the purposes of the Act in an efficient and economically satisfactory manner.

e. The Development Plan is in reasonable accord with the Master Plan of the city.

f. Public services, such as fire and police protection and utilities, are or will be adequate to service the Development Area.

g. Changes in streets, street levels, intersections, and utilities (to the extent required by the Plan) are reasonably necessary for the Project and for the City.

h. Acquisitions and sales of property which are not outlined in this Plan will require a change to the Plan and approval of the City Council. Any modifications to the Plan approved by the WDDDA that increase the budget or materially change the project will be presented to the City Council for review and approval before the proposed modifications or material changes can be implemented.

SECTION 7-85. A copy of the Plan, in the form approved hereby, which is approximately 56 pages in length, shall be maintained on file in the office of the City Clerk for inspection by the public at all times during regular business hours.

ORDINANCE NO. 02 -872

AN ORDINANCE TO AMEND THE COMMUNITY DEVELOPMENT CHAPTER (CHAPTER 7) OF THE CODE OF THE CITY OF DEARBORN BY AMENDING SECTION 7-66 OF ARTICLE III, DIVISION 2, ENTITLED "DOWNTOWN DEVELOPMENT AUTHORITY - WEST DEARBORN."

THE CITY OF DEARBORN ORDAINS TO:

Amend Chapter 7 of the Code of the City of Dearborn by Amending Section 7-66, to read as follows:

ARTICLE 111. DOWNTOWN DEVELOPMENT AUTHORITY

***

DIVISION 2. WEST DEARBORN

***

Sec. 7-66. Development area citizen's council.

If a proposed development area has residing within it 100 or more residents, a development area citizens' council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The members of the development area citizens' council shall be residents of the development area, **shall be at least 18 years of age, and shall be representative of the development area.**

There is hereby created and established a Downtown Development Authority - West Dearborn Development Area Citizens' Council. The West Dearborn Development Area Citizens' Council shall consist of nine members appointed by the mayor and approved by the city council. Each term of appointment shall be for three years, except at the creation of the council whereby there shall be three members appointed for one, two, and three year terms. The West Dearborn Development Area Citizens' Council shall be governed by Robert's Rule of Order and shall meet as necessary, in conformity with the Open Meetings Act.

The West Dearborn Development Area Citizens' Council shall act as an advisory board to the Downtown Development Authority and to the city council in the adoption of the development or tax increment financing plans. The West Dearborn Development Area Citizens' Council shall make findings and recommendations in conformity with MCL 125.1667, et seq.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on January 15, 2002 and published on January 24, 2002 effective the day following publication. True copies of this Ordinance may be inspected or obtained in the Office of the City Clerk.

Michael A. Guido, Mayor

Kathleen Buda, City Clerk

EXHIBIT P

ORDINANCE NO. 03-966

AN ORDINANCE TO AMEND SECTIONS 7-81, 7-83, 7-84 AND 7-85 OF THE CODE OF THE CITY OF DEARBORN, ENTITLED "AN ORDINANCE TO ADOPT THE DEVELOPMENT AND TAX INCREMENT FINANCING PLAN AMENDMENT 2003 OF THE DOWNTOWN DEVELOPMENT AUTHORITY – WEST DEARBORN"

THE CITY OF DEARBORN ORDAINS:

SECTION 7-81. The City Council has been presented with the Development and Tax Increment Financing Plan Amendment 2003, of the Downtown Development Authority – West Dearborn (the "Authority"), which was amended and adopted by that body on February 6, 2003 (as amended and adopted, the "Plan"), pursuant to the provisions of Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act"). The City Council hereby determines that the Plan constitutes a public purpose.

SECTION 7-83. The Plan, as submitted by the Authority is hereby approved.

SECTION 7-84. As required by the Act, the City Council has in reviewing and approving the Plan herein taken into account the following considerations:

(a) The development plan meets the requirements set forth in Section 17(2) of the Act and the tax increment financing plan meets the requirements set forth in Section 14(2) of the Act.

(b) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the Act.

(d) The land included within the Development Area to be acquired (to the extent required by the Plan) is reasonably necessary to carry out the purposes of the Plan and the purposes of the Act in an efficient and economically satisfactory manner.

(e) The development plan is in reasonable accord with the Master Plan of the City.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the development area.

(g) Changes in zoning, streets, street levels, intersections, and utilities (to the extent required by the Plan) are reasonably necessary for the project and for the City.

(h) The findings and recommendations of the West Dearborn Development Area Citizens' Council.

SECTION 7-85. A copy of the Plan, in the form approved hereby, which is approximately 61 pages in length shall be maintained on file in the office of the City Clerk for inspection at all times during regular business hours.

Should any section, clause or phrase of this Ordinance be declared to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof other than the part declared to be invalid.

All Ordinances or parts of Ordinances in conflict with any of the provisions of this Ordinance are hereby repealed.

The Ordinance shall take effect the day after its publication in accordance with the provisions of Chapter 9, Section 9.2 of the City Charter.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted June 17, 2003 and published on June 25, 2003, effective the day following publication.

MICHAEL A. GUIDO, Mayor

KATHLEEN BUDA, City Clerk

Downtown Development Authority
East Dearborn

Development and Tax
Increment Financing
Plan Amendment
2008

District Boundaries.

The development district boundaries (Ordinance 77-1877, November 1977) and tax increment financing area boundaries (Ordinance 83-272, May 1983) remain unchanged.

Amendment Summary.

This proposed amendment will change the Plan adopted in 2002 (Ordinance 02-908, August 2002) by:

(i) providing for the development of one or more parking decks, for which the capacity will be determined by the needs of development and of the district as a whole;

(ii) extending the life of the plan to the year 2043 to coincide with Dearborn Brownfield Redevelopment Authority Plan #7 (Montgomery Ward Redevelopment); and,

(iii) generally updating project descriptions, cost estimates, and time-tables contained in the previous plan.

Approved by the EDDDA: Thursday, July 31, 2008

Published for comment: Wednesday, August 6, 2008

EAST DEARBORN DOWNTOWN DEVELOPMENT AUTHORITY
TAX INCREMENT FINANCING PLAN
2008 PLAN AMENDMENT

I. INTRODUCTION

A. Purpose

The purpose of this Development and Tax Increment Financing Plan is to halt property value deterioration and increase property tax valuation where possible, to eliminate the causes of such deterioration and to promote economic growth in the East Dearborn business district. In order to achieve these purposes, the East Dearborn Downtown Development Authority (EDDDA) has adopted this Plan, which provides generally for the financing of a variety of activities and physical improvements within the downtown district which market, attract and maintain a customer base from which the district can justify investment and development, as authorized by the Downtown Development Authority Act, Act No. 197 of Public Acts of Michigan, 1975, as amended. These activities will increase the private sectors desire to invest in the District. The increased private investment caused by EDDDA prevents further deterioration within the District, preserves its historic character and promotes growth in the tax base for the benefit of all taxing units levying taxes within the District.

The City of Dearborn and the Authority believe that a prosperous, vital East Dearborn Business District is essential to the continued well being of the nearby residential areas and to the health of the City of Dearborn in general. The East Dearborn Business District, however, like many aging commercial districts in other Michigan cities and towns, faces constant competition from a changing commercial environment, including newer developments such as mega, discount and regional shopping centers as well as newly emerging internet retail competition. As a means of offsetting the competitive advantage that such newer developments often enjoy, the City and the Authority believe that the powers granted by Act 197, prudently applied, can provide sufficient economic incentives enabling the District to remain competitive.

B. Background and History

The Downtown Development Authority -- East Dearborn was officially formed by the City of Dearborn by Ordinance No. 77-1877 in November 1977, subsequently renumbered as Ordinance No. 81-117 in November 1981 (Exhibit A). The Authority consists of an eleven-member board serving <u>without</u> compensation, composed of the Mayor, business leaders and community representatives.

<u>Downtown District Boundaries</u>. The Authority's downtown district boundaries were established under Ordinance No. 77-1877, subsequently renumbered as Ordinance No. 81-117. Refer to the district boundary map on page 3.

<u>Development and TIF Plan</u>. Development and Tax Increment Financing Plan No. 1 was approved by Council on May 13, 1983, by adoption of Ordinance No. 83-272 (Exhibit B).

Tax Increment Financing Development Area was established by Ordinance No. 83-272 (Exhibit B), is legally described in Exhibit C, and is depicted on the district boundary map on page 3.

In 1985, Ordinance No. 85-342 (Exhibit D) increased the Authority Board to consist of the Mayor and ten (10) members.

In 1991, the Plan was amended by Ordinance No. 91-528 (Exhibit E).

In 2002, Ordinance No. 02-871 (Exhibit F) created the East Dearborn Development Area Citizens' Council to act as an Advisory Board relating to proposed amendments and modifications to the TIF Plan.

In 2002, the Plan was again amended by Ordinance No.02-908 (Exhibit G).

In December 2004, the EDDDA hired its first full-time Executive Director. In February 2007, the EDDDA opened new offices located in the district at 13750 Michigan Avenue and hired an office manager. Additional support for activities of the Authority is provided through the City's Economic and Community Development Department or staffing hired by or on behalf of the Authority.

This 2008 Plan amendment was adopted by Ordinance No. 08-   (Exhibit H).

C. Definitions and Abbreviations

"Act" or "Act 197" means Act No. 197, Public Acts of Michigan, 1975, as amended.

"Authority" or "EDDDA" means the Downtown Development Authority – East Dearborn.

"Development Area" means the project area in the District to which the Authority's Development and Tax Increment Financing Plan, as amended, is applicable.

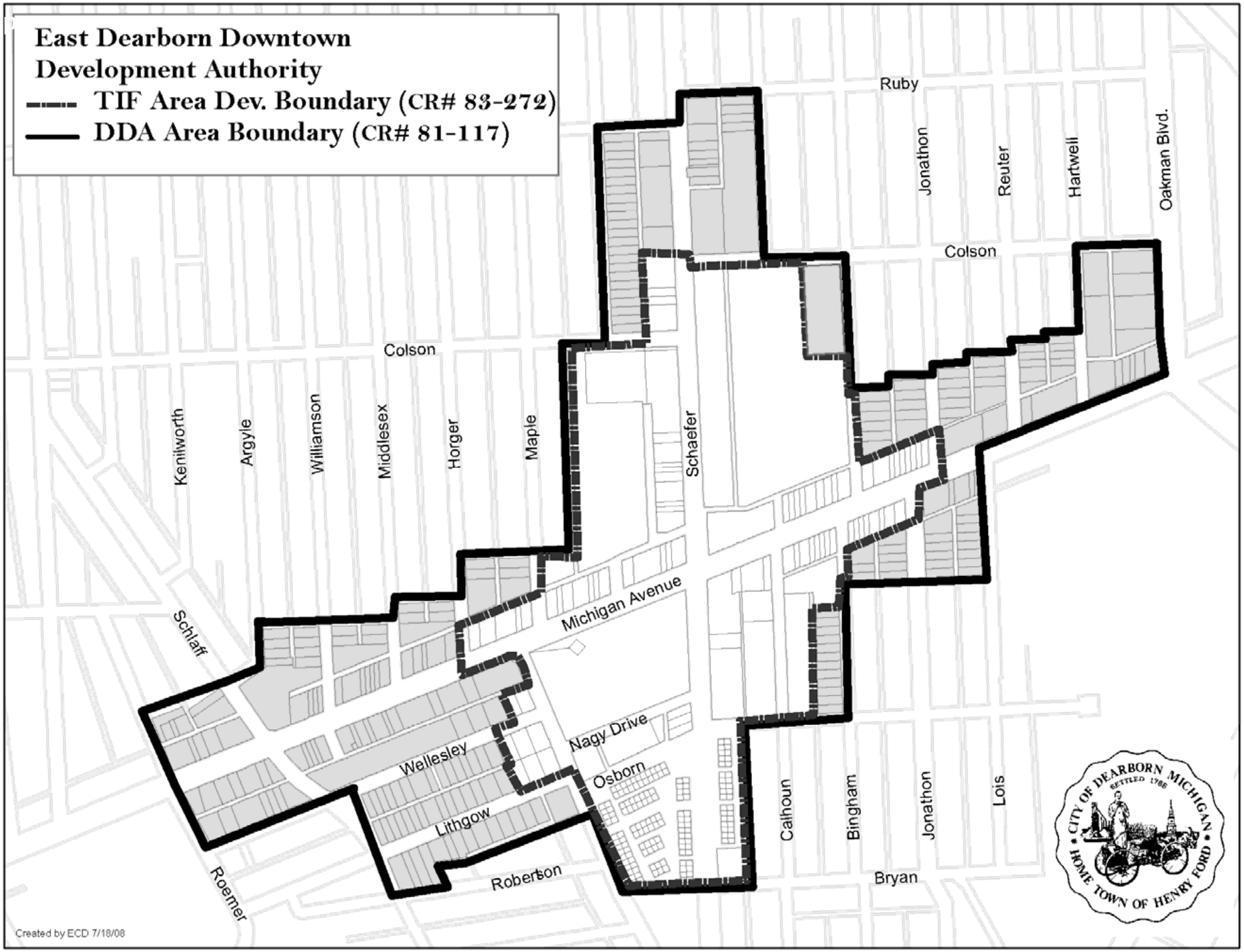
"District" means the downtown district, established by the City pursuant to the Act, within which the Authority exercises its powers and which is described in Ordinance No. 81-117 (Exhibit A).

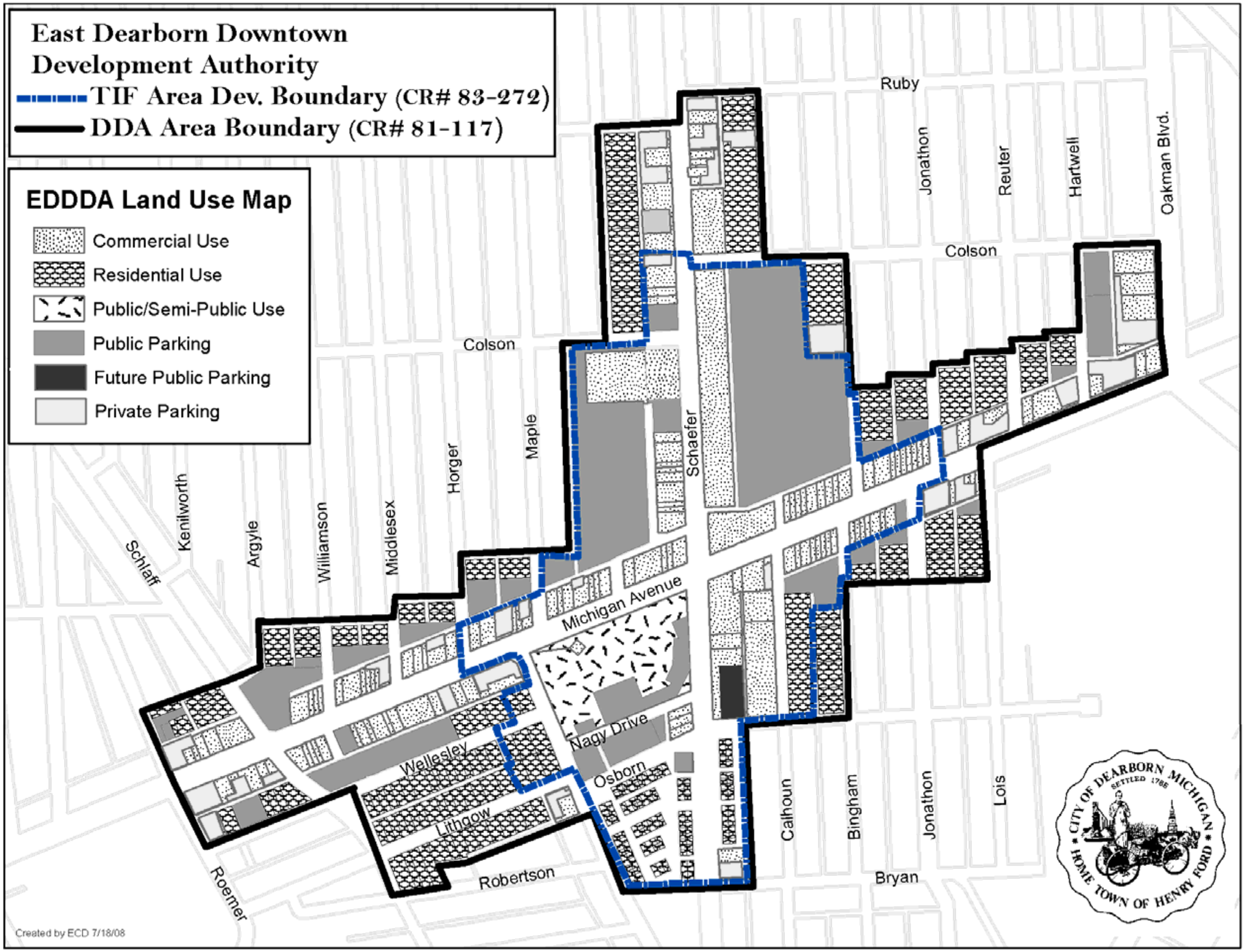
"Plan" means the Authority's Development and Tax Increment Financing Plan, as amended from time to time.

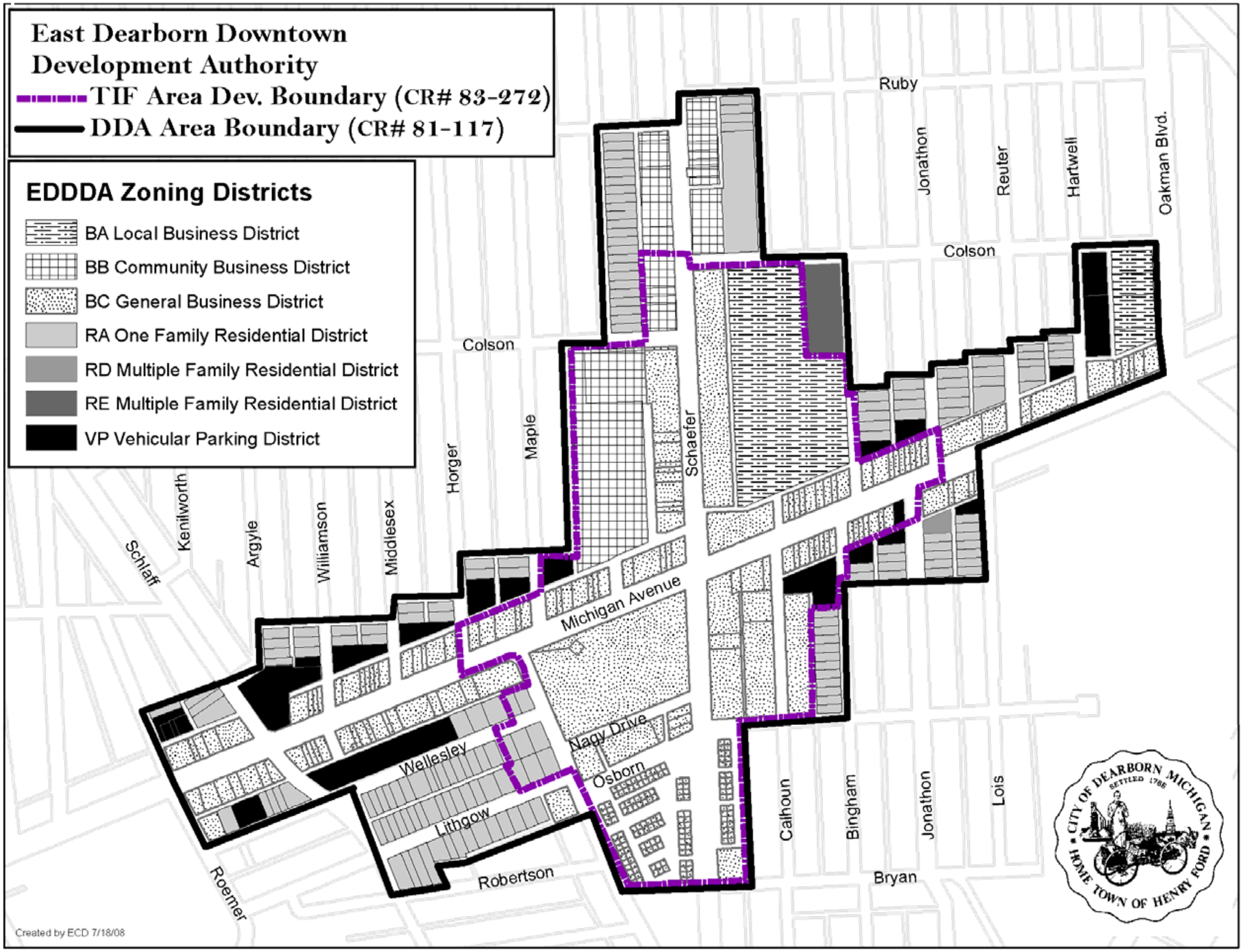
"Tax Levy" means the ad valorem tax which the Authority is authorized to levy on real and tangible personal property in the District under Section 12 of the Act.

"TIF" means tax increment financing, as provided for under the Act.

"TIF Area Development Boundary" means the area from which TIF revenues are derived.


East Dearborn Downtown
Development Authority
TIF Area Dev. Boundary (CR# 83-272)
DDA Area Boundary (CR# 81-117)
Ruby
Jonathon
Reuter
Hartwell
Oakman Blvd.
Colson
Colson
Kenilworth
Argyle
Williamson
Middlesex
Horger
Maple
Schaefer
Michigan Avenue
Schlaff
Nagy Drive
Wellesley
Osborn
Lithgow
Roberson
Roemer
Calhoun
Bingham
Jonathon
Lois
Bryan
CITY OF DEARBORN MICHIGAN
SETTLED 1786
HOME TOWN OF HENRY FORD
Created by ECD 7/18/08


East Dearborn Downtown Development Authority
TIF Area Dev. Boundary (CR# 83-272)
DDA Area Boundary (CR# 81-117)
EDDDA Land Use Map
Commercial Use
Residential Use
Public/Semi-Public Use
Public Parking
Future Public Parking
Private Parking
Ruby
Jonathon
Reuter
Hartwell
Oakman Blvd.
Colson
Colson
Schaefer
Maple
Horger
Middlesex
Williamson
Argyle
Kenilworth
Schlaff
Michigan Avenue
Nagy Drive
Wellesley
Osborn
Lithgow
Robertson
Roemer
Calhoun
Bingham
Jonathon
Lois
Bryan
CITY OF DEARBORN MICHIGAN
SETTLED 1786
HOME TOWN OF HENRY FORD
Created by ECD 7/18/08



East Dearborn Downtown Development Authority
TIF Area Dev. Boundary (CR# 83-272)
DDA Area Boundary (CR# 81-117)
EDDDA Zoning Districts
BA Local Business District
BB Community Business District
BC General Business District
RA One Family Residential District
RD Multiple Family Residential District
RE Multiple Family Residential District
VP Vehicular Parking District
Ruby
Jonathon
Reuter
Hartwell
Oakman Blvd.
Colson
Colson
Schaefer
Maple
Horger
Middlesex
Williamson
Argyle
Kenilworth
Schlaff
Michigan Avenue
Nagy Drive
Osborn
Wellesley
Lithgow
Robertson
Roemer
Calhoun
Bingham
Jonathon
Lois
Bryan
Created by ECD 7/18/08

II. DEVELOPMENT PLAN

This Development Plan contains the information required by Section 17(2) of Act 197.

Section 17(2)(a)

DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS, STREAMS OR OTHERWISE.

The Development Area (the "Tax Increment Financing Development Area") is bounded generally by Colson on the north, Jonathon on the east, Bryan on the south and Horger on the west. The major thoroughfares of the district are Michigan Avenue, on the east-west axis and Schaefer Road on the north-south axis. (Refer to the district boundary map on page 3.)

Section 17(2)(b)

LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA, LOCATION, CHARACTER AND EXTENT OF CATEGORIES OF PUBLIC AND PRIVATE LAND USES EXISTING AND PROPOSED FOR THE DEVELOPMENT AREA, INCLUDING LEGAL DESCRIPTION OF THE DEVELOPMENT AREA.

An Existing Land Use Map is attached on page 4 of this Development Plan, setting forth the foregoing. The general pattern of mixed land uses within the development area is not expected to materially change as a result of this Development Plan. However, if the Authority and City of Dearborn were to determine that a land use change would be necessary or convenient to initiate or facilitate a beneficial redevelopment project, a land use change could be made.

The legal description of the Downtown District is contained within Ordinance No. 81-117 (Exhibit A). The legal description of the development area (the "Tax Increment Financing Development Area") is attached as Exhibit C.

<u>Sections 17(2)(c), (d), and (e) combined</u>

(c) DESCRIPTION OF EXISTING IMPROVEMENTS TO BE DEMOLISHED, REPAIRED OR ALTERED, INCLUDING DESCRIPTION OF REPAIRS AND ALTERATIONS, AND ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

(d) LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS AND ESTIMATED TIME FOR COMPLETION.

(e) STAGES OF CONSTRUCTION AND ESTIMATED TIME OF EACH STAGE.

This section of the plan is intended to reflect current and future programs and activities of the EDDDA. EDDDA programs and activities completed prior to this 2008 amendment are not included.

The EDDDA plans to undertake a broad spectrum of projects, programs and activities under this Plan. Listed below are the general categories and a brief description of each:

A) Planning, Administration and Staffing

Activities under this category include staffing, related office and operational costs as well as soft costs necessary to implement and carry out activities identified within the Plan. Examples include studies, analysis, data gathering, overall program management and implementation, audits, legal and other professional services, support staff costs, and office occupancy costs.

Funding for planning and administration require annual appropriations beginning in the first year of this Plan and in each following year throughout the life of the Plan. The number and complexity of activities during any one year will dictate annual funding needs. The annual average (to be adjusted for inflation) will be approximately $450,000 per year.

B) District Marketing, Promotion, Recruitment, Support of Arts and Cultural Programs

This category includes activities and staffing associated with coordinating district marketing (newsletters, brochures, website, support of the Dearborn Visitor and Welcome Center, etc.), various promotions, special events, business retention and attraction, management of joint business services (waste management, security, annual flower planting, snow removal, etc.) which sustain and increase business activity within the district.

Activities occur annually throughout the life of this Plan. Estimated cost will average $150,000 per year, adjusted for inflation.

C) Private Sector Improvement Incentives

Activities within this category provide TIF funding to encourage private sector improvements. **(**Incentives to attract and retain appropriate businesses to locate within the district as determined necessary by the EDDDA Board and to the extent permitted by law.**)**

The level of participation under this Plan will be determined on a case by case basis. The EDDDA Board will determine an appropriate percentage of participation necessary to achieve its goal. Incentives will be available as opportunity presents itself over the life of the Plan. A budget line item will be established with annual appropriations determined by the EDDDA and confirmed by the Dearborn City Council when adopting annual EDDDA/TIF budgets. The annual average (to be adjusted for inflation) will be approximately $50,000 per year.

D) Public Facility Improvements

The EDDDA plans to undertake several public improvements within the district. Projects may include the development, redesign and construction of parking (surface lots and parking decks). The redesign of the surface lots will include street and parking lot lighting improvements, burying utilities underground and technical improvements that will facilitate solid waste removal. Additionally, plans will be developed for streetscape improvements, signage for the district and other general public beautification improvements.

1) Streetscapes

In addition to Michigan Avenue and Schaefer Road serving as major thoroughfares in the district, Maple serves as a secondary street and several streets serve as entrances to alleyways and public parking lots namely Horger, Maple, Neckel, Calhoun, Bingham and Jonathon. Portions of Colson, Nagy Drive, Osborn and Bryan, also, are within the boundaries of the district. The EDDDA plans to implement streetscape beautification projects on all the major streets which include parking curb bumpouts, landscaping, street furniture, underground utilities, special sidewalk paving, decorative lighting and other pedestrian friendly features. Streetscape improvements may extend into neighborhoods abutting the district to link the commercial and residential areas and to promote area residents to walk to the district businesses. Once constructed, the EDDDA will budget monies for the maintenance of these public areas.

Over the life of this Plan, major thoroughfares, secondary, and side streets may receive streetscape treatments in varying degree. Scheduling will be determined at a later time as the district needs and function evolve.

Projects that involve construction (such as decorative paving or underground utilities) will generally be staged to coincide with other related construction projects in the area (such as street or parking lot resurfacing).

Cost for all streetscape activities is estimated to be approximately $5,000,000.

2) Reconstruction/Beautification of Parking Lots

Within the district are several surface public parking lots in need of reconstruction and beautification (refer to the Land Use Map on page 4). Because of varying degrees of deterioration, the EDDDA is budgeting $6,000,000 under this Plan and may be supported by revenues generated from user fees, special assessments or other revenue generating mechanisms to implement reconstruction of the parking lots.

Improvements to the public parking lots may include various components such as reconstruction, lighting, underground utilities, landscaping, pathways, green spaces, waste removal coordination and other improvements designed to create a functional yet pedestrian friendly vehicular accessible environment. Improvements will be constructed based on a schedule determined by income generated by SAD's, user fees, or other income producing mechanisms. Each parking lot will be reconstructed as a single stage project .

3) Construction—New Parking

As redevelopment and other positive changes in the area increase the demand for parking, it will be desirable to increase the number of available parking spaces. Construction of new public parking will be considered if the need and opportunity arises.

In general, however, there is no undeveloped land in the Development Area. Therefore, it is anticipated that the need for increased parking capacity will be addressed vertically, through the construction of parking decks.

The current Montgomery Ward Redevelopment initiative (a mixed-use development project located on a key corner of Michigan Avenue and Schaefer Road) contemplates the construction of a public parking deck. The capacity of the deck will be sufficient to meet the anticipated needs of the development project and, if desired, those of the surrounding area as well.

The current cost estimate for construction of the parking deck associated with this redevelopment project (including architectural, engineering, management, and other associated costs) is $12,000,000 (excluding debt service costs) and is expected to be financed through the issuance of bonds.

Future redevelopment projects (as yet undetermined) that increase the density of the Development Area may require the construction of additional parking decks to meet any projected increase in parking demand. Staging of major construction projects will be coordinated with other ongoing projects and expedited (generally phased over 1-2 construction seasons) in a manner to cause the least possible disruption to the area as a whole.

EDDDA Plan budget for "future" parking deck construction is $6,000,000

Costs to construct additional parking may be partially offset by revenues from user fees, special assessments, or other non-TIF contributions.

4) District Signage

The EDDDA plans to design and implement a district wide signage program. Signs will welcome customers to the district and direct them to parking areas and to district businesses. Kiosks may be constructed and located in public areas providing a directory of the district's businesses and services along with their location.

The signage project may begin in approximately 2010 and may run through 2013. The project would be completed over the three year period.

Cost of the signage program is estimated at $250,000. The EDDDA will be investigating a cost share program whereby businesses would contribute a portion of the cost by special assessment or other contributions.

E) Property Purchase; Conveyance; Demolition

From time to time during the life of this Plan, properties within the district may be acquired, conveyed, and/or demolished for the purpose of facilitating redevelopment including, but not limited to, the demolition of buildings as a part of the Montgomery Ward Redevelopment initiative scheduled to be completed in the fourth quarter of 2008.

The Authority may purchase buildings or other properties from time to time to assure coherent and beneficial redevelopment by demolishing existing buildings to remove eyesores and/or to prepare a property for redevelopment or sale for redevelopment which would benefit the district.

The Authority may decide to purchase properties within the district to spur further development. Opportunities may become available which require an immediate action by the Authority. This Plan, therefore, provides for "responses to opportunities," and permits the Authority to purchase property, demolish buildings and to sell, lease or convey property to public or private entities to meet the objectives of this Plan as determined by the Board of the EDDDA.

Cost of acquisition and demolition is estimated at $3,000,000 and $1,500,000, respectively. The EDDDA plans to pursue other funding sources whenever possible to support their activities.

F) Environmental Due Care Activities

To implement or facilitate various improvements and developments contemplated in this Plan, the EDDDA may undertake environmental investigations, remediation or due care activities. Environmental activities are estimated at $2,000,000.

Financing Projects

Projects and activities described within this Plan will require financial support beyond TIF revenues captured under this Plan. The City and EDDDA are investigating various mechanisms to generate additional revenues through special assessments, parking user fees, creation of a Primary Shopping District under Act 120, Public Acts of Michigan, 1961, as amended, financing available from the Dearborn Brownfield Redevelopment Authority, financing from the Downriver Area Brownfield Consortium, donations and other means as may be identified.

Section 17(2)(f)

PARTS OF DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND USE CONTEMPLATED FOR SUCH SPACE.

For the purpose of this section, “open space” includes, but is not limited to, landscaped areas, courtyards, parks, and parking lots. In general, current open space will remain open with no contemplated change of use.

If current redevelopment initiatives increase or decrease the demand for parking, future redevelopment initiatives may result in the conversion of current open spaces to other uses (such as parking decks, new development, or a combination of both).

The initiative to redevelop the former Montgomery Ward site contemplates the conversion of the site’s current surface parking lot to a mixed-use development with open spaces and a public parking deck.

The Montgomery Ward redevelopment project, and any future initiative that impacts current open space, will be expected to include landscaping or other features that will at least partially offset the loss of current open space.

Section 17(2)(g)

PORTIONS OF THE DEVELOPMENT AREA WHICH THE EDDDA DESIRES TO SELL, DONATE, EXCHANGE OR LEASE TO OR FROM THE MUNICIPALITY AND PROPOSED TERMS.

The City or EDDDA may convey, donate, exchange or lease property as necessary to carry out the projects and activities described within this Plan.

Section 17(2)(h)

ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES.

As previously described, the EDDDA plans to relocate overhead utilities to underground in connection with streetscape activities and parking reconstruction. Streetscape improvements (specifically parking curb bumpouts) has permanently reduced the seven traffic lanes on Michigan Avenue to five traffic lanes and two parking lanes. Similar changes could occur on side streets as well.

Material changes in zoning, streets, street level, intersections and utilities are not contemplated at the time of this Plan’s writing. However, if the Authority and City determine changes would be necessary or convenient to achieve the goal of redeveloping the district, these changes will be undertaken. (Zoning map, page 5.)

Section 17(2)(i)

ESTIMATE OF COST OF DEVELOPMENT, STATEMENT OF PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY OF THE DDA TO ARRANGE THE FINANCING.

The total cost of various elements of the Development Plan is estimated to be $70,500,000 (including estimated financing costs). To finance the Plan, a combination of cash payments and issuance of a bond or other indebtedness supported by future TIF revenues, parking user fees and other support such as special assessments, obtaining various loans and creation of a Primary Shopping District may be utilized.

Whenever the EDDDA contemplates issuing bonds utilizing the full faith and credit of the City of Dearborn, City Council approval will be requested and secured. Additionally, the EDDDA will seek to use another financing mechanism permitted by the Act if it is determined to be a more feasible method to finance the projects identified.

Pursuant to Act 197, the EDDDA's contractual obligations also are permitted to be financed by donations received by the EDDDA, proceeds of a tax imposed pursuant to Section 12 of Act 197, proceeds of a special assessment district created as provided by law, money obtained from other sources approved by the City Council, or a combination of the foregoing sources.

This plan covers the proposed period through June 30, 2043. This plan period coincides with the maximum life (35 years) of Dearborn Brownfield Redevelopment Authority Plan # 7 (a plan that shall provide financing to the Montgomery Ward Redevelopment Project).

Table I (page 13) summarizes the total estimated project costs identified within this Plan (including estimated financing costs). The number of projects is ambitious and implementation of some projects may be dependent upon obtaining other revenue to support the total Plan.

Table II (page 14) projects TIF revenues over the life of the Plan. Estimated revenues in Table II are based on a projected 1.50% annual growth rate in State Equalized Value (SEV) for the Tax Increment Financing Development Area at millage rates currently in effect.

Both projected revenues and expenditures are estimates based on the best information available at this time. However, attempting to project thirty five years into the future is difficult at best. Revenues and project cost estimates may experience substantial variances from the Plan.

TABLE I

**EAST DEARBORN DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT AND TAX INCREMENT FINANCING PLAN
PROPOSED DEVELOPMENT AREA EXPENDITURES**

Planning/Admin/Staffing	$15,750,000
Marketing/Promotion	5,250,000
Incentive Program	1,750,000
Streetscapes	5,000,000
Parking Lot Reconstruction/Beautification	6,000,000
Construction—New Parking	18,000,000
Signage	250,000
Property Purchases	3,000,000
Demolition	1,500,000
Environmental Due Care	2,000,000
Financing Cost	10,000,000
Contingencies	2,000,000
TOTAL	$70,500,000

NOTE: This table is for illustration purposes only. Figures used within program categories represent the EDDDA's best estimate at this time and are subject to review and change. Actual amounts may vary, even substantially, from these estimates, and different program categories may be pursued.

	DISTRICT SEV (True Cash * 50%)	CAPTURED SEV (District SEV - Base Year SEV; $9,126,250)	CITY TIF	COUNTY TIF	HFCC TIF	TOTAL TIF RECEIPTS (Captured SEV * Tax Rates)
Projections:						
2008-09	29,683,597	20,557,347	301,525	177,340	61,672	540,537
2009-10	37,628,851	28,502,601	418,062	245,881	85,508	749,451
2010-11	53,098,784	43,972,534	644,967	379,333	131,918	1,156,218
2011-12	53,575,856	44,449,606	651,965	383,449	133,349	1,168,763
2012-13	54,060,176	44,933,926	659,068	387,627	134,802	1,181,497
2013-14	54,551,854	45,425,604	666,280	391,869	136,277	1,194,426
2014-15	51,451,003	42,324,753	620,798	365,119	126,974	1,112,891
2015-16	51,957,736	42,831,486	628,231	369,490	128,494	1,126,215
2016-17	52,472,170	43,345,920	635,776	373,928	130,038	1,139,742
2017-18	52,994,422	43,868,172	643,436	378,433	131,605	1,153,474
2018-19	53,524,611	44,398,361	651,213	383,007	133,195	1,167,415
2019-20	50,462,858	41,336,608	606,305	356,594	124,010	1,086,909
2020-21	51,009,287	41,883,037	614,319	361,308	125,649	1,101,276
2021-22	51,564,021	42,437,771	622,456	366,094	127,313	1,115,863
2022-23	52,127,188	43,000,938	630,716	370,952	129,003	1,130,671
2023-24	52,698,917	43,572,667	639,102	375,884	130,718	1,145,704
2024-25	53,279,339	44,153,089	647,615	380,891	132,459	1,160,965
2025-26	53,868,585	44,742,335	656,258	385,974	134,227	1,176,459
2026-27	54,466,792	45,340,542	665,032	391,135	136,022	1,192,189
2027-28	55,074,094	45,947,844	673,940	396,374	137,844	1,208,158
2028-29	55,690,633	46,564,383	682,983	401,692	139,693	1,224,368
2029-30	56,316,548	47,190,298	692,164	407,092	141,571	1,240,827
2030-31	56,951,983	47,825,733	701,484	412,573	143,477	1,257,534
2031-32	57,597,083	48,470,833	710,946	418,138	145,412	1,274,496
2032-33	58,251,996	49,125,746	720,552	423,788	147,377	1,291,717
2033-34	58,916,872	49,790,622	730,304	429,524	149,372	1,309,200
2034-35	59,591,863	50,465,613	740,204	435,347	151,397	1,326,948
2035-36	60,277,124	51,150,874	750,255	441,258	153,453	1,344,966
2036-37	60,972,811	51,846,561	760,459	447,260	155,540	1,363,259
2037-38	61,679,084	52,552,834	770,819	453,352	157,659	1,381,830
2038-39	62,396,105	53,269,855	781,336	459,538	159,810	1,400,684
2039-40	63,124,038	53,997,788	792,013	465,817	161,993	1,419,823
2040-41	63,863,049	54,736,799	802,852	472,192	164,210	1,439,254
2041-42	64,613,309	55,487,059	813,856	478,665	166,461	1,458,982
2042-43	65,374,990	56,248,740	825,028	485,235	168,746	1,479,009
TOTAL			23,872,677	14,040,570	4,882,772	42,796,019

Projections based on:

SEV Growth Factor	1.5%
City Millage	14.6675
HFCC	3.0000
County Millage	8.6266

Projections for the Montgomery Ward redevelopment project are based on an initial true cash value of $45M (only one-third of the project is shown in 2009-10). Development projections also reflect a slight decline after five and ten years.

NOTE: This spreadsheet is for illustration purposes only. Figures used repesent the City's best estimate at this time and are subject to review and change. Actual amounts may vary, even substantially, from these estimates.

Section 17(2)(j)

DESIGNATION OF PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE LEASED, SOLD OR CONVEYED, AND FOR WHOSE BENEFIT THE PROJECT IS BEING UNDERTAKEN.

The EDDDA may convey, lease or sell all or a portion of the development to any entity, public or private, as may be necessary or convenient to carry out this Plan.

Section 17(2)(k)

PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING ALL OR ANY PORTION OF THE DEVELOPMENT.

The EDDDA will comply with the procedures set forth in State law.

Section 17(2)(l)

ESTIMATES OF THE NUMBERS OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED.

Approximately 246 people reside in the Development Area. No families or individuals will be displaced by the various projects described herein.

In 2002, as a result of the new residential development known as “Georgetown Commons”, the Act required the establishment of a Development Area Citizen Council.

The East Dearborn Development Area Citizens’ Council was created by Ordinance No. 02-871 (Exhibit F) and serves in an advisory capacity to the Authority and City Council in the adoption of development or tax increment financing plans.

Section 17(2)(m)

A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA.

Not applicable.

Section 17(2)(n)

PROVISION FOR THE COSTS OF RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT AND FINANCIAL ASSISTANCE AND REIMBURSEMENT OF EXPENSES, INCLUDING LITIGATION EXPENSES AND EXPENSES INCIDENT TO THE TRANSFER OF TITLE, IN ACCORDANCE WITH THE STANDARDS AND PROVISIONS OF THE FEDERAL UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970, BEING PUBLIC LAW 91-646, 42 U.S.C. SECTIONS 4601, ET SEQ.

Not applicable.

Section 17(2)(o)

PLAN FOR COMPLIANCE WITH ACT 227 OF 1972, BEING SECTIONS 213.321 - 213.332 OF MICHIGAN COMPILED LAWS.

Not applicable.

Section 14(2)

A. TAX INCREMENT PROCEDURE

Tax increment revenue to be transmitted to a downtown development authority is generated when the current assessed value of all properties within a development area exceeds the initial assessed value of the properties. The initial assessed value is defined in Act 197 as "the most recently assessed value of all taxable property within the boundaries of the development area at the time the ordinance establishing the area is approved." The current assessed value refers to the assessed value of all properties, real and personal, within the development area as established each year subsequent to the adoption of the tax increment financing plan. The amount in any one year by which the current assessed value exceeds the initial assessed value is defined as the "captured assessed value." The tax increment revenue transmitted to the authority results from applying the total tax levy of all taxing units within the development area to the captured assessed value.

Increases in assessed values within a development area which result in the generation of tax increment revenues can result from any of the following:

a. Construction of new developments occurring after the date establishing the "initial assessed value."

b. Rehabilitation, remodeling, alterations, or additions occurring after the date establishing the "initial assessed value."

c. Increases in property values which occur for any other reasons.

Tax increment revenues transmitted to the authority can be used as they accrue annually, can be held to accumulate amounts necessary to make improvements described in the Plan, can be contractually obligated to the municipality as a revenue source with which to meet debt service on certain of the municipality's obligations, or can be pledged for debt service on general obligation tax increment bonds issued by the municipality.

For the duration of the tax increment financing plan, the local taxing jurisdictions will continue to receive tax revenues based upon the initial assessed value. The authority however (subject to the provisions of agreements for the sharing of captured assessed value), receives that portion of the tax levy of all taxing jurisdictions paid each year on the captured assessed value of the property within the development area; provided, however, that the authority will not receive any part of a millage specifically levied for the payment of principal and interest on obligations approved by the electors or obligations pledging the unlimited taxing power of a local governmental unit.

For example, suppose that in the first year a tax increment financing plan relating to a development area having a state equalized value of $5,000,000 is established. The initial assessed value is $5,000,000. Assume that the tax rate applicable to the development area is 22 mills, and that of the 22 mills, 2 mills are levied by various taxing units for the payment of principal and interest on obligations described above. In the first year the taxes on the eligible property will be $110,000 (22 mills times $5,000,000). None of those taxes will be paid to the authority. In the second year, because of construction, the state equalized valuation of the development area is $25,000,000. The current assessed value in year two is $25,000,000 and the captured assessed value is $20,000,000. ($25,000,000 less the initial assessed value of $5,000,000).

If there were no agreements for the sharing of captured assessed value, the authority would receive tax increments of $400,000 (20 mills times $20,000,000). The taxing jurisdictions would receive $150,000 (22 mills times the initial assessed value of $5,000,000 plus 2 mills times the captured assessed value of $20,000,000). In each subsequent year for the duration of the tax increment financing plan a similar computation would be made.

If agreements to share captured assessed value were in place, the calculations would be adjusted to reflect the terms of those agreements. If we assume that agreements were in effect to share with each of the taxing jurisdictions 50% of the captured assessed value, the calculation for year two would be as follows: Tax increment revenue paid to the authority would be $200,000 (20 mills times $10,000,000 which represents one half of the captured assessed value) and the taxing jurisdictions would receive $350,000 (22 mills times $5,000,000, the initial assessed value, plus 22 mills times $10,000,000 which represents the shared captured assessed value, plus 2 mills times $10,000,000 representing the unshared captured assessed value.) The EDDDA is authorized by this Plan to enter into agreements to share a portion of the captured assessed value. Such agreements are subject to negotiation with the foregoing example; the EDDDA will not capture any TIF revenues attributable to the application of voted millage levied by any taxing units for debt service.

The EDDDA may expend tax increment revenues only in accordance with the tax increment financing plan; surplus revenues revert proportionally to the respective taxing jurisdictions. The tax increment financing plan may be modified upon approval of the City Council after notification and hearings as required by Act 197. When the City Council finds that the purposes for which the Plan was established have been accomplished, they may abolish the Plan.

B. MAXIMUM INDEBTEDNESS AND DURATION OF PLAN

The maximum amount of bonded indebtedness to be incurred under this Tax Increment Plan is not to exceed $20 million.

The maximum duration of the Plan will run through the calendar year 2043 or such time as necessary to fully repay any and all indebtedness created under this Plan.

C. ESTIMATED IMPACT ON ALL TAXING JURISDICTIONS

All taxing units should benefit from the projects and programs initiated under this Plan. The EDDDA Plan will strengthen the Downtown District and arrest stagnation and deterioration in property values. A strengthened district will result in higher property value, which translates into a proportionate increase in property taxes derived from the district.

It is anticipated that the public improvements and programs proposed for the district will induce private sector investment and provide long term stability and growth in the Downtown District. This will greatly benefit all taxing jurisdictions, which are dependent upon the well being of the Downtown District, which impacts the surrounding residential neighborhoods and the city in general. Activities funded under this Plan are an investment in the future of the downtown to assure a viable business district will be part of Dearborn's future. (See Table I).

Exhibit A

ORDINANCE NO. 81-117

AN ORDINANCE TO CREATE A DOWNTOWN DEVELOPMENT AUTHORITY FOR EAST DEARBORN WITHIN THE CITY OF DEARBORN

THE CITY OF DEARBORN ORDAINS:

Section 1. DOWNTOWN DEVELOPMENT AUTHORITY - EAST DEARBORN ESTABLISHED. In recognition of the fact that it is in the best interest of the public to halt property value deterioration in the downtown business district of East Dearborn, to eliminate the causes of such deterioration and to promote economic growth in the downtown business district, a Downtown Development Authority is hereby established pursuant to Act No. 197 of the Public Acts of 1975, to be known as the Downtown Development Authority - East Dearborn within the City of Dearborn.

Section 2. ORGANIZATION. The Authority shall be under the supervision and control of a Board consisting of the Mayor and eight (8) members appointed by the Mayor, subject to approval by the City Council. At least five (5) of the members shall be persons having an interest in property located in the downtown district. At least one (1) of the members shall be a resident of the downtown district if the downtown district has 100 or more persons residing within it. Of the members first appointed, two (2) shall be appointed for one (1) year, two (2) for two (2) years, two (2) for three (3) years, and two (2) for four (4) years. Thereafter, a member shall serve for a term of four (4) years. An appointment to fill a vacancy shall be made by the Mayor for the unexpired term only. Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The Chairman of the Board shall be elected by the Board.

Section 3. DUTIES. The Downtown Development Authority - East Dearborn as herein created shall be charged with the following duties:

(a) Prepare an analysis of economic changes taking place in the downtown district.

(b) Study and analyze the impact of metropolitan growth upon the downtown district.

(c) Plan and propose the construction, the renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.

(d) Develop long-range plans, in cooperation with the City Plan Commission, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(e) Implement any plan of development in the downtown district necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.

(f) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(g) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.

(h) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances thereto, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

(i) Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(j) Lease any building or property under its control, or any part thereof.

(k) Accept grants and donations of property, labor, or other things of value from a public or private source.

(l) Acquire and construct public facilities.

Section 4. FINANCING. The activities of the Authority shall be financed from one or more of the following sources:

(a) Donations to the Authority for the performance of its functions.

(b) Proceeds of a tax imposed pursuant to Section 12 of Act No. 197 of the Public Acts of 1975.

(c) Monies borrowed and to be repaid as authorized by Section 13 of Act No. 197 of the Public Acts of 1975.

(d) Revenues from any property, building, or facility owned, leased, licensed or operated by the Authority or under its control, subject to the limitations imposed upon the Authority by trusts or other agreements.

(e) Proceeds of a tax increment financing plan, established under Sections 14-16 of Act No. 197 of the Public Acts of 1975.

(f) Monies obtained from other sources approved by the City Council of the City of Dearborn.

(g) Monies received by the Authority and not covered under Sub-Section 1 shall be immediately deposited to the credit of the Authority, subject to disbursement pursuant to Act No. 197 of the Public Acts of 1975. Except as provided in Act No. 197 of the Public Acts of 1975, the City shall not obligate itself, nor shall it ever be obligated to pay any sums from public monies, other than monies received by the City pursuant to this section, for or on account of the activities of the Authority.

Section 5. DEVELOPMENT PLANS. When the Board decides to finance a project in the downtown district by the use of revenue bonds as authorized in Section 13 or tax increment financing as authorized in Sections 14, 15 and 16 of Act No. 197 of the Public Acts of 1975, it shall prepare a development plan. The development plan shall contain:

(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

(b) The location and extent of existing streets and other public facilities within the development area and shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area.

(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(g) A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

(i) An estimate of the cost of the development, a statement of the proposed method of financing the development and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

(l) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(n) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, being Public Law 91-646, 42 USC sections 4601, et seq.

(o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

(p) Other material which the authority, local public agency, or governing body deems pertinent.

Section 6. DEVELOPMENT AREA CITIZENS COUNCIL. If a proposed development area has residing within it 100 or more residents, a Development Area Citizens Council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The Development Area Citizens Council shall be established by the governing body and shall consist of not less than nine (9) members. The members of the Development Area Citizens Council shall be residents of the development area and shall be appointed by the City Council. A member of a Development Area Citizens Council shall be at least 18 years of age. The Development Area Citizens Council shall be representative of the development area.

Section 7. GOVERNING PROCEDURES. The Downtown Development Authority - East Dearborn shall have all the powers and duties prescribed by Act No. 197 of the Public Acts of 1975. Any questions of interpretation of the powers and duties and responsibilities of the Authority shall be resolved by reference to Act No. 197 of the Public Acts of 1975. The Authority shall provide the City Council and Planning Commission with all reports and studies regulating the formation and implementation of project development plans. The Authority shall submit the proposed development plan to the City Plan Commission for review and recommendation to the City Council prior to the hearing specified in Section 18 of Act No. 197 of the Public Acts of 1975. It shall also consult with and advise any Development Area Citizens Council formed pursuant to the state legislation regarding all preparation and implementation of development plans whenever such plans are conceived.

Section 8. BOUNDARIES. The Authority shall exercise its powers within the following described area:

LEGAL DESCRIPTION

Beginning at the intersection of the west line of Oakman Boulevard, 120 feet wide, and the northerly line of Michigan Avenue, variable width; thence westerly along the said northerly line of Michigan Ave. to the northerly extension of the west line of Lois, 58 feet wide; thence southerly along with said northerly extension of the west line of Lois to the southerly line of Lot 111 of Miller Home Subdivision; thence westerly along said southerly line of Lot 111, extended to the west line of Bingham, 50 feet wide; thence southerly along said west line of Bingham to the north line of Osborn, 50 feet wide; thence westerly along said north line of Osborn to the northerly extension of the west line of the 20 foot wide public alley, lying North of Bryan, between Schaefer and Calhoun; thence southerly along the said northerly extension of the west line of said 20 foot wide public alley to the north line of Bryan, 50 feet wide; thence westerly along said north line of Bryan extended to the west line of Schaefer Road, 86 feet wide; thence southerly along said west line of Schaefer Road to the south line of Fractional Section 18, T. 2 S, R. 11 E.; thence westerly along said south line of Fractional Section 18 to the easterly line of Maple, 66 feet wide; thence northerly along said easterly line of Maple to the easterly extension of the north line of the vacated 18 foot wide public alley lying east of Schlaff between Lithgow and Robertson; thence westerly along said

Exhibit A

easterly extension of the north line of the vacated 18 foot wide public alley and extending said north line of alley westerly to the east line of Schlaff, variable width; thence northerly along said east line of Schlaff extended to the north line of Wellesley, 60 feet wide; thence westerly along said north line of Wellesley to the east line of Roemer, 66 feet wide south of Michigan Ave.; thence northerly along said east line of Roemer, to the south line of Michigan Ave., 100 feet wide; thence northerly to the intersection of the northerly line of Michigan Ave. and the east line of Roemer, 60 feet wide north of Michigan Ave.; thence northerly along said east line of Roemer, north of Michigan Ave., to the north line of Lot 95 of Chase Subdivision; thence easterly along said north line of Lot 95 extended to the east line of the 18 foot wide public alley lying north of Michigan between Roemer and Schlaff; thence southerly along the said east line of said 18 foot wide public alley to the north line of Lot 38, Chase Subdivision; thence easterly along said north line of Lot 38 of Chase Subdivision to the westerly line of Schlaff, variable width; thence easterly to the intersection of the easterly line of Schlaff and the southeasterly line of Argyle, variable width; thence northeasterly along said southeasterly line of Argyle to the north line of Lot 245 of Ardross Subdivision; thence easterly along said north line of Lot 245, extended to the east line of Middlesex, 50 feet wide; thence northerly along said east line of Middlesex to the north line of Lot 55 of Ardross Subdivision; thence easterly along said north line of Lot 55, extended to the east line of Horger, 55 feet wide; thence northerly along said east line of Horger to the north line of Lot 381 of Maplewood Park Subdivision; thence easterly along said north line of Lot 381, extended to the east line of the 18 foot wide public alley lying north of Michigan Ave. between Maple and Neckel; thence northerly along the said east line of the said 18 foot wide public alley to the southerly line of Colson, variable width; thence easterly along said southerly line of Colson to the westerly line of Neckel, 55 feet wide; thence easterly to the intersection of the said southerly line of Colson and the easterly line of Neckel; thence northerly along said easterly line of Neckel to the south line of Ruby, 50 feet wide west of Schaefer; thence easterly along said south line of Ruby, extended to the east line of Schaefer, 86 feet wide; thence northerly along said east line of Schaefer to the south line of Ruby, 50 feet wide east of Schaefer; thence easterly along said south line of Ruby, to the west line of Calhoun, 50 feet wide; thence southerly along said west line of Calhoun extended to the south line of Colson, 60 feet wide; thence easterly along said south line of Colson to the West line of Bingham, 50 feet wide; thence southerly along said west line of Bingham to the westerly extension of the north line of Lot 297 in the Addition to Maplewood Park Subdivision; thence easterly along said westerly extension to the north line of Lot 297 extended to the center line of the vacated 18 foot wide public alley, lying north of Michigan between Bingham and Jonathon; thence northerly along said center line of the vacated 18 foot wide public alley to the westerly extension of the north line of Lot 397 in the Addition to Maplewood Park Subdivision; thence easterly along said westerly extension of the north line of Lot 397 extended to the east line of Jonathon, 50 feet wide; thence northerly along said east line of Jonathon to the north line of Lot 408 in the Addition to Maplewood Park Subdivision; thence easterly along said north line of Lot 408 extended to the center line of the vacated 18 foot wide public alley lying north of Michigan Ave. between Jonathon and Reuter; thence northerly along said center line of said vacated 18 foot wide public alley to the westerly extension of the north line of Lot 504 in the Addition to Maplewood Park Subdivision; thence easterly along said north line of Lot 504 extended to the east line of Reuter, 60 feet wide; thence northerly along said east line of Reuter to the north line of Lot 137, of Woodbridge Park Subdivision; thence easterly along said north line of Lot 137 extended to the east line of the 18 foot wide public alley lying north of Michigan Ave. between Reuter and Hartwell; thence northerly along the said east line of said 18 foot wide public alley to the north line of Lot 116 of Woodbridge Park Subdivision; thence easterly along said north line of Lot 116, extended to the east line of Hartwell, 50 feet wide; thence northerly along said east line of Hartwell to the south line of Colson, 60 feet wide; thence easterly along said south line of Colson to the west line of Oakman Blvd., 120 feet wide; thence southerly along said west line of Oakman Blvd. to the Point of Beginning.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance readopted November 4, 1981 and published on November 12, 1981, effective the day following publication.

JOHN B. O'REILLY, Mayor

JOHN JAY HUBBARD, City Clerk

Exhibit B

ORDINANCE NO. 83-272

AN ORDINANCE TO ADOPT THE DEVELOPMENT AND TAX INCREMENT FINANCING PLAN NO. 1 OF THE DOWNTOWN DEVELOPMENT AUTHORITY - EAST DEARBORN

THE CITY OF DEARBORN ORDAINS:

Section 1. The Development and Tax Increment Financing Plan No. 1 of the Downtown Development Authority - East Dearborn is hereby adopted pursuant to Michigan Compiled Laws Section 125.1669, and the City does specifically find that said Plan constitutes a public purpose.

Section 2. A copy of the Development and Tax Increment Financing Plan No. 1 of the Downtown Development Authority - East Dearborn, which was adopted by that Body on March 8, 1983, which is approximately forty one pages in length, shall be maintained on file in the Office of the City Clerk for inspection by the public at all times during regular business hours.

Section 3. Should any section, clause or phrase of this Ordinance be declared to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof other than the part declared to be invalid.

Section 4. All Ordinances or parts of Ordinances in conflict with any of the provisions of this Ordinance are hereby repealed.

Section 5. This Ordinance shall take effect the day after its publication in accordance with the provision of Chapter 9, Section 9.2 of the City Charter.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on May 3, 1983 and published on May 12, 1983, effective the day following publication.

JOHN B. O'REILLY, Mayor

DUANE WYDENDORF, City Clerk

LEGAL DESCRIPTION
FOR
EAST DEARBORN DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT DISTRICT BOUNDARY

Beginning at the intersection of the southerly extension of the east line of Jonathon, 50 feet wide, north of Michigan Avenue, and the southerly line of Michigan Avenue, 100 feet wide; thence westerly along said southerly line of Michigan Avenue to the east line of Jonathon, 75 feet wide; thence southerly along said east line of Jonathon to the southerly line of the 18 foot wide public alley lying south of and parallel to Michigan Avenue; thence westerly along said southerly line of the 18 foot wide public alley to the east line of Bingham, 50 feet wide; thence southerly along said east line of Bingham to the south line of Lot 198 of Miller Home Subdivision; thence along the westerly extension of said south line of Lot 198 to the west line of said Bingham; thence southerly along said west line of Bingham to the southerly line of Lot 260 of Miller Home Subdivision; thence westerly along said southerly line of Lot 260 to the easterly line of the 18 foot wide public alley lying north of Osborn between Calhoun and Bingham; thence southerly along said easterly line of the 18 foot wide public alley to the north line of Osborn, 50 feet wide; thence westerly along said north line of Osborn to the northerly extension of the west line of the 20 foot wide public alley, lying north of Bryan, between Schaefer and Calhoun; thence southerly along the said northerly extension of the west line of said 20 foot wide public alley to the north line of Bryan, 50 feet wide; thence westerly along said north line of Bryan extended to the west line of Schaefer Road, 86 feet wide; thence southerly along said west line of Schaefer Road to the south line of Fractional Section 18, T. 2 S., R. 11 E.; thence westerly along said south line of Fractional Section 18 to the easterly line of Maple, 66 feet wide; thence northerly along said easterly line of Maple to the easterly extension of the south line of Lithgow, 60 feet wide; thence westerly along said easterly extension of the south line of Lithgow to the southerly extension of the westerly line of the 18 foot wide public alley lying west of and parallel to Maple, north of Lithgow; thence northerly along said southerly extension of the westerly line of the 18 foot wide public alley extended to the northerly line of Wellesley, 60 feet wide; thence easterly along said northerly line of Wellesley to the center line of the vacated 18 foot wide public alley west of and parallel to Maple; thence northerly along said center line of the vacated 18 foot wide public alley to the northerly line of the 18 foot wide public alley south of and parallel to Michigan Avenue; thence easterly along said northerly line of the 18 foot wide public alley to the west line of said Maple; thence northerly along said west line of Maple to the southerly line of Michigan Avenue; variable width; thence westerly along said southerly line of Michigan Avenue to the southerly extension of the west line of Horger, 55 feet wide; thence northerly along said southerly extension of the west line of Horger to the northerly line of the 24 foot wide public alley lying north of and parallel to Michigan Avenue; thence easterly along said northerly line of the 24 foot wide public alley to the west line of Maple, 55 feet wide; thence northerly along said west line of Maple to the westerly extension of the north line of Lot 226 of Maplewood Park Subdivision; thence easterly along said westerly extension of the north line of Lot 226 to the east line of the 18 foot wide public alley lying north of Michigan Avenue between Maple and Neckel; thence northerly along said east line of the 18 foot wide public alley to the southerly line of Colson, variable width; thence easterly along said southerly line of Colson to the west line of vacated Neckel, 55 feet wide; thence easterly to the intersection of the said southerly line of Colson and the east line of said vacated Neckel; thence

LEGAL DESCRIPTION
FOR
EAST DEARBORN DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT DISTRICT BOUNDARY

northerly to the intersection of the east line of Neckel, 55 feet wide, and the north line of said Colson; thence easterly along said north line of Colson to the west line of the 18 foot wide public alley lying north of Colson, west of and parallel to Schaefer; thence northerly along said west line of the 18 foot wide public alley to the westerly extension of the north line of Lot 38 of Maplewood Park Subdivision; thence easterly along said westerly extension of the line of the north line of Lot 38 extended to the east line of Schaefer Road, 86 feet wide; thence southerly along said east line of Schaefer Road to the north line of Colson, 60 feet wide; thence easterly along said north line of Colson to the west line of Calhoun, 50 feet wide; thence southerly along said west line of Calhoun extended to the south line of said Colson; thence easterly along said south line of Colson to the west property line of Kennedy Plaza, said west property line lying 150.00 feet west of and parallel to the west line of Bingham, 50 feet wide; thence southerly along said west property line of Kennedy Plaza to the westerly extension of the north line of Lot 281 of Addition to Maplewood Park Subdivision; thence easterly along said westerly extension of the north line of Lot 281 to the said west line of Bingham; thence southerly along said west line of Bingham to the westerly extension of the north line of Lot 297 in the Addition to Maplewood Park Subdivision; thence easterly along said westerly extension of the north line of Lot 297 to the east line of said Bingham; thence southerly along said east line of Bingham to the northerly line of the 18 foot wide public alley lying north of and parallel to Michigan Avenue; thence easterly along said northerly line of the 18 foot wide public alley extended to the said east line of Jonathon; thence southerly along said east line of Jonathon extended to the southerly line of Michigan and Point of Beginning.

J.P.
1-12-90

Exhibit D

ORDINANCE NO. 85-342

AN ORDINANCE TO AMEND
ORDINANCE NO. 81-117
AN ORDINANCE TO CREATE A DOWNTOWN
DEVELOPMENT AUTHORITY FOR EAST DEARBORN
WITHIN THE CITY OF DEARBORN

THE CITY OF DEARBORN ORDAINS:

That Ordinance No. 81-117 entitled "An Ordinance To Create A Downtown Development Authority for East Dearborn within the City of Dearborn" be and is hereby amended by changing Section 2 to read as follows:

Section 2. ORGANIZATION. The authority shall be under the supervision and control of a board consisting of the Mayor and ten (10) members appointed by the Mayor, subject to approval by the City Council. Not less than a majority of the members shall be persons having an interest in property located in the downtown district. Not less than 1 of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the Mayor for the unexpired term only. Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The Chairperson of the Board shall be elected by the Board.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on November 6, 1985 and published on November 14, 1985, effective the day following publication.

John B. O'Reilly

JOHN B. O'REILLY, Mayor

Duane Wydendorf

DUANE WYDENDORF, City Clerk

Exhibit E

ORDINANCE NO. 91-528

AN ORDINANCE TO AMEND ORDINANCE NO. 83-272, AS AMENDED
"AN ORDINANCE TO ADOPT THE DEVELOPMENT AND TAX
INCREMENT FINANCING PLAN AMENDMENT, 1991
OF THE DOWNTOWN DEVELOPMENT AUTHORITY - EAST DEARBORN"

THE CITY OF DEARBORN ORDAINS:

SECTION 1. The City Council has been presented with the Development and Tax Increment Financing Plan Amendments, 1991, as amended, of the Downtown Development Authority - East Dearborn (the "Authority"), which was amended and adopted by that body on September 11, 1991 (as amended and adopted, the "Plan"), pursuant to the provisions of Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act"). The City Council hereby determines that the Plan constitutes a public purpose.

SECTION 2. The Plan, as submitted by the Authority is hereby approved.

SECTION 3. As required by the Act, the City Council has in reviewing and approving the Plan herein taken into account the following considerations:

(a) The Development Plan meets the requirements set forth in Section 17(2) of the Act and the Tax Increment Financing Plan meets the requirements set forth in Section 14(2) of the Act.

(b) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the Act.

(d) The land included within the Development Area to be acquired (to the extent required by the Plan) is reasonably necessary to carry out the purposes of the Plan and the purposes of the Act in an efficient and economically satisfactory manner.

(e) The Development Plan is in reasonable accord with the Master Plan of the City.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the Development Area.

(g) Changes in streets, street levels, intersections, and utilities (to the extent required by the Plan) are reasonably necessary for the Project and for the City.

Exhibit E

SECTION 5. A copy of the Plan, in the form approved hereby, which is approximately 61 pages in length shall be maintained on file in the office of the City Clerk for inspection by the public at all times during regular business hours.

SECTION 6. Should any section, clause or phrase of this Ordinance be declared to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof other than the part declared to be invalid.

SECTION 7. All Ordinances or parts of Ordinances in conflict with any of the provisions of this Ordinance are hereby repealed.

SECTION 8. This Ordinance shall take effect the day after its publication in accordance with the provisions of Chapter 9, Section 9.2 of the City Charter.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on November 19, 1991 and published on November 27, 1991, effective the day following publication.

Michael A Guido

MICHAEL A. GUIDO, Mayor

Duane Wydendorf

DUANE WYDENDORF, City Clerk

Exhibit F

ORDINANCE NO. 02-871

AN ORDINANCE TO AMEND THE COMMUNITY DEVELOPMENT CHAPTER (CHAPTER 7) OF THE CODE OF THE CITY OF DEARBORN BY AMENDING SECTION 7-101 OF ARTICLE III, DIVISION 2, ENTITLED "DOWNTOWN DEVELOPMENT AUTHORITY - EAST DEARBORN."

THE CITY OF DEARBORN ORDAINS TO:

Amend Chapter 11 of the Code of the City of Dearborn by amending Section 7-101, to read as follows:

ARTICLE III. DOWNTOWN DEVELOPMENT AUTHORITY

***

DIVISION 2. EAST DEARBORN

***

Sec. 7-101. Development area citizen's council.

If a proposed development area has residing within it 100 or more residents, a development area citizens' council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The members of the development area citizens' council shall be residents of the development area, **shall be at least 18 years of age, and shall be representative of the development area.**

There is hereby created and established a Downtown Development Authority - East Dearborn Development Area Citizens' Council. The East Dearborn Downtown Development Area Citizens' Council shall consist of nine members appointed by the mayor and approved by the city council. Each term of appointment shall be for three years, except at the creation of the council whereby there shall be three members appointed for one, two, and three year terms. The East Dearborn Development Area Citizens' Council shall be governed by Robert's Rule of Order and shall meet as necessary, in conformity with the Open Meetings Act.

Exhibit F

The East Dearborn Development Area Citizens' Council shall act as an advisory board to the Downtown Development Authority and to the city council in the adoption of the development or tax increment financing plans. The East Dearborn Development Area Citizens' Council shall make findings and recommendations in conformity with MCL 125.1667, *et seq.*

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on January 15, 2002 and published on January 24, 2002 effective the day following publication. True copies of this Ordinance may be inspected or obtained in the Office of the City Clerk.

Michael A. Guido, Mayor

Kathleen Buda, City Clerk

Exhibit G

ORDINANCE NO. 02-908

AN ORDINANCE TO AMEND ORDINANCE NO. 91-528, AS AMENDED "AN ORDINANCE TO ADOPT THE DEVELOPMENT AND TAX INCREMENT FINANCING PLAN AMENDMENT, 2002 OF THE DOWNTOWN DEVELOPMENT AUTHORITY - EAST DEARBORN"

THE CITY OF DEARBORN ORDAINS:

SECTION 1. The City Council has been presented with the Development and Tax Increment Financing Plan Amendments, 2002, as amended, of the Downtown Development Authority - East Dearborn (the "Authority"), which was amended and adopted by that body on January 10, 2002 (as amended and adopted, the "Plan"), pursuant to the provisions of Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act"). The City Council hereby determines that the Plan constitutes a public purpose.

SECTION 2. The Plan, as submitted by the Authority is hereby approved with the following additions:

(a) The estimated cost for demolition of Section 17(2)(c), 17(2)(d) and 17(2)(e) is increased from $800,000 to $1,500,000.

(b) A new Activity, Environmental Due Care Activities, be included in Section 17(2)(c), 17(2)(d) and 17(2)(e) of the Plan with the estimated cost of the Activity to be $2,000,000.

SECTION 3. As required by the Act, the City Council has in reviewing and approving the Plan herein taken into account the following considerations:

(a) The Development Plan meets the requirements set forth in Section 17(2) of the Act and the Tax Increment Financing Plan meets the requirements set forth in Section 14(2) of the Act.

(b) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the Act.

(d) The land included within the Development Area to be acquired (to the extent required by the Plan) is reasonably necessary to carry out the purposes of the Plan and the purposes of the Act in an efficient and economically satisfactory manner.

Exhibit G

(e) The Development Plan is in reasonable accord with the Master Plan of the City.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the Development Area.

(g) Changes in streets, street levels, intersections, and utilities (to the extent required by the Plan) are reasonably necessary for the Project and for the City.

SECTION 4. The activities of the Authority shall be refinanced from one or more of the following sources:

(a) Donations to the Authority for the performance of its functions.

(b) Proceeds of a tax imposed pursuant to Section 12 of Act No. 197 of the Public Acts of 1975.

(c) Monies borrowed and to be repaid as authorized by Section 13 of Act 197 of the Public Acts of 1975.

(d) Revenues from any property, building, or facility owned, leased, licensed or operated by the Authority or under its control, subject to the limitations imposed upon the Authority by trusts or other agreements.

(e) Proceeds of a tax increment financing plan, established under Sections 14-16 of Act No. 197 of the Public Acts of 1975.

(f) Monies obtained from other sources approved by the City Council of the City of Dearborn.

(g) Monies received by the Authority and not covered under Sub-Section 1 shall be immediately deposited to the credit of the Authority, subject to disbursement pursuant to Act No. 197 of Public Acts of 1975. Except as provided in Act No. 197 of Public Acts of 1975, the City shall not obligate itself, nor shall it ever be obligated to pay any sums from public monies, other than monies received by the City pursuant to this section, for or on account of the activities of the Authority.

Exhibit G

SECTION 5. A copy of the Plan, in the form approved hereby, which is approximately 62 pages in length shall be maintained on file in the Office of the City Clerk for inspection at all times during regular business hours.

SECTION 6. Should any section, clause or phrase of this Ordinance be declared to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof other than the part declared to be invalid.

SECTION 7. All Ordinances or parts of Ordinances in conflict with any of the provisions of this Ordinance are hereby repealed.

SECTION 8. The Ordinance shall take effect the day after its publication in accordance with the provisions of Chapter 9, Section 9.2 of the City Charter.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted on July 16, 2002 and published on July 24, 2002 effective the day following publication. True copies of this Ordinance may be inspected or obtained in the Office of the City Clerk.

Michael A. Guido, Mayor

Kathleen Buda, City Clerk

ORDINANCE NO. 08-_____

AN ORDINANCE TO AMEND SECTIONS 7-116 AND 7-117
OF THE CODE OF THE CITY OF DEARBORN, ENTITLED
"AN ORDINANCE TO ADOPT THE DEVELOPMENT AND TAX
INCREMENT FINANCING PLAN AMENDMENT 2008
OF THE DOWNTOWN DEVELOPMENT AUTHORITY – EAST DEARBORN"

THE CITY OF DEARBORN ORDAINS:

SECTION 7-116. The Development and Tax Increment Financing Plan Amendment 2008, of the Downtown Development Authority – East Dearborn, which was amended and approved by that body on July 31, 2008, is hereby adopted pursuant to the provisions of Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act", MCL 125.1651 et seq.)

As required by the Act, the City Council has taken into account the following considerations. And, in reviewing and approving the Plan, has specifically determined that the Plan constitutes a public purpose.

(a) The development plan meets the requirements set forth in Section 17(2) of the Act and the tax increment financing plan meets the requirements set forth in Section 14(2) of the Act.

(b) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the Act.

(d) The land included within the Development Area to be acquired (to the extent required by the Plan) is reasonably necessary to carry out the purposes of the Plan and the purposes of the Act in an efficient and economically satisfactory manner.

(e) The development plan is in reasonable accord with the Master Plan of the City.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the development area.

(g) Changes in zoning, streets, street levels, intersections, and utilities (to the extent required by the Plan) are reasonably necessary for the project and for the City.

(h) The findings and recommendations of the East Dearborn Development Area Citizens' Council.

SECTION 7-117. A copy of the Development and Tax Increment Financing Plan Amendment 2008, of the Downtown Development Authority – East Dearborn, which is approximately 19 pages in length plus exhibits, shall be maintained on file in the office of the City Clerk for inspection by the public during regular business hours.

Should any section, clause or phrase of this Ordinance be declared to be invalid, the same shall not affect the validity of the Ordinance as a whole, or any part thereof other than the part declared to be invalid.

All Ordinances or parts of Ordinances in conflict with any of the provisions of this Ordinance are hereby repealed.

The Ordinance shall take effect the day after its publication in accordance with the provisions of Chapter 9, Section 9.2 of the City Charter.

AUTHENTICATION

This is to certify that the undersigned do hereby authenticate the foregoing Ordinance adopted [September 15, 2008] and published on [September 24, 2008], effective the day following publication.

JOHN B. O'REILLY, JR., Mayor

KATHLEEN BUDA, City Clerk

OPEN MEETINGS ACT HANDBOOK

ATTORNEY GENERAL DANA NESSEL

Additional copies available at

michigan.gov/foia-ag

Updated March 2026

Contents

OPEN MEETINGS ACT

THE BASICS

The Act

The Open Meetings Act (OMA) is 1976 PA 267, MCL 15.261 through 15.275. The OMA took effect January 1, 1977. In enacting the OMA, the Legislature promoted a new era in governmental accountability and fostered openness in government to enhance responsible decision making.[1]

Nothing in the OMA prohibits a public body from adopting an ordinance, resolution, rule, or charter provision that requires a greater degree of openness relative to public body meetings than the standards provided for in the OMA.[2]

What Bodies are Covered?

The OMA applies to all meetings of a public body.[3] A "public body" is broadly defined as:

> [A]ny state or local legislative or governing body, including a board, commission, committee, subcommittee, authority, or council, that is empowered by state constitution, statute, charter, ordinance, resolution, or rule to *exercise governmental or proprietary authority or perform a governmental or proprietary function*; a lessee of such a body performing an essential public purpose and function pursuant to the lease agreement; or the board of a nonprofit corporation formed by a city under section 4o of the home rule city act, 1909 PA 279, MCL 117.4o.[4] [Emphasis added.]

As used in the OMA, the term "public body" connotes a collective entity and does not include an individual government official.[5] The OMA also does not apply to private,

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[1] *Booth Newspapers, Inc v Univ of Mich Bd of Regents*, 444 Mich 211, 222–223; 507 NW2d 422 (1993).
[2] MCL 15.261.
[3] MCL 15.263. When the Handbook refers to a "board", the term encompasses all boards, commissions, councils, authorities, committees, subcommittees, panels, and any other public body.
[4] MCL 15.262(a). The provision in the OMA that includes a lessee of a public body performing an essential public purpose is unconstitutional because the title of the act does not refer to organizations other than "public bodies." OAG, 1977-1978, No 5207, p 157 (June 24, 1977). Certain boards are excluded "when deliberating the merits of a case." MCL 15.263(7). See also MCL 15.263(8) and (10).
[5] *Herald Co v Bay City*, 463 Mich 111, 129–133; 614 NW2d 873 (2000) (holding that a city manager is not subject to the OMA); *Craig v Detroit Public Schs Chief Executive Officer*, 265 Mich App 572, 579; 697 NW2d 529 (2005). OAG, 1977-1978, No 5183A, p 97 (April 18, 1977).

nonprofit corporations.[6] Furthermore, an advisory body without express decision-making authority is not a "public body" under the OMA.[7]

Public Notice Requirements

A meeting of a public body cannot be held unless public notice is given consistent with the OMA.[8] A public notice must contain the public body's name, telephone number, and address, and must be posted at its principal office and any other locations the public body considers appropriate.[9] If a public body is a part of a state department, a public notice must also be posted in the principal office of the state department.[10]

Public notice requirements are specific to the type of meeting:

1. For regular meetings of a public body, there shall be posted within 10 days after the first meeting of the public body in each calendar or fiscal year a public notice stating the dates, times, and places of its regular meetings.
2. For a change in schedule of regular meetings of a public body, there shall be posted within three days after the meeting at which the change is made, a public notice stating the new dates, times, and places of its regular meetings.
3. For a rescheduled regular or a special meeting of a public body, a public notice stating the date, time, and place of the meeting shall be posted at least 18 hours before the meeting.
4. A meeting of a public body which is recessed for more than 36 hours shall be reconvened only after public notice has been posted at least 18 hours before the reconvened meeting.[11]

At their first meeting of the calendar or fiscal year, each board must set the dates, times, and places of the board's regular meetings for the coming year. The OMA

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[6] OAG, 1985-1986, No 6352, p 252 (April 8, 1986) (The Michigan High School Athletic Association is not subject to the OMA.). See also *Perlongo v Iron River Coop TV Antenna Corp*, 122 Mich App 433; 332 NW2d 502 (1983).
[7] See *Pinebrook Warren, LLC v City of Warren,* ___Mich App ___ (2022) holding that a review committee was not a public body subject to the OMA because the ordinance that created the committee did not grant the committee with authority to make final licensing decisions, which was retained by the city council. The Court found the lack of an express grant of authority to exercise governmental or proprietary authority or to perform a governmental or proprietary function was determinative.
[8] MCL 15.265(1); *Nicholas v Meridian Charter Twp*, 239 Mich App 525, 531; 609 NW2d 574 (2000).
[9] MCL 15.264(a)-(c).
[10] MCL 15.264(c).
[11] MCL 15.265(2)-(5).

does not require any particular number of meetings. The board may cancel or reschedule its regular meetings.

The minimum 18 hour notice requirement is not fulfilled if the public is denied access to the notice of the meeting for any part of the 18 hours.[12] The requirement may be met by posting at least 18 hours in advance of the meeting using a method designed to assure access to the notice. For example, the public body can post the notice at the main entrance visible on the outside of the building that houses the principal office of the public body.[13] If the public body maintains an "official internet presence" that includes monthly or more frequent updates of public meetings agendas and minutes, they must also post notice of a special meeting at least 18 hours before the meeting on a portion of the body's website fully accessible to the public.[14]

A public body must send copies of the public notices by first class mail to a requesting party, upon the party's payment of a yearly fee of not more than the reasonable estimated cost of printing and postage. Upon written request, a public body, at the same time a public notice of a meeting is posted, must provide a copy of the public notice to any newspaper published in the state or any radio or television station located in the state, free of charge.[15]

Agendas and the OMA

While the OMA requires a public body to give public notice when it meets, it has no requirement that the public notice include an agenda or a specific statement as to the purpose of a meeting.[16] No agenda format is required by the OMA.[17]

Penalties for OMA Violations

A public official who "intentionally violates" the OMA may be found guilty of a misdemeanor[18] and may be personally liable for actual and exemplary damages of not more than $500 for a single meeting.[19] The exemptions in the OMA must be strictly construed. The "rule of lenity" (i.e., courts should mitigate punishment when

[12] OAG, 1979-1980, No 5724, p 840 (June 20, 1980).
[13] OAG No 5724.
[14] MCL 15.265(4).
[15] MCL 15.266.
[16] OAG, 1993-1994, No 6821, p 199 (October 18, 1994). But, as discussed in OAG No 6821, other statutes may require a public body to state in its notice the business to be transacted at the meeting.
[17] *Lysogorski v Bridgeport Charter Twp*, 256 Mich App 297, 299; 662 NW2d 108 (2003).
[18] MCL 15.272.
[19] MCL 15.273.

the punishment in the criminal statute is unclear) does not apply to construction of the OMA's exemptions.[20]

A decision made by a public body may be invalidated by a court, if the public body has not complied with the requirements of MCL 15.263(1), (2), and (3) [i.e., making decisions at a public meeting] or if failure to give notice in accordance with section 5 has interfered with substantial compliance with MCL 15.263(1), (2), and (3), and the court finds that the noncompliance has impaired the rights of the public under the OMA.

Lawsuits to Compel Compliance

Actions must be brought within 60 days after the public body's approved minutes involving the challenged decision are made publicly available.[21] If the decision involves the approval of contracts, the receipt or acceptance of bids, or the procedures pertaining to the issuance of bonds or other evidences of indebtedness, the action must be brought within 30 days after the approved minutes are made publicly available.[22] If the decision of a state public body is challenged, venue is in the Court of Claims.[23]

Correcting Non-Conforming Decisions

In any case where a lawsuit has been initiated to invalidate a public body's decision on the ground that it was not made in conformity with the OMA, the public body may, without being deemed to make any admission contrary to its interest, reenact the disputed decision in conformity with the OMA. A decision reenacted in this manner shall be effective from the date of reenactment and is not rendered invalid by any deficiency in its initial enactment.[24] If the board acts quickly, the reenactment may defeat a claim for attorney's fees, since plaintiffs would not be successful in "obtaining relief in the action" within the meaning of the OMA.[25] The public body need not, however, wait for a lawsuit to correct a decision made at a meeting that did not comply with the OMA.[26]

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[20] *People v Whitney*, 228 Mich App 230, 244; 578 NW2d 329 (1998).
[21] MCL 15.270(3)(a).
[22] MCL 15.270(3)(b).
[23] MCL 15.270(4).
[24] MCL 15.270(5).
[25] *Leemreis v Sherman Twp*, 273 Mich App 691, 700; 731 NW2d 787 (2007). *Felice v Cheboygan County Zoning Comm*, 103 Mich App 742, 746; 304 NW2d 1 (1981).
[26] *Lockwood v Ellington Twp,* 323 Mich App 392, 405; 917 NW2d 413 (2018).

DECISIONS MUST BE MADE IN PUBLIC MEETINGS

All Decisions Must be Made at a Meeting Open to the Public

The OMA provides that "[a]ll decisions of a public body shall be made at a meeting open to the public," and that, with limited exceptions, "[a]ll deliberations of a public body constituting a quorum of its members shall take place at a meeting open to the public."[27] The OMA defines "decision" to mean "a determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure on which a vote by members of a public body is required and by which a public body effectuates or formulates public policy."[28]

The OMA does not prescribe any specific form of formal voting requirement, but any kind of process that equates to decision-making falls under the act and so must be conducted at an open meeting.[29] For example, where board members use telephone calls or sub-quorum meetings to achieve the same intercommunication that could have been achieved in a full board or commission meeting, the members' conduct is susceptible to "round-the-horn" decision-making, which achieves the same effect as if the entire board had met publicly and formally cast its votes and would violate the OMA.[30]

Canvassing Board Members on How they Might Vote

Although similar to prohibited "round-the-horn" decision making described above, an informal canvas by one member of a public body to find out where the votes would be on a particular issue does not violate the OMA, so long as no decisions are made during the discussions and the discussions are not a deliberate attempt to the avoid the OMA.[31]

Meeting "Informally" to Discuss Matters

To promote openness in government, exceptions to the OMA must be construed strictly.[32] Thus, the closed session exception does not allow a quorum of a public

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[27] MCL 15.263(2) and (3).
[28] MCL 15.262(d).
[29] *Booth Newspapers, Inc,* 444 Mich at 229.
[30] *Booth Newspapers, Inc*, 444 Mich at 229 ("[A]ny alleged distinction between the [public body's] consensus building and a determination or action, as advanced in the OMA's definition of 'decision,' is a distinction without a difference.").
[31] *St Aubin v Ishpeming City Council*, 197 Mich App 100, 103; 494 NW2d 803 (1992).
[32] *Wexford County Prosecutor v Pranger*, 83 Mich App 197, 201, 204; 268 NW2d 344 (1978).

body to meet to discuss matters of public policy, even if there is no intention that the deliberations will lead to a decision on that occasion.[33]

When may a Quorum of a Board Gather Outside an Open Meeting Without Violating the OMA?

The OMA "does not apply to a meeting which is a social or chance gathering or conference not designed to avoid this act."[34] The OMA, however, does not define the terms "social or chance gathering" or "conference," and provides little direct guidance as to the precise scope of this exemption.[35]

In addition to a purely social gathering or chance gathering[36] that does not involve discussions of public policy among the members of the board, a quorum may accept an invitation to address a civic organization,[37] listen to the concerns of a neighborhood organization, or observe demonstrations, if the board doesn't deliberate toward, or make, a decision.[38]

A board quorum also may meet for a workshop, seminar, informational gathering, or professional conference designed to convey, to the conference participants, information about areas of professional interest common to all conference participants rather than a more limited focus on matters or issues of particular interest to a single public body.[39] However, when gatherings are designed to receive input from officers or employees of the public body, the OMA requires that the gathering be held at a public meeting.[40]

For example, the OMA was not violated when several members of the board of county commissioners attended a public meeting of the county planning committee (which had more than fifty members, two who were county commissioners), which resulted in a quorum of the board being present at the meeting (without the

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[33] Compare OAG, 1977-1978, No 5298, p 434, 435 (May 2, 1978). See also OAG, 1979-1980, No 5444, p 55, 56 (February 21, 1979) (explaining that anytime a quorum of a public body meets and considers a matter of public policy, the meeting must comply with the OMA's requirements), with OAG, 1979-1980, No 5437, p 36, 37 (February 2, 1979) (explaining that where members of a public body constituting a quorum come together by chance, the gathering is exempt from the OMA; however, even at a chance meeting, matters of public policy may not be discussed by the members with each other).
[34] MCL 15.263(10).
[35] OAG, 1981-1982, No 6074, p 662, 663 (June 11, 1982).
[36] OAG, 1979-1980, No 5437, p 36 (February 2, 1979).
[37] OAG, 1977-1978, No 5183, p 21, 35 (March 8, 1977).
[38] OAG, 1977-1978, No 5364, p 606, 607 (September 7, 1978).
[39] OAG, 1979-1980, No 5433, p 29, 31 (January 31, 1979).
[40] OAG No 5433 at p 31.

meeting also being noticed as a county commission meeting), since the nonmember commissioners did not engage in deliberations or render decisions.[41]

Advisory Committees and the OMA

The OMA does not apply to committees and subcommittees composed of less than a quorum of the full public body if they "are merely advisory or only capable of making 'recommendations concerning the exercise of governmental authority.'"[42]

Where, on the other hand, a committee or subcommittee is empowered to act on matters in such a fashion as to deprive the full public body of the opportunity to consider a matter, a decision of the committee or subcommittee "is an exercise of governmental authority which effectuates public policy" and the committee or subcommittee proceedings are, therefore, subject to the OMA.[43]

If a joint meeting of two committees of a board (each with less than a quorum of the board) results in the presence of a quorum of the board, the board must comply in all respects with the OMA and notice of the joint meeting must include the fact that a quorum of the board will be present.[44]

Use of Email or Other Electronic Communications Among Board Members During an Open Meeting

Email, texting, or other forms of electronic communications among members of a board or commission during an open meeting that involve deliberations toward decision-making or actual decisions violates the OMA, since those communications are not open to the public and, in effect, transform the open meeting into a "closed" session.

While the OMA does not require that all votes by a public body must be by roll call, voting requirements under the act are met when a vote is taken by roll call, show of hands, or other method that informs the public of the public official's decision rendered by his or her vote. Thus, the OMA bars the use of email or other electronic

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[41] OAG, 1989-1990, No 6636, p 253 (October 23, 1989), cited with approval in *Ryant v Cleveland Twp*, 239 Mich App 430, 434–435; 608 NW2d 101 (2000) and *Nicholas*, 239 Mich App at 531–532. If, however, the noncommittee board members participate in committee deliberations, the OMA would be violated. *Nicholas*, 239 Mich App at 532.
[42] OAG, 1997-1998, No 6935, p 18 (April 2, 1997); OAG No 5183 at p 40.
[43] *Schmiedicke v Clare School Bd*, 228 Mich App 259, 261, 263-264; 577 NW2d 706 (1998); *Morrison v East Lansing*, 255 Mich App 505; 660 NW2d 395 (2003); and OAG, 1997-1998, No 7000, p 197 (December 1, 1998) (A committee composed of less than a quorum of a full board is subject to the OMA, if the committee is effectively authorized to determine whether items will or will not be referred for action by the full board), citing OAG, 1977- 1978, No 5222, p 216 (September 1, 1977).
[44] OAG, 1989-1990, No 6636, at p 254.

communications to conduct a secret ballot at a public meeting, since it would prevent citizens from knowing how members of the public body have voted.[45]

Moreover, the use of electronic communications for discussions or deliberations, which are not, at a minimum, able to be heard by the public in attendance at an open meeting are contrary to the OMA's core purpose – the promotion of openness in government.[46]

Using email to distribute handouts, agenda items, statistical information, or other such material during an open meeting should be permissible under the OMA, particularly when copies of that information are also made available to the public before or during the meeting.

CLOSED SESSIONS

Meeting in Closed Session

A public body may meet in a closed session *only* for one or more of the permitted purposes specified in section 8 of the OMA.[47] The limited purposes for which closed sessions are permitted include, among others:[48]

1. To consider the dismissal, suspension, or disciplining of, or to hear complaints or charges brought against, or to consider a periodic personnel evaluation of, a public officer, employee, staff member, or individual agent, *if the named person requests a closed hearing*.[49]
2. For strategy and negotiation sessions connected with the negotiation of a collective bargaining agreement *if either negotiating party requests a closed hearing*.[50]
3. To consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained.[51]

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[45] See *Esperance v Chesterfield Twp*, 89 Mich App 456, 464; 280 NW2d 559 (1979); OAG, 1977-1978, No 5262, p 338 (January 31, 1978).
[46] See *Booth Newspapers, Inc*, 444 Mich at 229; *Schmiedicke*, 228 Mich App at 263, 264; *Wexford County Prosecutor*, 83 Mich App at 204.
[47] MCL 15.268. OAG, 1977-1978, No 5183, at p 37.
[48] The other permissible purposes deal with public primary, secondary, and post-secondary student disciplinary hearings – section 8(b); state legislature party caucuses – section 8(g); compliance conferences conducted by the Michigan Department of Community Health – section 8(i); and public university presidential search committee discussions – section 8(j); and school boards considering security planning to address threats to the safety of students and staff – section 8(k).
[49] MCL 15.268(a) (Emphasis added).
[50] MCL 15.268(c) (Emphasis added).
[51] MCL 15.268(d).

4. To consult with its attorney regarding trial or settlement strategy in connection with specific pending litigation, *but only if* an open meeting would have a detrimental financial effect on the litigating or settlement position of the public body.[52]
5. To review and consider the contents of an application for employment or appointment to a public office *if the candidate requests that the application remain confidential*. However, all interviews by a public body for employment or appointment to a public office shall be held in an open meeting pursuant to this act.[53]
6. To consider material exempt from discussion or disclosure by state or federal statute.[54] But note – a board is not permitted to go into closed session to discuss an attorney's oral opinion, as opposed to a written legal memorandum.[55]

Decisions Must be Made During an Open Meeting, Not the Closed Session

Section 3(2) of the OMA requires that "[a]ll decisions of a public body shall be made at a meeting open to the public."[56] Section 2(d) of the OMA defines "decision" to mean "a determination, action, vote, or disposition upon a motion, proposal, recommendation, resolution, order, ordinance, bill, or measure on which a vote by members of a public body is required and by which a public body effectuates or formulates public policy."[57] And so, the purposes of the closed session must be strictly limited to the exceptions listed above; no decision making is permitted in the closed session.

A Closed Session Must be Conducted During the Course of an Open Meeting

Section 2(c) of the OMA defines "closed session" as "a meeting or part of a meeting of a public body that is closed to the public."[58] Section 9(1) of the OMA provides that

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[52] MCL 15.268(e) (Emphasis added).
[53] MCL 15.268(f) (Emphasis added).
[54] MCL 15.268(h).
[55] *Booth Newspapers, Inc v Wyoming City Council*, 168 Mich App 459, 467, 469-470; 425 NW2d 695 (1988).
[56] MCL 15.263(2). See also *St Aubin*, 197 Mich App at 103; OAG, 1977-1978, No 5262, at p 338–339 (The OMA prohibits a voting procedure at a public meeting which prevents citizens from knowing how members of the public body have voted.); OAG, 1979-1980, No 5445, p 57 (February 22, 1979) (A public body may not take final action on any matter during a closed meeting.).
[57] MCL 15.262(d).
[58] MCL 15.262(c).

the minutes of an open meeting must include "the purpose or purposes for which a closed session is held."[59]

Going into Closed Session

Section 7(1) of the OMA[60] sets out the procedure for calling a closed session:

> A 2/3 roll call vote of members elected or appointed and serving is required to call a closed session, except for the closed sessions permitted under section 8(a), (b), (c), (g), (i), and (j). The roll call vote and the purpose or purposes for calling the closed session shall be entered into the minutes of the meeting at which the vote is taken.

Thus, a public body may go into closed session only upon a motion duly made, seconded, and adopted by a 2/3 roll call vote of the members appointed and serving[61] during an open meeting for the purpose of (1) considering the purchase or lease of real property, (2) consulting with their attorney, (3) considering an employment application, or (4) considering material exempt from disclosure under state or federal law. A majority vote is sufficient for going into closed session for the other OMA permitted purposes.

It is suggested that every motion to go into closed session should cite one or more of the permissible purposes listed in section 8 of the OMA.[62] An example of a motion to go into closed session is:

> I move that the Board meet in closed session under section 8(e) of the Open Meetings Act, to consult with our attorney regarding trial or settlement strategy in connection with [the name of the specific lawsuit].[63]

Another example is the need to privately discuss with the public body's attorney a memorandum of advice as permitted under section 8(h) of the OMA, which provides that "a public body may meet in a closed session . . . to consider material exempt from discussion or disclosure by state or federal statute."[64] The motion should cite section 8(h) of the OMA and the statutory basis for the closed session, such as

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[59] MCL 15.269(1).
[60] MCL 15.267(1).
[61] And not just those attending the meeting. OAG No 5183 at p 37.
[62] MCL 15.268.
[63] "[I]t is clear that the Legislature intended for public bodies to name the pending litigation before entering a closed session." *Vermilya v Delta College Bd of Trustees*, 325 Mich App 416, 421; 925 NW2d 897 (2018). The *Vermilya* court cited the OMA Handbook's recommended motion language with approval. 325 Mich App at 423.
[64] MCL 15.268(h). Proper discussion of a written legal opinion at a closed meeting is, with regard to the attorney-client privilege exemption to the OMA, limited to the meaning of any strictly legal advice presented in the written opinion. *People v Whitney*, 228 Mich App at 245–248.

section 13(1)(g) of the Freedom of Information Act, which exempts from public disclosure "[i]nformation or records subject to the attorney-client privilege."[65]

Leaving a Closed Session

The OMA is silent as to how to leave a closed session. A motion may be made to end the closed session with a majority vote needed for approval. While this is a decision made in a closed session, it is not a decision that "effectuates or formulates public policy."

When the public body has concluded its closed session, the open meeting minutes should state the time the public body reconvened in open session and any votes on matters discussed in the closed session must occur in an open meeting.

Avoid Using the Terms "Closed Session" and "Executive Session" Interchangeably

The term "executive session" does not appear in the OMA, but "closed session" does. "Executive session" is more of a private sector term and is often used to describe a private session of a board of directors, which is not limited as to purpose, where actions can be taken, and no minutes are recorded. This is not the same as a "closed session" under the OMA, and so public bodies should avoid using the term "executive session" to refer to a "closed session."

Staff and Others May Join the Board in a Closed Session

A public body may rely upon its officers and employees for assistance when considering matters in a closed session. A public body may also request private citizens to assist, as appropriate, in its considerations.[66]

Forcibly Excluding Persons from a Closed Session

A public body may, if necessary, exclude an unauthorized individual who intrudes upon a closed session by either (1) having the individual forcibly removed by a law enforcement officer, or (2) by recessing and removing the closed session to a new location.[67]

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[65] MCL 15.243(1)(g).
[66] OAG, 1979-1980, No 5532, p 324 (August 7, 1979).
[67] OAG, 1985-1986, No 6358, p 268 (April 29, 1986), citing *Regents of the Univ of Mich v Washtenaw County Coalition Against Apartheid*, 97 Mich App 532; 296 NW2d 94 (1980).

ATTENDING OPEN MEETINGS

Excluding Individuals

No one may be excluded from a meeting otherwise open to the public except for a breach of the peace actually committed at the meeting.[68]

Identifying Public Attendees

No one may be required to register or otherwise provide his or her name or other information or otherwise to fulfill a condition precedent to attend a public meeting.[69]

Building security at the meeting site may cause issues. Members of the public might object, based on the OMA, to signing in to gain access to the building where a public meeting is being held.[70] Therefore, it is recommended that public bodies meet in facilities or areas not subject to public access restrictions.

If the public body wishes the members of the public to identify themselves at the meeting, the board chair may announce something like this:

> The Board would appreciate having the members of the public attending the meeting today identify themselves and mention if they would like the opportunity to speak during the public comment period. However, you do not need to give your name to attend this meeting. When the time comes to introduce yourself and you do not want to do so, just say pass.

Since speaking at the meeting is a step beyond "attending" the public meeting and the OMA provides that a person may address the public body "under rules established and recorded by the public body," the board may establish a rule requiring individuals to identify themselves if they wish to speak at a meeting.[71]

Limiting Public Comment

A public body may adopt a rule imposing individual time limits for members of the public addressing the public body.[72] In order to carry out its responsibilities, the board can also consider establishing rules allowing the chairperson to encourage groups to designate one or more individuals to speak on their behalf to avoid cumulative comments. But a rule limiting the period of public comment may not be

[68] MCL 15.263(6).
[69] MCL 15.263(4).
[70] In addition, "[a]ll meetings of a public body . . . shall be held in a place available to the general public." MCL 15.263(1).
[71] MCL 15.263(5). OAG, 1977-1978, No 5183, at p 34.
[72] OAG, 1977-1978, No 5332, p 536 (July 13, 1978) (The rule must be duly adopted and recorded.). OAG, 1977-1978. No 5183, at p 34.

applied in a manner that denies a person the right to address the public body, such as by limiting all public comment to a half-hour period.[73]

Meeting Location

The OMA only requires that a meeting be held "in a place available to the general public;" it does not dictate that the meeting be held within the geographical limits of the public body's jurisdiction.[74] However, if a meeting is held so far from the public which it serves that it would be difficult or inconvenient for its citizens to attend, the meeting may be considered as not being held at a place available to the general public. Whenever possible, the meeting should be held within the public body's geographical boundaries. A local public body's meeting may not take place in a residential building, if a nonresidential building is available without cost within the local unit's boundaries.[75]

Physical Attendance at Meetings

The OMA has been interpreted to require members of public bodies to be physically present at meetings held within a physical space.[76] The OMA generally does not provide for remote attendance by public body members or members of the public, except to accommodate the absence of a member of a public body due to the member's military duty.[77]

Providing Reasonable Accommodations Under the Americans with Disabilities Act

The Americans with Disabilities Act (ADA), 42 USC 12131 *et seq*, and Rehabilitation Act, MCL 395.81 *et seq*, require state and local boards and commissions to provide reasonable accommodations, which could include an option to participate virtually, to qualified individuals with a disability who request an

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[73] OAG No 5332 at p 538.

[74] OAG, 1979-1980, No 5560, p 386 (September 13, 1979). However, local charter provisions or ordinances may impose geographical limits on public body meetings.

[75] MCL 15.265(6). Under this provision, the notice shall be published not less than 2 days before the day on which the meeting is held, and shall state the date, time, and place of the meeting. The notice shall be at the bottom of the display advertisement, set off in a conspicuous manner, and include the following language: "This meeting is open to all members of the public under Michigan's open meetings act."

[76] As part of the measures to prevent the spread of COVID-19, the OMA was amended to temporarily allow public bodies for limited periods to conduct and attend meetings by electronic means. The amendment expired after December 31, 2021, and, generally, only those board members absent due to military duty may participate by electronic means - this provision was part of the OMA before the pandemic.

[77] MCL 15.263(2).

accommodation in order to fully participate in a meeting as a board or commission member or as a member of the general public.[78]

Timing of Public Comment

A public body has discretion under the OMA when to schedule public comment during the meeting.[79] Thus, scheduling public comment at the beginning[80] or the end[81] of the meeting agenda does not violate the OMA. The public has no right to address the commission during its deliberations on a particular matter.[82]

Taping and Broadcasting

The right to attend a public meeting includes the right to tape-record, videotape, broadcast live on radio, and telecast live on television the proceedings of a public body at the public meeting.[83] A board may establish reasonable regulations governing the televising or filming by the electronic media of a hearing open to the public in order to minimize any disruption to the hearing, but it may not prohibit such coverage.[84] And the exercise of the right to tape-record, videotape, and broadcast public meetings is not be dependent upon the prior approval of the public body.[85]

Sound Recordings of Public Meetings

Every meeting of a public body that is a state licensing board, state commission panel, or state rule-making board, except a meeting or part of a meeting held in closed session, must be recorded in a manner that allows for the capture of sound, including, without limitation, in any of the following formats:

a. A sound-only recording.
b. A video recording with sound and picture.
c. A digital or analog broadcast capable of being recorded.

The recording made under this provision must be maintained for a minimum of one year from the date of the meeting in a format that can be reproduced upon a request under the Freedom of Information Act, 1976 PA 442, MCL 15.231 to 15.246. [86]

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[78] See OAG, 2021-2022, No 7318.
[79] MCL 15.263(5).
[80] *Lysogorski*, 256 Mich App at 302.
[81] OAG, 1979-1980, No 5716, p 812 (June 4, 1980).
[82] OAG, 1977-1978, No 5310, p 465, 468 (June 7, 1978).
[83] MCL 15.263(1).
[84] OAG, 1987-1988, No 6499, p 280 (February 24, 1988).
[85] MCL 15.263(1).
[86] MCL 15.269a. This Section is effective as of 91 days after adjournment of the 2022 regular session.

MINUTES

What Must be in the Minutes

At a minimum, the minutes must show the date, time, place, members present, members absent, any decisions made at a meeting open to the public, and the purpose or purposes for which a closed session is held. The minutes must include all roll call votes taken at the meeting.[87] The OMA does not prohibit a public body from preparing a more detailed set of minutes of its public meetings if it chooses to do so.[88]

When Must the Minutes be Available

Proposed minutes must be made available for public inspection within eight days after the applicable meeting. Approved minutes must be made available for public inspection within five days after the public body's approval.[89]

When Must the Minutes be Approved

Minutes must be approved at the board's next meeting.[90] Corrected minutes must show both the original entry and the correction (for example, using a "strikethrough" word processing feature).

Closed Session Minutes

A separate set of minutes must be taken for closed sessions. While closed session minutes must be approved in an open meeting (with contents of the minutes kept confidential), the board may meet in closed session to consider approving the minutes.[91]

Closed session minutes shall only be disclosed if required by a civil action filed under sections 10, 11, or 13 of the OMA.[92] The board secretary may furnish the minutes of a closed session of the body to a board member. A member's dissemination of closed session minutes to the public, however, is a violation of the OMA, and the member risks criminal prosecution and civil penalties.[93] An

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[87] MCL 15.269(1).
[88] Informational letter to Representative Jack Brandenburg from Chief Deputy Attorney General Carol Isaacs dated May 8, 2003.
[89] MCL 15.269(3).
[90] MCL 15.269(1).
[91] OAG, 1985-1986, No 6365, p 288 (June 2, 1986). This, of course, triggers the need for more closed session minutes.
[92] MCL 15.270, 15.271, and 15.273; *Local Area Watch v Grand Rapids*, 262 Mich App 136, 143; 683 NW2d 745 (2004); OAG, 1985-1986 No 6353, p 255 (April 11, 1986).
[93] OAG, 1999-2000, No 7061, p 144 (August 31, 2000).

audiotape of a closed session meeting of a public body is part of the minutes of the session meeting and, thus, must be filed with the clerk of the public body for retention under the OMA.[94] As part of the closed session minutes, the audiotape may also only be disclosed if required by a civil action filed under sections 10, 11, or 13 of the OMA.[95]

Closed session minutes may be destroyed one year and one day *after approval of the minutes of the regular meeting at which the closed session occurred*.[96]

Inadvertent Omissions from the Minutes

The OMA does not invalidate a decision due to a simple error in the minutes, such as inadvertently omitting the vote to go into closed session from a meeting's minutes.[97]

PARLIAMENTARY PROCEDURE

Core Principle

For the actions of a public body to be valid, they must be approved by a majority vote of a quorum, absent a controlling provision to the contrary, at a lawfully convened meeting.[98]

Quorum

A quorum is the minimum number of members who must be present for a board to act. Any substantive action taken in the absence of a quorum is invalid. If a public body properly notices the meeting under OMA, but lacks a quorum when it convenes, the board members in attendance may receive reports and comments from the public or staff, ask questions, and comment on matters of interest, but may not make any decisions.[99]

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[94] *Kitchen v Ferndale City Council*, 253 Mich App 115; 654 NW2d 918 (2002).

[95] MCL 15.270, 15.271, and 15.273; *Local Area Watch v Grand Rapids*, 262 Mich App 136, 143; 683 NW2d 745 (2004); OAG, 1985-1986 No 6353, p 255 (April 11, 1986).

[96] *Kitchen v Ferndale City Council*, 253 Mich App 115; 654 NW2d 918 (2002).

[97] *Willis v Deerfield Twp*, 257 Mich App 541, 554; 669 NW2d 279 (2003).

[98] OAG, 1979-1980, No 5808, p 1060 (October 30, 1980). Robert's Rules of Order Newly Revised (RRONR) (10th ed), p 4. We cite to Robert's Rules in this Handbook as a leading guide on parliamentary procedure. This is not to imply that public bodies are, as a general rule, bound by Robert's Rules.

[99] OAG, 2009-2010, No 7235 (October 9, 2009).

What is the Quorum?

To determine a quorum for any given board, look to the statute, charter provision, or ordinance creating the board in question. On the state level, the Legislature in recent years has set the board quorum in the governing statute itself. The statute will often provide that "a majority of the board appointed and serving shall constitute a quorum." For a 15-member board, that means eight would be the quorum, assuming there are 15 members appointed and serving. Without more in the statute, as few as five board members could then decide an issue, since they would be a majority of a quorum.[100] But recent statutes often provide that "voting upon action taken by the board shall be conducted by majority vote of the members appointed and serving." In that instance, the board needs at least eight favorable votes to act.[101] The Legislature has a backstop statute, which provides that any provision that gives "joint authority to 3 or more public officers or other persons shall be construed as giving such authority to a majority of such officers or other persons, unless it shall be otherwise expressly declared in the law giving the authority."[102]

Losing a Quorum

Even if a meeting begins with a quorum present, the board loses its right to conduct substantive action whenever the attendance of its members falls below the necessary quorum.[103]

Disqualified Members

A member of a public body who is disqualified due to a conflict of interest may not be counted to establish a quorum to consider that matter.[104]

Expired-term Members

Absent a contrary controlling provision, the general rule is that a public officer holding over after his or her term expires may continue to act until a successor is

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[100] See OAG, 1977-1978, No 5238, p 261 (November 2, 1977).
[101] See OAG, 1979-1980, No 5808, p 1061.
[102] MCL 8.3c. *Wood v Bd of Trustees of the Policemen & Firemen Retirement Sys of Detroit*, 108 Mich App 38, 43; 310 NW2d 39 (1981).
[103] RRONR (10th ed), p 337-338.
[104] OAG, 1981-1982, No 5916, p 218 (June 8, 1981). But see MCL 15.342a, which provides a procedure for disqualified public officials to vote in some limited circumstances where a quorum is otherwise lacking for a public body to conduct business.

appointed and qualified, and so could be counted for quorum purposes and be permitted to vote.[105]

Resigned Members

The common law rule in Michigan is that a public officer's resignation is not effective until it has been accepted by the appointing authority (who, at the state level, is usually the governor). Acceptance of the resignation may be manifested by formal acceptance or by the appointment of a successor.[106] Thus, until a resignation is formally accepted or a successor appointed, the resigning member must be considered "appointed and serving," be counted for quorum purposes, and be permitted to vote.

Voting

- Abstain – To "abstain" means to refuse to vote. Thus, a board member does not "vote" to abstain. If a vote requires a majority or a certain percentage of the members present for approval, an abstention has the same effect as a "no" vote.[107]
- Adjourning the meeting – A presiding officer cannot arbitrarily adjourn a meeting without first calling for a vote of the members present.[108]
- Chairperson voting – Unless a contrary controlling provision exists, all board members may vote on any matter coming before a board.[109] If a board's presiding officer votes on a motion and that vote is tied, the presiding officer cannot then vote again to break the tie unless explicitly authorized by law.[110]
- Expired-term members – To determine when a member's term expires, look first to the statute, charter provision, or ordinance creating the public body. Many statutes provide that "a member shall serve until a successor is appointed." Absent a contrary controlling provision, the general rule is that a public officer

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[105] OAG, 1979-1980, No 5606, p 493 (December 13, 1979), citing *Greyhound Corp v Pub Serv Comm*, 360 Mich 578, 589-590; 104 NW2d 395 (1960). See also, *Cantwell v City of Southfield*, 95 Mich App 375; 290 NW2d 151 (1980).
[106] OAG, 1985-1986, No 6405, p 429, 430 (December 9, 1986), citing *Clark v Detroit Bd of Educ*, 112 Mich 656; 71 NW 177 (1897).
[107] RRONR (10th ed), p 390-395.
[108] *Dingwall v Detroit Common Council*, 82 Mich 568, 571; 46 NW 938 (1890).
[109] See OAG, 1981-1982, No 6054, p 617 (April 14, 1982).
[110] *Price v Oakfield Twp Bd*, 182 Mich 216; 148 NW 438 (1914).

RobertsRules.org | Robert's Rules of Order - Summary Version

For Fair and Orderly Meetings & Conventions

Robert's Rules, full text (1915 version)
Introduction to Robert's Rules
Quick Chart of Motions
Chart of Motions in Arabic

Provides common rules and procedures for deliberation and debate in order to place the whole membership on the same footing and speaking the same language. The conduct of ALL business is controlled by the general will of the whole membership - the right of the deliberate majority to decide. Complementary is the right of at least a strong minority to require the majority to be deliberate - to act according to its considered judgment AFTER a full and fair "working through" of the issues involved. Robert's Rules provides for constructive and democratic meetings, to help, not hinder, the business of the assembly. Under no circumstances should "undue strictness" be allowed to intimidate members or limit full participation.

The fundamental right of deliberative assemblies require all questions to be thoroughly discussed before taking action!

The assembly rules - they have the final say on everything!
Silence means consent!

- Obtain the floor (the right to speak) by being the first to stand when the person speaking has finished; state Mr./Madam Chairman. Raising your hand means nothing, and standing while another has the floor is out of order! Must be recognized by the Chair before speaking!
- Debate can not begin until the Chair has stated the motion or resolution and asked "are you ready for the question?" If no one rises, the chair calls for the vote!
- Before the motion is stated by the Chair (the question) members may suggest modification of the motion; the mover can modify as he pleases, or even withdraw the motion without consent of the seconder; if mover modifies, the seconder can withdraw the second.
- The "immediately pending question" is the last question stated by the Chair! Motion/Resolution - Amendment - Motion to Postpone
- The member moving the "immediately pending question" is entitled to preference to the floor!
- No member can speak twice to the same issue until everyone else wishing to speak has spoken to it once!
- All remarks must be directed to the Chair. Remarks must be courteous in language and deportment - avoid all personalities, never allude to others by name or to motives!
- The agenda and all committee reports are merely recommendations! When presented to the assembly and the question is stated, debate begins and changes occur!

The Rules

- **Point of Privilege:** Pertains to noise, personal comfort, etc. - may interrupt only if necessary!
- **Parliamentary Inquiry:** Inquire as to the correct motion - to accomplish a desired result, or raise a point of order
- **Point of Information:** Generally applies to information desired from the speaker: "I should like to ask the (speaker) a question."
- **Orders of the Day** (Agenda): A call to adhere to the agenda (a deviation from the agenda requires Suspending the Rules)
- **Point of Order:** Infraction of the rules, or improper decorum in speaking. Must be raised immediately after the error is made
- **Main Motion:** Brings new business (the next item on the agenda) before the assembly
- **Divide the Question:** Divides a motion into two or more separate motions (must be able to stand on their own)
- **Consider by Paragraph:** Adoption of paper is held until all paragraphs are debated and amended and entire paper is satisfactory; after all paragraphs are considered, the entire paper is then open to amendment, and paragraphs may be further amended. Any Preamble can not be considered until debate on the body of the paper has ceased.
- **Amend:** Inserting or striking out words or paragraphs, or substituting whole paragraphs or resolutions
- **Withdraw/Modify Motion:** Applies only after question is stated; mover can accept an amendment without obtaining the floor
- **Commit /Refer/Recommit to Committee:** State the committee to receive the question or resolution; if no committee exists include size of committee desired and method of selecting the members (election or appointment).
- **Extend Debate:** Applies only to the immediately pending question; extends until a certain time or for a certain period of time
- **Limit Debate:** Closing debate at a certain time, or limiting to a certain period of time
- **Postpone to a Certain Time:** State the time the motion or agenda item will be resumed
- **Object to Consideration:** Objection must be stated before discussion or another motion is stated
- **Lay on the Table:** Temporarily suspends further consideration/action on pending question; may be made after motion to close debate has carried or is pending
- **Take from the Table:** Resumes consideration of item previously "laid on the table" - state the motion to take from the table
- **Reconsider:** Can be made only by one on the prevailing side who has changed position or view
- **Postpone Indefinitely:** Kills the question/resolution for this session - exception: the motion to reconsider can be made this session
- **Previous Question:** Closes debate if successful - may be moved to **"Close Debate"** if preferred
- **Informal Consideration:** Move that the assembly go into **"Committee of the Whole"** - informal debate as if in committee; this committee may limit number or length of speeches or close debate by other means by a 2/3 vote. All votes, however, are formal.
- **Appeal Decision of the Chair:** Appeal for the assembly to decide - must be made before other business is resumed; NOT debatable if relates to decorum, violation of rules or order of business
- **Suspend the Rules:** Allows a violation of the assembly's own rules (except Constitution); the object of the suspension must be specified