Reference Packet

MML Member Resource Services Division

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1) Q & A’s on Creating a Downtown Development Authority
2) Downtown Development Guide: How to Establish and Finance a DDA
3) DDA Act Synopsis
4) Article: Financing Downtown Development Projects
5) List of DDA’s
6) List of DDA Millages
7) State Annual Report Requirements
   a) Dept of Treasury TIF Plan Report
   b) State Tax Commission Bulletin #9
8) Sample: Baraga DDA
9) Sample: Fremont DDA
10) Sample: Davison DDA
11) Sample: Wyoming DDA
12) Sample: DDA Incentive Program—Manistee
13) DDA Façade Improvement Program—Cadillac
14) DDA ordinance—Holland
15) DDA ordinance—Port Huron
16) Downtown Development Authority Act
17) Local Development Financing Act
18) Tax Increment Finance Authorities Act
QUESTIONs AND ANSWERS REGARDING
CREATION OR AMENDMENT OF DOWNTOWN DEVELOPMENT AUTHORITIES
UNDER SECTION 3(1) OF ACT 197 OF 1975, AS AMENDED

Michael P. McGee, Esq.

Michigan cities, villages, and townships are authorized to create one downtown development authority within their jurisdictions pursuant to the provisions of the Downtown Development Authority Act, Act 197 of the Public Acts of 1975, as amended ("Act 197"). The following is an overview of the substantive prerequisites and the procedures necessary to create a downtown development authority or to amend the district of an existing downtown development authority,¹ as well as frequently asked questions regarding the creation of an authority.

Downtown Development Authority Creation: Substantive Requirements

Sec. 3(1) of Act 197 sets out the substantive requirements which must be present prior to creating an authority:

*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.*

There are four principal elements contained in section 3(1) which must be established or occur in order to provide a legally sufficient basis for creating an authority:

(1) The proposed authority district must be a "business district."

(2) There must be "property value deterioration" within the proposed district.

(3) Creation of the authority must be for the purposes of increasing property tax valuation, promoting economic growth, and eliminating the causes of property value deterioration in the district.

(4) The governing body of the municipality must determine, in light of each of the foregoing conditions precedent, that creation of the authority is necessary for the best interests of the public.

The section’s requirements have been the subject of several Attorney General opinions (referred to as "OAG") over the years. There are in addition a small number of unreported circuit court opinions on various aspects of the foregoing. These authorities have interpreted section 3(1) to require the

¹ Section 3(5) of Act 197 provides that the municipality’s governing body “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.” The balance of this memorandum will speak in terms of creating an authority, but the discussion is equally applicable to circumstances in which boundary alterations or amendments are contemplated.
following:

**Business District.** Act 197 defines “business district” as “an area in the downtown of a municipality zoned and used principally for business” (sec. 1(d)). “Downtown” is not defined in Act 197, although “downtown district” is defined as “an area in a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to this act” (sec. 1(j); emphasis supplied). The circularity of the definitions thus leaves unresolved a fundamental issue. The Attorney General has concluded that Act 197’s focus “for the accomplishment of its stated purposes is upon a business district zoned and used as such.” OAG, 1983-84, No. 6212 (March 29, 1984) (emphasis supplied).\(^2\) Thus, both the zoning and the actual use of properties within any proposed district must be principally for business activities.

**Property Value “Deterioration.”** This requirement has been among the more problematic requirements of Act 197. The sole interpretive guidance about its meaning has again come from the Attorney General: In OAG 1989-90, No. 6558 (January 18, 1989) (“OAG No. 6558”), the Attorney General opined that a municipality had no power to establish a downtown development authority based on deterioration of “one or two” parcels of property within the downtown district. In so concluding, the Attorney General relied on an earlier opinion, OAG 1985-86, No. 6335 (January 16, 1986) (“OAG No. 6335”), which dealt with analogous issues under the Tax Increment Finance Authority Act (“Act 450”). That opinion reviewed the purposes and powers of tax increment finance authorities (which are similar in some respects to the purposes and powers of downtown development authorities) and concluded that:

*the legislative intent is manifest that a significant number of parcels of property in the area of the municipality must be found to be falling off in value in order to warrant the establishment of an authority possessed of wide powers to accomplish the beneficial purposes intended. One or two parcels of property suffering declining property values would not suffice to set in motion the establishment of [an authority] in a municipality.* (Emphasis supplied)

What constitutes a “significant number” is an open question on which there is virtually no authority. The common meaning of “significant” is “of a noticeably or measurably large amount.” The expression contemplates a subjective determination in light of the facts and circumstances and does not lend itself to a precise rule. Reasonable persons may well differ in their judgments of what is “significant” in a given set of circumstances.\(^3\)

“Deterioration” similarly is undefined in Act 197. OAG No. 6558 states that “property value deterioration” means a *decline* in property values” (emphasis supplied). The opinion seems

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\(^2\) The Attorney General has inferred that the definition contemplates one contiguous area, and has opined that a unit of government may not attach to a downtown development district a parcel of land which is not contiguous to the “downtown business district.” OAG, 1987-88, No. 6466 (September 14, 1987).

\(^3\) The Gratiot County Circuit Court, in a challenge to a proposed downtown development authority comprised of 504 parcels, of which 341 were residential, concluded that decline in 7 commercial parcels over the four years prior to creation of the authority was not a sufficient number of parcels to provide the statutory basis to create the authority.
to assume that the decline must be in the value of real property because it describes decline in terms of "parcels." The opinion further assumes that "decline" is measured in nominal rather than real terms, i.e., the valuation number with respect to a particular parcel must be lower than the number reported in a prior year, rather than showing a lower rate of increase than that of some comparative norm. The opinion is silent with respect to declines in the value of building improvements or in personal property. In the absence of Legislative or judicial clarification of these ambiguities, it is not possible to say conclusively that the Attorney General's position is incorrect, and in all likelihood it would be cited as controlling authority by a party challenging creation of a downtown district on the basis of insufficient deterioration.

Satisfaction of Each Condition Precedent. With respect to Act 450, OAG No. 6335 states that "a plain reading of the statute makes it clear that the governing body is to make each of these four conditions precedent determinations prior to proceeding with the formation of [an authority]" (emphasis supplied). The same requirement applies by implication to Act 197 because of the similarity of language between section 3(1) of Act 197 and the analogous language of Act 450.

Legislative Body's Discretion As To Section 3(1) Matters. The first clause of section 3(1) empowers the governing body of a municipality with the power (and obligation) to make the determinations respecting each of the foregoing conditions precedent. The determinations must be reasonable and informed based upon a factual record before the governing body; see OAG No. 6335. The ambiguity present in section 3(1)'s language makes the existence and careful preparation of the factual record all the more important. Provided that the determinations made by the governing body are supported by a factual record and are reasonable both in light of Act 197's purposes and of the circumstances before the legislative body, the determinations will enjoy a presumption of validity if challenged. See 1426 Woodward Ave. Corp. v. Wolff, 312 Mich 352 (1945); Inch Memorials v. City of Pontiac, 93 Mich App 532 (1979).

Procedural Requirements; 1994 Amendments

In addition to describing the substantive elements which must be met in order to create an authority, section 3 of Act 197 sets out the procedures which must be followed to create an authority and establish the downtown district's boundaries. In brief those procedures are as follows:

1) The municipality's governing body adopts a resolution of intent incorporating the findings required by section 3(1) and calling a public hearing on the adoption of a proposed ordinance creating the authority and establishing the downtown district's boundaries.

2) Notice of the public hearing must be published twice in a newspaper of general circulation in the municipality not less than 20 and not more than 40 days before the public hearing.

3) Notice of the public hearing must be mailed to property taxpayers of record in the proposed district not less than 20 days before the public hearing.

4) Notice of the public hearing must be mailed not less than 20 days before the public hearing also to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the district and a tax increment financing plan is approved.
5) Notice of the public hearing must be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the public hearing.

6) Not more than 60 days after the public hearing, 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 or amend the district. 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. This provision, which now appears at section 3(3) of Act 197, represents a major revision to the approval procedures and materially limits a downtown development authority’s ability to fund its development plan from TIF revenues. It was enacted in connection with the approval by Michigan voters of Proposal A in 1994.

7) Not less than 60 days after the public hearing, the governing body of the municipality may adopt, by majority vote of its members (i.e., not simply a majority of those present and voting), an ordinance establishing the authority and designating the downtown district’s boundaries.

8) The ordinance must be filed promptly with the Michigan Secretary of State.

9) The ordinance must be published in full at least once in a newspaper of general circulation in the municipality.

Municipalities also should be aware that Act 197 authorizes the creation of one, and only one, downtown development authority within a municipality. As a result, the municipality should evaluate carefully the long-term policy implications of creating an authority in light of the municipality’s overall land use pattern and (if applicable) Master Plan.

Conclusion

The steps required to create a downtown development authority or to amend the district of an existing authority, and the legal issues created by the ambiguity in Act 197’s language, are complex. In addition, Act 197 contains requirements pertaining to the preparation and approval of budgets; completion of audits; filing certain reports with the Michigan Department of Treasury; publication of certain reports; financing projects through approved Development and Tax Increment Finance plans; and issuing obligations. Municipalities should bear in mind that financial risk can be created inadvertently if the proper steps and procedures are not carefully followed. For this reason, any municipality considering creating an authority or amending its boundaries, or establishing a development area for the purpose of collecting tax increment revenues, should consult with counsel having broad experience in these matters.

Should you have further questions, please do not hesitate to contact Michael McGee of Miller, Canfield, Paddock and Stone, P.L.C., (313) 496-7599, email mcgee@millercanfield.com, or visit our website at www.millercanfield.com.
What DDAs Are

Downtown Development Authorities, or “DDAs,” are authorities created by a municipality for purposes of economic development. Whether a city, village, or township is faced with blight or merely wants to boost its economic growth, a DDA can help. The laws governing DDAs are set out in MCL § 125.1651 et. seq also known as Public Acts 197. If you are considering a DDA you absolutely have to get a copy of this Act and read it carefully. (Please see attached Act). While the Act may be a bit dry in parts, it is vital to read and follow its provisions in order to create a successful DDA.

How to Form a DDA

To create a DDA the governing body of a municipality must first find that a DDA is necessary 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 . . . .” See MCL 125.1653. Once a municipality makes this determination it needs to pass a resolution to declare its intention to create a DDA.

After a resolution is passed a public hearing should be scheduled regarding the adoption of the proposed DDA ordinance and designating its boundaries. This public hearing is subject to strict notice requirements and it is recommended that a would-be DDA board consult the statute (MCL 125.1653). The notice requirements are as follows:

- Post Notice in newspaper on two occasions at least twenty days before the hearing but no sooner than 40 days. In other words, posting an advertisement in a newspaper 41 days before the scheduled hearing is improper under the Act.

- At least twenty days before the hearing, the municipality must mail notices to all property taxpayers in the proposed district.

- At least twenty days before the hearing, the municipality must mail notices 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.

- Post notices of the public hearing in at least twenty “conspicuous and public places” at least twenty days before the hearing.
• Make sure the notice states: the date, time, and place of the hearing and that it sets out the boundaries of the proposed downtown district.

Once the notice requirements are met the public hearing can take place. **Please note that the governing body must amend undergo the same process noted above to alter or amend the ordinance and authority.** MCL 125.1653(5).

Checklist did your municipality:
1. Determine a DDA is necessary?
2. Pass Resolution to create a DDA?
3. Schedule a public hearing on DDA creation?
4. Post Notice twice in a newspaper at least 20 days in advance of public hearing?
5. Mail notice of hearing to property tax payers in the district at least 20 days ahead of time?
6. Mail notice of hearing to the governing body of each taxing jurisdiction levying taxes in the district?
7. Post notice in 20 public places?
8. Have any taxing jurisdictions opted-out of the tax capture plan after the public hearing?
9. Did the municipality vote, by a majority, to adopt the ordinance establishing the DDA 60 or more days after the public hearing?

**Governing Board**

Once a DDA is formed a governing board must be selected. The Board must be composed of a chief executive officer and between eight to twelve members, a majority of whom must have a property interest in the downtown district and at least one member must reside in the district. If a municipality’s population is fewer than 5,000 the Planning Commission can double as the DDA Board. In the case of a Township, members are appointed by the supervisor and approved by the township board.

Once the board is up and running it may hire a director, treasurer, secretary, and legal counsel. The director must swear a constitutional oath and furnish a bond. The director cannot be a member of the board and serves at the pleasure of the board. See generally MCL 125.1655.

**Now that we have a DDA, what do we do?**

The powers of a DDA board are set out in MCL 125.1657. Under this law a DDA needs an action plan to spend the money. You can prepare an analysis of the economic changes occurring in the district and the impact of metropolitan growth on the district. DDAs can be used for, but are not limited to, any of the following purposes:
• To provide a forum for its members on revitalization issues;

• To educate its members, the general public, State legislators and other public officials about the best tools for the improvement of the communities’

• To promote and encourage the implementation of effective, comprehensive legal and financing instruments to further such improvement;

• To study current legislation and develop new legislation strategies;

• To perform studies on the effectiveness of revitalization efforts;

• To assist member communities in interacting and networking with one another;

• To work cooperatively with other statewide agencies to further downtown development.


In addition to the some of the general goals noted above, The DDA can build or renovate buildings in the district, and enter into contracts to aid in the economic development of the district. The board may also develop long range plans to halt property value deterioration or focus on the identity, infrastructure, transportation, housing, community services, and sustainability, of their particular downtown. Of course, the goals of each DDA should be tailored to the needs of that particular community.

**How do we finance our new DDA?**

MCL 125.1661 authorizes the financing methods that may be used by a DDA. A DDA may levy an ad valorem tax of up to two mills on property within the downtown district—or in plain English, a value based tax of up to two tenths of a cent. The DDA may also borrow money, issue tax-exempt revenue bonds to finance property purchases or construction costs. In addition, a special assessment district may be created to assist in streetscape projects, as well as to establish adequate parking to serve the downtown development area.

Perhaps the most useful financing tool, as well as the most complex, is the Tax Increment Financing (“TIF”) scheme. The TIF plan allows a DDA to “capture” the difference in property value growth between that collected in the previous year and the revenue of the current year. For example, If the "initial" year (same as "base" year) value
for the plan equals $1,000,000. If, during the second year, the value increases to $1,250,000 then the authority may "capture" the property taxes on the increase in value, i.e., the "tax increment", of $250,000. This means the authority gets to keep the property taxes on the $250,000 to pay for the plan projects. The taxing units receive the taxes on the $1,000,000. If the DDA did not capture these taxes the money would go to other governmental entities and the money probably would not be spent on the community. To implement Tax Increment Financing a DDA must first prepare a development plan and a TIF plan—but these need not be separate documents—which details where the tax money will go (see MCL 125.1667 for details). This plan must be created by ordinance and is subject to the notice and public hearing requirements of the DDA Act. See MCL 125.1668.

A financing strategy is crucial to the success of a DDA. A DDA should look carefully at the DDA Act regarding financing in order to fully and properly fund its operations. There are, however, some funding options to consider which are not mentioned in the Act. For instance, a DDA should analyze whether any MDOT grants are available. If certain conditions are met, MDOT may provide Enhancement grants to partially pay for improvements to sidewalks, tree plantings, and, of course, road work. In addition, a DDA should find out if it is eligible for a Community Development Block Grant (CDBG) administered by the Michigan Economic Development Corporation (MEDC). Some communities may also be eligible to receive money from the DNR or DEQ as well as the Main Street Program or possibly Historic District tax credits. The key is to research these matters and inquire as to eligibility.

No matter what financing steps are taken, it should be remembered that DDAs are required to keep detailed financial records. A DDA must submit annual budgets and is audited annually. If the DDA is utilizing a TIF it must report on the status of the TIF account each year as well.

Other Resources for DDA’s

The Michigan website has lots of valuable information on the minutiae of running and financing a DDA, including frequently asked questions section:
http://www.michigan.gov/treasury/0,1607,7-121-3218---F,00.html (last viewed May 1, 2006)

and

Details on the tax increment financing scheme can be found at:

For other Financing Information see:


For copies of all the Acts pertaining to Downtown Development Authorities, one should contact the State Law Library, 525 W. Ottawa, PO Box 30007, Lansing, MI 48909, phone (517) 373-0630, fax (517) 373-3915, Email: lmlawlib@libofmich.lib.mi.us. There is a small charge for this service.

- Downtown Development Authorities (P.A. 197 of 1975)
- Tax Increment Finance Authorities (P.A. 450 of 1980)

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Downtown Development Authority
1975 Public Act 197 (MCL 125.1651)

I. Agency
“The Downtown Development Authority of the City of ________.”
(a) a statutory public body corporate with power to sue and be sued.
(b) created by the governing body of the city or village.
(c) referred to as a “DDA.”

II. Purpose
To halt property value deterioration; to increase property tax valuation in its business district; to eliminate
the causes of deterioration and to promote economic growth.

III. Eligible Projects
After the governing body has properly established a DDA, a project may be undertaken only within the
DDA district and only within a “development area” to which a properly adopted “development plan” and
“tax increment financing plan” apply. A project must be for a public benefit.

IV. Ineligible Projects
The power and authority of the act cannot be used for the personal benefit of a private person or
corporation.
Exactly where public benefit ends and personal benefit begins is often a matter of local and professional
judgment.

V. Establishing a DDA
(a) Only one (1) may be established.
(b) The governing body makes findings:
   (i) that there is a business district area within the municipality which it desires to designate as a
      “downtown district,”
   (ii) that within such area the general property values are (and have been) deteriorating,
   (iii) that property tax valuation must be increased in such area,
   (iv) that the community must eliminate the causes of deterioration, and
   (v) the economic growth must be promoted in such area.
(c) Governing body sets a public hearing, based upon its resolution of intent to create a DDA.
(d) Governing body gives notice of public hearing by publication, mailed notice and posting.
(e) At public hearing governing body takes comments.
(f) Not less than 60 days following the hearing, the governing body may adopt a proposed ordinance
   creating the DDA and designating the boundaries of the DDA district.
(g) The ordinance must be published at least once in a local newspaper and filed with the Secretary of
   State.
(h) The governing board of the DDA shall be appointed or may, for municipalities of less than 5,000,
   be the same as the planning commission.

VI. LEGAL STATUS OF DDA
(a) The DDA is a statutory public body corporate with power to sue and be sued.
(b) The DDA board prepares and implements the development plan and tax increment plan.
(c) Subject to Open Meetings Act and the Freedom of Information Act.
(d) Make and enter into contracts necessary or incidental to the exercise of the powers under the act.
(e) Acquire, own, convey, lease, lend and dispose of property, real and personal.
(f) Tax, charge and collect fees, rents and charges.
(g) Eminent domain only through municipality.

VII. Process to Use Powers of the DDA

Once established, the DDA may prepare and submit to the municipality, a development plan and a tax increment financing plan. The development plan provides the project and the process for implementing various public improvements in the DDA district (or a portion of the district). The tax increment financing plan outlines the means by which the development plan will be financed, including the use of tax increment revenue.

The municipality must then hold a public hearing on the adoption of the plan.

Once a plan is adopted by the municipality, tax increment revenues will be generated for the DDA development plan based on improvements to the property in the development area of the plan.

VIII. Financial Benefits of the DDA and the Act

The financial benefits of the DDA and the DDA Act are realized in the generation of tax increment revenues (commonly called TIF revenues), which are tax revenues that occur as the result of improvements to the taxable property in the development area (not including school taxes).

The DDA and the local municipality may issue bonds based on the receipt of TIF revenues generated from the increase in property value within the TIF development area.

IX. Reporting Requirements

Each year a DDA (or the municipality on behalf of the DDA) must report to the state tax commission regarding the tax increment revenues received and the extent to which school taxes have been retained and the reason therefore.
Before you begin your next downtown project, remember that a project financing strategy is as important as developing a vision for your downtown.

**Downtown Development Authorities**

A Downtown Development Authority (DDA) remains a viable process, especially in areas where county boards, community colleges and other special purpose authorities have agreed to partner with the local community development efforts.

Many DDAs have been created and may have the potential of being reactivated. An updated development plan and a new Tax Increment Financing Plan would likely be required if the DDA has been inactive for a long time.

DDAs present at least three options beyond the capture of tax increment based on new investment:

- All or some portion of a two-mill levy could be placed on all real and personal property within the defined DDA district.
- A special assessment district could be developed to assist in streetscape projects, as well as to establish adequate parking to serve the downtown development area.
- A revolving loan fund can be created, with bank participation under the Community Reinvestment Act, to provide financial resources for a property owner to update properties and possibly establish or participate in a common facade theme if required in the DDA plan.

**Grant agencies encourage DDA or Local Development Finance Authority (LDEA) involvement in funding local shares of grant programs.**

**Michigan Department of Transportation**

A major resource for upgrading infrastructure in core cities and downtown areas is the Michigan Department of Transportation (MDOT).

Having a total development plan in place prior to construction or reconstruction of a business loop through a downtown area could trigger eligibility for an Enhancement Grant for sidewalks and/or decorative walks, tree plantings or other developments, in addition to the road work.

If jobs will be created, MDOT Economic Development Category A Funds may partially assist in financing your improvements.

Category D Funds, administered by the Rural Task Force for smaller communities, are also a potential funding source for surface transportation improvements in the community.

MDOT’s Category F Economic Development Funds also provide assistance to smaller communities when job creation and economic development are part of the overall development activity.

**Community Development Block Grants**

Another major player in project or program funding is the Community Development Block Grant (CDBG) Program administered by the Michigan Economic Development Corporation (MEDC). The CDBG program has assisted many communities throughout Michigan:

- The Core Communities Initiative targets distressed communities for possible assistance.
- The Tourism Destination Program triggered the Mackinaw Crossings Project in the Village of Mackinaw City.
- Funds from the Clean Michigan Initiative Waterfront Development Program and the DDA itself are a major part of the River Place development currently under construction in the City of Frankenmuth. This development is anticipated to be operational by June or July of this year.

**Michigan Department of Natural Resources and Michigan Department of Environmental Quality**

The Michigan Departments of Natural Resources (MDNR) and Environmental Quality (MDEQ) are also financial resources for downtown development projects.

If wastewater collection and treatment upgrades are needed, consider the State Revolving Fund (SRF). This loan program is currently (late April) at two-and-a-half percent interest with a set-aside for small communities.

The Drinking Water Revolving Loan Fund (DWRF) is also available for small communities with a set-aside to repair and/or update deficient water systems. This basic infrastructure is a must if you are serious about creating community viability for the longterm.

It may be possible to incorporate some recreational development with grant assistance from the MDNR in park or outdoor recreation development, particularly if there is waterfront in your developing area.
Walking or alternate transportation paths/access routes could be funded by DOT’s Enhancement Grant Program and/or the DNR’s Outdoor Recreation Program. An adopted five-year community recreation plan is a prerequisite to applying for any DNR recreation grant assistance.

**Other resources**

A couple of other outside resources that may offer assistance include the Main Street Program as well as Historic District tax credits (see May 2001 MMR).

A community should look at foundations as a possible source for either planning and/or development costs that may be integrated into project development.

In certain circumstances, a brownfield redevelopment authority may be a needed partner.

Likewise, chambers of commerce and downtown development organizations may supply some up-front costs to begin the process.

A community that wants to be successful needs to look under every possible stone for assistance. Most recently, Renaissance Zone designation in a few Michigan communities has opened the door for residential and additional commercial development in downtown areas. While this tool is used mainly by larger communities, it is also available for smaller communities.

**First rule in receiving funding — ASK**

The most difficult piece of project financing is the up-front, essential funds needed to explore options for vision development, plan preparation, community consensus and grant applications. Obviously, there are many funding options for your downtown development team to consider. Keep in mind that very few communities receive grants that they have not requested. Learning about programs appropriate to your project and filing the applications are critical.

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Jim Collison is a project funding specialist in Wade-Trim’s Bay City office. He has over 30 years of experience helping Michigan communities secure funding for a variety of infrastructure projects. You may contact Jim at 517-686-3100 or by email at jcollison@wadetrim.com.

Randy Frykberg, PhD, is a municipal operations consultant and senior project manager in Wade-Trim’s Gaylord office. He is a former city manager for the City of Boyne City and has 26 years of experience assisting Michigan communities. You may contact Randy at 517-732-3584 or by email at rfykberg@wadetrim.com.
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### DDA Millages
Based on 2004 L-4029 Forms

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**TAX INCREMENT FINANCING PLAN REPORT**

**FOR CAPTURE OF PROPERTY TAXES and STATE REIMBURSEMENT AMOUNT**

Issued under Treasury policies and procedures. Filing is mandatory.

**Tax Increment Financing Plan Directors:** Complete one report for each plan/development area. If a development area has two local school districts, request form 2967. Send the completed reports and documentation to Treasury at the address below. Keep a copy, and FORWARD A COPY TO EACH OF THE FOLLOWING: county equalization director, county treasurer, the local school district identified below, the intermediate school district, and the city or township treasurer.

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1. Check one box, then enter the plan number for the development area reported on this report.

- Downtown Development Authority (DDA, P.A. 197) Plan #
- Tax Increment Finance Authority (TIFA, P.A. 450) Plan #
- Local Development Financing Authority (LDFA, P.A. 281) Plan #
- This local unit had no Downtown Development Authority, Tax Increment Finance Authority, or Local Development Financing Authority in this calendar year.

2. Has a tax increment financing plan for capture of taxes been adopted by this authority?

- Yes, and the plan captures K-12 school taxes. Please complete this entire report.
- Yes, but the TIF plan identified above had no eligible obligations, eligible advances or other protected obligations and the plan did not capture any school taxes levied this calendar year (state education tax, a local school district tax or an intermediate school district tax). Complete this page, sign and return this page and the general documentation (see instructions). You do not need to complete Steps 1 - 8.
- No. Sign and return this page. You do not need to complete Steps 1 - 8.

3. Enter the dates of the authority's debt payment year for which the plan captured property taxes that were levied in the calendar year you are reporting.

   - beginning date: month 2004 year 2005
   - ending date: month 2005

4. Tax levies for which the TIF plan identified in item 1 captures taxes for the year identified in item 3. Check the appropriate boxes.

   - July 2004
   - December 2004

   *I certify that the information on all parts of this report is true and complete to the best of my knowledge.*

- Signature of the Authority Director | Date
- Return by 7-31-2005

Local Audit and Finance Division
Michigan Dept. of Treasury
P.O. Box 30728
Lansing, MI 48909-8228

Fax questions that are not addressed in the enclosed instructions to 517-373-3553, or mail to the address at left. If necessary, call 517-335-4669.
DATE: February 4, 1997
TO: Downtown Development Authorities, Tax Increment Finance Authorities & Local Development Finance Authorities
FROM: Michigan State Tax Commission

RE: ANNUAL REPORTS REGARDING STATUS OF TAX INCREMENT FINANCING

Please note that every Downtown Development Authority (DDA), Tax Increment Finance Authority (TIFA), and Local Development Finance Authority (LDFA) is required by law to annually submit a financial report to the governing body of the municipality and to the State Tax Commission. Reporting requirements are prescribed by DDA Act 197 of 1975, TIFA Act 450 of 1980, and LDFA Act 281 of 1986.


Please note that the required submission is the Authority's annual report on the status of the tax increment financing account.

DO NOT SUBMIT THE LENGTHY, MORE COMPREHENSIVE, ANNUAL REPORT OF THE MUNICIPALITY.

IF YOU HAVE ALREADY SUBMITTED ANY OF THE 1994, 1995, OR 1996 ANNUAL AUTHORITY FINANCIAL ACCOUNT STATUS REPORTS REQUESTED IN THIS BULLETIN, YOU DO NOT HAVE TO SUBMIT THEM AGAIN.

FOR EACH YEAR SUBSEQUENT TO 1996, THE REQUIRED ANNUAL REPORT SHALL BE SUBMITTED TO THE STATE TAX COMMISSION WITHIN NINETY (90) DAYS OF THE END OF THE FISCAL YEAR OF THE AUTHORITY.

The annual report on the status of the tax increment financing account shall contain the following specific information:

**DDA's**

MCL 125.1665

- a. The amount and source of revenue in the account.
- b. The amount in any bond reserve account.
- c. The amount and purpose of expenditures from the account.
- d. The amount of principal and interest on any outstanding bonded indebtedness.
- e. The initial assessed value of the project.
- f. The captured assessed value retained by the authority.
- i. Any additional information the governing body or the state tax commission considers necessary.

**TIFA's**

MCL 125.1814

- a. The amount and source of tax increments received.
- b. The amount in any bond reserve account.
- c. The amount and purpose of expenditures of tax increment revenues.
- d. The amount of principal and interest on any outstanding bonded indebtedness.
- e. The initial assessed value of the development area.
f. The captured assessed value retained by the authority.
g. The number of jobs created as a result of the implementation of the tax increment financing plan.
h. Any additional information the governing body or the state tax commission considers necessary.

LDFA's
MCL 125.2163

a. The amount and source of tax increment revenues received.
b. The amount in any bond reserve account.
c. The amount and purpose of expenditures of tax increment revenues.
d. The amount of principal and interest on any outstanding bonded indebtedness of the authority.
e. The initial assessed value of the eligible property.
f. The captured assessed value of the eligible property retained by the authority.
g. The number of jobs created as a result of the implementation of the tax increment financing plan.
h. Any additional information the governing body or the state tax commission considers necessary.

The following additional information is required to be submitted to the STC beginning with the authority's 1997 fiscal year:

1. All required information must be reported on a plan by plan basis by those authorities which have multiple plans.
2. All value figures (for e and f above) must be separated by tax roll:
   - Ad valorem homestead
   - Ad valorem non-homestead
   - Industrial Facilities Tax Act 198 of 1974- Replacement Facilities
   - Commercial Facilities Tax Act 255 of 1978- Restored
3. The source of tax increment revenue must be subdivided by each millage levied.
4. Liabilities and expenditures must be reported separately for each eligible obligation, eligible advance, and other protected obligation.
5. A payment schedule must be submitted for the term of each obligation and outstanding advance, showing principal payments, interest payments, and payment dates.

Statutes state "The State Tax Commission may institute proceedings to compel enforcement of this act." under the provisions of MCL125.1681 for DDA's, MCL 125.2171 for LDFA's, and MCL 125.1830 for TIFA's.

In addition to other purposes, these reports will be used in verifying school taxes captured by the plans. Again, please submit the annual reports for 1994, 1995, and 1996 immediately (if not already submitted), and submit annual reports for all subsequent years within 90 days of the end of the authority's fiscal year, to:

Sharon Erwine
State Tax Commission
P.O. Box 30471
Lansing, Mi. 48909-7971

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Amended and Restated

TAX INCREMENT FINANCING
AND DEVELOPMENT PLAN

for the

DOWNTOWN DEVELOPMENT AREA

DOWNTOWN DEVELOPMENT AUTHORITY
VILLAGE OF BARAGA, MICHIGAN

JUNE 1993
# TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>TABLE OF CONTENTS</td>
<td>1</td>
</tr>
<tr>
<td>HISTORY OF THE BARAGA DOWNTOWN DEVELOPMENT AUTHORITY AND PURPOSE OF THE TAX INCREMENT FINANCING AND DEVELOPMENT PLAN</td>
<td>1</td>
</tr>
<tr>
<td>THE DEVELOPMENT PLAN</td>
<td>2</td>
</tr>
<tr>
<td>DEVELOPMENT PLAN FOR THE DOWNTOWN DEVELOPMENT AREA</td>
<td>3</td>
</tr>
<tr>
<td>1. DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA</td>
<td>3</td>
</tr>
<tr>
<td>2. LOCATION AND EXTENT OF EXISTING PUBLIC AND PRIVATE USES</td>
<td>3</td>
</tr>
<tr>
<td>3. LOCATION AND EXTENT OF PROPOSED PUBLIC AND PRIVATE LAND USES</td>
<td>5</td>
</tr>
<tr>
<td>4. LEGAL DESCRIPTION OF THE DEVELOPMENT AREA</td>
<td>5</td>
</tr>
<tr>
<td>5. EXISTING IMPROVEMENTS IN THE DEVELOPMENT AREA TO BE DEMOLISHED, REPAIRED OR ALTERED AND TIME REQUIRED FOR COMPLETION</td>
<td>7</td>
</tr>
<tr>
<td>6. THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF IMPROVEMENTS CONTEMPLATED FOR THE DEVELOPMENT AREA AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION</td>
<td>7</td>
</tr>
<tr>
<td>7. A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION</td>
<td>11</td>
</tr>
<tr>
<td>8. PARTS OF THE DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND CONTEMPLATED USE</td>
<td>11</td>
</tr>
<tr>
<td>9. PORTIONS OF THE DEVELOPMENT AREA WHICH THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS.</td>
<td>11</td>
</tr>
<tr>
<td>10. DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS AND UTILITIES</td>
<td>11</td>
</tr>
<tr>
<td>11. AN ESTIMATE OF THE COST OF THE DEVELOPMENT, PROPOSED METHOD OF FINANCING AND ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING</td>
<td>12</td>
</tr>
<tr>
<td>12. DESIGNATION OF 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.</td>
<td>12</td>
</tr>
</tbody>
</table>
13. Procedures for bidding for the leasing, purchasing or conveying in any manner of all or a portion of the development upon its completion .................. 12
14. Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced ................................. 13

TAX INCREMENT FINANCING PLAN ..................................................... 14
1. Explanation of the tax increment procedure ............... 15
2. Maximum amount of bonded indebtedness to be incurred ........................................ 17
3. Duration of the program ................................................................. 17
4. Statements of the estimated impact of tax increment financing on taxing jurisdictions in which the development area is located .................................. 17
5. Plan for the expenditure of captured assessed valuation by the DDA .......................... 19
HISTORY OF THE BARAGA DOWNTOWN DEVELOPMENT
AUTHORITY AND PURPOSE OF THE TAX INCREMENT
FINANCING AND DEVELOPMENT PLAN

The Baraga Downtown Development Authority (the "DDA") was established by Ordinance No. 136 adopted by the Baraga Village Council on October 22, 1984. As authorized by P.A. 197 of 1975 (the "Act"), a DDA District was defined and a Board appointed to carry out the purposes of the enabling legislation.

Ordinance No. 138 which was adopted and approved on December 10, 1984 approved the Development and Tax Increment Finance Plan (the "Original Plan"). In September 1989, the Original Plan was amended to add additional projects. The boundaries of the DDA were revised in 1989 and 1990.

It is the purpose of this Amended and Restated Tax Increment Financing and Development Plan (the "Plan") to establish the legal basis and procedure for the capture and expenditure of tax increment revenues in accordance with the Act for the purpose of stimulating and encouraging private investment in the downtown through the provision of public improvements.
THE DEVELOPMENT PLAN
DEVELOPMENT PLAN FOR THE DOWNTOWN DEVELOPMENT AREA

1. DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA

The DDA District coincides with the Village limits on the southern border of the Village except the Michigan State Prison property south of Wadaga Road is outside the District. The eastern border of the District runs along the shore of Keweenaw Bay from the southern boundary of the Village to the northern boundary. The northern border of the DDA district coincides with the Village limits except for a 1/2 mile portion of the limits which is Keweenaw Bay tribal land. This excluded portion dips approximately 2,000 feet into the Village limits. The western border of the DDA district follows the exact Village boundary. This boundary includes McGillan Street north of M-38 and the prison access road south of M-38. The only addition to this line is the property on which the Connor's mill is located, which is a 40-acre parcel just south of M-38 and west of the prison access road.

In addition, the Baraga Area Schools property and a dozen blocks of residential properties adjacent to the school property are excluded from the DDA district.

2. LOCATION AND EXTENT OF EXISTING PUBLIC AND PRIVATE USES

a. Public Uses

Along U.S. 41, the Village operates a DPW garage and a water plant. In the northernmost portion of the District, the Village and Township operate the Baraga cemetery. Also, in the northern portion of the District, the Village has their main
industrial park. An additional industrial park is located off M-38 on the westernmost boundary of the Village.

On Superior Avenue, the Michigan National Guard has their Armory which is also the site of a ball field used by local youth.

There is also a park for youths surrounded by Girard, Young, and Lyons Streets. In addition, an indoor skating rink is located on State Street, and the Baraga marina on the bay. The Baraga Housing Commission on M-38 has 40 units.

b. Private Uses

(1) Residential

All of the District with the exception of the industrial parks has residential usage.

(2) Commercial

Commercial use within the District is confined to stores, restaurants, service stations, banks, and motels on M-38, U.S. 41, and Superior Avenue (Main Street).

(3) Industrial

Industrial use is also scattered throughout the District, although most of the industrial use is confined to the industrial parks. A large heavy equipment assembly plant is located on Superior Avenue, a welding shop
is located on Railroad Street (an alley running one block east of Superior Avenue), and a paint shop is located on U.S. 41 within the District.

c. **Recreational Uses**

There is a Village-owned recreation building containing an indoor ice rink on State Street. There is a small Village beach just north of the water plant on U.S. 41. There is a children's park off Girard Street. In addition, a ball field is located just south of the National Guard Armory on Superior Avenue.

d. **Quasi-Public Uses**

The only quasi-public use of land in the District is a marina on the bay in the northern portion.

e. **Vacant**

In addition to scattered vacant lots throughout the District, there are large undeveloped wooded portions in the southwestern and northwestern portions of the District.

3. **LOCATION AND EXTENT OF PROPOSED PUBLIC AND PRIVATE LAND USES**

A discussion of the proposed land uses is contained in section 5 of this Development Plan discussing the location and extent of the improvements to the Development Area.

4. **LEGAL DESCRIPTION OF THE DEVELOPMENT AREA**

The Development Area is described as follows:

BEGINNING AT THE EAST 1/4 CORNER OF SECTION 27, T51N, R33W, THENCE SOUTH ALONG THE EAST SECTION LINE TO THE HIGH WATER LINE OF LAKE SUPERIOR, THENCE ALONG SAID HIGH WATERLINE SOUTHERLY AND WESTERLY TO THE SOUTH LINE OF

EXCEPT: BEGINNING AT THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 33, T51N, R33W, THENCE NORTH ALONG THE NORTH-SOUTH 1/4 LINE TO THE NORTH RIGHT OF WAY LINE OF GIRARD AVENUE EXTENDED WEST, THENCE EAST ALONG SAID SOUTH RIGHT OF WAY LINE TO THE WESTЕRЛY RIGHT OF WAY LINE OF GOLDSMITH STREET, THENCE NORTHEASTERLY ALONG SAID WESTЕRЛY RIGHT OF WAY LINE TO THE NORTH RIGHT OF WAY LINE OF STATE AVENUE, THENCE SOUTHEASTERLY ALONG SAID RIGHT OF WAY LINE TO THE EASTERLY RIGHT OF WAY LINE OF ARMORY STREET, THENCE SOUTHWESTERLY ALONG SAID EASTERLY RIGHT OF WAY LINE AND EXTENDED TO THE NORTHWEST CORNER OF LOT 1, BLOCK 20, PENNOCK'S SUBDIVISION, THENCE SOUTHWESTERLY TO THE SOUTHWEST CORNER OF LOT 2, BLOCK 20, OF SAID SUBDIVISION, THENCE WEST TO THE NORTHWEST CORNER OF LOT 13, BLOCK 20 OF SAID SUBDIVISION, THENCE SOUTH TO THE NORTH RIGHT OF WAY LINE OF SET AVENUE, THENCE WEST ALONG SAID NORTH RIGHT OF WAY LINE TO ITS INTERSECTION WITH THE SOUTHEASTERLY RIGHT OF WAY LINE OF BOWLING AVENUE.
EXTENDED, THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY RIGHT OF WAY LINE AND EXTENDED TO THE SOUTH LINE OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 33, T51N, R33W, THENCE WEST ALONG SAID SOUTH LINE TO THE NORTH-SOUTH 1/4 LINE, THENCE NORTH TO THE POINT OF BEGINNING. ALSO EXCEPTION: COMMENCING AT THE WEST 1/4 OF SECTION 28, T51N, R33W, THENCE EAST ALONG THE EAST-WEST 1/4 LINE TO THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 28, THENCE SOUTH ALONG THE EAST LINE OF THE WEST 1/2 OF THE SOUTHWEST 1/4 TO A POINT 208 FEET NORTH OF THE SOUTH SECTION LINE AND THE POINT OF BEGINNING, THENCE WEST 100 FEET, THENCE NORTH 12 FEET, THENCE WEST 100 FEET, THENCE NORTH 75 FEET, THENCE WEST 90 FEET, THENCE NORTH 70 FEET, THENCE WEST 90 FEET, THENCE SOUTH TO THE NORTH RIGHT OF WAY LINE OF TAPIO STREET, THENCE WESTERLY AND SOUTHERLY ALONG SAID RIGHT OF WAY LINE TO THE NORTH RIGHT OF WAY LINE OF HIGHWAY M-38, THENCE EAST ALONG SAID RIGHT OF WAY LINE TO THE EAST LINE OF THE WEST 1/2 OF THE SOUTHWEST 1/4, THENCE NORTH TO THE POINT OF BEGINNING.

5. EXISTING IMPROVEMENTS IN THE DEVELOPMENT AREA TO BE DEMOLISHED, REPAIRED OR ALTERED AND TIME REQUIRED FOR COMPLETION

As deteriorated properties become available the DDA intends to acquire and renovate that property for public use or for sale to private entities for new development. Alterations and a time schedule are described in the following section.

6. THE LOCATION, EXTENT, CHARACTER, AND ESTIMATED COST OF IMPROVEMENTS CONTEMPLATED FOR THE DEVELOPMENT AREA AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION

A description of the various public improvements proposed for the DDA and the estimate of the costs of such improvements is outlined below.
Curbs and gutters will be mainly in the rights-of-way of M-38 and U.S. 41. Sidewalks and bicycle paths are planned to connect the outer reaches of the District north to south, east to west, as well as looped around the perimeter.

Land acquisition is expected to be mainly for recreation. The DDA is currently looking at land for tennis courts and a basketball court near the children’s park on Girard Street. Current plans are to develop at least two more similar parks, one on the north end and another on the south end of town. DDA funds would also be used to acquire needed land for parking and other local government needs.

Storm drainage will consist of aiding the Village with funding to improve and add to storm drainage in the Village, much of which lies in a federal flood plain.

Waterfront renovation has been an ongoing project with the need for docking space a priority at the present time. Some additional water frontage for an expanded beach is also a possibility. This would be located near the water filtration plant.

Lighting needs are concentrated along the two major highways (M-38 and U.S. 41) that pass through the Village and the DDA District. Increased commercial activity along these roads has indicated a need for better lighting.
Recreational needs are seen as several children's parks throughout town combined with basketball courts and possibly tennis courts. Long range planning is for three such park areas. In addition, the marina area and Village skating rink need some improvements.

Parking needs are confined to the Superior Avenue (Main Street) area at this time. Plans are to develop an off-street parking area which would be reached from Railroad Street.

Some work has been done on signs in the Village. A sign was installed by the DDA for the Baraga Housing Commission. Additional signs will be provided for, as needed, either for public facilities or for instructional uses.

Cultural development expenditures thus far have been incurred mostly for the Baraga County Historical Society which is opening a new museum on U.S. 41 next to the water plant in July 1993. Help in site preparation and curbing has already been done. Other cultural projects will be sought.

The Nature's Nuggets building is a 140' x 192' building which was constructed in 1984 as an industrial facility. However, the proposed use of the facility (to make outdoor cooking fuel out of wood pellets -- hence "Nature's Nuggets") was never realized. The shell of the building owned by the Commercial National Bank of L'Anse and Superior Steel of Iron Mountain has sat vacant since 1984. The land under the building is owned by the Village. Recently, the Baraga DDA, the Village of Baraga, and Baraga Township agreed to purchase the building for $350,000 plus an additional $207,000 in finishing and
renovation work to make the building suitable for use as Village offices, a combined Baraga Township and Baraga Village Fire Department, the Village police department, and the Baraga Village DPW garage.

The DDA has committed $400,000 to the Nature's Nuggets project. $80,000 will be a down payment and $40,000 a year will be paid each year for eight years. The Baraga Township Board has committed $6,500 a year for eight years. The Village of Baraga will provide $50,000 down and pay the balance of payments needed for the eight year term of financing. Financing will be done through the sale of bonds and will be limited to $450,000. The bonds will be repaid in eight years. A Building Authority will be utilized to finance the sale. It is expected that the project will be completed by the fall of 1993.

<table>
<thead>
<tr>
<th>PUBLIC IMPROVEMENT PROJECTS FOR THE DEVELOPMENT AREA</th>
<th>ESTIMATED COST</th>
<th>ESTIMATED CONSTRUCTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Curbs, gutters, sidewalks</td>
<td>$650,000</td>
<td>1993-2014</td>
</tr>
<tr>
<td>2. Land Acquisition</td>
<td>$200,000</td>
<td>1993-2014</td>
</tr>
<tr>
<td>3. Storm Drainage</td>
<td>$100,000</td>
<td>1995-96</td>
</tr>
<tr>
<td>4. Waterfront Renovation</td>
<td>$250,000</td>
<td>1993-2014</td>
</tr>
<tr>
<td>5. Lighting</td>
<td>$100,000</td>
<td>1993-2014</td>
</tr>
<tr>
<td>6. Recreation</td>
<td>$125,000</td>
<td>1993-2014</td>
</tr>
<tr>
<td>7. Parking</td>
<td>$200,000</td>
<td>1993-2014</td>
</tr>
<tr>
<td>8. Signs</td>
<td>$25,000</td>
<td>1993-2014</td>
</tr>
<tr>
<td>9. Cultural Development</td>
<td>$100,000</td>
<td>1993-2014</td>
</tr>
<tr>
<td>10. Planning &amp; Development</td>
<td>$70,000</td>
<td>1993-2014</td>
</tr>
<tr>
<td>11. Nature's Nuggets Acquisition</td>
<td>$400,000</td>
<td>1993</td>
</tr>
</tbody>
</table>

Estimated total cost $2,220,000
7. A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION

The estimated time schedule for construction of the public improvement program for the Development Area is outlined in Chart 1. Projects other than the Nature’s Nuggets and storm drainage projects will be completed as funds become available to the DDA.

8. PARTS OF THE DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND CONTEMPLATED USE

Eventually it is expected that all of the DDA will be used for either residential, commercial, or recreational purposes. Although some areas may be developed after the 25-year life of the DDA Plan, we would expect they will be developed.

9. PORTIONS OF THE DEVELOPMENT AREA WHICH THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS.

The Authority intends to convey to the Village of Baraga a parcel of land, which contains a vacant house, in order to expand the parking facilities at the Village Hall. The terms of the exchange have not been finalized.

10. DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS AND UTILITIES.

There currently is no zoning within the Development Area, and no changes are planned for the streets, intersections or utilities.
11. AN ESTIMATE OF THE COST OF THE DEVELOPMENT, PROPOSED METHOD OF FINANCING AND ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING

The estimated cost of the public improvement program as outlined in Chart 1 is approximately $2,220,000.

Under the Act the DDA may (a) use tax increment financing to carry out a public improvement program by paying for projects as funds become available, (b) receive donations for the performance of its functions, and (c) finance its activities from money provided from other sources approved by the Village Council, including the issuance of bonds by the DDA or the Village. The DDA intends to use all methods of financing available to it.

12. DESIGNATION OF 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.

All public improvement projects undertaken as part of this Plan will remain in public ownership for the public benefit. The only property which is to be conveyed by the DDA consists of a house and a lot which will be converted to a parking lot and conveyed to the Village.

13. PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING IN ANY MANNER OF ALL OR A PORTION OF THE DEVELOPMENT UPON ITS COMPLETION

The only property the DDA owns at this time consists of the house and lot which are to be conveyed to the Village. In the event the Authority purchases, receives a donation
of, or otherwise comes to own additional property in the Development Area, it will establish such bidding procedures at that time if necessary.

14. ESTIMATES OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED

It is estimated that ___ persons permanently reside in the Development Area. No families or individuals are to be displaced and no occupied residences are designated for acquisition and clearance by the Authority.

15. PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA; PROVISION FOR COSTS OF RELOCATING DISPLACED PERSONS, PLAN FOR COMPLIANCE WITH ACT NO. 227 OF P.A. OF 1972 OF MICHIGAN COMPiled LAWS

Not applicable.
TAX INCREMENT FINANCING PLAN
TAX INCREMENT FINANCING PLAN FOR THE
Baraga DOWNTOWN DEVELOPMENT AREA

1. EXPLANATION OF THE TAX INCREMENT PROCEDURE

As provided for in the Act, tax increment financing is a financing tool for the
redevelopment of downtown business districts in which a Downtown Development
Authority has been established. The concept of tax increment financing is that tax dollars
generated from new private property development and improvements within a designated
tax increment district or development area can be "captured" and utilized by the DDA
to finance public improvements within the tax increment district or development area
which support and encourage continued private investment.

To utilize tax increment financing, the DDA must prepare and submit to the Village
governing body a tax increment financing and development plan which the Village must
approve by ordinance. Following the adoption of the ordinance, municipal and county
treasurers must, according to the Act, transmit to the DDA that portion of the tax levy
of all taxing bodies paid each year on real and personal property in the development area
on the captured assessed value, including that portion of a commercial facilities tax levied
pursuant to P.A. 255 of 1978 and that portion of an industrial facilities tax levied
pursuant to P.A. 198 of 1974, attributable to the captured assessed value. Such funds
transmitted are termed "tax increment revenues".

"Captured assessed value" is defined in the Act as the amount, in any one year, by which
the current assessed value in the development area exceeds the initial assessed value.
The initial assessed value is defined as 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.

For this Plan, the initial assessed value of the Original Development Area is the 1984 assessed value of all taxable real and personal property in the development area as set December 31, 1982, and equalized by the State in May, 1984, which is $1,320,987. The initial assessed value of any additions to the Development Area is based on the 1993 assessed value of all taxable real and personal property in the Additional Development Area as equalized in May of the year in which the property was added. Thus, the initial assessed value of the Development Area is the sum of the initial assessed value of the Original Development Area and all additions to the development area, or $5,472,987.

The tax levy of all taxing jurisdictions for operating purposes is currently 57.3346 mills. Several of the taxing units within the Development Area levy additional millage to pay the debt service on voted debt. The DDA will not capture and use the tax increment revenues derived from the debt millage levied on captured assessed value. Under this Plan the tax levy on the entire captured assessed valuation, except as noted above, is to be utilized by the DDA in the manner as hereinafter set forth.
2. **MAXIMUM AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED**

It is expected that the DDA and the Village will incur not to exceed $500,000 in bond indebtedness to finance the improvement program. Improvements will also be implemented on a "pay-as-you-go" basis as tax increment revenues are transmitted to the DDA. The DDA intends to create a Project Fund to deposit captured tax increment revenues to be used to finance the projects described in the Development Plan as sufficient funds become available.

3. **DURATION OF THE PROGRAM**

The duration of this Plan is 21 years, commencing upon its adoption by the Village Council in June 1993 and ending June 2014, unless this Plan is amended to extend or shorten its duration.

4. **STATEMENTS OF THE ESTIMATED IMPACT OF TAX INCREMENT FINANCING ON TAXING JURISDICTIONS IN WHICH THE DEVELOPMENT AREA IS LOCATED**

As defined in Section 2 above, the initial assessed value of the Development Area is $5,472,987.

Taxing jurisdictions in which the Development Area is located will continue to levy and collect taxes from property within the Development Area, based on the 1984 assessed valuation of the property. This assessed valuation of the property upon which taxes are levied will remain constant over the life of this Plan. The DDA only captures tax increment revenues from any increase in the assessed valuation of the property since its
1983 assessment. The DDA does not capture any tax increments from the Ambulance or Fire tax levies.

The table below helps illustrate the capture of revenues by the DDA and the revenues available to the taxing jurisdictions within the Development Area. The table uses the amount of the capture based on the fiscal year ended June 30, 1992 and the millage rates in effect in the Development Area in June 1993. Since the DDA does not capture against the debt millage in the Development Area, each taxing jurisdiction levies and receives the debt millage against the total assessed value of the Development Area.

<table>
<thead>
<tr>
<th>Jurisdiction</th>
<th>Operating Tax Rate</th>
<th>Initial Assessed Value</th>
<th>Captured Assessed Value</th>
<th>Revenue to Units</th>
<th>Revenue to DDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Village of Baraga</td>
<td>14.336</td>
<td>$5,492,987</td>
<td>$2,029,963</td>
<td>$78,453</td>
<td>$29,099</td>
</tr>
<tr>
<td>Baraga Public Schools</td>
<td>25.8000</td>
<td>$5,492,987</td>
<td>2,029,963</td>
<td>141,203</td>
<td>52,373</td>
</tr>
<tr>
<td>Baraga County</td>
<td>9.3000</td>
<td>$5,492,987</td>
<td>2,029,963</td>
<td>50,899</td>
<td>18,879</td>
</tr>
<tr>
<td>Baraga Township</td>
<td>1.0000</td>
<td>$5,492,987</td>
<td>2,029,963</td>
<td>5,473</td>
<td>2,030</td>
</tr>
<tr>
<td>Intermediate School District</td>
<td>2.4000</td>
<td>$5,492,987</td>
<td>2,029,963</td>
<td>13,135</td>
<td>4,872</td>
</tr>
<tr>
<td>Senior Citizens</td>
<td>1.0000</td>
<td>$5,492,987</td>
<td>2,029,963</td>
<td>5,473</td>
<td>2,030</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>53.836</strong></td>
<td></td>
<td></td>
<td><strong>$305,890</strong></td>
<td><strong>$109,283</strong></td>
</tr>
</tbody>
</table>

At the expiration of this Plan, all taxing jurisdictions will benefit substantially from the new private development and from a tax base that has been stabilized and enhanced as a result of the public improvement program.
5. PLAN FOR THE EXPENDITURE OF CAPTURED ASSESSED VALUATION BY THE DDA

A. Estimate of Tax Increment Revenues

Tax increment revenues from 1984 through 1992 were spent in accordance with the Plan in existence at that time.

The DDA estimates that from 1993 through 2014 it will receive $125,000 in tax increment revenues per year.

The DDA anticipates that the assessed valuation for the Development Area will increase as a result of rehabilitation, appreciation, and inflation. If such increases result, tax increment revenues will be spent according to this Plan to speed-up the implementation of the public improvement program.

B. Expenditure of Tax Increment Revenues

Chart 1 of the Development Plan contains a list of projects and cost estimates for the expenditure of tax increment revenues to accomplish the proposed public improvements for the Development Area. Costs noted for the projects do not include fees for design, preparation of construction drawings or other professional services. The proposed project expenses exceed the projected tax increment financing revenues. The DDA intends to proceed with the improvements as funds are available and will prioritize the projects and order of completion as funds become available.
July 16, 2001

TO: Wendell Dompier

FROM: Thomas Chatel

RE: Proposed DDA Building Improvement Plan

You have requested my review of the proposed documents relevant to potential establishment of a DDA Building Improvement Plan. My review comments are as follows:

1.) Although DDAs within the State of Michigan utilize façade improvement programs as proposed, DDAs are prohibited from making improvements on private property. A legal opinion regarding this issue would be helpful.

2.) Are funds proposed to be available on a grant or loan basis? Loan terms? Maximum loan? Interest rate? Administrative costs for maintenance of loan portfolios?

3.) What funds from the current budget are being programmed for the façade program?

4.) The DDA District is large and encompasses industrial, commercial and residential facilities. What categories are eligible or ineligible?

5.) The program document notes that the façade program is intended to create consistency in design, materials, and architectural character . . . Will design standards or guidelines be developed by the DDA to assure these items.

6.) Proposed program requirements requires that the “ Applicant and architect will also be required to execute a “Building Improvement Agreement” to access program funds.” Will the required use and cost of an architect be an impediment to applicants? If not, are informal sketches by applicant acceptable?

I trust these comments are helpful to you and the DDA as you consider a façade program. Please do not hesitate to contact me at your convenience if you have any questions or comments.
Baraga Downtown Development Authority
Building Improvement Plan

Purpose:
As a fundamental goal of the Baraga Downtown Development Plan and Tax Increment Financing Plan (Plan), the Baraga DDA has determined that it is in the best interest to the residents of Baraga to halt property value deterioration, to eliminate that deterioration, and to promote economic growth and vitality within the Downtown Development area.

In response to this stated objective, the DDA has created the Building Improvement Plan to rehabilitate the facades of downtown commercial buildings. The Program is intended to create consistency in design, materials, and architectural character thereby enhancing the physical appearance of the Downtown Baraga streetscapes. The particular building, once rehabilitated, must make a positive contribution to the overall character and architectural integrity of the Village of Baraga. A successful building improvement program will also leverage additional private capital results in continued growth and development in the village central business district.

Eligibility:

A property must be located within the legal boundaries of the DDA area to be eligible. [See Plan, June 1993]. This will create a strong visual impact along the village's main commercial streetscape. The following eligibility criteria also apply:

1) Only projects consistent with the Downtown Land Use Plan as adopted in 1993 will be considered for building improvement funding.
2) The building must meet a basic condition test, which indicates that the property appears to be structurally sound, the roof intact and meets basic public safety codes.
3) Awnings and signs may be eligible expenses under the program guidelines, as long as they are part of a comprehensive building improvement project.
4) Only facades abutting public rights-of-way are eligible for assistance. Highly visible rear facades will be considered.
5) Building owners are eligible.

Ineligible uses of Program funds:

Program funds cannot be utilized for any of the following uses:

1) Refinancing existing debt
2) Property Acquisition
3) Interior improvements or furnishings
4) Site plan, building, or sign permit fees.
5) Property appraisal costs, legal fees, or loan origination fees
6) Roof repairs or structural work
7) Labor costs paid to the owner/applicant or relatives of owner/applicant
8) Demolition of property

Program Requirements:

Applicants will be required to complete an application packet provided by the DDA. Applications may be obtained at the Village Office. The applicant and architect will also be required to execute a “Building Improvement Agreement" to access program funds. In addition to all required forms, architectural renderings and/or project descriptions must be presented in sufficient detail to demonstrate the exact scope of work. The following items will also be required as a part of the review/approval process:

1) At least two licensed contractor quotes must be submitted, however, the applicant will not necessarily be required to accept the low bidder.
2) A valid mortgage on the subject property and/or personal guarantee will be required as collateral.
3) A minimum of 5% cash equity (of total project costs) will be required for all projects utilizing bank or other public financing.
4) Funding for projects undertaken prior to Project Review Committee written approval will not be considered.
5) All required village or governmental permits must be obtained before construction start-up.
1. Name: ________________________________
   Address: ________________________________
   Phone: ______________ Fax: ________________ email: ______________

2. Building Location: ________________________________
   Owner of Record: ________________________________
   If leased: Lease expires: __________ Renewal Term: __________

3. Project Description: Describe in detail the proposed scope of work. Be sure to differentiate between interior renovations vs. exterior façade improvements to be undertaken. Attach architectural sketches or use separate sheet(s) if necessary.

   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

   Anticipated construction Start Date: ______________ Completion Date: ______________

4. Is there a mortgage on the property? Yes____ No____
   If yes, Holder of Mortgage: ________________________________
   Date of Mortgage: __________ Original Amount: __________ Current Balance: __________

5. Building information
   Will project result in a change of use for the building Yes____ NO____
   Uses of the building after the completion of the façade project?
   __________________________________________________________
   __________________________________________________________
   __________________________________________________________

6. Other required documentation:
a) Property Deed with legal description of property.
b) Proof that all property taxes are current and paid
c) Proof of property and liability insurance
d) Copies of any leases associated with property
e) Two (2) contractor quotes/construction bids for improvement project
f) Completed additional criteria statement (Attachment 3)

I/We certify that all the information set forth in this application is a true representation of the facts pertaining to the subject property for the purpose of obtaining funding under the DDA Building improvement Program. I understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the program, requiring any funds already disbursed to be repaid in full to the Baraga Village Downtown Development Authority.

The applicant further certifies that he/she has read and understands the DDA Building improvement Program Guidelines. If a determination is made by the DDA staff that program funds have not been used for eligible program activities, the Applicant agrees that the proceeds shall be returned, in full, to the DDA and acknowledges that, with respect to such proceeds so returned, he/she shall have no further interest, right, or claim. It is understood that all DDA commitments are contingent upon the availability of program funds.

Signed this ______ day of ______________________, 200__.

By: __________________________________________

A $50 Application fee must be included with the signed application form. Make check payable to: Baraga Downtown Development Authority.
CHAPTER: Downtown Development Authority

SECTION: Downtown Development Authority Establishment

A Downtown Development Authority and a Downtown Development District, pursuant to Act 197 of the Public Acts of 1975, State of Michigan, being MCLA 125.1651, et al, is hereby established.

MEMBERS, TERM, APPOINTMENT:

In accordance with Section 4 of Act 197, Public Acts of 1975, the Downtown Development Authority shall consist of nine (9) members to be appointed by the Village President, one of which will be the Village President, whose term will coincide with his term as Village President. The eight other members, exclusive of the Village President, shall serve for a term of four (4) years and until his successor shall be appointed and qualified. Members of the first board shall be appointed for staggered terms in accordance with the provisions of Section 4 of Act 197 of Public Acts of 1975. No appointment to the Downtown Development Authority shall be effective until confirmed by the Village Council. Members shall serve without compensation but shall be reimbursed for any actual and necessary expenditures. The Chairman of the Board shall be elected by the Board.

POWERS AND DUTIES:

The Downtown Development Authority shall have all the powers and duties vested or permitted to be vested in Downtown Development Authorities by Act 197, Public Acts of 1975 for the State of Michigan, as heretofore or hereafter amended, it being the intention of this Chapter to vest in the Downtown Development Authority all powers and duties vested or permitted by law, subject to applicable superintending control by the Village Council of the Village of Baraga.
EMPLOYEES:

The Downtown Development Authority shall select and appoint such employees as it shall deem necessary for the proper exercise of its powers, functions and duties in accordance with Act 197, Public Acts of 1975.

TAXING POWER, RATE:

In addition to other financing as may be permitted under the Act, the Downtown Development Authority may levy an ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the Downtown Development District as described in Exhibit "A" of this Chapter. The tax shall not be more than two (2) mills. The tax shall be collected as provided in Act 197, Public Acts of 1975.

DOWNTOWN DEVELOPMENT DISTRICT BOUNDARIES:

The Downtown Development District will include all of the land area as described in the attached Exhibit "A" entitled "Village of Baraga Downtown Development Authority District Limits."

Adopted and approved by the Village Council of the Village of Baraga, Michigan, this 22nd day of October, 1984.

[Signature]
President

ATTEST:

[Signature]
Village Clerk
LEGAL DESCRIPTION OF PROPOSED
VILLAGE OF BARAGA DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT LIMITS

Commencing at the East 1/4 Corner of Section 27, T51N, R33W, thence South along the East Section Line to High Water Line of Lake Superior, thence along said High Line Southerly and Westerly to the North-South 1/4 Line of said Section 27, thence North along said 1/4 Line to the Southerly Right-Of-Way Line of Highway US-41, thence Southwesterly along said Right-Of-Way Line 1298.1 Feet, thence South along a Line 395.71 Feet East of the West Line of Government Lot 4 in said Section 27 to the High Water Line of Lake Superior, thence Southwesterly along said High Water Line to the North Line of the Klobucher property which is described as being 850 Feet Northeasterly along the US-41 Right-Of-Way Line from the intersection of the Southeasterly Right-Of-Way Line of US-41 and the South Line of Block 4, Original Plat of the Village of Baraga, thence West to the Southerly Right-Of-Way Line of US-41, thence Southwesterly 500 Feet along said Right-Of-Way Line, thence East to the High Water Line of Lake Superior, thence along said High Water Line 150 Feet, thence West to the Southerly Right-Of-Way Line of Highway US-41, thence Southwesterly along said Right-Of-Way Line 1080 Feet, thence East to the High Water Line of Lake Superior, thence Southwesterly along said High Water Line to the North Line of the Leightman property which is described as the North 100 Feet of the South 220 Feet of Government Lot 3 lying Easterly of Highway US-41, thence West to the Southerly Right-Of-Way Line of Highway US-41, thence Southwesterly 520 Feet along said Right-Of-Way Line, thence East to the High Water Line of Lake Superior, thence Southwesterly along said High Water Line to the South Line of Section 33, T51N, R33W, thence West along said South Section Line to the West Right-Of-Way Line of South Superior Avenue, thence Northerly along said Right-Of-Way Line to the North Right-Of-Way Line of Buckland Road, thence Southwesterly along said Right-Of-Way Line to the North-South 1/4 Line of said Section 33, thence North along said 1/4 Line to a point 750 Feet South of the Northwest Corner of Government Lot 4, thence East to the West Right-Of-Way Line of South Superior Avenue, thence Northerly along said Right-Of-Way Line to the North Right-Of-Way Line of Osterman Road, thence Northwesterly along said Right-Of-Way Line to the North-South 1/4 Line of said Section 33, thence North along said 1/4 Line to a point 543 Feet North of the South Line of the Northeast 1/4 of the Southwest 1/4 of said Section 33, thence West 441 Feet, thence South 543 Feet to said South Line of the Northeast 1/4 of the Southwest 1/4, thence West along said South Line to the Northwest Corner of the Southeast 1/4 of the Southwest 1/4, thence South to the South Line of said Section 33, thence West to the Southwest Corner of said Section 33, thence North along the West Line of Section 33 to the Northwest Corner of the Southwest 1/4 of the Northwest 1/4 of said Section 33, thence West to the Southwest Corner of the Northeast 1/4 of the Northeast 1/4 of Section 32, T51N, R33W, thence North to the South Right-Of-Way Line of Highway M-38, thence East along said Right-Of-Way Line to the East Line of said Section 32, thence North along the Section Line to the West 1/4 Corner of Section 28, T51N, R33W, thence East along the East-West 1/4 Line to the Northeast Corner of the Northwest 1/4 of the Southwest 1/4 of said Section 28, thence South along the East Line of the West 1/2 of the Southwest 1/4 to a
point 208 Feet North of the South Section Line, thence West 100 Feet, thence North 12 Feet, thence West 100 Feet, thence North 75 Feet, thence West 90 Feet, thence North 70 Feet, thence West 90 Feet, thence South to the North Right-Of-Way Line of Tapio Street, thence Westerly and Southerly along said Right-Of-Way Line to the North Right-Of-Way Line of Highway M-38, thence West along said Right-Of-Way Line to the West Line of said Section 28, thence South to the Southwest Corner of the Northwest 1/4 of the Northwest 1/4 of Section 33, thence East to the North-South 1/4 Line of said Section 33, thence South along said 1/4 Line to the Mid-Point of the Northwest 1/4 of the Southeast 1/4 of said Section 33, thence East to the West Right-Of-Way Line of South Superior Avenue, thence Northerly along said Right-Of-Way Line, including the change in Right-Of-Way to the North Right-Of-Way Line of Fourth Street, thence Southeasterly across Superior Avenue to the Southeast Corner of Lot 1, Block 4, Foote's Subdivision, thence Northeasterly to the most Southerly Corner of Lot 1, Block 2, Foote's Subdivision, thence Northwesterly to the most Westerly Corner or said Lot 1, thence Northeasterly to the most Northerly Corner of Lot 4, Block 2, of said Subdivision, thence Southeasterly to the most Easterly Corner of said Lot 4, thence Northeasterly along the Westerly Line of the Alley in said Block 2 to the North Right-Of-Way Line of First Street, thence Northwesterly along said North Line of First Street to the most Westerly Corner of Lot 17, Block 5, Foote's Subdivision, thence Northeasterly to the most Northerly Corner of Lot 14 of said Block 5, thence Southeasterly to the most Easterly Corner of said Lot 14, thence Southeasterly across Superior Avenue to the Northwest Corner of Lot 1, Block 1, Foote's Subdivision, thence Southeasterly to the Northeast Corner of said Lot 1, thence Northeasterly to the Northeast Corner of Lot 5, of said Block 1, thence Northwesterly to the Northwest Corner of said Lot 5, thence Northwesterly across Superior and Keweenaw Avenues to the Southwest Corner of Lot 15, Block 20, Girard's Subdivision, thence North to the Northwest Corner of Lot 13, of said Block 20, thence East to the Southwest Corner of Lot 2, Pennock's Subdivision, thence Northeasterly to the Northwest Corner of Lot 1, Pennock's Subdivision, thence Southeasterly to the Northeast Corner of said Lot 1, thence Southeasterly across Superior Avenue to a point 46.5 Feet Northeast of the Northwest Corner of Lot 7, Block E, Original Plat of the Village of Baraga, thence S60°E 93 Feet to the Northwest Corner of Lot 6, in said Block E, thence East to the Northeast Corner of said Lot 6, thence Northeasterly along a Line 16 Feet West of the Soo Line Railroad Right-Of-Way, to the intersection with a line running S74°16'E to the Right-Of-Way of Superior Avenue which is S25°43'W 413.5 Feet from the Northwest Corner of Lot 1, of said Block E, thence East to the Easterly Right-Of-Way of Superior Avenue, thence Northwesterly across Superior Avenue to the Southeast Corner of Lot 2, Block 8, Girard's Subdivision, thence Northwesterly to the Southwest Corner of said Lot 2, thence Northeasterly to the Northwest Corner of Lot 1, of said Block 8, thence Southeasterly to the Southeast Corner of said Lot 1, thence Southeasterly across Superior Avenue to a point S25°43'W 333.5 Feet from the Northwest Corner of Lot 1, Block E, Original Plat of the Village of Baraga, thence S74°16'E to a point 16 Feet West of the Soo Line Railroad Right-Of-Way, thence Northwesterly along the 16 Feet West of the Railroad Right-Of-Way Line to the Southeast Corner of a Parcel described as follows: Being a part of Lot 3, of said Block E, commencing at the Northwest Corner of Lot 1 of said Block E, thence S27°30'W 137.2 Feet to the Point of Beginning, thence S27°30'W 34.8 Feet, thence S60°38'E 128.2 Feet, thence N23°E 45 Feet, thence N65°05'W to the Point of
Beginning, thence Northwesterly along the Southerly Line of said Parcel, thence Northeasterly along the Westerly Line of said Parcel, thence Southeasterly along the Northerly Line of said Parcel to a Point 16 Feet West of the Soo Line Railroad Right-Of-Way, thence along 16 Feet West of said Right-Of-Way 60 Feet, thence N74°16'W to a point 110.4 Feet S25°43'W of the Northwest Corner of said Lot 1, Block E, thence Westerly across Superior Avenue to Southeast Corner of Lot 2, Block 7, Girard's Subdivision, thence Northwesterly along the South Line of said Lot 2 to a Point 46 Feet Southeasterly of the Southwest Corner of said Lot 2, thence Northeasterly to a point on the North Line of said Lot 2 50 Feet Southerly of the Northwest Corner of said Lot 2, thence Northeasterly across State Avenue to the Southwest Corner of Lot 10, Block B, Original Plat of the Village of Baraga, thence Northeasterly to the Northwest Corner of said Lot 10, thence Northwesterly along the North Line of Lots 7, 8 and 9 of said Block B, to the Northwest Corner of said Lot 7, thence N22°8'E to the South Right-Of-Way Line of M-38 (the North Line of Lot 11), thence East to the Southeast Corner of Lot 1, S.L. Smith's Addition to the Village of Baraga, thence Northeasterly along the Southeast Line of S.L. Smith's Addition to the Northeast Corner of Lot 36, S.L. Smith's Addition, thence South to the most Southerly Corner of Lot 11, Osterman Subdivision, thence Northeasterly along Northwest Right-Of-Way Line of Highway US-41 to the East-West 1/4 Line of Section 27, T51N, R33W, thence West along said 1/4 Line to the Southwest Corner of the Southeast 1/4 of the Northwest 1/4 of said Section 27, thence North to the Northwest Corner of said Southeast 1/4 of the Northwest 1/4, thence East to the Northeast Corner of the Southwest 1/4 of the Northeast 1/4 of said Section 27, thence South to the Southeast Corner of said Southwest 1/4 of the Northeast 1/4, thence East to the East 1/4 Corner of said Section 27 and the Point of Beginning.
### REVENUE/EXPENDITURE REPORT

**VOB**

**Date:** 01/21/03  
**Time:** 4:19pm  
**Page:** 1

**For the Period:** 12/01/02 to 12/31/02

**Fund:** 280 DOWNTOWN DEVELOPMENT

### Revenues

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<th>Amended Budget</th>
<th>YTD Actual</th>
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### Expenditures

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### Net Effect:

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<td>Journal Entry Desc Line 3</td>
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No transactions in Nov. & Dec.
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<tr>
<th>Fund: 280 DOWNTOWN DEVELOPMENT</th>
<th>Revenues</th>
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<tr>
<td>410.000 Surplus Funds from Prior Year</td>
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<td>665.000 Interest Income</td>
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<td>677.000 Miscellaneous Income</td>
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City of Fremont
Downtown Development Authority

Amended Development & Tax Increment Financing Plan

February, 2001

Wade-Trim
CITY OF FREMONT
DOWNTOWN DEVELOPMENT AUTHORITY

AMENDED
DEVELOPMENT PLAN
AND
TAX INCREMENT FINANCING PLAN

PREPARED FOR:
CITY OF FREMONT
DOWNTOWN DEVELOPMENT AUTHORITY BOARD

Prepared by:
Wade-Trim
3933 Monitor Road
Bay City, Michigan 48706

February 2001
FRE 2001.03N
City of Fremont
Newaygo County, Michigan

City Council

Raymond Rathbun, Mayor
Jim Rynberg, Mayor Pro-Tem
Joyce Tubergen, Council Member
Jim Breinling, Council Member
Rob Mani, Council Member

Downtown Development Authority Board Members

Lon Vredevelde, Chair

Raymond Rathbun, Member
George Gasahl, Member,
Brian Karston, Member
Burt Vermeulen, Member,
Ric Zahrt, Member
Rob Zeldenrust, Member
Vacant
Vacant

Advisors

Chris Yonker, City Manager
Robert Nordin, Secretary

February 2001
# Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Downtown Development Plan</td>
<td>2</td>
</tr>
<tr>
<td>Section 17.2a</td>
<td>3</td>
</tr>
<tr>
<td>Section 17.2b</td>
<td>4</td>
</tr>
<tr>
<td>Section 17.2c</td>
<td>8</td>
</tr>
<tr>
<td>Section 17.2d</td>
<td>8</td>
</tr>
<tr>
<td>Section 17.2e</td>
<td>13</td>
</tr>
<tr>
<td>Section 17.2f</td>
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</tr>
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<tr>
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</tr>
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<td>Section 17.2i</td>
<td>14</td>
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<td>Section 17.2j</td>
<td>15</td>
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<tr>
<td>Section 17.2k</td>
<td>15</td>
</tr>
<tr>
<td>Section 17.2l</td>
<td>15</td>
</tr>
<tr>
<td>Section 17.2m</td>
<td>16</td>
</tr>
<tr>
<td>Section 17.2n</td>
<td>16</td>
</tr>
<tr>
<td>Section 17.2o</td>
<td>16</td>
</tr>
<tr>
<td>Section 17.2p</td>
<td>16</td>
</tr>
<tr>
<td>Tax Increment Financing Plan</td>
<td>17</td>
</tr>
<tr>
<td>Section 12.1</td>
<td>18</td>
</tr>
<tr>
<td>Section 14.1</td>
<td>18</td>
</tr>
</tbody>
</table>

## Tables

1. List of Planned Projects by Priority, Estimated Cost and Contribution 2000-2020 | 12
2. Estimate of Capturable Taxable Value | 21
3. Anticipated Available Revenue Stream | 22
4. Estimated Available Revenue Reallocation by Taxing Jurisdiction | 23

## Exhibits

A. Legal Description, DDA District Boundaries | 7

## Maps

1. DDA District | 3
2. Existing Land Use | 5
3. Proposed Land Use Pattern | 6
Introduction

The legislative body of a municipality is authorized under PA 197 of 1975, as amended, to create a Downtown Development Authority (DDA). The Ordinance establishing the authority must also designate the boundaries of the Downtown District within which the authority may exercise its powers. The Board of Directors of the Authority must consist of between 8 and 12 members, plus the municipality’s chief Executive Officer.

The purpose of a DDA is to prevent deterioration and promote economic growth within a business district by developing, adopting, and implementing development plans. Separate plans may be adopted for different development areas within the Downtown District. The plan may include proposals for construction, renovation, repair, remodeling or rehabilitation of a public facility, an existing building or a multiple-family dwelling unit that aids economic growth in the Downtown District.

To implement a development plan, the authority may construct, rehabilitate, equip, improve, maintain or operate any building within the Downtown District for public or private use. The authority may acquire and own, lease or dispose of any land or real and personal property that the authority determines to be reasonably necessary to prevent deterioration and promote economic growth in the business district. The authority may also acquire and construct public facilities and make land improvements. The Downtown Development Authority Act also allows municipalities to take private property under the power of eminent domain and transfer the property to the DDA.

Funds to finance activities of the authority may be derived from several sources including taxes, revenues generated from the use of assets, proceeds from revenue bonds, municipal funds including state and federal grants, special assessment levies and tax increment financing receipts.

The City of Fremont (the “City”) established the City of Fremont Downtown Development Authority (the “Authority”) in July 1986. By late November of that year, the Authority prepared, and the City Council approved, a Development Plan and Tax Increment Financing Plan (the “Plan”) that identified needed improvements in the DDA District and outlined various means for financing those improvements. Less than one year later, the Plan was amended to enlarge Development Area Number One in the Downtown District. The 1987 amendments also presented the report of O’Boyle, Cowell, Blalock & Associates, Inc. of Kalamazoo, Michigan, entitled “Commercial Corridor Revitalization.” This report further identified the improvements contemplated in the Downtown District and presented preliminary cost estimates for specified improvements. In 1989, the Plan was again amended to identify a number of projects to be undertaken as part of the Main Street improvements in the Downtown District and to provide for the financing of those projects by the issuance of bonds by the City pledging tax increment revenues of the Authority. These projects were ultimately financed with the proceeds of bonds issued in three series by the City in the aggregate principal amount of $1,600,000 (August, 1991 Amendments to Tax Increment Finance and Development Plan, Introduction).

This update is written to re-evaluate and prioritize DDA projects that have not been implemented and to include additional improvements that are desired to enhance the visual environment and promote economic expansion and reinvestment within the DDA District. In addition, the Tax Increment Financing Plan is updated to reflect outstanding debt or obligations and current revenue projects.
Section 17.2b: Existing and Proposed Land Uses

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.

The location and extent of existing public and private land uses within the development area are presented on Map 2. The DDA District includes a traditional downtown/city-center area and more conventional general commercial development along M-82 heading west out of the Downtown. The City center is nearly fully occupied by specialty retail shops, banks, offices, restaurants, taverns and upper level lofts/rental housing. The city center also includes a civic complex that includes City Hall/Police/ Fire Facility and the newly constructed Fremont Area District Library.

The pedestrian friendly streetscape is the product of a series of phased improvement projects carried out by the DDA, such as decorative street lighting, accent paving, landscaping and floral displays. The DDA also participated in funding the development of Veterans Memorial Park.

West of the city center, the DDA District contains large-scale developments such a Gerber Products Company, Wal-Mart and the West-Village Shopping Center, as well as smaller freestanding developments such as Taco Bell and Huntington Bank. This area is designated as the “West End District” in the original Development Plan.

The land development pattern proposed for the DDA District is shown on Map 3. As depicted, the proposed future land use pattern generally preserves the established land use pattern. According to the draft Fremont Area Joint Comprehensive Development and Growth Management Plan, the Central Business District (CBD) is planned to foster its mix of land uses in a manner that complements the historic character engrained in the features of the built environment. Furthermore, the Plan recommends that the downtown should continue to be diverse, compact, pedestrian-oriented environment where residents can live, work, shop, and socialize.

Ground-floor space along Main Street is recommended to be reserved for pedestrian-oriented retail and service establishments, with offices and living quarters above. The adaptive reuse of residential units within the downtown for home occupations, specialty shops and office uses is encouraged. Other appropriate uses may include restaurants, service stations, lodging, etc. Industrial uses, however, should not be permitted to develop or expand within the CBD.
Section 17.2c

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.

A full description of all projects, including those which involve any of the changes described above is provided in Section 17.2d.

Section 17.2d: Project Improvement Plan

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.

The DDA is empowered to undertake a variety of activities in the rejuvenation of its downtown district. These include:

- 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.

- 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 of Michigan.

- Acquire property by purchase or otherwise, on terms and conditions and in a manner the Authority deems proper, or own, convey, or otherwise dispose of, or rights of interests therein, which the Authority determines is reasonable necessary to achieve the purpose of Public Act 197/ or 1975, as amended, and to grant or acquire licenses, easements and options with respect thereto.

- 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.

The following project improvement plan is intended to be general in nature to provide flexibility in design and implementation. Detailed planning, design and engineering studies should be conducted to specifically set project parameters. Improvement projects are generally arranged according to their area of impact and are assigned to the following five categories: City Streets and Sidewalk Improvement, Streetscape Enhancement and Refuse Disposal, Parking Area Expansion and Screening, Promotional and Identity Building, and Consultation and Operational Expenditures. The order of the projects/activities implies no ranking of priorities.
City Streets and Sidewalk Improvements

This category provides for the development and repair of City streets to better serve properties within the DDA District.

A. Dayton Street Extension

The DDA may contribute toward completing the westward extension of Dayton Street to loop south to connect with Main Street.

B. Main Street Boulevard Improvements

The DDA may improve Main Street to accommodate a tree-line boulevard west of the Central District to limit turning movements, which cause disruptions in traffic flow.

C. Sidewalk Extensions

The DDA may fill in gaps in sidewalks in the West End District to promote pedestrian traffic along the north and south sides of Main Street.

Streetscape Enhancement and Refuse Disposal

This category provides for physical and natural improvements within the public rights-of-way to enhance the visual image and functionality of the streetscape. To date, the DDA has successfully completed an extensive array of streetscape improvement projects along Main Street to create a more inviting appearance and pedestrian friendly shopping environment. The DDA wishes to continue its past success through carrying out the projects listed below.

A. Street Trees and Landscaping

The DDA may purchase and install tree plantings and other landscaping materials to fill in "green gaps" inside the public rights-of-way areas of the District. An overall design plan for landscaped improvements will be coordinated with other project plans.

B. Street Lighting

The DDA may upgrade the remaining mercury vapor streetlights to high-pressure sodium for more efficient use. In addition, the DDA may install new streetlights in the West End District similar to those found in the Central District. Public parking lot lighting is to be provided to create a user-friendly atmosphere.

C. Refuse Disposal

The DDA may assist with the partial funding of the placement and operation of shared commercial dumpster enclosures within each of the four blocks of the downtown.
Parking Area Expansion and Screening

This category provides for the acquisition and development of public and private parking areas to serve the district. It also provides for the installation of screening along the perimeter of parking lots to shield them from view at the pedestrian level.

A. Parking Area Expansion

The DDA may contribute funds to expand and develop parking areas within the District to improve accessibility. This may include expanding the parking lot behind 5th/3rd Bank to create additional spaces for patrons of Veterans Memorial Park. In addition, the DDA may help acquire and develop available parcels along Dayton and Sheridan Streets for public parking. Other projects of a similar nature may be identified and carried out at a later date as the need arises.

B. Parking Area Screening

The DDA may purchase and install 18” to 24” irrigated berms with coordinated seasonal plantings along the perimeter of public and private parking lots for a softer, more aesthetically pleasing street side view. Wrought iron fencing with a hedge between the fence and the sidewalk may be used as an urban design element. Another option under consideration is to construct 3-foot high red or brown brick walls (similar to City Hall and Fremont Area Library), with a continuous row of deciduous trees along the street.

Promotional and Identity Building

The Promotional and Identity Building category relates to projects and activities that are designed to promote economic growth within the development area through the creation of a vibrant, identifiable and welcoming business environment. This category also supports the development of community festivals and attractions that are intended to draw people downtown from the surrounding region.

A. Windmill Gardens

The DDA may develop “Windmill Gardens” as a tourist attraction inside the District. This facility is planned to be centrally located to compliment downtown festival and retail uses.

B. Welcome Signage

The DDA may purchase and install “Welcome to Fremont” signage at all three major entrances to the City (East Main Street, West Main Street, and South Stewart Avenue).
C. Main Street Festivals/ Downtown Events

The DDA may sponsor Main Street festivals/downtown events to stimulate business activity and to promote a positive image of the DDA District. This may include sidewalk sales, art fairs, parade celebrations, summer concerts, etc.

D. Seasonal Decorations

The DDA may contribute to decorating the downtown to create a more festive and interesting atmosphere during holiday and other seasons.

**Consultation and Operational Expenditures**

The Consultation and Operational Expenditures category provides for professional services and operational activities relating to the DDA. This category is relatively variable and is subject to the level of future activity taken on by the DDA.

A. Professional Services

This item covers professional services that may be required to implement the contents of this development plan and to manage and operate the DDA. This may include grant writing and administration, planning and architectural design, engineering, inspection, and environmental, financial and accounting, advertising and marketing and legal consultation.

B. DDA Operations

This expenditure category covers all expense relating to operating the DDA such as public notices, mailings, office supplies, administrative support, etc.
<table>
<thead>
<tr>
<th>PROJECT PRIORITY</th>
<th>PROJECT DESCRIPTION</th>
<th>ESTIMATED PROJECT COST</th>
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<tr>
<td>A and B</td>
<td>A. Dayton Street Extension</td>
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<td>A</td>
<td>B. Main Street Boulevard Improvements from Stone Road to ½ Mile Past Green Avenue (Approximately 1-1 ½ Miles)</td>
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<td>A</td>
<td>C. Sidewalk Extensions</td>
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<td>A</td>
<td>C. Refuse Disposal- up to 10 locations</td>
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<td><strong>Streetscape Enhancement And Refuse Disposal</strong></td>
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<td>A and B</td>
<td>A. Parking Area Expansion- 80 spots</td>
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<td><strong>Parking Area Expansion and Screening</strong></td>
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<td>B</td>
<td>A. Windmill Gardens-Land Acquisition and Future Development</td>
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<td>A</td>
<td>B. Welcoming Signage</td>
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<td>A, B and C</td>
<td>C. Main Street Festivals/Downtown Events-Ongoing</td>
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<td>D. Seasonal Decorations</td>
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<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>$3,835,000</strong></td>
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*Project Description rank as follows: A= Short-Term (0-5 Years) B= Medium-Term (6-10 Years) C= Long-Term (11-20 Years) *

*Actual project cost will depend upon the design and specification of project components and market conditions at time of implementation.*
Section 17.2e: Construction Stages

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

The statement of the stages of planned construction is identified in Section 17.2d. As stated previously, short-term projects represent activities to be emphasized for construction, particularly in the early stages (first 3-5 years) of the development program. Medium- and long-term projects are seen as long-range capital projects which will likely take precedence later in the development program unless major funds are available sooner; however, all projects are anticipated to be completed by 2019.

The annual DDA budget will determine the pace at which the desired projects are completed. Approximately 30% of the tax increment revenues have been collected in recent years to retire outstanding bonds and to provide for ongoing operations and administration.

Section 17.2f: Open Space

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

The areas identified to be left as public open space within the DDA District are:

- Veterans Memorial Park
- Mid-block walkways/Pocket parks
- Landscaped berm along the Gerber Products parking lot

Section 17.2g: Property Ownership/Leases

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.

The Authority currently owns no portion of the development area. Future transactions between the Authority and the City will be done according to the best interest of the City.

Section 17.2h: Desired Zoning Changes

A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

Desired changes to streets, intersections, and utilities were previously identified under Section 17.2d.

Desired Changes in Zoning

Following is a summary of desired changes to zoning that are intended to improve the vitality, appearance, and functionality of the DDA District. It is recognized that all desired changes in zoning will need to be processed through the City Planning Commission and ratified by the City Council.
Access Limitations

The DDA wishes to pursue zoning and other applicable regulatory change to minimize the number of ingress/egress points along Main Street through the use of shared/marginal access drives or indirect access from side streets.

Signage

The DDA seeks to amend zoning provisions relating to business district signs to create an identifiable but not visually overwhelming appearance. This effort should include the development of sign design guidelines to help harmonize public and private signage.

Landscaping

The DDA desires that parking lot landscaping requirements be amended to provide for the installation of an irrigated vegetative greenbelt that effectively screens parking areas from view. At a minimum, the recommended ground plane is a sodded lawn crowned 18” to 24” with shrubs, shade trees, evergreens, and flowering trees planted at a regular interval. The use of low-level wrought iron fencing between brick pylons is highly desirable to screen both public and private parking lots.

Office Use Restrictions

The DDA desires to restrict office uses to buildings off Main Street, particularly in the Central District. By encouraging office uses to locate in areas outside the Central District, such as along Dayton and Sheridan Streets, additional retail space will become available along Main Street, while still making the downtown a destination for professional services.

Section 17.2 i: Development Costs/Financing

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.

The total cost for undertaking the projects identified under Section 17.2d is approximately $3,835,000 (refer also to Table 1).

The activities of the Authority and the development of public improvements 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 tax imposed pursuant to Section 12 of Public Act 197 of 1975, as amended.
C. Money borrowed and to be repaid as authorized by Section 13 of Public Act 197 of 1975, as amended.
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 to 16 of Public Act 197 of 1975, as amended.
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.

Where receipt of specific funds are indicated as being anticipated by the Authority, methods of repayment will be established as necessary. Where repayment is not necessary, funds shall be credited to the general fund of the Authority for the purpose of financing only those activities, as indicated in this plan or otherwise appropriate as provided in PA 197 of 1975, as amended.

The ability of the Authority to arrange the financing is considered to be established on the basis of tax increment revenues currently available to the Authority.

Section 17.2j

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.

Not applicable

Section 17.2k

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.

Not applicable

Section 17.2l

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.

Not Applicable
Section 17.2m

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 17.2n

Provision for the cost 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.

Not applicable

Section 17.2o

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 (Condemnation/Relocation Assistance)

Not applicable

Section 17.2p

Other material which the authority, local public agency, or governing body deems pertinent.

Wherever the provisions of the Downtown Development Plan and the Tax Increment Financing Plan are inconsistent with any provisions of the prior adopted Plans, the provisions of these Downtown Development Plan amendments shall be controlling. All provisions of the prior plan consistent with the provisions of these Development Plan amendments shall be and remain in full force and effect.
Section 12.1: District Tax Law

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 then 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.

Not applicable

Section 14.1: Tax Increment Financing

A detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, and a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions.

Tax increment financing is a governmental financing program that contributes to economic growth and development by dedicating a portion of the tax base resulting from economic growth and development to certain public facilities and structures or improvements of the type designed and dedicated to public use and thereby facilitates certain projects which created economic growth and development.

For this Tax Increment Financing Plan, the DDA adopts by reference and incorporates into this Tax Increment Financing Plan, the contents of the Development Plan adopted by the DDA on (Insert Adoption Date).

A number of potential funding sources are available to the DDA. The levying of a separate ad valorem tax downtown has not as of this date been utilized, while the Tax Increment Financing (TIF) procedure option is described below:

1. Tax Increment Procedure

TIF is a method of funding public investments in an area slated for (re)development by capturing, for a time, all or a portion of the increased tax revenue that may result if the (re)development stimulates private investment. The concept of tax increment financing is applied only to the downtown district for which a development plan has been prepared by the DDA and adopted by the community’s legislative body.

PA 197 of 1975, as amended, includes all increases in valuation resulting from the development plan whether in fact these increases bear any relation to the development or not. Tax increment revenues for the DDA result in the application of general tax rates of the community and all other governmental bodies levying taxes in the downtown district. These include the City, County, Library, etc. The amount to be transmitted to the DDA is that portion of the tax levy of all of these applicable taxing bodies paid each year on real and personal property.
“Captured Value” means the amount in any one year by which the current taxable value of the district, including the value of property for which specific local taxes are paid in lieu of property taxes, exceeds the initial value. “Initial value” means the taxable value of all the property within the boundaries of the district 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 ordinance is adopted. Property for which an industrial facilities exemption certificate or a commercial housing facilities exemption certificate, is in effect shall not be considered to be property which is exempt from taxation. Tax dollars accruing from any incremental increase in taxable value above the initial value (base year total) may then be used by the DDA. Data presented in Table 3 reveals the anticipated capture on the taxable value for the City of Fremont Downtown Development Authority District through the Year 2019, and provides a disbursement cycle. The base year taxable value for the Development District is $33,553,325.

2. Total Potential Revenue

The total potential TIF revenue available to the DDA from captured taxable value is displayed in Table 3. By the end of the planning period, it is estimated that approximately $3,835,000 to fund projects identified in this amended Development Plan could be collected by the DDA and used for making public improvements within the downtown district.

A breakdown showing the components of Fremont’s millage rate is provided in Table 4. As outstanding debt obligations incurred prior to Proposal “A” expire in 2007, all school related millage will drop from the total leaving 22.7948 mills to be collected by the DDA from only the City, District Library, and County millages.

3. Bonded Indebtedness to be Incurred

Certain State and Federal loans, loan guarantees and grants will be sought for carrying out this TIF Plan including the Development Plan. All bonding methods employed by the DDA are subject to the provisions of the Development Plan. The Development Plan of this TIF Plan can be financed through the authorization, issuance and sale of revenue bonds, general obligation bonds or tax increment bonds. A bond issue in aggregate amount not to exceed two million dollars may be utilized to accelerate the provision of this Development Plan. Types of bonds to be issued in accomplishing this plan will be determined after further project planning is undertaken.

The amount of indebtedness or indebtedness to be incurred by the DDA for all bond issues or loans including payments of capitalized interest, principal and required reserves shall be determined by the DDA, subject to approval by the City Council.

4. Tax Increment Revenue

The following Tables 2, 3 and 4 project the estimate of capturable taxable values, the anticipated available revenue stream and disbursement cycle, and the potential revenue reallocation from the various taxing units. In recent years, the amount of tax capture has been restricted by agreement to minimal operating expenses and the annual principle and interest requirements to satisfy outstanding bond obligations.
The following are the outstanding bond obligations:

**Principal, Interest and Admin Fees:**

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<thead>
<tr>
<th>Year</th>
<th>DDA</th>
<th>Building Authority</th>
<th>Annual</th>
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<tbody>
<tr>
<td>2001</td>
<td>$106,400</td>
<td>$241,500</td>
<td>$347,900</td>
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<tr>
<td>2002</td>
<td>$231,700</td>
<td>$221,638</td>
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<tr>
<td>2003</td>
<td>$221,638</td>
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<tr>
<td>2007</td>
<td>$208,450</td>
<td>$208,450</td>
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</table>

**Grand Total:** $106,400 $1,530,126 $1,636,526

5. **Downtown Development Authority Annual Budget**

The DDA proposes to capture only an amount necessary to retire outstanding bonds and to initiate the development projects detailed in the preceding Development Plan. In recent years, approximately a third of the projected revenue was captured to accomplish the DDA mission. With the retirement of the 1991 issue of bonds in 2001, the DDA will be in position to move aggressively to implement this amended Development Plan.

An annual DDA budget will highlight and prioritize projects. This annual budget will detail all operational and administrative expenses and fund development projects in priority as determined by the DDA Board. The City Council shall approve all DDA expenditures, by adoption of the annual DDA budget.
<table>
<thead>
<tr>
<th>Year</th>
<th>Taxable Value</th>
<th>New</th>
<th>December 31 Taxable Value</th>
<th>Capturable Taxable Value**</th>
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<td>1,444,020</td>
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<td>27,651,488</td>
</tr>
<tr>
<td>2006</td>
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<tr>
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<td>62,202,057</td>
<td>30,648,732</td>
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<tr>
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<td>62,202,057</td>
<td>1,555,051</td>
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<td>32,203,783</td>
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<td>37,106,107</td>
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<td>38,822,593</td>
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<td>75,787,166</td>
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</tr>
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<td>2,040,362</td>
<td>83,654,851</td>
<td>52,101,526</td>
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</tbody>
</table>

**NOTES**

*Base Year SEV as stated in the Fremont DDA 2000 Tax Capture Report
1. Represents estimated taxable value of Development District for respective years
2. Estimated net increase from new construction, building expansion, and inflationary increase (projected at 2.25 percent annually).
3. Figure represents the sum of Columns 1 and 2
4. Figures represent the difference between column 4 values, for respective years, and original base value of $31,546,125

**Approximately 30% of capturable revenues have been collected in recent years to retire outstanding debt.**
Table 3
estimate of available revenue stream
City of fremont downtown development authority

<table>
<thead>
<tr>
<th>Year</th>
<th>Capturable Taxable Values**</th>
<th>Available Tax Increment Revenues</th>
<th>Disbursement Cycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>20,775,103</td>
<td>$1,241,275</td>
<td>2000-2001</td>
</tr>
<tr>
<td>2001</td>
<td>22,083,314</td>
<td>$1,319,438</td>
<td>2001-2002</td>
</tr>
<tr>
<td>2003</td>
<td>24,798,669</td>
<td>$1,481,676</td>
<td>2003-2004</td>
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<tr>
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<td>26,207,468</td>
<td>$1,565,849</td>
<td>2004-2005</td>
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<td>2006</td>
<td>29,131,609</td>
<td>$1,740,561</td>
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<td>2008</td>
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<tr>
<td>2009</td>
<td>33,797,711</td>
<td>$770,412</td>
<td>2009-2010</td>
</tr>
<tr>
<td>2010</td>
<td>35,431,487</td>
<td>$807,654</td>
<td>2010-2011</td>
</tr>
<tr>
<td>2011</td>
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<td>2012</td>
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<td>$884,953</td>
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<tr>
<td>2014</td>
<td>42,385,374</td>
<td>$966,166</td>
<td>2014-2015</td>
</tr>
<tr>
<td>2015</td>
<td>44,233,841</td>
<td>$1,008,302</td>
<td>2015-2016</td>
</tr>
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<td>2016</td>
<td>46,128,520</td>
<td>$1,051,490</td>
<td>2016-2017</td>
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<td>2017</td>
<td>48,070,567</td>
<td>$1,095,759</td>
<td>2017-2018</td>
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<tr>
<td>2018</td>
<td>50,061,164</td>
<td>$1,141,134</td>
<td>2018-2019</td>
</tr>
<tr>
<td>2019</td>
<td>52,101,526</td>
<td>$1,187,644</td>
<td>2019-2020</td>
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<tr>
<td>Total TIF Revenue</td>
<td></td>
<td>$23,650,166</td>
<td></td>
</tr>
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</table>

1. Refer to the Estimate of Captured Taxable Value Table
2. Data from column 4 of the Estimate of Captured Taxable Value Table
3. Figures represent column 2 values multiplied by the 2000 apportionment of 59.7482 mills through 2007 and 22.7948 for years thereafter.
4. Period monies will become available for spending.

**Approximately 30% of capturable revenues have been collected in recent years to retire outstanding debt.
Exhibit "A"
Legal Description
DDA District Boundaries
City of Fremont, Newaygo County

Description of the boundaries of the City of Fremont Downtown Development Authority District Number (1) one as amended:

Starting at the SE cor Sec 34, th 2986.58’ W to the City Limits, the POB th N 380’, th W 315.38’, th N 502.87’, th E 1317.85’, th S 486.87, th E 891’, th N 68.07’, the E 66’, th S 35.07’, th E 265.41’, th S 200’, th E 200’ to W row of Westwood Ave, th N 355.5’, th E 296.5’, th S 135.98’, th E 445.89’, th S 214’, th E 148.5’ to W row Linden Ave., th S 50’ th E 333.52’ to E row of Fremont Ave, th S 62.05’, th E 331.36’ to W row Gibson Ave, th N 62.14’, th E 192.5’, th N 565’, th W 52.7’, th NLY & ELY 96.7’ to S row of State St, th NLY & WLY along said row to a point 433’, E of W sec line of Sec 35, th N 316’, th W 433’ to c/l of Stone Road, th N to N row of Hemlock St. extended WLY, th E along said N row to W row of Weaver Ave, th N along W row of Weaver to N row of Division Ave, th ELY & SLY along N row of Division to c/l of Darling Creek, th SLY on said c/l to a point where the W row of Mechanic Ave extended intersects with Darling Creek, th S to N line of S ½ of Blk 5, Empire Plat, th W along said line to c/l of Darling Creek, th SLY along said c/l to E row of Weaver Ave, th S to N row of Dayton St, th E on said row to a point 16.5’ E of the SW cor of Lot 9, Blk 11, Empire Plat, th S to S row of Main St, th W to E row of Merchant Ave, th S to S row of Sheridan St, th W to the W row of Mechanic Ave, th N 66’, th W to the W lot line of lot 8 BLK 34, Empire Plat, th N to N lot line of said lot, th W to E lot line of lot 1, Blk 35, Empire Plat, th S 123.8’, th W 66’, th N 132’, the W 518.67’, th S 132’, th W 198’ to W row of Gerber Ave, th S 198’ th W 264’, th S 132’ to N row of Maple St, th W 335.86’ to E row of Lake Ave, th N on said row to c/l Darling Creek, th WLY & SLY on the c/l of Darling Creek to E lot lines of lots 12 & 13 Emphraim Missner’s Addition, th NLY along said lot lines to N row C&O RR. th WLY along said row to a point 457.40’ E to E row of Connie Ave, th N 702.98’, th W 160’ th N 21.63’ th W 499.48’, th N 173’, th W 662.28’, th S 250’ th W 526.45’, th S 100’, th W 132’ to City Limits, th N 600’, th W 340’ to POB.
Table 4
Available Revenue Reallocation
By Taxing Jurisdiction
City of Fremont Downtown Development Authority

<table>
<thead>
<tr>
<th>Year</th>
<th>Capturable Taxable Values**</th>
<th>City Operational 14,000</th>
<th>Fremont District Library 1.48660</th>
<th>Newaygo County Allocated 7.30820</th>
<th>Public Schools Operational 18,000</th>
<th>Public Schools Debt 7,000</th>
<th>Newaygo County ISD 5,95340</th>
<th>State of Michigan SET 6,000</th>
<th>Total Millage*</th>
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</thead>
<tbody>
<tr>
<td>2000</td>
<td>20,775,103</td>
<td>290,851</td>
<td>30,884</td>
<td>151,829</td>
<td>373,952</td>
<td>145,426</td>
<td>123,682</td>
<td>124,651</td>
<td>1,241,275</td>
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<tr>
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<td>309,166</td>
<td>32,829</td>
<td>161,389</td>
<td>397,500</td>
<td>154,583</td>
<td>131,471</td>
<td>132,500</td>
<td>1,319,438</td>
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<tr>
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<td>34,822</td>
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<td>421,636</td>
<td>163,970</td>
<td>139,454</td>
<td>140,545</td>
<td>1,399,556</td>
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<td>173,591</td>
<td>147,636</td>
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<td>50,244</td>
<td>247,000</td>
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<td></td>
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<td>1,218,784</td>
<td>1,228,324</td>
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</table>

*Based on 2000 Millage Report

**Approximately 30% of capturable revenues have been collected in recent years due to outstanding debt.
Section 17.2a: District Boundaries

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

Map 1 illustrates the boundaries of the development area in relation to highways, streets, streams, or otherwise. The development area boundaries are coterminous with the DDA District boundaries.
CITY OF DAVISON
DOWNTOWN DEVELOPMENT AUTHORITY

PROPOSED AMENDED
DOWNTOWN DEVELOPMENT PLAN
AND
TAX INCREMENT FINANCING PLAN

Prepared by:
Wade-Trim/Associates
25185 Goddard Road
Taylor, MI 48180

October 1996
CITY OF DAVISON CITY OFFICIALS

Council Members

Patricia Conley
Ronald D. Emery
Frederick R. Rappuhn
Margaret Littlejohn
James R. Hansen Jr.
Gyrome L. Edwards
Kay Ann E. Adair, Mayor

DDA Board Members

Steve Chaffee
Steve Pariseau, Chair
Dave Larson
Jan Teed
Jim Frazier
Kay Ann E. Adair, Mayor
George Kless, Vice Chair
Kathryn Woodward, Treasurer
Jill Ott

Citizens Advisory Council

Ed Granger
Patti Brandon
Norman Frelander
John Workman
Kelly Batey
Donald Cerfuras
Richard Kotsko
Owen Rayner
Loretta Fortune
Dorothy Hewitt
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page No.</th>
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</thead>
<tbody>
<tr>
<td><strong>DEVELOPMENT PLAN</strong></td>
<td></td>
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<tr>
<td>Section 1.0 District Boundaries</td>
<td>2</td>
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<td>Section 2.0 Existing Streets and Utilities</td>
<td>3</td>
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<td>Section 3.0 Existing and Proposed Improvements</td>
<td>5 - 7</td>
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<td>Section 4.0 Project Priority, Cost, and Location</td>
<td>8</td>
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<tr>
<td>Section 6.0 Open Space in the District</td>
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<tr>
<td>Section 7.0 Areas to Sell, Donate, or Exchange</td>
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<td>Section 8.0 Changes in Zoning or Streets</td>
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</tr>
<tr>
<td>Section 9.0 Method of Financing</td>
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<td>Section 10.0 Authority to Sell</td>
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<td>Section 11.0 Bidding or Leasing Development</td>
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<td>16</td>
</tr>
<tr>
<td>Section 13.0 Relocation Plan for Displaced Persons</td>
<td>17</td>
</tr>
<tr>
<td>Section 14.0 Cost of Relocating Displaced Persons</td>
<td>18</td>
</tr>
<tr>
<td>Section 15.0 Compliance Plan with Act No. 227 of 1972</td>
<td>19</td>
</tr>
<tr>
<td>Section 16.0 Other Pertinent Material</td>
<td>20</td>
</tr>
<tr>
<td><strong>FINANCE PLAN</strong></td>
<td></td>
</tr>
<tr>
<td>Section 17.0 Explanation of Tax Increment Financing (TIF)</td>
<td>21 - 22</td>
</tr>
<tr>
<td>Section 18.0 Maximum Bond Indebtness</td>
<td>23</td>
</tr>
<tr>
<td>Section 19.0 Duration of Program</td>
<td>24</td>
</tr>
<tr>
<td>Section 20.0 Impact of TIF on Local Taxing Jurisdictions</td>
<td>25</td>
</tr>
</tbody>
</table>

**TOC-1**
### TABLE OF CONTENTS
(continued)

<table>
<thead>
<tr>
<th>Table</th>
<th>Description</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 1</td>
<td>Taxing Authorities Millage Rates to Captured SEV</td>
<td>25</td>
</tr>
<tr>
<td>Table 2</td>
<td>Estimate of Captured Taxable Value TIFA District I &amp; II (1982 &amp; 1995 Base)</td>
<td>25</td>
</tr>
<tr>
<td>Table 3</td>
<td>Anticipated Revenue Stream District I &amp; II (1982 &amp; 1995 Base)</td>
<td>25</td>
</tr>
<tr>
<td>Table 4</td>
<td>Anticipated Revenue from District I &amp; II</td>
<td>25</td>
</tr>
<tr>
<td>Table 5</td>
<td>Estimated Revenue Reallocation by Taxing Jurisdiction</td>
<td>25</td>
</tr>
<tr>
<td>Table 6</td>
<td>Schedule of Revenue Expenditures</td>
<td>25</td>
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</table>

### MAPS

<table>
<thead>
<tr>
<th>Map</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Map 1</td>
<td>DDA Boundaries</td>
<td>2</td>
</tr>
<tr>
<td>Map 2</td>
<td>Existing Land Use</td>
<td>3</td>
</tr>
<tr>
<td>Map 2A</td>
<td>Land Use Inventory</td>
<td>3</td>
</tr>
<tr>
<td>Map 3</td>
<td>Utilities</td>
<td>3</td>
</tr>
<tr>
<td>Map 4</td>
<td>Future Land Use</td>
<td>3</td>
</tr>
<tr>
<td>Map 5</td>
<td>Completed DDA Projects</td>
<td>5</td>
</tr>
<tr>
<td>Map 6</td>
<td>Zoning Districts</td>
<td>12</td>
</tr>
<tr>
<td>Map 7</td>
<td>TIFA District Boundaries</td>
<td>21</td>
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Introduction

In 1975 Public Act 197, the Downtown Development Authority Act, was established to help communities limit the blight and deterioration of downtown areas. In 1982 the City of Davison adopted a development and financing plan for their downtown. Since the adoption of that plan several improvements have been made in the district, and as a result of the success of the program, the City of Davison is reapplying to expand the district and continue the benefits of Tax Increment Financing. The following is the City of Davison's Development and Financing Plan for the next fifteen years.
DEVELOPMENT PLAN
Section 1.0  Designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

The Davison Downtown Development Area is bounded by East Flint Street and E. Third Street on the north, N. Gennesee Street on the west and Rising Street on the south. The eastern boundary varies throughout the district. Between Flint and Third Street the east boundary is Main Street, between Third Street and Mill Street the eastern boundary is N. Davison Street. Finally, between Mill Street and Rising Street the furthest eastern boundary is the would be continuation of Church Street. Please see Map 1 and page 4, legal description, for a description of the districts boundaries.
Section 2.0  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, and shall include a legal description of the development area.

The extent of existing streets as well as public and private land uses within the development area are presented on Map 2 and 2A. Public facilities within the development area include the following land uses:

- Secretary of State Office
- Senior Citizen Housing and Community Activity Center
- United States Post Office
- Transit Authority Depot
- Economic Development Authority

Other public facilities within the district include utility systems. The utilities located within the district are presented on Map 3.

Proposed land uses within the district is presented on Map 4. The proposed land use for the city of Davison is the result of a study done by Wade-Trim/Associates in October of 1990.

A legal description of the property located within the boundaries of the district is presented on the following page.
LEGAL DESCRIPTION OF DEVELOPMENT AREA BOUNDARIES

Section 3.0 A description of existing improvements. Future 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.

The City of Davison adopted a Development and Finance Plan in 1982. Since that time, they have completed a variety of projects and made a number of improvements. Please see Map 5 for the location of these improvements. Improvements in the district include, but are not limited to, the following:

- Expansion and improvement of parking areas located throughout the district
- Overhead storefront canopies on Main Street
- New lighting and sidewalk throughout the district
- Establishment of a farmer’s market on weekends
- Main Street improvements, including new storm sewer, parking bays, and landscaping
- Landscaping improvements to Second Street
- Increased promotional activities within the district
- Landscaping improvements throughout the district

The City of Davison wishes to continue to have development and investment in the downtown area. As a result, the Authority has identified the following projects to improve the district:

1. Provide new streetscape for Second Street from Main to M-15

   One of the projects that the Authority has identified as a high priority is the new streetscape on Second Street from Main to M-15. This one block stretch is in the heart of the Downtown District and it is important to provide a streetscape that will help to add a “sense of place” for the district. The streetscape will include new landscaping, lighting, and the replacement of sidewalk as needed.

2. Resurface the parking lot at the north end of shopper’s alley

   Parking is a key element for development in any shopping/downtown district. Another important aspect is the maintenance of the parking area. Proper maintenance is required to make parking areas appear as attractive as possible. The parking area at the north end of shopper’s alley has deteriorated and, if no action is taken, may become an eye sore in the district. The plan is to resurface the portions of the parking area with a 1.5-inch course of asphalt and reconstruct other portions with four inches of asphalt.

3. Repave/rebuild sidewalks in the district

   As part of its attempt to continually improve infrastructure, the authority will undertake a program to repave and rebuild the sidewalks in the district. This will be an on-going project in the downtown district on an as needed basis.

4. Decorative exterior lighting

   Exterior lighting has effectively been used as a measure to improve security and safety in many communities. It can also be used as an urban design element, and in conjunction with landscaping can add to area aesthetics to create a unified “community” or “sense of place.” New lighting fixtures will be placed throughout the district on an as-needed basis. New fixtures will also be part of the two streetscape projects.
5. Streetscape for M-15 (entire length of the district)

M-15 is a major arterial in the City of Davison; it extends for five blocks in the district. With the expansion of the boundaries westward, both sides of M-15 will be included in the district. Because it is a key arterial, it is essential that motorists and pedestrians feel a “sense of place” to realize that they are in Downtown Davison. This project will help to provide continuity for the district and a focal point for the district. The streetscape project will include new lighting, landscaping, and outdoor furnishings.

6. Purchase of the northwest corner of Second and Main for small City park and new City clock

The parcel on the northwest corner of Second and Main is a small piece of undeveloped property that is an inappropriate size for any development to take place. As a result, the district will buy the property to establish a small park with a City clock as the focal point. This action will help to add to the aesthetic quality of the downtown district.

7. Build a Farmer's Market

From the beginning of summer to the early months of fall, the City has a farmer’s market in the downtown area. This open-air market offers an excellent opportunity for people to gather and become more familiar with the downtown area. The authority wishes to continue this tradition by building a permanent structure for the market. This permanent structure will be an open-air shelter that may be used for other events when the farmer’s market is not in operation.

8. Provide a plan for ADA compliance

The Davison Downtown District is an older area of the city. At the time many of the buildings were built ADA compliance was not an issue. However, today ADA compliance is a required part of any new building. In an attempt to move towards ADA compliance, the Authority will undertake a plan for the entire district to determine the feasibility of ADA compliance.

9. Purchase of commercial property near Mill Street and M-15 Intersection for more parking and retail

A prime piece of commercial property is located on the corner of Mill and M-15 (State Street). The property is in need of repair and renovation, but offers an excellent location for a variety of businesses because of the high visibility of its location. The purchase and development of this property in the district would be a great benefit.

10. Mill Street improvements

With the purchase of the commercial property, it will become necessary to have an entrance and exit for the new development that would take place on the commercial parcel and adjoining parcels. As a result, it has been determined that improvements would need to be made to Mill Street. These improvements may include making Mill Street a one-way, repairing sidewalks, and resurfacing of the street.
11. Parking structure

A problem with many downtown areas is the lack of parking. Parking is a key issue for downtown areas since suburban shopping centers offer large amounts of free parking. In an effort to allow for additional parking, the Authority has decided to propose a multipurpose, two-level parking deck. Preliminary plans call for this deck to be located at the end of E. Second Street.

12. DDA Administration and promotional activities

It is intended that a certain amount of the monies for the program will be used to pay for consulting services, supplies, materials, postage, and newspaper publications to operate the Authority. In addition, funds will also be used to pay for promotional items that the Board initiates as a method to help draw additional business to the downtown area.

Please see Section 4.0 for a listing of project priority.
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.

The location, extent and character of the proposed improvements are identified in Section 3.0. It is estimated that the projects will be completed by the year 2012. The estimated cost and priority for the projects are shown in the table below:

**City of Davison**  
**Downtown Development Authority**  
**Project List**

<table>
<thead>
<tr>
<th>Project Priority</th>
<th>Project Description</th>
<th>Location</th>
<th>Estimated Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>Streetscape</td>
<td>Second to Main Street</td>
<td>$50,000-$60,000</td>
</tr>
<tr>
<td>High</td>
<td>Resurface Parking Lot</td>
<td>North end of Shoppers Alley</td>
<td>$30,000</td>
</tr>
<tr>
<td>High</td>
<td>Repave and Rebuild Sidewalks</td>
<td>District-wide</td>
<td>$30,000</td>
</tr>
<tr>
<td>Medium</td>
<td>Decorative Lighting</td>
<td>District-wide</td>
<td>$130,000</td>
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<tr>
<td>Medium</td>
<td>Streetscape</td>
<td>M-15 length of the district</td>
<td>$250,000</td>
</tr>
<tr>
<td>Medium</td>
<td>Clock</td>
<td>NW Corner of Main and Second Street</td>
<td>$30,000 - Land</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$20,000 - Clock</td>
</tr>
<tr>
<td>Medium</td>
<td>Farmer's Market</td>
<td>Main and Second Street</td>
<td>$50,000</td>
</tr>
<tr>
<td>Low</td>
<td>ADA Compliance Program</td>
<td>District-wide</td>
<td>(cost based on study depth)</td>
</tr>
<tr>
<td>Low</td>
<td>Commercial Property</td>
<td>Corner of Mill Street and M-15</td>
<td>$400,000</td>
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<td>Low</td>
<td>Mill Street Improvements</td>
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<td>$75,000</td>
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<tr>
<td>Low</td>
<td>Parking Deck Construction</td>
<td>End of East Second Street</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>On-Going</td>
<td>DDA Administration and Promotional Activities</td>
<td>District-wide</td>
<td>Variable</td>
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</tbody>
</table>
Section 5.0  A statement of the construction stages of construction planned, and the estimated time of completion of each stage.

The statement of stages of planned construction is identified in Section 4.0. High priority projects represent activities expected to be completed by the year 2003. Medium priority projects represent activities expected to be completed by 2007. Low priority projects are seen as long term; however, all projects are anticipated to be completed by 2012.
Section 6.0 A description of any part of the development area to be left as open space and the use contemplated for the space.

Although there is no open space plan, public open space is intended for selected areas within the district. Large parcel lots for open space are not available within the district, considering the need for competitive uses, (i.e., parking and new commercial). The limited amount of total space within the district is also a contributing factor to the total amount of open space. Most public open space is provided through the use of passive areas furnished with benches, trash receptacles, lighting and landscaping.

The Authority plans to purchase a small parcel on the northwest corner of Second and Main Street to establish a small park area with benches and a large clock for the downtown district.
Section 7.0  A description of any portions of the development which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

The authority does not plan to sell, donate, exchange, or lease any land in the development area to or from the municipality.
Section 8.0  A description of desired zoning changes and changes in streets, street levels, intersections and utilities.

There should be no zoning changes required within the development area as a result of the project. Please see Map 6 for the current zoning of the district.

There is the potential for two possible changes in the street configuration: the Mill Street Improvements and the parking structure construction. The change in street configuration for Mill Street will have an impact on the traffic flow pattern in the downtown area. However, at this time, the exact impact is unknown. The changes that result from the parking structure construction are not specifically known at this time. However, every attempt will be made to have the minimal amount of disruption to the downtown traffic patterns.
Section 9.0  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.

The estimated total cost for the projects identified under Section 4.0 is $2,100,000± dollars.

The activities of the Authority and the development of public improvements shall be financed from one or more of the following sources.

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

b. Revenue 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 increments received pursuant to a tax increment financing plan.

d. 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.

e. The proceeds of the an ad valorem tax imposed on the real and tangible property within the district of no more than two mills.

The ability of the Authority to arrange the financing is considered to be on the basis of tax increment revenues currently available to the authority.
Section 10.0 Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be sold, leased or conveyed in any manner, and for whose benefit the project is being undertaken if that information is available to the authority.

Not applicable.
Section 11.0  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.

Not applicable.
Section 12.0 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.

According to the 1990 U. S. Census data, there are 191 persons residing in the development area, or 3.4 percent of the entire City's 1990 population: 5,693 persons. No occupied residence is targeted for acquisition or clearance by the Authority. No forced relocation of families are anticipated as a result of the development projects.
Section 13.0  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 14.0 Provision for the cost 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.

Not applicable.
Section 15.0  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.

Not applicable.
Section 16.0  Other material which the authority, local public agency, or governing body deems pertinent.

Not applicable.
Section 17.0  A detailed explanation of the tax increment procedure.

The Downtown Development Authority proposes to use tax increment financing (TIF) as its major funding mechanism.

TIF is a method of funding public investments in an area slated for (re)development by capturing for a time, all or a portion of the increased tax revenue that may result if the (re)development stimulates private investment. The concept of tax increment financing is applied only to the downtown district for which a development plan has been prepared by the DDA and adopted by the community’s legislative body.

PA 197 treats all increase in valuation resulting from the development plan whether in fact these increases bear any relation to the development or not. Tax increment revenues for the DDA result in the application of general tax rates of the community and all other political bodies levying taxes in the downtown district. These include the county, community college, park authorities, etc. The amount to be transmitted to the DDA is that portion of the tax levy of all these applicable taxing bodies paid each year on real and personal property.

"Captured assessed value" means the amount in any one year by which the current assessed value of the district, including the assessed value of the property for which specific taxes are paid in lieu of property taxes, exceeds the initial value. “Initial assessed value” means the assessed value, as equalized, of all the taxable property within the boundaries of the district 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. Property for which a commercial facilities exemption certificate, an industrial facilities exemption certificate, or a commercial housing facilities exemption certificate is in effect shall not be considered to be property which is exempt from taxation. Tax dollars accruing from any incremental increase in Taxable Value above the initial assessed value (base year total) may then be used by the DDA. Please see Map 7 for the boundaries of the two TIFA districts within the DDA Boundaries. Table 1 lists the taxing authorities that will be affected by the two TIFA districts. Data presented in Table 2, “Estimate of Captured Taxable Value,” Districts I and II reveal what the anticipated capture is for the District through the year 2012.

Captured Revenue

The projected revenue annually available to the DDA from the captured Taxable Value is displayed in Table 3, Districts I and II. By the end of the planning period, it is estimated that approximately 1.9 million dollars could be collected by the DDA and used for making public improvements within the downtown district. Table 4 represents the total captured Taxable Value and the projected revenue from both TIFA districts.

Affected Parties

Table 5 is a summary of the revenues that will be lost by the various taxing authorities for the duration of the TIF plan.
Revenue Assignment

Once the flow of captured revenues is calculated, the monies can be assigned against the recommended improvement proposals. Data in Table 6 identify the use of the captured revenue by item and priority for the program period.

General

The terms of the original Downtown Development Plan and Tax Increment Financing Plan, to the extent not inconsistent with the terms of this Amended and Restated Plan, are hereby incorporated herein by this reference, including the establishment of the "initial assessed value" as defined in the Act as of (date). All estimates and projections, and expectations regarding project identification and scope are subject to change.
FINANCE PLAN
Section 19.0 The duration of the tax increment financing program.

The City of Davison DDA Tax Increment Financing and Development Plan shall endure for a period of the lesser: (a) completion of all projects stated in the Development Plan; or, (b) the year 2012.
Section 20.0  Impact of Tax Increment Financing Plan on local taxing jurisdictions.

Please see Table 5 for the impact on the various taxing jurisdictions over the length of the project.
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<thead>
<tr>
<th>Taxing Authorities</th>
<th>Milage Rate (a)</th>
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<tr>
<td>Police Department</td>
<td>1.500</td>
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<tr>
<td>City of Davison Debt Retirement</td>
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<td>City Operations</td>
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<td>MTA</td>
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<td>Library</td>
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<td>Paramedic Emergency Service</td>
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<td>Parks</td>
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<td>Genesee County</td>
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<td>Mott DT</td>
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<td>Mott OP</td>
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<td>TOTAL</td>
<td>26.4892</td>
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(a) Data from 1995 Milage Rates
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<th>Year</th>
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<th>Rate Calculation</th>
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Notes:
- TIFA District II (1995 Base)
- Estimate of Captured Taxable Value
- New Development (c)
- Total (a)
- Initiation (d)
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<th>Year</th>
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<th>Total</th>
<th>Initial (b)</th>
<th>TIFA District (1992 Base)</th>
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(c) Captured Taxable Value calculated by subtracting Taxable Value from Total Column
(d) New development is calculated at 1% of the Taxable Value Base

Table 2
Estimate of Captured Taxable Value
TIFA District (1992 Base)
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<th>Captured Taxable Value</th>
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<th>Disbursement Cycle</th>
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City of Davison District I (1982 Base) Anticipated Revenue Stream for the 3 Year Cycle
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<th>Year</th>
<th>Total Capture</th>
<th>TIF Revenues (a)</th>
<th>Anticipated Revenue Stream for the City of Davidson District II (1995 Base)</th>
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*Note: The revenue calculations are based on a 7-year cycle.*
<table>
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<th>Year</th>
<th>TIF Revenue (a)</th>
<th>Total Captured Taxable Value I</th>
<th>Total Captured Taxable Value II</th>
<th>Anticipated Revenue from District I and District II</th>
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*Note: TIF Revenue (a) is the TIF Revenue as calculated in the preceding year.*

*Source: District I and District II*
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<th>Airport</th>
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PARKING IMPROVEMENTS

SOURCE: CITY OF DAVISON:

COMPLETED DDA PROJECTS
DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF DAVISON, GENESEE COUNTY, MICHIGAN
RESOLUTION NO. 18973

City of Wyoming
County of Kent, State of Michigan

RESOLUTION APPROVING BYLAWS FOR THE
DOWNTOWN DEVELOPMENT AUTHORITY OF THE
CITY OF WYOMING

Minutes of a __regular__ meeting of the City Council of the City of Wyoming, County of Kent, State of Michigan, held in the Council Chambers in the City on the 15th day of February, 1999, at 7:00 o'clock p.m., Eastern Standard Time.

PRESENT: Members __Miller, Nelson, Peuler, Sheets, Ver Hulst, Wichman, Hoekstra__

ABSENT: Members __None__

The following preamble and resolution were offered by Member __Peuler__ and supported by Member __Nelson__.

WHEREAS, the City of Wyoming (the "City") is authorized by the provisions of Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"), to create a downtown development authority; and

WHEREAS, it is necessary for the best interests of the public, to halt property value deterioration and increase property tax valuation where possible in the business district of the City, to eliminate the causes of such deterioration, and to promote economic growth; and

WHEREAS, a proposed ordinance designating a downtown district and incorporating a downtown development authority pursuant to Act 197 has been adopted by the City Council; and
WHEREAS, the City Council deems it appropriate to approve the bylaws of the Downtown Development Authority of the City of Wyoming (the “DDA”);

NOW, THEREFORE, BUT IT RESOLVED THAT:

1. The Bylaws of the DDA, a form of which is attached hereto, are hereby approved.

2. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members Miller, Nelson, Peuler, Sheets, Ver Hulst, Wichmann

Hoekstra

NAYS: Members None

RESOLUTION DECLARE ADOPTED.

City Clerk, Nancy M. Giar
Ms. Nancy Giar
City Clerk
Wyoming, Michigan

Subject: Adopt By-Laws of Downtown Development Authority

Recommendation: To concur with the Downtown Development Authority’s action and adopt the Wyoming DDA By-Laws

Dear Ms. Giar:

The above referenced item was reviewed by the Wyoming Downtown Development Authority at its organization meeting on February 4, 1999. DDA Director Mears presented a model By-Laws as prepared by the law firm of Miller Canfield. The Board members agreed with the By-Laws, with one addition, indication that the Treasurer need not be a Board member. Attached are the By-Laws as adopted by the DDA, along with a proposed City Council resolution for the same action.

Sincerely,

Steven Harkema
Secretary

Attachments
AFFIDAVIT OF MAILING NOTICE OF HEARING ON INCORPORATION OF DDA

CITY OF WYOMING
COUNTY OF KENT, STATE OF MICHIGAN

STATE OF MICHIGAN  )
     SS.
COUNTY OF KENT  )

Mary Ann Keyes, being first duly sworn, deposes and says that (s)he personally prepared notice of hearing on the incorporation of a downtown development authority of the City of Wyoming and the setting of downtown district boundaries in connection therewith, a copy of which notice is attached hereto and made a part hereof, for mailing to each property taxpayer of record in the district described in the notice as shown on the last local tax assessment records of the City of Wyoming, a list of which property taxpayers is attached hereto and made a part hereof; that (s)he personally checked each envelope against the list of such persons and that each envelope was properly addressed to each taxpayer as shown on the tax assessment rolls; that each envelope contained a copy of the notice, and was clearly addressed and securely sealed and carried postage fully prepaid for first class mail delivery; and (s)he personally placed all of the envelopes in a United States Post Office receptacle on August 28, 1998.

Mary Ann Keyes

Subscribed and sworn to before me this 28th day of August, 1998.

Notary Public, Kent County, Michigan
My Commission Expires: Full2000

JANE S. THOMAS
Notary Public, Ottawa County, Michigan
My Commission Expires June 18, 2000
AFFIDAVIT OF POSTING NOTICE OF HEARING
ON INCORPORATION OF DOWNTOWN DEVELOPMENT AUTHORITY

CITY OF WYOMING
COUNTY OF KENT, MICHIGAN

STATE OF MICHIGAN )
: ss.
COUNTY OF KENT )

Jason K. Cherry and

I, Mary Ann Keyes, being first duly sworn, depose and say that I did on the
26th day of August, 1998, post a notice of hearing on the incorporation of a downtown
development authority in the City of Wyoming, attached hereto and made a part hereof, in the
following conspicuous and public places in the district described in the notice:

1. Rogers Department Store
   1001 28th St., S.W.

2. Rogers Plaza
   972 28th St., S.W.

3. Russ's Restaurant
   2340 28th St., S.W.

4. Pet Supplies Plus
   2033 28th St., S.W.

5. Classic Chevrolet
   2929 Burlingame Ave., S.W.

6. The Bun Basket
   1661 28th St., S.W.

7. Old Kent Bank
   900 28th St., S.W.
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<tr>
<td>8</td>
<td>Bob Evans' Restaurant</td>
<td>244 28th St., S.W.</td>
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<td>9</td>
<td>First of America Bank</td>
<td>220 28th St. S.W.</td>
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<td>Walgreen's</td>
<td>2829 S. Division Ave.</td>
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<td>Pep Boys</td>
<td>609 28th St., S.W.</td>
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<td>Flowerland</td>
<td>765 28th St., S.W.</td>
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<td>Action Tire</td>
<td>841 28th St., S.W.</td>
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<td>Sheldon Cleaners</td>
<td>1209 28th St. S.W.</td>
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<td>Applebee's</td>
<td>1375 28th St., S.W.</td>
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<td>Village Inn Pizza Parlor</td>
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<td>Marge's Donut Den</td>
<td>1751 28th St., S.W.</td>
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<td>18</td>
<td>The Sound Stage Cafe</td>
<td>1420 28th St., S.W.</td>
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Subscribed and sworn to before me this 26th day of August, A.D., 1998.

JANE S. THOMAS
Notary Public, Kent County, Michigan
My commission expires: 6/18/2000, Kent County
RESOLUTION NO. 18974

RESOLUTION TO APPOINT AN EXECUTIVE DIRECTOR FOR THE WYOMING DOWNTOWN DEVELOPMENT AUTHORITY

WHEREAS, the Downtown Development Authority Act, Act 197 of 1975 as amended, allows Downtown Development Authorities to appoint a Director for their organization, subject to the approval of the governing body of the community, and

WHEREAS, the Wyoming Downtown Development Authority, at its organizational meeting on February 4, 1999, appointed Gerald Mears as its Executive Director, and

WHEREAS, Mr. Mears has considerable planning and development experience and knowledge relative to the city of Wyoming and the 28th Street DDA area, now, therefore,

BE IT RESOLVED, that the Wyoming City Council does hereby approve Gerald Mears as the Executive Director of the Wyoming Downtown Development Authority.

Councilmember Peuler moved, seconded by Councilmember Nelson that the above Resolution be adopted.

Motion carried: 7 Yeas, 0 Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council for the City of Wyoming, Michigan at a regular session held on the 15th day of February 1999.

Nancy Giar
Wyoming City Clerk
Ms. Nancy Giar  
City Clerk  
Wyoming, Michigan

Subject: Approval of DDA Director Appointment; Adoption of DDA Meeting Schedule

Dear Ms. Giar:

The Wyoming Downtown Development Authority reviewed the above two items at its organizational meeting on February 4, 1999. The following actions were taken.

Motion by Harkema, seconded by Hoekstra, to appoint Gerald Mears as Executive Director. Motion carried.

Motion by Keller, seconded by Harkema, to set the meeting schedule as the first Tuesday of each month at City Hall at 8:00 A.M. in the Council Chambers. Motion carried.

Both of these actions require City Council approval. The related Council Resolutions are attached.

Sincerely,

Steven Harkema  
Secretary

Attachments
RESOLUTION NO. 18975

RESOLUTION TO APPROVE A MEETING SCHEDULE FOR THE WYOMING DOWNTOWN DEVELOPMENT AUTHORITY

WHEREAS, the Downtown Development Authority Act, Act 197 of 1975 as amended, provides that Downtown Development Authorities shall develop an annual meeting schedule, subject to the approval of the governing body of the community, and

WHEREAS, the Wyoming Downtown Development Authority, at its organizational meeting on February 4, 1999, approved its regular meetings to be on the first Tuesday of every month at 8:00 a.m. in Wyoming City Hall, and

WHEREAS, there are currently no other meetings scheduled in the City Council Chambers for that date and time, now, therefore

BE IT RESOLVED, that the Wyoming City Council does hereby approve the first Tuesday of every month at 8:00 a.m. in Wyoming City Hall for the regular meeting dates of the Wyoming Downtown Development Authority.

Councilmember Peuler moved, seconded by Councilmember Nelson, that the above Resolution be adopted.

Motion carried: 7 Yeas, 0 Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Wyoming, Michigan, at a regular session held on the 15th day of February, 1999.

[Signature]
NANCY M. GIAR
Wyoming City Clerk

RESOLUTION NO. 18975
August 28, 1998

SHELL OIL CO
PO BOX 2099
HOUSTON, TX 77252-2099

Dear Property Owner:

At a meeting held on August 17, 1998 the Wyoming City Council adopted the following Resolution:

RESOLUTION OF INTENT CALLING A HEARING REGARDING
ESTABLISHMENT OF A DOWNTOWN DEVELOPMENT AUTHORITY AND
DESIGNATION OF A DOWNTOWN DISTRICT

A copy of this hearing notice is enclosed. The public hearing will be held on September 21, 1998 at 7:01 P.M. in the Council Chambers of Wyoming City Hall located at 1155 28th Street, S.W., Wyoming, Michigan.

Nancy M. Giar, CMC
Wyoming City Clerk

NMG:mk

encl.
NOTICE OF PUBLIC HEARING

CITY OF WYOMING
County of Kent, Michigan

ON THE FORMATION OF A DOWNTOWN DEVELOPMENT AUTHORITY
AND DESIGNATION OF DOWNTOWN DISTRICT BOUNDARIES

TO ALL INTERESTED PERSONS IN THE CITY OF WYOMING:

PLEASE TAKE NOTICE that the City Council of the City of Wyoming, County of Kent, Michigan, will hold a public hearing on the 21st day of September, 1998, at 7:00 o'clock p.m., in the City Hall, 1155 - 28th Street, S.W., Wyoming, Michigan, to consider the adoption of an ordinance establishing a downtown development authority for the City of Wyoming and designating the boundaries of a downtown district in connection therewith, pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended.

PROPOSED BOUNDARIES

The boundaries of the proposed downtown district within which the downtown development authority shall exercise its powers are as follows:

Commencing on the east at Division Avenue, thence northwest along the Penn-Central Railroad right-of-way, to Buchanan Avenue, thence south to Terminal Street, thence west to Clyde Park Avenue, thence westward along a line meandering between 150 feet and 600 feet from 28th Street to Byron Center Avenue, thence southward along Byron Center Avenue to a point located 515 feet south of 28th Street, thence eastward in a meandering line located 150 to 900 feet from 28th Street to Division Avenue, thence northward to 28th Street. Area includes mostly parcels zoned B-1, B-2 and B-3 Business or RO-1, Restricted Office. Some additional parcels zoned R-2, Single Family Residential and R-4, Low Density Multiple Family Residential and I-1, Light Industrial are included where necessary to create a logical boundary for the district.

At the public hearing, all citizens, taxpayers and property owners of the City of Wyoming desiring to address the City Council shall be afforded an opportunity to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district.

FURTHER INFORMATION may be obtained from the City Assessor's Department.

This notice is given by order of the City Council of the City of Wyoming, County of Kent, Michigan.

[Signature]

NANCY M. GIAR
Wyoming City Clerk
The Advertising Manager of THE GRAND RAPIDS, PRESS, a newspaper published and circulated in the County of Kent, being duly sworn, deposes and says that the following advertising was inserted.

DECEMBER 11, 1998

Steven S. Wash_thumb
Advertising Manager

Sworn and subscribed before me this 11TH day DECEMBER A.D., 1998

Monica Donahue
NOTARY PUBLIC, KENT COUNTY, MI.

My Commission expires: 5/29/99

MONICA DONAHUE
Notary Public, Kent County, MI
My Commission Expires May 29, 1999
The Advertising Manager of THE GRAND RAPIDS, PRESS, a newspaper published and circulated in the County of Kent, being duly sworn, deposes and says that the following advertising was inserted.

OCTOBER 23, 1998

[Signature]

Advertising Manager

Sworn and subscribed before me this 23RD day of OCTOBER A.D., 1998

[Signature]

NOTARY PUBLIC, KENT COUNTY, MI.

My Commission expires: 5/29/99

MONICA DONAHUE
Notary Public, Kent County, MI
My Commission Expires May 29, 1999
AFFIDAVIT OF PUBLICATION

ADVERTISER  City of Wyoming

REGARDS TO  Downtown

DATE  8-25-98  SIZE  48.00  COL. INCH

PAPERS  Grand Valley  Wyoming

NOTICE OF PUBLIC HEARING

CITY OF WYOMING
County of Kent, Michigan

ON THE FORMATION OF A DOWNTOWN DEVELOPMENT AUTHORITY AND
DESIGNATION OF DOWNTOWN DISTRICT BOUNDARIES

TO ALL INTERESTED PERSONS IN THE CITY OF WYOMING:

PLEASE TAKE NOTICE that the City Council of the City of Wyoming, County of Kent, Michigan, will hold a public hearing on the 21st day of September, 1998, at 7:00 o'clock p.m., in the City Hall, 1155 - 28th Street, S.W., Wyoming, Michigan, to consider the adoption of an ordinance establishing a downtown development authority for the City of Wyoming and designating the boundaries of a downtown district in connection therewith, pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended.

PROPOSED BOUNDARIES

The boundaries of the proposed downtown district within which the downtown development authority shall exercise its powers are as follows:

Commencing on the east at Division Avenue, thence northwest along the Penn-Central Railroad right-of-way, to Buchanan Avenue, thence west to Clyde Park Avenue, thence westward along a line meandering between 150 feet and 600 feet from 28th Street to Byron Center Avenue, thence southward along Byron Center Avenue to a point located 515 feet south of 28th Street, thence eastward in a meandering line located 150 to 900 feet from 28th Street to Division Avenue, thence northward to 28th Street. Area includes mostly parcels zoned B-1, B-2 and B-3 Business or RO-1, Restricted Office. Some additional parcels zoned R-2, Single Family Residential and R-4, Low Density Multiple Family Residential and I-1, Light Industrial are included where necessary to create a logical boundary for the district.

PROPOSED WYOMING D.D.A.
WYOMING DOWNTOWN DEVELOPMENT AUTHORITY
P.A. 197 of 1975

Application For Appointment

BOARD OF DIRECTORS

Name: ____________________________  Phone: ____________________________

Home Address: ____________________________

________________________________________________________________________

Name of the business in which you have an ownership interest or in which you represent the ownership interest: ____________________________

Business Address: ____________________________

________________________________________________________________________

Your Title: ____________________________  Business Phone: ____________________________

Do you own residential property within the Wyoming Downtown Development District? ____________

Do you reside at the residential property located in the Wyoming Downtown Development District? ____________

If not, list the address of the residential property you own within the Wyoming Downtown Development District:

________________________________________________________________________

Do You own non-residential property within the Wyoming Downtown Development District? ____________

If so, list the address of the non-residential property:

________________________________________________________________________

________________________________________________________________________

Signature of Applicant  Date: ____________________________

RETURN TO:  Wyoming City Clerk's Office
1155 - 28th St SW
P.O. Box 905
Wyoming MI 49509
Resolution No. 18931

RESOLUTION TO APPOINT MEMBERS OF THE BOARD OF DIRECTORS OF THE CITY OF WYOMING DOWNTOWN DEVELOPMENT AUTHORITY

WHEREAS, On December 21, 1998 the Wyoming City Council adopted Ordinance No. 26-98 creating a Downtown Development District and designating the boundaries thereof under the provisions of Act 197 of the Public Acts of 1975 as amended, and

WHEREAS, Act 197 provides for the appointment of members of the Board of Directors of the Downtown Development Authority by the Mayor subject to the approval of the City Council, know therefore

BE IT RESOLVED, The City Council for the City of Wyoming, Michigan, does hereby confirm appointments to the Board of Directors of the Wyoming Downtown Development Authority with initial terms as follows:

Name
Douglas L. Hoekstra, Jr.
Mayor of the City of Wyoming
Steven Harkema
Fruit Basket Flowerland
Douglas Kochneff
Action Tire
Lillian VanderVeen
Resident in the District
Stephen J. Schab
Studio 28 Theater
Faye Davis
Rogers Plaza
Michael Lown
Rogers Department Store
Jack Keller
Huntington National Bank
Richard Coombs
Williams Furniture

Initial term expiring
By virtue of office
4 Year Term - 1/1/2003
4 year Term - 1/1/2003
3 Year Term - 1/1/2002
3 Year Term - 1/1/2002
2 Year Term - 1/1/2001
2 Year Term - 1/1/2001
1 Year Term - 1/1/2000
1 Year Term - 1/1/2000

Councilmember _______ Sheets _______ moved, seconded by Councilmember _______ Peuler _______ that the above Resolution be adopted.

Motion carried: 7 Yeas, 0 Nays

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Wyoming, Michigan at a _______ special _______ session held on the _______ 11th _______ day of January, 1999.

Mary Ann Keyes
Deputy City Clerk

Resolution No. 18931
Application For Appointment

BOARD OF DIRECTORS

Name: Steven Harkema
Phone: 532-7404

Home Address: 480 28th Ave.
Hudsonville, MI 49426

Name of the business in which you have an ownership interest or in which you represent the ownership interest: Fruit Basket Flowerland

Business Address: 765 28th Street SW
Wyoming, MI 49509

Your Title: Vice President
Business Phone: 532-7404

Do you own residential property within the Wyoming Downtown Development District? No

Do you reside at the residential property located in the Wyoming Downtown Development District? No

If not, list the address of the residential property you own within the Wyoming Downtown Development District:

Do You own non-residential property within the Wyoming Downtown Development District? Yes

If so, list the address of the non-residential property:

765 - 28th Street SW, Wyoming, MI 49509

Signature of Applicant: [Signature]
Date: 1/5/99

RETURN TO: Wyoming City Clerk’s Office
1155 - 28th St SW
P.O. Box 905
Wyoming MI 49509

RECEIVED AND FILED
JAN 9 1999
WYOMING CITY CLERK
Name: Doug Kochneff  
Phone: (616) 260-5340

Home Address: 2345 Radcliffe Village Dr. SE  
Grand Rapids MI 49546

Name of the business in which you have an ownership interest or in which you represent the ownership interest: Action Tire Center

Business Address: 841-28th St SW  
Wyoming MI 49509

Your Title: Owner  
Business Phone: 531-5340

Do you own residential property within the Wyoming Downtown Development District? Yes.

Do you reside at the residential property located in the Wyoming Downtown Development District? No.

If not, list the address of the residential property you own within the Wyoming Downtown Development District:

2786 Tennyson SW

Do You own non-residential property within the Wyoming Downtown Development District? Yes.

If so, list the address of the non-residential property:

2735 Clyde Park, 2739 Clyde Park, 2799 Clyde Park, 823-28th St SW, 825-28th St SW, 841-28th St SW.

Signature of Applicant

Date: 1-5-99

RETURN TO: Wyoming City Clerk's Office  
1155 - 28th St SW  
P.O. Box 905  
Wyoming MI 49509

RECEIVED AND FILED
1/15/99  
WYOMING CITY CLERK
WYOMING DOWNTOWN DEVELOPMENT AUTHORITY
P.A. 197 of 1975

Application For Appointment

BOARD OF DIRECTORS

Name:  Lillian A. VanderVeen            Phone:  534-3013

Home Address:   1930 28th St. SW   Wyoming, MI 49509

__________________________

Name of the business in which you have an ownership interest or in which you represent the
ownership interest:  LEMBER TRAVEL CENTER, INC.

Business Address:  2727 DeHoop SW   Wyoming, MI 49509

__________________________

Your Title:  President            Business Phone:  534-9625

Do you own residential property within the Wyoming Downtown Development
District?  yes

Do you reside at the residential property located in the Wyoming Downtown Development
District?  yes

If not, list the address of the residential property you own within the Wyoming Downtown
Development District:

__________________________

Do You own non-residential property within the Wyoming Downtown Development District?

If so, list the address of the non-residential property:

__________________________

Signature of Applicant

Date:  1/8/99

RETURN TO:  Wyoming City Clerk's Office
            1155 - 28th St SW
            P.O. Box 905
            Wyoming MI 49509

RECEIVED AND FILED
JAN 11 1999

WYOMING CITY CLERK
Application For Appointment

BOARD OF DIRECTORS

Name: Stephen T. Schab Phone: 616-261-4811

Home Address: 3741 Oska Loop Dr.

Grandville, MI 49418

Name of the business in which you have an ownership interest or in which you represent the ownership interest: Studio 28

Business Address: 1350 28th St

Wyoming, MI 49509

Your Title: General Manager

Business Phone: 616-538-8820

Do you own residential property within the Wyoming Downtown Development District? 10

Do you reside at the residential property located in the Wyoming Downtown Development District? 10

If not, list the address of the residential property you own within the Wyoming Downtown Development District:

Do you own non-residential property within the Wyoming Downtown Development District? 10

If so, list the address of the non-residential property:

Signature of Applicant

Date: 1/4/99

RETURN TO: Wyoming City Clerk's Office
1155 - 28th St SW
P.O. Box 905
Wyoming MI 49509

RECEIVED AND FILED:

1/11/99

WYOMING CITY CLL.
WYOMING DOWNTOWN DEVELOPMENT AUTHORITY
P.A. 197 of 1975

Application For Appointment

BOARD OF DIRECTORS

Name: Faye Davis  Phone: 538-1130

Home Address: 2017 Ontario Avenue NE
Grand Rapids, MI 49505

Name of the business in which you have an ownership interest or in which you represent the
ownership interest: Rogers Plaza

Business Address: The Hutensky Group
972 Rogers Plaza SW
Wyoming, MI 49509

Your Title: Asst. Property Mgr.  Business Phone: 538-1130

Do you own residential property within the Wyoming Downtown Development
District? No

Do you reside at the residential property located in the Wyoming Downtown Development
District? No

If not, list the address of the residential property you own within the Wyoming Downtown
Development District:

Do you own non-residential property within the Wyoming Downtown Development District? No

If so, list the address of the non-residential property:

__________________________________________________________

Signature of Applicant

Date: 12-5-98

RETURN TO: Wyoming City Clerk's Office
1155 - 28th St SW
P.O. Box 905
Wyoming MI 49509

RECEIVED AND FILED:

JAN 08 1999

WYOMING CITY CLERK
Wyoming Downtown Development Authority
P.A. 197 of 1975

Application For Appointment

BOARD OF DIRECTORS

Name: Jack S. Kelies Phone: 364-2521

Home Address: 4147 Costa NE
Grand Rapids, MI 49525

Name of the business in which you have an ownership interest or in which you represent the ownership interest: Huntington Bank

Business Address: 1650 - 44th St. SE
Wyoming, MI 49509

Your Title: Assistant Vice President Business Phone: 771-8617

Do you own residential property within the Wyoming Downtown Development District? N O

Do you reside at the residential property located in the Wyoming Downtown Development District? N O

If not, list the address of the residential property you own within the Wyoming Downtown Development District:

NA

Do You own non-residential property within the Wyoming Downtown Development District? N O

If so, list the address of the non-residential property:

[Blank space]

Signature of Applicant

Date: 1-4-99

RETURN TO: Wyoming City Clerk’s Office
1155 - 28th St SW
P.O. Box 905
Wyoming MI 49509

RECEIVED AND FILED
1/1/1999

WYOMING CITY CLERK
Application For Appointment

BOARD OF DIRECTORS

Name: Richard H. Coombs  Phone: (616) 394-7143

Home Address: 58 Sun Ridge
Holland, MI 49424

Name of the business in which you have an ownership interest or in which you represent the ownership interest: Williams Furniture Company

Business Address: 60 - 28th St. S.W.
Wyoming, MI 49548

Your Title: Treasurer  Business Phone: 241-1683

Do you own residential property within the Wyoming Downtown Development District? No

Do you reside at the residential property located in the Wyoming Downtown Development District? No

If not, list the address of the residential property you own within the Wyoming Downtown Development District:

Do you own non-residential property within the Wyoming Downtown Development District? No

If so, list the address of the non-residential property:

Richard H. Coombs  Signature of Applicant

Date: 01/08/99

RETURN TO: Wyoming City Clerk's Office
1155 - 28th St SW
P.O. Box 905
Wyoming MI 49509

RECEIVED AND FILED
JAN 6 1999

WYOMING CITY CLERK
WYOMING DOWNTOWN DEVELOPMENT AUTHORITY
P.A. 197 of 1975

Application For Appointment

DEVELOPMENT AREA CITIZENS ADVISORY COUNCIL

Name: ___________________________________ Phone: ___________________

Address: ____________________________________________________________

____________________________________________________________________

Do you live within the Wyoming Downtown Development District? __________

Do you own or rent your residence located in the Wyoming Downtown Development
District?  Own / Rent
(circle one)

Are you a registered voter in the City of Wyoming?  Yes _____ No _____

____________________________________________________________________

Signature of Applicant

Date: __________________

RETURN TO:  Wyoming City Clerk’s Office
1155 - 28th St SW
P.O. Box 905
Wyoming MI 49509
RESOLUTION NO. 18955

RESOLUTION TO APPOINT A DEVELOPMENT AREA CITIZENS COUNCIL RELATED TO THE WYOMING DOWNTOWN DEVELOPMENT AUTHORITY

WHEREAS, under the Downtown Development Authority Act, Act 197 of 1975, as amended, the Wyoming City Council established the Wyoming Downtown Development Authority on December 21, 1998, and

WHEREAS, under 125.1672 of said Act a Development Area Citizens Council, consisting of at least nine development area residents, must be formed whenever the number of residents in the development area exceeds 100, and

WHEREAS, there are more than 100 residents in the development area, which is coterminous to the entire DDA area, now, therefore,

BE IT RESOLVED that the Wyoming City Council does hereby establish a Development Area Citizens Council for the Wyoming Downtown Development Authority development area, and

BE IT FURTHER RESOLVED that the following residents are hereby appointed to the Development Area Citizens Council:

Raymond Bentz 2724 Wyoming Avenue, S.W.
Kathryne Bibler 2707 Forest Grove Avenue, S.W.
Brenda Cornell 1920 - 28th Street, S.W.
Darlene Garland 2740 Hazelwood Avenue, S.W.
Nora Huls 2815 Wyoming Avenue, S.W.
Jim Karsten 2718 Meyer Avenue, S.W.
Louise McCoy 1950 - 28th Street, S.W.
Robert McCoy 1950 - 28th Street, S.W.
Brian Smith 2786 Tennyson Drive, S.W.
Donald Vanderveen 1930 - 28th Street, S.W.
Lawrence Wentzloff 2806 Longstreet Avenue, S.W.
Councilmember Peuler moved, seconded by Councilmember Wichmann, that the above Resolution be adopted.

Motion carried: 6 Yeas, 0 Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Wyoming, Michigan, at a regular session held on the 1st day of February, 1999.

NANCY M. GIAR
Wyoming City Clerk

RESOLUTION NO. 18955
Development Area Citizen’s Council
For The
City of Wyoming Downtown Development Authority
Organizational Meeting
February 9, 1999, 7:00 PM
City Hall Council Chambers

Agenda

Planning Director presiding
1) Call to Order

2) Roll Call

3) Election of Officers
   Chairman: Nominations from the members
   Motion to close nominations
   Motion to elect

   Vice Chairman: Nominations from the members
   Motion to close nominations
   Motion to elect

   Secretary: Nominations from the Board
   Motion to close nominations
   Motion to elect

Planning Director will relinquish the gavel to the Chairman elect

4) Public comments on Agenda Items (limited to 3 minutes per person)

5) 28th Street landscaping project – Phase I status

6) Support of MDOT Transportation Enhancement Applications

7) Downtown Development Plan / TIF status

8) Informational Items
   a) Budget

   b) Wyoming Chamber of Commerce – 28th Street Redevelopment Committee

   c) New developments
d) Bank loans

9) Discussion of meeting schedule
   Date, time and location to be determined

10) Any other business

11) Public comment (limited to 3 minutes per person)

12) Adjournment
AFFIDAVIT OF PUBLICATION

ADVERTISER ) City of Wyoming

REGARDS TO ) 26-98

DATE ) 12-29-98 SIZE ) 32.00 COL. INCH

PAPERS ) Grand Valley Wyoming

I, Joel Holland, being duly sworn on his oath, aforesaid, publish that a newspaper has been circulated in Kent and Ottawa Counties, public notices of which are published in the above mentioned newspaper(s) on the date(s) and of the

NOTICE OF ADOPTION OF WYOMING CITY ORDINANCE

ORDINANCE NO. 26-98

AN ORDINANCE TO ADD SECTIONS 2-2-10 THROUGH 2-2-216 TO THE CODE OF THE CITY OF WYOMING TO CREATE A DOWNTOWN DEVELOPMENT AUTHORITY AND TO DESIGNATE BOUNDARIES OF THE DOWNTOWN DEVELOPMENT DISTRICT

THE CITY OF WYOMING ORDINANCE

Section 1. That Sections 2-2-10 through 2-2-216 are hereby added to the Code of the City of Wyoming to read as follows:

DOWNTOWN DEVELOPMENT AUTHORITY

Section 2-210: DETERMINATION OF NECESSITY. The City Council hereby determines that it is necessary for the best interests of the public to create a public body corporate which shall operate to halt property value deterioration, eliminate the causes of that deterioration, increase property tax valuation where possible in the business district of the City, and promote economic growth, pursuant to Act 197 of the Public Acts of Michigan, 1975, as amended.

Sec. 2-211: DEFINITIONS. The terms used in this ordinance shall have the same meaning as given to them in Act 197, as hereafter provided. As used in this ordinance:

“Authority” means the Downtown Development Authority of the City of Wyoming created by this ordinance.


“Board” or “Board of Directors” means the Board of Directors of the Authority, the governing body of the Authority.

“Chief Executive Officer” means the Mayor of the City.

“City” means the City of Wyomin, Michigan.

“Council” or “City Council” means the City Council of the City.

“Downtown District” means the downtown district designated by this ordinance, as now existing or hereafter amended, and within which the Authority shall exercise its powers.

Sec. 2-212 CREATION OF DOWNTOWN DEVELOPMENT AUTHORITY. There is hereby created, pursuant to Act 197, a Downtown Development Authority for the City. The Authority shall be a public body corporate and shall be known and exercise its powers under the title “Downtown Development Authority of the City of Wyoming.” The Authority may adopt a seal, may sue and be sued in any court of this State and shall possess all the powers necessary to carry out the purposes of its incorporation as provided by this ordinance and Act 197.

The enumeration of powers in this ordinance or in Act 197 shall not be construed as a limitation upon the general powers of the Authority.

Subscribed and sworn before me
this ______________ day of __________ 2003

Dawn L. Bogema, Notary Public
Ottawa County
My commission expires November 1, 2003
January 8, 1999

Ms. Joanie Kollek
Office of the Great Seal
Michigan Historical Center
717 W. Allegan Street
Lansing, Michigan 48918-1750

Dear Ms. Kollek:

As requested in your letter dated January 6, 1999, I am enclosing the Affidavit of Publication for the City of Wyoming Ordinance No. 26-98, establishing the Downtown Development Authority, which was published on December 29, 1998 in the Advance Newspapers.

If you need any additional information, please feel free to call my office. Thank you.

Sincerely,

Mary Ann Keyes
Deputy City Clerk

encl.

CC: Donald L. Mason, City Manager
    Douglas L. Hoekstra, Jr., Mayor
    Jack Sluiter, City Attorney
    Gerald Mears, Director of Planning
December 30, 1998

Secretary of State Candice S. Miller  
Michigan Department of State  
P.O. Box 30045  
Lansing MI 48918

RE: DOWNTOWN DEVELOPMENT AUTHORITY

Dear Secretary Miller;

At the regular meeting of the Wyoming City Council held December 21, 1998 an Ordinance creating a Downtown Development Authority and designating the boundaries thereof was adopted. Notice was given to all affected property owners within the district and to all taxing jurisdictions as provided under Act 197 of the Public Acts of 1975, as amended. A full copy of the adopted Ordinance was published on December 29, 1998.

A certified copy of the adopted Ordinance is enclosed. If additional information is required please advise.

Nancy M. Giar, CMC  
Wyoming City Clerk

CC: City Attorney Sluiter
January 6, 1999

City of Wyoming
Nancy M. Giar, City Clerk
1155 28th Street S.W., P.O. Box 905
Wyoming, MI 49509-0905

Dear Ms. Giar:

This letter acknowledges receipt and filing by the City of Wyoming on January 6, 1999, with the Secretary of State establishing the Downtown Development Authority of the City of Wyoming in accordance with Act 197, Public Acts of 1975.

However, to complete this filing you must submit proof that it was published in a newspaper of general circulation in the municipality.

Sincerely,

Joanie Kollek
Office of the Great Seal
(517) 335-0718
AGREEMENT

THIS AGREEMENT is entered into effective this 8th day of February, 1999, by and between the COUNTY OF KENT (the "County"), the CITY OF WYOMING (the "City"), and the DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF WYOMING (the "DDA"), with reference to the following:

A. The City has established the DDA pursuant to Act No. 197 of the Michigan Public Acts of 1975, as amended ("Act 197"); and

B. Act 197 permits a tax increment financing plan to exclude certain property taxes from capture; and

C. The parties wish to exclude from capture the County’s property taxes for senior citizen services and the Kent County Correctional Facility.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. The Tax Increment Financing Plan for the DDA, which must be approved by the City Council of the City, shall contain specific provisions which exclude from capture the ad valorem property taxes levied by the County, and the specific local taxes attributable to such ad valorem property taxes, for the following special voted millages in the County:

   a. The taxes levied for senior citizen services approved by the electors of the County on November 3, 1998; and

   b. The taxes levied for the Kent County Correctional Facility approved by the electors of the County on August 7, 1990.

2. The exclusion from capture of the senior millage and the Correctional Facility millage set forth in paragraph 1 above shall be effective from the commencement of the Tax
Increment Financing Plan and shall continue throughout the term of each such voted millage increase, including any voted renewals thereof.

This Agreement is entered into as of the date and year set forth above.

COUNTY OF KENT
By: Patrick G. Malone, Chairperson
   Board of County Commissioners
By: Terri L. Land
   Kent County Clerk

CITY OF WYOMING
By: Douglas L. Hoeksma, Jr., Mayor
By: Nancy Giar, City Clerk

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF WYOMING
By: Chairperson
By: Secretary

Approved
Jodi Elliott
City Attorney
RESOLUTION NO. 18968

RESOLUTION TO AUTHORIZE THE MAYOR AND CITY CLERK TO SIGN AN AGREEMENT WITH THE COUNTY OF KENT REGARDING THE EXEMPTION OF COUNTY MILLAGE FROM CAPTURE UNDER THE DDA OF THE CITY OF WYOMING.

WHEREAS, on December 17, 1998 a letter was received from Mr. Patrick Malone, Chairman of the Board of County Commission of Kent County, and

WHEREAS, a dispute existed regarding the exemption of county millage from capture by the DDA of the City of Wyoming, and

WHEREAS, after discussion and compromise a decision was agreed upon to exempt certain millage from capture under the provisions of the DDA Act 197 of the Michigan Public Acts of 1975, as amended, and,

WHEREAS, this agreement was also reviewed and approved on February 4, 1999 at a meeting of the DDA of the City of Wyoming. Now Therefore,

BE IT RESOLVED, that the Mayor and City Clerk are authorized to sign the attached agreement prepared by Kent County and reviewed by the City Attorney.

Councilmember Nelson moved, seconded by Councilmember Ver Hulst, that the above Resolution be adopted.

Motion carried: 7 Yeas, 0 Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council for the City of Wyoming, Michigan at a special session held on the 8th day of February, 1999.

NANCY M. GIAR
Wyoming City Clerk

Resolution No. 18968
AGENDA

City Clerk presiding

1) Call to Order

2) Appointment of temporary recording Secretary

3) Roll Call

4) Oath of Office - City Clerk

5) Election of Officers

   Chairman: Nominations from the members
              Motion to close nominations
              Motion to elect

   Vice Chairman: Nominations from the Board
                  Motion to close nominations
                  Motion to elect

   Treasurer: Nominations from the Board
              Motion to close nominations
              Motion to elect

   Secretary: Nominations from the Board
              Motion to close nominations
              Motion to elect

City Clerk will relinquish the gavel to the Chairman elect

6) Adoption of Roberts Rules Of Order

7) Adoption of meeting schedule (P.A. 267 of 1976)

   Date, time and location to be determined

8) Public comments on Agenda Items (limited to 3 minutes per person)
9) Presentation of draft by-laws (Planning Director Mears)
10) Selection of Executive Director
    Subject to approval of the City Council
11) Discussion on legal services
12) 28th Street landscaping project – Phase I status
13) Approval of MDOT Transportation Enhancement Applications
14) Downtown Development Plan / TIF status
15) Informational items
    a) Budget
    b) Development Area Citizens Advisory Council
    c) Wyoming Chamber of Commerce – 28th Street Redevelopment Committee
    d) New developments
    e) Bank loans
16) Any other business
17) Public comment (limited to 3 minutes per person)
18) Adjournment
That part of the S ½ of Section 10, S ½ of Section 11, S ½ of Section 12, N ½ of Section 13, N ½ of Section 14, N ½ of Section 15, all of Town 6 North, Range 12 West, City of Wyoming, Kent County, Michigan, described as: Beginning at the SW corner of Section 10; thence North along the West line of Section 10 (Byron Center Avenue) to the point of intersection with the North line of Lot 78 of Wilson and Chalmers' Garden Addition to Wyoming Park extended West; thence East to the NE corner of Lot 7 of Wilson and Chalmers' Garden Addition to Wyoming Park; thence Easterly to a point on the West line of Lot 118 of Wilson and Chalmers' Boulevard Addition to Wyoming Park, said point lying 58.0 feet North of the SW corner of said Lot 118; thence East to a point on the East line of Lot 119 of Wilson and Chalmers' Boulevard Addition to Wyoming Park, said point lying 58.0 feet North of the SE corner of said Lot 119; thence Easterly to a point on the West line of Lot 121 of Wilson and Chalmers' Boulevard Addition to Wyoming Park, said point lying 58.9 feet North of the SW corner of said Lot 121; thence East to a point on the East line of Lot 123 of Wilson and Chalmers' Boulevard to Wyoming Park, said point lying 58.9 feet North of the SE corner of said Lot 123; thence Northeasterly to a point on the West line of Lot 105 of Wilson and Chalmers' Boulevard Addition to Wyoming Park, said point lying 75.0 feet North of the SW corner of said Lot 105; thence East to a point on the East line of Lot 100 of Wilson and Chalmers' Boulevard Addition to Wyoming Park, said point lying 75.0 feet North of the SE corner of said Lot 100; thence East parallel with the South line of said Lot 100 extended to a point on the East line of Wilson
and Chalmers' Boulevard Addition to Wyoming Park and the West line of Charles Plat; thence South to the SW corner of Charles Plat; thence East to the SE corner of Charles Plat and the West line of De Mull Plat; thence South to the SW corner of De Mull Plat; thence East to the SE corner of De Mull Plat; thence North along the East line of De Mull Plat and West line of Westdorp Plat to the NW corner of Lot 51 of Westdorp Plat; thence East to the NE corner of said Lot 51; thence Southeasterly to the NW corner of Lot 25 of Westdorp Plat; thence East to the NE corner of Lot 14 of Westdorp Plat; thence Northeasterly to a point on the East right-of-way line of Meyer Avenue, said point lying 357.13 feet North, measured along said East right-of-way line, of the South line of Section 10; thence East 221.16 feet parallel with the South line of Section 10; thence South parallel with the East right-of-way line of Meyer Avenue to a point lying 300.0 feet North, measured parallel to said East right-of-way line, of the South line of Section 10; thence East parallel with the South line of Section 10 to a point on the West line of the East 1379.0 feet of the SE ¼ of Section 10; thence North along the said West line to a point on the North line of the South 325.0 feet of the SE ¼ of Section 10; thence East along said North line 100.0 feet to the West line of the East 1279.0 feet of the SE ¼ of Section 10; thence South along said West line 26.55 feet; thence Northeasterly to a point on the West right-of-way line of Hague Avenue, said point lying 310.05 feet North, measured along said West right-of-way line, of the South line of Section 10; thence Northeasterly to the point of intersection of the East right-of-way line of Hague Avenue and the North line of South 330.0 feet of the SE ¼ of Section 10; thence East along said North line to the West line of the SE ¼ of the SE ¼ of the SE ¼ of Section 10; thence North along said West line to a point on the North line of the SE ¼ of the SE ¼ of the SE ¼ of Section 10; thence
East along said North line to a point on the East line of Section 10 (Burlingame Avenue) and the West line of Section 11; thence North along said West line of Section 11 to a point 716.13 feet North of the SW corner of Section 11; thence East parallel with the S 1/8 line of Section 11, 506.56 feet; thence Southeasterly 70.71 feet to a point on the East line of the West 557.0 feet of the W 1/2 of the SW 1/4 of Section 11; thence South along said East line to a point on the North line of the South 475.0 feet of the W 1/2 of the SW 1/4 of Section 11; thence East along said North line, 103.0 feet to a point on the East line of the West 660.0 feet of the W 1/2 of the SW 1/4 of Section 11; thence South 50.0 feet along the said East line to a point on the North line of the South 425.0 feet of the W 1/2 of the SW 1/4 of Section 11; thence East along said North line to a point on the West line of the East 220.0 feet of the W 1/4 of the S 1/2 of the SW 1/4 of the SW 1/4 of Section 11; thence North along the said West line to a point on the North line of the SE 1/4 of the SW 1/4 of the SW 1/4 of Section 11; thence East along said North line to a point on the East line of the SW 1/4 of the SW 1/4 of Section 11; thence North along said East line to a point on the North line of the South 754.3 feet of the SE 1/4 of the SW 1/4 of Section 11; thence East along said North line to a point on the East line of the West 231.0 feet of the SE 1/4 of the SW 1/4 of Section 11; thence South along said East line to a point on the North line of South 708.0 feet of the SE 1/4 of the SW 1/4 of Section 11; thence East along said North line to a point on the West line of the East 202.0 feet of the W 1/2 of the SE 1/4 of the SW 1/4 of Section 11; thence South along said West line to the point of intersection with the South line of Lot 19 of Madelyn Plat No. 1 extended West; thence East to the SW corner of said Lot 19; thence East along the South line of said Lot 19 to a point on the West line of Lot 18 of Madelyn Plat No. 1; thence South to the SW corner of Lot 16 of Madelyn
Plat No. 1; thence Northeasterly to the SE corner of said Lot 16; thence Southerly and Easterly along the Westerly and Southerly right-of-way line of Madelyn Drive to the West right-of-way line of DeHoop Avenue; thence East on said Southerly right-of-way line extended to a point on the North-South ¼ line of Section 11 (DeHoop Avenue); thence North along said North-South ¼ line of Section 11 to the point of intersection with the South line of Lot 1 of Sherwood Forest extended West; thence East along the South line of Sherwood Forest to a point on the East line of West 250.0 feet of the SW ¼ of the SE ¼ of Section 11; thence South along said East line to a point on the North line of the South 891.0 feet of the SW ¼ of the SE ¼ of Section 11; thence East 60.0 feet along said North line to a point on the East line of the West 310.0 feet of the SW ¼ of the SE ¼ of Section 11; thence South along the said East line to the point of intersection with the North line of Lot 8 of Lenger Plat extended West; thence East to the NW corner of said Lot 8; thence South to the SW corner of Lot 10 of Lenger Plat; thence East to the SE corner of Lot 10 of Lenger Plat and the West right-of-way line of Doncaster Avenue; thence South along said West right-of-way line 15.0 feet; thence East to a point on the East right-of-way line of Doncaster Avenue, said point lying 15.0 feet South of the SW corner of Lot 2 of Lenger Plat; thence North along said East right-of-way line 15.0 feet to the SW corner of said Lot 2; thence East to the SE corner of said Lot 2 and West line of Sherwood Forest No. 1; thence South to the SW corner of said Sherwood Forest No. 1; thence East to SE corner of Sherwood Forest No. 1; thence North along the East line of Sherwood Forest No. 1 to a point on the North line of the South 75.0 feet of the W ½ of the E ½ of the NE ¼ of the SW ¼ of the SE ¼ of Section 11; thence East along said North line to a point on the East line of the W ½ of the E ½ of the NE ¼ of the SW ¼ of
the SE ¼ of Section 11; thence North along said East line to a point on the North line of the South 85.0 feet of the E ½ of the E ½ of the NE ¼ of the SW ¼ of the SE ¼ of Section 11; thence East along said North line to a point on the West line of Clyde Park Hills; thence North to the NW corner of Lot 113 of Clyde Park Hills; thence East to NE corner of said Lot 113; thence East on North line of said Lot 113 extended to a point on the West line of Lot 142 of Clyde Park Hills; thence South to the NW corner of said Lot 143; thence East to NE corner of said Lot 143; thence Northeasterly to the most N’ly corner of Lot 148 of Clyde Park Hills; thence Southeasterly to the NE’ly corner of said Lot 148; thence Southeasterly to the NW corner of Lot 87 of Clyde Park Hills; thence Southerly along the Easterly right-of-way line of Longfellow Avenue to a point 35.0 feet Northerly of the SW corner of Lot 88 of Clyde Park Hills; thence Southeasterly to a point on the East line of said Lot 88, halfway between the NE corner and the SE corner of said Lot 88; thence South to the NW corner of Lot 73 of Clyde Park Hills; thence East to the NE corner of said Lot 73; thence Easterly to the NW corner of Lot 62 of Clyde Park Hills; thence East to the NE corner of Lot 41 of Clyde Park Hills; thence South to the NE corner of said Lot 40; thence Easterly to the NW corner of Lot 31 of Clyde Park Hills; thence East to the NE corner of said Lot 31; thence North to the NW corner of Lot 6 of Clyde Park Hills; thence East to the NE corner of said Lot 6; thence East on the North line of said Lot 6 extended to the point of intersection with the East line of Section 11 (Clyde Park Avenue) and the West line of Section 12; thence North along said West line of Section 12 to the NW corner of Tulum Addition; thence East to the NE corner of Tulum Addition and a point on the West line of Altimont Addition; thence North on the said West line to the point of intersection of a line lying 20.5 feet North of and parallel
with the North line of Lot 22 of Altamont Addition; thence East parallel with the North line of said Lot 22 to the centerline of vacated alley; thence South along said centerline to the point of intersection of the North line of Lot 54 of Altamont Addition extended West; thence East to the NE corner of said Lot 54; thence Easterly to a point on the East right-of-way line of Woodward Avenue, said point lying 5.0 feet North of the NW corner of Lot 22 of Buena Vista Addition; thence East parallel to the North line of said Lot 22 to the centerline of vacated alley; thence North along said centerline to the point of intersection of a line lying 11.5 feet South of and parallel with the North line of Lot 51 of Buena Vista Addition; thence East parallel with the North line of said Lot 51 to a point on the centerline of Longstreet Avenue; thence North along said centerline to the SW corner of Assessor's Plat of Longstreet's Unrecorded Plat; thence East to the SE corner of said Assessor's Plat of Longstreet's Unrecorded Plat and a point on the West line of Wyoming Hills; thence South to the NW corner of Lot 92 of Wyoming Hills; thence East to the NE corner of Lot 83 of Wyoming Hills; thence South to the SE corner of Lot 84 of Wyoming Hills; thence West to the NE corner of the West ½ of Lot 85 of Wyoming Hills; thence South parallel with the West line of said Lot 85 to a point on the North right-of-way line of 28th Street; thence East along said North right-of-way line to a point 1084.90 feet more or less West of the East line of the W ½ of the SE ¼ of Section 12; thence Northwesterly to a point on the South right-of-way line of Terminal Street, 1246.03 feet more or less West of the East line of W ½ of the SE ¼ of Section 12; thence East 1246.03 feet more or less along said South right-of-way line to a point on the East line of the W ½ of the SE ¼ of Section 12; thence North along said East line to a point on the Southwesterly right-of-way line of railroad; thence Southeasterly along said Southwesterly
right-of-way line to a point on the East line of Section 12 (Division Avenue); thence South along East line of Section 12 to the SE corner of Section 12 and the NE corner of Section 13; thence South along the East line of Section 13 to the point of intersection of the South line of Lot 46 of Hazen Heights extended East; thence West to the SW corner of Lot 40 of Hazen Heights; thence North to the NW corner of said Lot 40; thence West to the NW corner of Lot 27 of Hazen Heights; thence South to the SW corner of said Lot 27; thence West to the SW corner of Lot 26 of Hazen Heights; thence West along the South line of said Lot 26 extended to a point on the West right-of-way line of Buchanan Avenue; thence South along the said West right-of-way line to the North right-of-way line of Colrain Street; thence West along said North right-of-way line to a point on the East line of the West 714.0 feet of the NE 1/4 of Section 13; thence North along said East line to a point on the South right-of-way line of 28th Street; thence West said South right-of-way line to the point of intersection with the Westerly right-of-way line of US Highway 131; thence Southerly along the said Westerly right-of-way line to the point of intersection with the Northerly right-of-way line of Falmouth Drive; thence Northwesterly along said Northerly right-of-way line to the most Westerly corner of Lot 84 of Eppingtown; thence Southwesterly to the SE corner of Lot 28 of Eppingtown; thence Westerly to the SE corner of Lot 18 of Eppingtown; thence West to the SW corner of said Lot 18; thence West along the South line of said Lot 18 extended to the point of intersection with the centerline of Highgate Avenue; thence North along said centerline to the point of intersection with the South line of Lot 5 of Walter Lang Addition extended East; thence West to SW corner of said Lot 5 and a point on the East line of Beals, Brace & Wight's Addition; thence South to SE corner of Lot 8, Block 2 of Beals, Brace & Wight's Addition.
Addition; thence West to the SW corner of Lot 8, Block 1 of Beals, Brace & Wight's Addition and a point on the East line of Beals Farm Addition; thence South on said East line to a point 8.0 feet South of the NE corner of Lot 6 of Beals Farm Addition; thence West parallel with the North line of said Lot 6 to a point on the centerline of Woodward Avenue; thence South along the said centerline to the NE corner of Baker-Huizen Plat No. 1; thence West to the NW corner of Baker-Huizen Plat No. 1; thence South along the West line of Baker-Huizen Plat No. 1 to the point of intersection with the North line of Lot 57 of Baker-Huizen Plat No. 1; thence West along said North line to the NW corner of said Lot 57 and the NE corner of Lot 56 of Baker-Huizen Plat; thence West to the NW corner of Baker-Huizen Plat and a point on the West line of Section 13 (Clyde Park Avenue) and the East line of Section 14; thence North along said East line of Section 14 to the NE corner of Rogers Heights Plat No. 2; thence West to the NW corner of Rogers Heights Plat No. 2; thence South along the West line of Rogers Heights Plat No. 2 to the point of intersection with the centerline of Canterbury Street extended West; thence West along said centerline extended 606.57 feet; thence South 30.0 feet perpendicular to said centerline extended; thence West parallel to said centerline extended to the point of intersection with the North-South ¼ line of Section 14 (Michael Avenue), said point lying 786.73 feet South of the N ¼ corner of Section 14; thence South along the North-South ¼ line of Section 14 to the point of intersection with the Northerly right-of-way line of Prairie Parkway extended East; thence Westerly along said Northerly right-of-way line to the point of intersection with the East right-of-way line of Burlingame Avenue; thence Westerly to the point of intersection of the Northerly right-of-way line of Prairie Parkway Westerly and the West right-of-way line of Burlingame Avenue; thence Westerly along the
said Northerly right-of-way line to the point of intersection with the North line of the South 1571.6 feet of the NE ¼ of Section 15; thence West along said North line to a point which is 1089.0 feet South and 819.0 feet West of the NE corner of Section 15; thence Northeasterly to a point on the East line of Lot 5 of 28th Street Office Plaza extended South; said point lying 22.37 feet South of the SE corner said Lot 5; thence North 22.37 feet to SE corner of said Lot 5; thence West to the SW corner of said Lot 5; thence North to the NW corner of Lot 3 of 28th Street Office Plaza; thence Westerly to the SE corner of Lot 9 of 28th Street Office Plaza; thence Westerly to the SW corner of Lot 10 of 28th Street Office Plaza; thence South along the West line of Lot 8 of 28th Street Office Plaza to a point of intersection with the South line of North 400.0 feet of the NE ¼ of Section 15; thence West along said South line to a point on the East line of the West 31.5 feet of the E ¼ of the NE ¼ of Section 15; thence South along said East line to a point on the North line of Gardentown Village, said point lying 133.5 feet West of the NE corner of Gardentown Village; thence West to the NW corner of Gardentown Village and the NE corner of Lot 1 of Taft Park; thence North to a point on the South line of the North 201.8 feet of the NE ¼ of Section 15; said point lying 202.4 feet East of the East right-of-way line of Taft Avenue; thence West 202.4 feet parallel with the North line of Section 15 to the East right-of-way line of Taft Avenue; thence Northwesterly to a point on the West right-of-way line of Taft Avenue; said point lying 180.04 feet South, measured along the said West right-of-way line, from the North line of Section 15; thence West to a point on the East line of the West 760.0 feet of the NE ¼ of Section 15; said point lying 184.0 feet South of the North line of Section 15; thence North 10.0 feet along said East line; thence West parallel with the North line of Section 15 to the NE corner of Lot 20 of Roosien's
Wyoming Township Plat; thence West to the NW corner of Lot 1 of Roosien’s Wyoming Township Plat; thence West parallel with the North line of Section 15 to a point on a line which is 60.0 feet East of and parallel with the East line of Tuinstra Plat; said point lying 174.0 feet South of the North line of Section 15; thence South along said line 56.0 feet; thence West parallel with the North line of Section 15 to a point on the West line of Tuinstra Plat, said point lying 230.0 feet South of the North line of Section 15; thence North to the SE corner of Lot 3 of Tuinstra Plat; thence West to the SW corner of Lot 1 of Tuinstra Plat; thence Westerly to the SE corner of Lot 1 of Fountain Plat; thence West to the SW corner of Lot 2 of Fountain Plat and a point on the East line of Lot 46 of Katy Plat; thence South on said East line, to a point lying 60.0 feet North of the SE corner of said Lot 46; thence West parallel with the South line of said Lot 46 to the East right-of-way line of Sharon Avenue; thence Westerly to SE corner of Lot 2 of Katy Plat; thence West to the SW corner of Lot 1 of Katy Plat; thence South to the NE corner of Crestline Addition; thence West to the NW corner of Crestline Addition and a point on the East line of the W ½ of the E ½ of the W ½ of the E ½ of the NW ¼ of Section 15; thence North on said East line to a point on the South line of the North 350.0 feet of the NW ¼ of Section 15; thence West parallel with the North line of Section 15 to a point on the East line of the West 15.0 feet of the NE ¼ of the NW ¼ of Section 15; thence South 65.0 feet along the said East line to a point on the South line of the North 415.0 feet of the NW ¼ of Section 15; thence West parallel with the North line of Section 15 to a point on the West line of the East 38.0 feet of the West 1086.1 feet of the NW ¼ of Section 15; thence North 20.0 feet along the said West line to a point on the South line of the North 395.0 feet of the NW ¼ of Section 15; thence West parallel with the North line of Section 15 to
a point on the East line of the West 916.1 feet of the NW ¼ of Section 15; thence South 92.0 feet along said East line to a point on the South line of the North 487.0 feet of the NW ¼ of Section 15; thence West parallel with the North line of Section 15 to a point on the East line of the West 784.1 feet of the NW ¼ of Section 15; thence South along said East line to a point on the North line of Lot 8 of Storm Plat; thence West to the NW corner of Lot 1 of Storm Plat; thence South along said West line of said Lot 1 to a point on the South line of the North 573.13 feet of the NW ¼ of Section 15; thence West along said South line to a point on the West line of Section 15 (Byron Center Avenue); thence North to the NW corner of Section 15 and place of beginning.
Full Legal Description available at the Office of the City Clerk.
DOWNTOWN DEVELOPMENT AUTHORITY
OF THE CITY OF WYOMING

BYLAWS

ARTICLE I

BOARD OF DIRECTORS

Section 1. The business and property of the authority shall be managed and
directed by the board of directors, consisting of all of the members of which who shall
serve terms as provided in the ordinance creating the authority.

Section 2. The fiscal year of the authority shall begin on July 1 of each year
and end on the next succeeding June 30. The board annually at its first regular meeting in
shall elect a chairman, vice-chairman, secretary and treasurer. The officers
so elected shall be for a term of one (1) year or any part thereof as may be determined,
and until a successor is designated. No term of office created under this section shall
extend beyond the term of the member designated.

Section 3. The board may employ and fix the compensation of a Director,
subject to the approval of the Council. The Director shall not be a member of the board.
The board may employ a deputy secretary and deputy treasurer who need not be members
of the board and, subject to the approval of the Council, may fix the compensation of the
deputy secretary and deputy treasurer. The Director, deputy secretary and deputy
treasurer shall serve at the pleasure of the board for no definite term of office. 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.

Section 4. The board may exercise all powers provided by Act 197, Public Acts
of Michigan, 1975, as amended, or otherwise by law including those bestowed by the
ordinance establishing the authority.

Section 5. The board shall have the power to engage and employ such manual,
clerical, technical, financial and professional assistants as in its judgment may be
necessary and is incidental to carry out the purposes of the authority.

Section 6. The board may adopt an official seal.

Section 7. The board shall cause an annual audit of its business to be made and
the result thereof shall be submitted to the Council.
ARTICLE II

MEETINGS

Section 1. Meetings of the board shall be held in accordance with the provisions of the Michigan Open Meetings Act, being Act 267 of the Public Acts of Michigan, 1976, as amended, and shall be held in the City of Wyoming, Michigan.

Section 2. Regular meetings of the board shall be held at ______ o’clock, ___m. on ____________________.

Section 3. Special meetings shall be held whenever called by direction of the chairman, Director, or any two (2) members of the board on eighteen (18) hours’ written notice of the time and place of meeting. A waiver of notice in writing signed by a member entitled to such notice, whether before or after the time of the meeting, shall be deemed the equivalent to the giving of such notice.

Section 4. A majority vote of the members of the board shall be necessary for the transaction of any and all business or the passage of any resolution.

Section 5. At meetings of the board, business shall be transacted in such order as from time to time the board may determine.

ARTICLE III

OFFICIALS

Section 1. The chairman shall preside at meetings of the board and shall do and perform such other duties as may be from time to time assigned by the board. The vice chairman shall perform the duties of the chairman in the chairman’s absence and such other duties as shall from time to time be assigned by the board.

Section 2. (1) if a Director is appointed, then the Director shall be the chief executive officer of the authority. Before entering upon the duties of his 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 City 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. 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 law. The Director shall attend the meetings of the board, and shall render to the board and to the Council 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 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 may require from time to time.

(2) The Director annually 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 by law and by the Council.

Section 3. The secretary shall maintain custody of the official seal and of records, books, documents, or other papers of the authority 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. The deputy secretary shall carry out such duties as are assigned by the secretary or the board.

Section 4. The treasurer shall keep the financial records of the authority and, 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 by the board and shall furnish bond in an amount as prescribed by the board. The deputy treasurer shall carry out such duties as are assigned by the treasurer or the board.

Section 5. All checks shall be signed by the treasurer and countersigned by either the chairman or the secretary, except as otherwise provided by the board.

ARTICLE IV

BYLAWS

Section 1. The board shall have power to make, alter or amend the bylaws in whole or in part, to be effective upon approval of the Council. Written copies of the proposed changes shall be delivered to the board prior to submission for approval at the next preceding regular or special meeting of the board.
Section 2. These bylaws shall become effective upon approval of the City Council of the City of Wyoming. Until such approval the bylaws shall be temporary bylaws for the authority.

Adopted ____________, 199_

__________________________
Secretary

Approved by the City Council of the City of Wyoming on ____________, 199_

__________________________
City Clerk
Downtown Development Authority of the
City of Wyoming
County of Kent, State of Michigan

RESOLUTION APPROVING BYLAWS FOR THE
DOWNTOWN DEVELOPMENT AUTHORITY OF THE
CITY OF WYOMING

Minutes of a regular meeting of the Board of Directors of the Downtown
Development Authority of the City of Wyoming, County of Kent, State of Michigan, held in the
City Hall in the City of the Wyoming on the 4th day of February, 1999, at
8 o'clock a.m., Eastern Standard Time.

PRESENT: Members Coombs, Davis, Harkema, Hoekstra, Keller, Kochneff, Lown,
Schab, VanderVeen

ABSENT: Members None

The following preamble and resolution were offered by Member and Davis and
supported by Member Lown.

WHEREAS, the City of Wyoming (the “City”) is authorized by the provisions of Act
197, Public Acts of Michigan, 1975, as amended (“Act 197”), to create a downtown
development authority; and .

WHEREAS, it is necessary for the best interests of the public, to halt property value
deterioration and increase property tax valuation where possible in the business district of the
City, to eliminate the causes of such deterioration, and to promote economic growth; and

WHEREAS, a proposed ordinance designating a downtown district and incorporating a
downtown development authority pursuant to Act 197 has been adopted by the City Council;
and
WHEREAS, the Board of Directors of the Downtown Development Authority of the City of Wyoming (the "DDA") deems it appropriate to approve the Bylaws of the DDA.

NOW, THEREFORE, BUT IT RESOLVED THAT:

1. The Bylaws of the DDA, a form of which is attached hereto, are hereby approved.

2. The Secretary of the DDA is hereby authorized to transmit a copy of the Bylaws, together with a certified copy of this resolution, to the City Council of the City of Wyoming requesting its approval.

3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members Coombs, Davis, Harkema, Hoekstra, Keller, Kochneff, Lown, Schab, VanderVeen

NAYS: Members None

RESOLUTION DECLARE ADOPTED.

City Clerk

DELIB:2031581.1/098873-00025
Downtown Development Authority of the
City of Wyoming
County of Kent, State of Michigan

RESOLUTION APPROVING BYLAWS FOR THE
DOWNTOWN DEVELOPMENT AUTHORITY OF THE
CITY OF WYOMING

Minutes of a meeting of the Board of Directors of the Downtown Development Authority of the City of Wyoming, County of Kent, State of Michigan, held in the in the City of the Wyoming on the day of , 199, at o'clock m., Eastern Time.

PRESENT: Members


ABSENT: Members

The following preamble and resolution were offered by Member and and supported by Member .

WHEREAS, the City of Wyoming (the “City”) is authorized by the provisions of Act 197, Public Acts of Michigan, 1975, as amended (“Act 197”), to create a downtown development authority; and .

WHEREAS, it is necessary for the best interests of the public, to halt property value deterioration and increase property tax valuation where possible in the business district of the City, to eliminate the causes of such deterioration, and to promote economic growth; and

WHEREAS, a proposed ordinance designating a downtown district and incorporating a downtown development authority pursuant to Act 197 has been adopted by the City Council; and
WHEREAS, the Board of Directors of the Downtown Development Authority of the City of Wyoming (the “DDA”) deems it appropriate to approve the Bylaws of the DDA.

NOW, THEREFORE, BUT IT RESOLVED THAT:

1. The Bylaws of the DDA, a form of which is attached hereto, are hereby approved.

2. The Secretary of the DDA is hereby authorized to transmit a copy of the Bylaws, together with a certified copy of this resolution, to the City Council of the City of Wyoming requesting its approval.

3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

AYES: Members

NAYS: Members

RESOLUTION DECLARE ADOPTED.

City Clerk

DELIB:2031581.15098873-00025
November 30, 1998

Mr. Jason Cherry
1155 28th Street, SW
P.O. Box 905
Wyoming, Michigan 49509-0905

Re: City of Wyoming DDA

Dear Mr. Cherry:

In response to your telephone call, I reviewed the documentation in our file. I understand that the City of Wyoming has adopted an ordinance establishing the Downtown Development Authority. There are no Articles of Incorporation required for the Authority. However, I am enclosing a set of Bylaws for consideration by the Authority and the City.

I am also enclosing two (2) resolutions, one each for the Authority and the City. According to the Ordinance, the City Council must approve the Bylaws of the Authority. The Authority should first adopt the resolution approving the Bylaws, and then request approval from the City Council.

If you have any questions, please do not hesitate to call.

Very truly yours,

DONALD W. KEIM

By: [Signature]

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

cc: Joel L. Piell, Esq.

DELIB:2031566.1098873-00025
DOWNTOWN DEVELOPMENT AUTHORITY

PLAN INFORMATION
## ESTIMATED TAX CAPTURE ON BASE VALUE ONLY

**WYOMING DDA 1999 THROUGH 2008**

<table>
<thead>
<tr>
<th>Year</th>
<th>Inflation Rate</th>
<th>Taxable Value [C+(C*B)]</th>
<th>Base District Value</th>
<th>Taxable Increment (C-D)</th>
<th>Estimated Captured Millage (E*.01904)</th>
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**Total** $775,943

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<th>Year</th>
<th>Inflation Rate</th>
<th>New Development Value $[C+280,000]</th>
<th>Inflation Adjusted Value $B \times C</th>
<th>Captured Millage on New Development $D \times 0.01904</th>
<th>Base Captured Amount $b</th>
<th>Combined Captured Amounts $E+F</th>
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<td>$2,870,000</td>
<td>$54,645</td>
<td>$150,877</td>
<td>$205,522</td>
</tr>
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</table>

**TOTALS:** $15,778,000 $300,413 $775,942 $1,076,355

a) Based upon average annual value of major new projects along 28th Street, 1988 to 1996.

b) From Estimated Tax Capture on Base Value Table

**SOURCE:** Wyoming Planning and Development 1/99.
Phase II improvements are interpreted as the implementation of the current MDOT grant for 28th Street landscaping, Clyde Park to Burlingame Avenues. That project will be completed during the 1999/2000 fiscal year, mostly as a City of Wyoming project. However, there are several new ideas for the area that might also be considered in Phase I, with possible DDA funding. Phase II improvements are future ones, to be considered by the newly formed Wyoming Downtown Development Authority. They are expected to be reviewed and prioritized by the DDA, as part of the DDA Plan, with recommendations to City Council in early 1999 for possible funding by the DDA, City Council or a combination thereof.
Suggested Improvement Projects for the Wyoming DDA District

Staff has compiled a list of possible improvement projects and the estimated costs of these projects that have been suggested for implementation within the 28th Street corridor. Input regarding these projects was from the 28th Street Committee of the Wyoming Chamber of Commerce. The input from the new Downtown Development Authority will be necessary to come up with the preferred alternatives for funding from captured tax revenues. These projects do not include the current MDOT funded 28th Street landscaping project from Clyde Park to Burlingame. The costs indicated are for the three-mile DDA area unless otherwise indicated.

1. Yearly maintenance of the parkway along 28th Street: Estimated cost for yearly mowing for the entire three-mile strip after landscaping is installed: $30,000.

2. Remove the existing power poles along 28th Street: Reroute the electrical lines to the rear of the buildings on both sides of the 1/2 mile stretch from Clyde Park to Michael Street. Estimated time to complete: 6 months. Estimated cost: $500,000.

3. Street vacatings: The following six streets stub, or ends, could be considered for vacating. This would improve traffic safety and provide much needed parking or building expansion area for businesses located adjacent to them: North of 28th Street: Riley, Tennyson, and McKee. South of 28th Street: Woodward, Longstreet, and Charlesgate. Estimated time to complete: Four months. Estimated cost: $42,000.

4. Sidewalks and Landscaping: After completion of the landscape along 28th Street that has been funded with the MDOT grant, between Clyde Park and Burlingame Ave., the next area for completion should be Clyde Park to the U.S. 131 freeway, the City’s “front door”, should be completed; next should be U.S. 131 to Division Ave., and finally the section of 28th Street from Burlingame to Byron Center Ave.. Landscaping will include the installation of an irrigation system for the parkway lawn area. Estimated time to complete: one year per segment. Estimated cost: 2 million dollars. (Note: this is the same treatment as for the current MDOT grant from Burlingame to Clyde Park. A less extensive treatment could be considered for these other portions of 28th Street.)

5. Replace traffic signals at all nine intersections within the DDA with signal arm structures. Estimated time to complete: several years. Estimated Cost: $900,000.

6. Elimination of ten curb cuts that are dangerous, unworkable, or useless via ordinance amendments and/or voluntary closure: Estimated time for completion: Several years. Estimated cost: $30,000.

7. Purchase banners for the entire DDA: Based upon a cost of $225.00 per pole, installed, each pole 100 feet apart - $250,000.
8. **Purchase large Christmas decorations:** For the area between Clyde Park and Burlingame; 200 feet apart - $300 per pole at 200 feet apart: **$15,600**. Maintenance and Installation: **$6,000**.

9. **Purchase individual properties within the district in order to assemble larger parcels for development:** Time required: variable. Estimated Cost: Up to **$1,000,000 or more**. *(Based upon developer request or a specific plan.)*
TRANSPORTATION ENHANCEMENT FUND APPLICATION

Information required by Michigan Department of Transportation, by authority of the Transportation Equity Act for the 21st Century of 1998, to apply for funding.

APPLICATION INFORMATION

APPLICANT AGENCY: Must indicate one of the following:
- MOOT
- County Road Commission
- MDNR

ELIGIBLE APPLICANT NAME
City of Wyoming

PROJECT NAME: ROUTE NO./FACILITY NAME
28th Street Streetscape, Phase II, Clyde Park - Burlingame Avenues

APPLICANT MAILING ADDRESS
1155 - 28th Street, S.W.

CONTACT PERSON
Gerald J. Mears

PROJECT DESCRIPTION

LOCATION
COUNTY
Kent
MCOT REGION (See region map)
5
CITY/VILLAGE/TWP
Wyoming
ROUTE NO./STREET NAME/FACILITY NAME
Along 28th Street H-11) Between Clyde Park and Burlingame Avenues
CONTROL SECTION (MCOT projects only)
LENGTH (To nearest tenth of mile)
1.0
PROJECT LIMITS
Part of Wyoming's DDA area

PROJECT CATEGORIZATION: Check all boxes that apply. Attachment C must be completed for every project category selected.

NON-MOTORIZED
- Provision of Facilities for Pedestrians and Bicycles
- Preservation of Abandoned Railway Corridors
- Provision of Safety and Educational Activities for Pedestrians and Bicyclists

TRANSPORTATION AESTHETICS
- Scenic Highway Programs
- Acquisition of Scenic Easements and Scenic Sites
- Landscaping and Other Scenic Beautification
- Control and Removal of Outdoor Advertising

HIGHWAY/RUNOFF
- Mitigation of Water Pollution Due to Highway Runoff
- Reduction of Vehicle-Caused Wildlife Mortality

HISTORIC PRESERVATION
- Acquisition of Historic Sites
- Historic Highway Programs
- Historic Preservation
- Renovation and Operation of Historic Transportation Buildings, Structures, or Facilities (Including railroad facilities and canals)
- Archaeological Planning and Research
- Establishment of Transportation Museums

IS PROJECT A CONTINUATION OF A PREVIOUSLY FUNDED PROJECT? □ Yes □ No

DOES LOCAL UNIT OF GOVERNMENT SUPPORT PROJECT? (If yes, resolution of support must be included in Att. H.) □ Yes □ No

IS PROJECT ON A STATE HIGHWAY? (If yes, letter of approval from the MDOT region must be included in Attachment H.) □ Yes □ No

IS PROJECT WITHIN A METROPOLITAN PLANNING ORGANIZATION (M.P.O.) BOUNDARY? (If yes, letter of support from the M.P.O. must be included in Attachment H.) □ Yes □ No

DOES PROJECT HAVE SUPPORT OF TRANSPORTATION AGENCY (e.g. county road commission, city street administration, local transit agency) WITH JURISDICTION OVER THE FACILITY? (If yes, letter of support from the agency must be included in Attachment H.) □ Yes □ No

FUNDS REQUESTED, LOCAL MATCH AND SOURCE

Funds Requested
$175,000

Local Match (Must be at least 20% of participating project cost)
$175,000

Total Participating Project Costs (Funds Requested plus Local Match)
$350,000

Non-Participating Project Costs

Source of Local Match (Obligated funds, prospective loan, future revenues, DDA, etc.)
Obligated Funds

Source of Non-Participating Funds

CHECKLIST

Attachment A: Description of Proposed Project
Attachment B: Maps, Plans and Photographs
Attachment C: Evidence of Eligibility by Project Category
Attachment D: Benefits of Proposed Project
Attachment E: Environmental Review
Attachment F: Budget and Implementation Schedule
Attachment G: Proposed Maintenance Plans, Agreements and Preservation Covenants
Attachment H: Resolutions of Support and Letters of Approval

SIGNATURE
Donald L. Mason, City Manager

NAME and TITLE (Print or Type)

DATE
1/13/99
TRANSPORTATION ENHANCEMENT FUND APPLICATION

Information required by Michigan Department of Transportation, by authority of the Transportation Equity Act for the 21st Century of 1998, to apply for funding.

APPLICANT INFORMATION

1. APPLICANT AGENCY - Must indicate one of the following:
   ( ) MDOT
   ( ) County Road Commission
   ( ) Eligible City Agency
   ( ) State Program

2. ELIGIBLE APPLICANT NAME
   City of Wyoming

3. SPONSOR(S) (Attach address and phone number for each sponsor listed.)
   City of Wyoming

4. PROJECT NAME: ROUTE NO./FACILITY NAME
   28th Street Streetscape, Phase II, Clyde Park - Division Avenues

5. APPLICANT MAILING ADDRESS
   1155 - 28th Street, S.W.

6. CONTACT PERSON
   Gerald J. Mears

PROJECT DESCRIPTION

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>MCOT REGION (See region map)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kent</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Wyoming</td>
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<table>
<thead>
<tr>
<th>ROUTE NO./STREET NAME/FACILITY NAME</th>
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<tbody>
<tr>
<td>Along 28th Street (M-11) Between Clyde Park and Division Avenues</td>
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</table>

<table>
<thead>
<tr>
<th>CONTROL SECTION (MCOT projects only)</th>
<th>LENGTH (To nearest tenth of mile)</th>
<th>PROJECT LIMITS</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>1.0</td>
<td>Part of Wyoming's DDA area</td>
</tr>
</tbody>
</table>

7. LOCATION

8. TYPE OF WORK - Describe proposed work in one sentence.
   Provide sidewalks, where missing, street trees, new parkway, lawn and decorative pavers.

9. PROJECT CATEGORY - Check all boxes that apply. Attachment C must be completed for every project category selected.

   - MCOT/CORRIDOR
   - Provision of Facilities for Pedestrians and Bicyclists
   - Preservation of Abandoned Railway Corridors
   - Provision of Safety and Educational Activities for Pedestrians and Bicyclists
   - TRANSPORTATION AESTHETICS
   - Scenic Highway Programs
   - Acquisition of Scenic Easements and Scenic Sites
   - Landscaping and Other Scenic Beautification
   - Control and Removal of Outdoor Advertising
   - HIGHWAY RUNOFF
   - Mitigation of Water Pollution Due to Highway Runoff
   - Reduction of Venice-Caused Wildlife Mortality
   - HISTORIC PRESERVATION
   - Acquisition of Historic Sites
   - Historic Highway Programs
   - Historic Preservation
   - Rehabilitation and Operation of Historic Transportation Buildings, Structures, or Facilities (including railroad facilities and canals)
   - Archaeological Planning and Research
   - Establishment of Transportation Museums

10. IS PROJECT A CONTINUATION OF A PREVIOUSLY FUNDED PROJECT?
    - Yes
    - No

11. DOES LOCAL UNIT OF GOVERNMENT SUPPORT PROJECT? (If yes, resolution of support must be included in Att. H.)
    - Yes
    - No

12. IS PROJECT ON A STATE HIGHWAY? (If yes, letter of approval from the MCOT region must be included in Attachment H.)
    - Yes
    - No

13. IS PROJECT WITHIN A METROPOLITAN PLANNING ORGANIZATION (M.P.O.) BOUNDARY?
    - Yes
    - No

14. DOES PROJECT HAVE SUPPORT OF TRANSPORTATION AGENCY (e.g. county road commission, city street administration, local transit agency) WITH JURISDICTION OVER THE FACILITY?
    - Yes
    - No

FUNDs REQUESTED, LOCAL MATCH AND SOURCE

<table>
<thead>
<tr>
<th>FUNDS REQUESTED</th>
<th>LOCAL MATCH (Must be at least 20% of participating project cost)</th>
<th>TOTAL PARTICIPATING PROJECT COSTS (Funds Requested plus Local Match)</th>
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</thead>
<tbody>
<tr>
<td>$ 400,000</td>
<td>$ 400,000</td>
<td>$ 800,000</td>
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<table>
<thead>
<tr>
<th>SOURCE OF LOCAL MATCH (Obligated funds, prospective loan, future revenues, DDA, etc.)</th>
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<tr>
<td>Obligated Funds</td>
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<table>
<thead>
<tr>
<th>SOURCE OF NON-PARTICIPATING FUNDS</th>
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</thead>
<tbody>
<tr>
<td>TOTAL (Participating plus Non-participating Costs)</td>
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<tr>
<td>$ 800,000</td>
</tr>
</tbody>
</table>

CHECKLIST

- Attachment A - Description of Proposed Project
- Attachment B - Maps, Plans and Photographs
- Attachment C - Evidence of Eligibility by Project Category
- Attachment D - Benefits of Proposed Project
- Attachment E - Environmental Review
- Attachment F - Budget and Implementation Schedule
- Attachment G - Proposed Maintenance Plans, Agreements and Preservation Covenants
- Attachment H - Resolutions of Support and Letters of Approval

17. SIGNATURE

[Signature]

NAME and TITLE: Print or Type
Donald L. Mason, City Manager

DATE
1/13/99
City Council Retreat Outline

28th Street Landscaping Project

I. Design Plan
   • Overall Design
   • Sidewalk R.O.W. Acquisition
   • Tree Spacing and Species
   • Corners Treatment
   • Retaining Walls
   • Bus Stops
   • Jenkins Intersection

II. Project Costs
   • Comparison - FTCH Cost Table, MDOT Grant
     - MDOT Exceptions
     - Pedestrian Lighting
   • Project Financing Alternatives
     - Major Street Fund
     - City General Fund
     - DDA Bonding
     - Special Assessment
Right-of-way Acquisition

WYOMING VILLAGE MALL
41-17-14-126-412

CITY OF WYOMING

28TH STREET SIDEWALK & LANDSCAPE
Jenkins Ave. Intersection
• Narrow parkway

• Wide parkway

PROPOSED PARKWAY
Tree Spacing
Tree Spacing
# Proposed Tree Species

## Wyoming Streetscape Tree Plantings

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Common Name</th>
<th>Scientific Name</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>AM</td>
<td>Amur Maple</td>
<td>Acer ginnala</td>
<td></td>
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<tr>
<td>TM</td>
<td>Tatarian Maple</td>
<td>Acer tataricum</td>
<td></td>
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<tr>
<td>PC</td>
<td>Prairie Fire Crabapple</td>
<td>Malus 'Prairie Fire'</td>
<td></td>
</tr>
<tr>
<td>SDC</td>
<td>Snowdrift Crabapple</td>
<td>Malus 'Snowdrift'</td>
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</tr>
<tr>
<td>SSC</td>
<td>Spring Snow Crabapple</td>
<td>Malus 'Spring Snow'</td>
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</tr>
<tr>
<td>JL</td>
<td>Japanese Tree Lilac</td>
<td>Syringa reticulata 'Ivory Silk'</td>
<td></td>
</tr>
<tr>
<td>CP</td>
<td>Cleveland Select Callery Pear</td>
<td>Pyrus calleryana 'Cleveland Select'</td>
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</tr>
<tr>
<td>AA</td>
<td>Autumn Applause White Ash</td>
<td>Fraxinus americana 'Autumn Applause'</td>
<td></td>
</tr>
<tr>
<td>AC</td>
<td>Cleveland Norway Maple</td>
<td>Acer platanoides 'Cleveland'</td>
<td></td>
</tr>
</tbody>
</table>
# Proposed Tree Species

**Wyoming Streetscape Tree Plantings**

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Common Name</th>
<th>Scientific Name</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>AM</td>
<td>Amur Maple</td>
<td>Acer ginnala</td>
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</tr>
<tr>
<td>TM</td>
<td>Tatarian Maple</td>
<td>Acer tataricum</td>
<td></td>
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<tr>
<td>PC</td>
<td>Prairie Fire Crabapple</td>
<td>Malus 'Prairie Fire'</td>
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<td>SDC</td>
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<tr>
<td>SSC</td>
<td>Spring Snow Crabapple</td>
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<td>JL</td>
<td>Japanese Tree Lilac</td>
<td>Syringa reticulata 'Ivory Silk'</td>
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<td>CP</td>
<td>Cleveland Select Callery Pear</td>
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<td>AA</td>
<td>Autumn Appliance White Ash</td>
<td>Fraxinus americana 'Autumn Appliance'</td>
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<tr>
<td>AC</td>
<td>Cleveland Norway Maple</td>
<td>Acer platanoides 'Cleveland'</td>
<td></td>
</tr>
</tbody>
</table>
Tree Species

Cleveland Norway Maple

Autumn Applause White Ash

Amur Maple
Street Corner Treatment

- Existing
- Proposed
Retaining Walls

- Proposed

- Existing
Bus Stop

[Diagram of a bus stop with labeled elements: "Shelter with international signage", "Sign for bus stop"]
## 28th Street Streetscape
### Financial Summary

<table>
<thead>
<tr>
<th>Grant Application</th>
<th>Final Design</th>
</tr>
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<tbody>
<tr>
<td><strong>Sidewalk</strong></td>
<td><strong>Sidewalk</strong></td>
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<tr>
<td>$227,500</td>
<td>$198,782</td>
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<tr>
<td><strong>Ped Lights</strong></td>
<td><strong>Ped Lights</strong></td>
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<tr>
<td>$75,000</td>
<td>$443,100*</td>
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<tr>
<td><strong>Banners</strong></td>
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<tr>
<td>$70,000</td>
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<tr>
<td><strong>Landscaping</strong></td>
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<tr>
<td>$161,000</td>
<td>$134,489</td>
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<td><strong>Contingency</strong></td>
<td><strong>Design/Cont.</strong></td>
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<tr>
<td>$53,500</td>
<td>$139,097</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>Irrigation</strong></td>
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<tr>
<td>$587,000</td>
<td>$120,000*</td>
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<td></td>
<td><strong>Total</strong></td>
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<tr>
<td></td>
<td>$1,035,468</td>
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</tbody>
</table>

City Participation 50% ($293,000)

* Ped Lights, Banners, & Irrigation are not eligible for Grant Funds.
## 28th Street Streetscape

**Proposed Finance Plan**

<table>
<thead>
<tr>
<th>Grant Project</th>
<th>Source</th>
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<tr>
<td>Sidewalk</td>
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<tr>
<td>Landscaping</td>
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<td>Contingency</td>
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<table>
<thead>
<tr>
<th>City Participation (50%)</th>
<th>C.I.P.</th>
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</thead>
<tbody>
<tr>
<td>Grant (50%)</td>
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### City Contribution

<table>
<thead>
<tr>
<th>City Contribution</th>
<th>Source</th>
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</thead>
<tbody>
<tr>
<td>Pedestrian Light Wiring</td>
<td>C.I.P.</td>
</tr>
<tr>
<td>Irrigation Contract</td>
<td>C.I.P.</td>
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<tr>
<td>Traffic Signal Installation (Jenkins Street)</td>
<td>Major Street Traffic</td>
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<tr>
<td>Banners</td>
<td>D.D.A.</td>
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<td></td>
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28th Street Streetscape Phase II

<table>
<thead>
<tr>
<th>Pedestrian Lighting</th>
<th>Total</th>
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<td></td>
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<tr>
<td></td>
<td>$175,000</td>
<td>Grant</td>
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</table>
28th St. Streetscape C.I.P. Summary

Phase I Grant $233,500
  Lighting/Irrigation $220,000
  $453,000

Phase II Grant
  Pedestrian Lights $175,000
  Total Phases I & II $628,500

Proposed C.I.P.
  1997-2000 Cash $500,000
  S.A. $200,000

Does NOT Include:
  Phase III Clyde Park to Division City Cost $500,000
  Phase IV Byron Center to West City Limit Sidewalk City Cost $200,000
  Phase V Burlingame to Byron Center City Cost $500,000
ANNUAL REPORTS REGARDING
STATUS OF TAX INCREMENT FINANCING

I. AGENCY

Department of Treasury, Michigan State Tax Commission
Contact: Sharon Erwine (517) 241-2029

II. PURPOSE OF REPORT

Every Downtown Development Authority (DDA), Tax Increment Finance Authority (TIFA), and Local Development Finance Authority is required by law to annually submit a financial report to the governing body of the municipality and to the State Tax Commission. Reporting requirements are prescribed in each of the State Acts. In addition to other purposes, these reports are used to verify school taxes captured by the plans.

III. REPORTING REQUIREMENTS

Annual reports are due to the State Tax Commission within ninety (90) days of the end of the fiscal year of the authority (see Bulletin #9-2/4/97). The following information is required:

1) The amount and source of revenue in the account (DDA) or the amount and source of tax increment revenues received (TIFA and LDFA).
2) The amount in any bond reserve account
3) The amount and purpose of expenditures of tax increment revenues
4) The amount of principal and interest on any outstanding bonded indebtedness
5) The initial assessed value retained by the authority.
6) The captured assessed value retained by the authority
7) The tax increment revenues received (DDA only)
8) The number of jobs created as a result of the tax increment financing plan.
9) Additional information the governing body or the state considers necessary.
10) Additional information required beginning with the 1997 fiscal year:

- All required information must be reported on a plan by plan basis by those authorities which have multiple plans.
- All value figures (initial and captured assessed value) must be separated by tax role:
  - Ad valorem homestead
  - Ad valorem non-homestead
  - Industrial Facilities Tax-New Facilities (pre 1994 certificate)
  - Industrial Facilities Tax-New Facilities (post 1993 certificate)
  - Commercial Facilities Tax-New Facilities
- The source of tax increment revenue must be subdivided by each millage levied
- Liabilities and expenditures must be reported separately for each eligible obligation, eligible advance, and other protected obligation
- A payment schedule must be submitted for the term of each obligation and outstanding advance, showing principal payments, interest payments, and payment dates.
<table>
<thead>
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<th>CATEGORY</th>
<th>REVENUE SOURCE</th>
<th>1997 Fiscal Year (beginning-ending)</th>
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<td>Community College</td>
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<td>Other (Specify)</td>
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<td><strong>Revenue Sub-Total:</strong></td>
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<td>Debt Service-Interest</td>
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<td>1997 Captured Value</td>
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<td>Tax Increment Revenues Received</td>
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<td>Commercial Facilities Tax</td>
<td><strong>$0.00</strong></td>
</tr>
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<td>IFT (pre 1994 certificate)</td>
<td><strong>$0.00</strong></td>
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<td>IFT (Post 1993 certificate)</td>
<td><strong>$0.00</strong></td>
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<td>Other</td>
<td><strong>$0.00</strong></td>
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<td></td>
<td><strong>Sub-Total:</strong></td>
<td><strong>$0.00</strong></td>
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<tr>
<td>Number of Jobs Created</td>
<td></td>
<td>[number]</td>
</tr>
<tr>
<td>Additional Information (specified by state or governing body)</td>
<td>See Below</td>
<td></td>
</tr>
</tbody>
</table>

1 Specify the amount and purpose of expenditures (may require additional line items).
2 Full time equivalent employees created (not required for BRDA).
3 Transfer of ownership of or interest in each eligible property (BRDA only)
WYOMING DOWNTOWN DEVELOPMENT AUTHORITY

General Provisions

The Wyoming Downtown Development Authority was established in 1998 under Act 197 of the Public Acts of 1975.

Purpose
The Wyoming Downtown Development Authority is to halt property value deterioration and increase property tax valuation within the District as established by Ordinance No. 26-98, to eliminate the causes of such deterioration, and to promote economic growth.

Powers
The Wyoming Downtown Development Authority is the governing body of the Wyoming Downtown Development District and as such shall have the authority to authorize the levy and collection of taxes, authorize the acquisition and disposal of interest in real and personal property, authorize the creation and implementation of development plans in the District, to promote economic growth, authorize the issuance of bonds and other evidences of indebtedness, to authorize the use of tax increment financing, and other such powers as provided under Public Act 197.

Development Area Citizens Advisory Council
Public Act 197 of 1975 provides for the appointment of a Development Area Citizens Advisory Council.

Purpose
The Advisory Council shall act as an advisory body to the Downtown Development Authority and to the City Council. Periodically a representative of the Downtown Development Authority shall consult with and advise the Advisory Council regarding the aspects of a development plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

Meeting Dates and Time
Meetings of the Advisory Council shall be open to the public. Notice of such meetings shall be given by publication in a newspaper of general circulation or by the United States mail not less than 5 days before the date set for the meeting.

Meetings
A person present at the meeting shall have reasonable opportunity to be heard.

Membership
The Development Area Citizens Advisory Council shall consist of nine members, all of whom shall reside in the development area. All members must be at least 18 years of age.

Terms
The term of office shall be determined by the City Council.

Compensation
None
DOWNTOWN DEVELOPMENT AUTHORITY
General Provisions

The Wyoming Downtown Development Authority was established in 1998 under Act 197 of the Public Acts of 1975.

Purpose
The Wyoming Downtown Development Authority is to halt property value deterioration and increase property tax valuation within the District as established by Ordinance No. 26-98, to eliminate the causes of such deterioration, and to promote economic growth.

Powers
The Wyoming Downtown Development Authority is the governing body of the Wyoming Downtown Development District and as such shall have the authority to authorize the levy and collection of taxes, authorize the acquisition and disposal of interest in real and personal property, authorize the creation and implementation of development plans in the District, to promote economic growth, authorize the issuance of bonds and other evidences of indebtedness, to authorize the use of tax increment financing, and other such powers as provided under Public Act 197.

Development Area Citizens Advisory Council
Public Act 197 of 1975 provides for the appointment of a Development Area Citizens Advisory Council.

Purpose
The Advisory Council shall act as an advisory body to the Downtown Development Authority and to the City Council. Periodically a representative of the Downtown Development Authority shall consult with and advise the Advisory Council regarding the aspects of a development plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

Meeting Dates and Time
Meetings of the Advisory Council shall be open to the public. Notice of such meetings shall be given by publication in a newspaper of general circulation or by the United States mail not less than 5 days before the date set for the meeting.

Meetings
A person present at the meeting shall have reasonable opportunity to be heard.

Membership
The Development Area Citizens Advisory Council shall consist of nine members, all of whom shall reside in the development area. All members must be at least 18 years of age.

Terms
The term of office shall be determined by the City Council.

Compensation
None
RESOLUTION NO. 18771

RESOLUTION OF INTENT CALLING A HEARING REGARDING
ESTABLISHMENT OF A DOWNTOWN DEVELOPMENT AUTHORITY
AND DESIGNATION OF A DOWNTOWN DISTRICT

WHEREAS, the City of Wyoming, County of Kent, Michigan (the "City") is authorized by
the provisions of Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"), to create a
downtown development authority, and

WHEREAS, it is necessary, for the best interests of the public, to halt property value
deterioration and increase property tax valuation where possible in the business district of the
City, to eliminate the causes of such deterioration, and to promote economic growth, and

WHEREAS, a proposed ordinance designating a downtown district and incorporating a
downtown development authority pursuant to Act 197 has been presented to the City Council,
and

WHEREAS, it is necessary to conduct a public hearing in connection with the consideration of
such proposed ordinance as required by Act 197, now, therefore,

BE IT RESOLVED THAT:

1. The City Council determines that it is necessary for the best interests of the public to
create a downtown development authority pursuant to Act 197 in order to halt property value
deterioration and increase property tax valuation where possible in the business district of the
City, to eliminate the causes of such deterioration, and to promote economic growth, and the City
Council hereby declares its intention to create and provide for the operation of a downtown
development authority pursuant to Act 197.

2. The downtown district subject to the jurisdiction of the downtown development authority
as provided in Act 197 is hereby tentatively designated to be as set forth in Exhibit A attached
hereto and made part hereof.

3. There shall be a public hearing on the 21st day of September, 1998, at 7:01 o’clock
p.m. in the City Council Chambers at City Hall to consider adoption by the City Council of an
ordinance creating a downtown development authority, designating the downtown district, and
setting out certain procedures in connection therewith.
4. The City Clerk shall cause notice of said public hearing to be published in the Wyoming Advance, a newspaper of general circulation in the City, twice before the public hearing. The notice shall be published not less than 20 or more than 40 days before the date set for the public hearing. The notice shall be published as a display advertisement prominent in size. The Clerk also shall cause the notice to be mailed by first class mail not less than 20 days prior to the hearing to all property taxpayers of record in the proposed downtown district as shown by the most recent tax roll of the City 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. The Clerk also shall post, or cause the posting of, the notice in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing.

5. The notice of the hearing shall be in substantially the following form:
NOTICE OF PUBLIC HEARING

CITY OF WYOMING
County of Kent, Michigan

ON THE FORMATION OF A DOWNTOWN DEVELOPMENT AUTHORITY
AND DESIGNATION OF DOWNTOWN DISTRICT BOUNDARIES

TO ALL INTERESTED PERSONS IN THE CITY OF WYOMING:

PLEASE TAKE NOTICE that the City Council of the City of Wyoming, County of Kent, Michigan, will hold a public hearing on the ___ day of __________, 1998, at ___ o’clock p.m., in the City Hall, 1155 - 28th Street, S.W., Wyoming, Michigan, to consider the adoption of an ordinance establishing a downtown development authority for the City of Wyoming and designating the boundaries of a downtown district in connection therewith, pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended.

PROPOSED BOUNDARIES

The boundaries of the proposed downtown district within which the downtown development authority shall exercise its powers are as follows:

Commencing on the east at Division Avenue, thence northwest along the Penn-Central Railroad right-of-way, to Buchanan Avenue, thence south to Terminal Street, thence west to Clyde Park Avenue, thence westward along a line meandering between 150 feet and 600 feet from 28th Street to Byron Center Avenue, thence southward along Byron Center Avenue to a point located 515 feet south of 28th Street, thence eastward in a meandering line located 150 to 900 feet from 28th Street to Division Avenue, thence northward to 28th Street. Area includes mostly parcels zoned B-1, B-2 and B-3 Business or RO-1, Restricted Office. Some additional parcels zoned R-2, Single Family Residential and R-4, Low Density Multiple Family Residential and I-1, Light Industrial are included where necessary to create a logical boundary for the district.

At the public hearing, all citizens, taxpayers and property owners of the City of Wyoming desiring to address the City Council shall be afforded an opportunity to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district.

FURTHER INFORMATION may be obtained from the City Assessor’s Department.

This notice is given by order of the City Council of the City of Wyoming, County of Kent, Michigan.

NANCY M. GIAR
Wyoming City Clerk
6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Councilmember Peuler moved, seconded by Councilmember Sheets, that the above Resolution be adopted.

Motion carried: 7 Yeas, 0 Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Wyoming, Michigan, at a regular session held on the 17th day of August, 1998.

NANCY M. GIAR
Wyoming City Clerk

Attachment: Exhibit A

RESOLUTION NO. 18771
I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Wyoming, County of Kent, State of Michigan, at a meeting held on August 17, 1998, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

[Signature]

NANCY M. GIAR
Wyoming City Clerk
ORDINANCE NO. 26-98

AN ORDINANCE TO ADD SECTIONS 2-210 THROUGH 2-216 TO THE CODE OF THE CITY OF WYOMING TO CREATE A DOWNTOWN DEVELOPMENT AUTHORITY AND TO DESIGNATE BOUNDARIES OF THE DOWNTOWN DEVELOPMENT DISTRICT

THE CITY OF WYOMING ORDAINS:

Section 1. That Sections 2-210 through 2-216 are hereby added to the Code of the City of Wyoming to read as follows:

DOWNTOWN DEVELOPMENT AUTHORITY

Sec. 2-210. DETERMINATION OF NECESSITY. The City Council hereby determines that it is necessary for the best interests of the public to create a public body corporate which shall operate to halt property value deterioration, eliminate the causes of that deterioration, increase property tax valuation where possible in the business district of the City, and promote economic growth, pursuant to Act 197 of the Public Acts of Michigan, 1975, as amended.

Sec. 2-211. DEFINITIONS. The terms used in this ordinance shall have the same meaning as given to them in Act 197 or as hereinafter provided. As used in this ordinance:

"Authority" means the Downtown Development Authority of the City of Wyoming created by this ordinance.

"Board" or "Board of Directors" means the Board of Directors of the Authority, the governing body of the Authority.

"Chief Executive Officer" means the Mayor of the City.

"City" means the City of Wyoming, Michigan.

"Council" or "City Council" means the City Council of the City.

"Downtown District" means the downtown district designated by this ordinance, as now existing or hereafter amended, and within which the Authority shall exercise its powers.

Sec. 2-212. CREATION OF DOWNTOWN DEVELOPMENT AUTHORITY. There is hereby created, pursuant to Act 197, a Downtown Development Authority for the City. The Authority shall be a public body corporate and shall be known and exercise its powers under the title "Downtown Development Authority of the City of Wyoming". The Authority may adopt a seal, may sue and be sued in any court of this State and shall possess all of the powers necessary to carry out the purposes of its incorporation as provided by this ordinance and Act 197. The enumeration of powers in this ordinance or in Act 197 shall not be construed as a limitation upon the general powers of the Authority.

Sec. 2-213. TERMINATION. Upon completion of its purposes, the Authority may be dissolved by the City Council. The property and assets of the Authority, after dissolution and satisfaction of its obligations, shall revert to the City.

Sec. 2-214. DESCRIPTION OF DOWNTOWN DISTRICT. The Downtown District shall consist of the territory in the City described in Exhibit A, attached hereto and made a part hereof, subject to such
changes as may hereinafter be made pursuant to this ordinance and
Act 197.

Sec. 2-215. BOARD OF DIRECTORS. The Authority shall be under
the supervision and control of the Board. The Board shall consist
of 9 members including the Chief Executive Officer of the City,
who shall be appointed and serve in accordance with Act 197.
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 Board shall adopt
Bylaws governing its procedures subject to the approval of the City
Council.

Sec. 2-216. POWERS OF AUTHORITY. Except as specifically
otherwise provided in this ordinance, the Authority shall have all
powers provided by law subject to the limitations imposed by law
and herein.

Sec. 2-217. FISCAL YEAR; BUDGET.

(a) The fiscal year of the Authority shall begin on July 1st
of each year and end on June 30th of the following year,
or such other fiscal year as may hereinafter be adopted by
the Council.

(b) The Board shall prepare annually a budget and shall
submit it to the City Council for approval. The Board
shall not finally adopt a budget for any fiscal year
until the budget has been approved by the City Council.
The Board may, however, temporarily adopt a budget in
connection with the operation of any improvements which
have been financed by revenue bonds where required to do
so by the ordinance authorizing the revenue bonds.

(c) The Authority shall submit financial reports to the City
Council at the same time and on the same basis as
departments of the City are required to submit reports.
The Authority shall be audited annually by the same
independent auditors auditing the City and copies of the
audit report shall be filed with the Council.
Section 2. This ordinance shall be in full force and effect on the 5th day of January, 1999.

I hereby certify that the above-entitled Ordinance was adopted by the City of Wyoming at a regular session of the City Council held on the 21st day of December 1998.

[Signature]

NANCY M. QIAN
Wyoming City Clerk
DOWNTOWN DEVELOPMENT AUTHORITY
OF THE CITY OF WYOMING

BYLAWS

ARTICLE I

BOARD OF DIRECTORS

Section 1. The business and property of the authority shall be managed and directed by the board of directors, consisting of all of the members of which who shall serve terms as provided in the ordinance creating the authority.

Section 2. The fiscal year of the authority shall begin on July 1 of each year and end on the next succeeding June 30. The board annually at its first regular meeting in January shall elect a chairman, vice-chairman, secretary and treasurer. The treasurer does not need to be a member of the board to serve in this office. The officers so elected shall be for a term of one (1) year or any part thereof as may be determined, and until a successor is designated. No term of office created under this section shall extend beyond the term of the member designated.

Section 3. The board may employ and fix the compensation of a Director, subject to the approval of the Council. The Director shall not be a member of the board. The board may employ a deputy secretary and deputy treasurer who need not be members of the board and, subject to the approval of the Council, may fix the compensation of the deputy secretary and deputy treasurer. The Director, deputy secretary and deputy treasurer shall serve at the pleasure of the board for no definite term of office. 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.

Section 4. The board may exercise all powers provided by Act 197, Public Acts of Michigan, 1975, as amended, or otherwise by law including those bestowed by the ordinance establishing the authority.

Section 5. The board shall have the power to engage and employ such manual, clerical, technical, financial and professional assistants as in its judgment may be necessary and is incidental to carry out the purposes of the authority.

Section 6. The board may adopt an official seal.

Section 7. The board shall cause an annual audit of its business to be made and the result thereof shall be submitted to the Council.
ARTICLE II

MEETINGS

Section 1. Meetings of the board shall be held in accordance with the provisions of the Michigan Open Meetings Act, being Act 267 of the Public Acts of Michigan, 1976, as amended, and shall be held in the City of Wyoming, Michigan.

Section 2. Regular meetings of the board shall be held at 8 o'clock a.m. on 1st Tuesdays monthly.

Section 3. Special meetings shall be held whenever called by direction of the chairman, Director, or any two (2) members of the board on eighteen (18) hours' written notice of the time and place of meeting. A waiver of notice in writing signed by a member entitled to such notice, whether before or after the time of the meeting, shall be deemed the equivalent to the giving of such notice.

Section 4. A majority vote of the members of the board shall be necessary for the transaction of any and all business or the passage of any resolution.

Section 5. At meetings of the board, business shall be transacted in such order as from time to time the board may determine.

ARTICLE III

OFFICIALS

Section 1. The chairman shall preside at meetings of the board and shall do and perform such other duties as may be from time to time assigned by the board. The vice chairman shall perform the duties of the chairman in the chairman's absence and such other duties as shall from time to time be assigned by the board.

Section 2. (1) If a Director is appointed, then the Director shall be the chief executive officer of the authority. Before entering upon the duties of his 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 City 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. 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 law. The Director shall attend the meetings of the board, and shall render to the board and to the Council 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 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 may require from time to time.

(2) The Director annually 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 by law and by the Council.

Section 3. The secretary shall maintain custody of the official seal and of records, books, documents, or other papers of the authority 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. The deputy secretary shall carry out such duties as are assigned by the secretary or the board.

Section 4. The treasurer shall keep the financial records of the authority and, 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 by the board and shall furnish bond in an amount as prescribed by the board. The deputy treasurer shall carry out such duties as are assigned by the treasurer or the board.

Section 5. All checks shall be signed by the treasurer and countersigned by either the chairman or the secretary, except as otherwise provided by the board.

ARTICLE IV

BYLAWS

Section 1. The board shall have power to make, alter or amend the bylaws in whole or in part, to be effective upon approval of the Council. Written copies of the proposed changes shall be delivered to the board prior to submission for approval at the next preceding regular or special meeting of the board.
Section 2. These bylaws shall become effective upon approval of the City Council of the City of Wyoming. Until such approval the bylaws shall be temporary bylaws for the authority.

Adopted February 4, 1999

[Signature]
Secretary

Approved by the City Council of the City of Wyoming on 2-15, 1999

[Signature]
City Clerk
RESOLUTION NO. 18771

RESOLUTION OF INTENT CALLING A HEARING REGARDING
ESTABLISHMENT OF A DOWNTOWN DEVELOPMENT AUTHORITY
AND DESIGNATION OF A DOWNTOWN DISTRICT

WHEREAS, the City of Wyoming, County of Kent, Michigan (the "City") is authorized by
the provisions of Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"), to create a
downtown development authority, and

WHEREAS, it is necessary, for the best interests of the public, to halt property value
deterioration and increase property tax valuation where possible in the business district of the
City, to eliminate the causes of such deterioration, and to promote economic growth, and

WHEREAS, a proposed ordinance designating a downtown district and incorporating a
downtown development authority pursuant to Act 197 has been presented to the City Council,
and

WHEREAS, it is necessary to conduct a public hearing in connection with the consideration
of such proposed ordinance as required by Act 197, now, therefore,

BE IT RESOLVED THAT:

1. The City Council determines that it is necessary for the best interests of the public to
create a downtown development authority pursuant to Act 197 in order to halt property value
deterioration and increase property tax valuation where possible in the business district of the
City, to eliminate the causes of such deterioration, and to promote economic growth, and the City
Council hereby declares its intention to create and provide for the operation of a downtown
development authority pursuant to Act 197.

2. The downtown district subject to the jurisdiction of the downtown development authority
as provided in Act 197 is hereby tentatively designated to be as set forth in Exhibit A attached
hereto and made part hereof.

3. There shall be a public hearing on the 21st day of September, 1998, at 7:01 o’clock
p.m. in the City Council Chambers at City Hall to consider adoption by the City Council of an
ordinance creating a downtown development authority, designating the downtown district, and
setting out certain procedures in connection therewith.
4. The City Clerk shall cause notice of said public hearing to be published in the Wyoming Advance, a newspaper of general circulation in the City, twice before the public hearing. The notice shall be published not less than 20 or more than 40 days before the date set for the public hearing. The notice shall be published as a display advertisement prominent in size. The Clerk also shall cause the notice to be mailed by first class mail not less than 20 days prior to the hearing to all property taxpayers of record in the proposed downtown district as shown by the most recent tax roll of the City 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. The Clerk also shall post, or cause the posting of, the notice in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing.

5. The notice of the hearing shall be in substantially the following form:
NOTICE OF PUBLIC HEARING

CITY OF WYOMING
County of Kent, Michigan

ON THE FORMATION OF A DOWNTOWN DEVELOPMENT AUTHORITY
AND DESIGNATION OF DOWNTOWN DISTRICT BOUNDARIES

TO ALL INTERESTED PERSONS IN THE CITY OF WYOMING:

PLEASE TAKE NOTICE that the City Council of the City of Wyoming, County of Kent, Michigan, will hold a public hearing on the ___ day of ________, 1998, at ___ o’clock p.m., in the City Hall, 1155 - 28th Street, S.W., Wyoming, Michigan, to consider the adoption of an ordinance establishing a downtown development authority for the City of Wyoming and designating the boundaries of a downtown district in connection therewith, pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended.

PROPOSED BOUNDARIES

The boundaries of the proposed downtown district within which the downtown development authority shall exercise its powers are as follows:

Commencing on the east at Division Avenue, thence northwest along the Penn-Central Railroad right-of-way, to Buchanan Avenue, thence south to Terminal Street, thence west to Clyde Park Avenue, thence westward along a line meandering between 150 feet and 600 feet from 28th Street to Byron Center Avenue, thence southward along Byron Center Avenue to a point located 515 feet south of 28th Street, thence eastward in a meandering line located 150 to 900 feet from 28th Street to Division Avenue, thence northward to 28th Street. Area includes mostly parcels zoned B-1, B-2 and B-3 Business or RO-1, Restricted Office. Some additional parcels zoned R-2, Single Family Residential and R-4, Low Density Multiple Family Residential and I-1, Light Industrial are included where necessary to create a logical boundary for the district.

At the public hearing, all citizens, taxpayers and property owners of the City of Wyoming desiring to address the City Council shall be afforded an opportunity to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district.

FURTHER INFORMATION may be obtained from the City Assessor’s Department.

This notice is given by order of the City Council of the City of Wyoming, County of Kent, Michigan.

NANCY M. GIAR
Wyoming City Clerk
6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.

Councilmember ______________ Peuler ______________ moved, seconded by Councilmember Sheets ______________, that the above Resolution be adopted.

Motion carried: 7 Yeas, 0 Nays.

I hereby certify that the foregoing Resolution was adopted by the City Council of the City of Wyoming, Michigan, at a regular session held on the 17th day of August __________, 1998.

NANCY M. Giar
Wyoming City Clerk

Attachment: Exhibit A
I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Wyoming, County of Kent, State of Michigan, at a meeting held on August 17, 1998, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, as amended, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

NANCY M. GIAR
Wyoming City Clerk
ORDINANCE NO. 26-98

AN ORDINANCE TO ADD SECTIONS 2-210 THROUGH 2-216 TO THE CODE OF THE CITY OF WYOMING TO CREATE A DOWNTOWN DEVELOPMENT AUTHORITY AND TO DESIGNATE BOUNDARIES OF THE DOWNTOWN DEVELOPMENT DISTRICT

THE CITY OF WYOMING ORDAINS:

Section 1. That Sections 2-210 through 2-216 are hereby added to the Code of the City of Wyoming to read as follows:

DOWNTOWN DEVELOPMENT AUTHORITY

Sec. 2-210. DETERMINATION OF NECESSITY. The City Council hereby determines that it is necessary for the best interests of the public to create a public body corporate which shall operate to halt property value deterioration, eliminate the causes of that deterioration, increase property tax valuation where possible in the business district of the City, and promote economic growth, pursuant to Act 197 of the Public Acts of Michigan, 1975, as amended.

Sec. 2-211. DEFINITIONS. The terms used in this ordinance shall have the same meaning as given to them in Act 197 or as hereinafter provided. As used in this ordinance:

"Authority" means the Downtown Development Authority of the City of Wyoming created by this ordinance.

"Board" or "Board of Directors" means the Board of Directors of the Authority, the governing body of the Authority.

"Chief Executive Officer" means the Mayor of the City.

"City" means the City of Wyoming, Michigan.

"Council" or "City Council" means the City Council of the City.

"Downtown District" means the downtown district designated by this ordinance, as now existing or hereafter amended, and within which the Authority shall exercise its powers.

Sec. 2-212. CREATION OF DOWNTOWN DEVELOPMENT AUTHORITY. There is hereby created, pursuant to Act 197, a Downtown Development Authority for the City. The Authority shall be a public body corporate and shall be known and exercise its powers under the title "Downtown Development Authority of the City of Wyoming". The Authority may adopt a seal, may sue and be sued in any court of this State and shall possess all of the powers necessary to carry out the purposes of its incorporation as provided by this ordinance and Act 197. The enumeration of powers in this ordinance or in Act 197 shall not be construed as a limitation upon the general powers of the Authority.

Sec. 2-213. TERMINATION. Upon completion of its purposes, the Authority may be dissolved by the City Council. The property and assets of the Authority, after dissolution and satisfaction of its obligations, shall revert to the City.

Sec. 2-214. DESCRIPTION OF DOWNTOWN DISTRICT. The Downtown District shall consist of the territory in the City described in Exhibit A, attached hereto and made a part hereof, subject to such
changes as may hereinafter be made pursuant to this ordinance and Act 197.

Sec. 2-215. BOARD OF DIRECTORS. The Authority shall be under the supervision and control of the Board. The Board shall consist of 9 members including the Chief Executive Officer of the City, who shall be appointed and serve in accordance with Act 197. 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 Board shall adopt Bylaws governing its procedures subject to the approval of the City Council.

Sec. 2-216. POWERS OF AUTHORITY. Except as specifically otherwise provided in this ordinance, the Authority shall have all powers provided by law subject to the limitations imposed by law and herein.

Sec. 2-217. FISCAL YEAR; BUDGET.

(a) The fiscal year of the Authority shall begin on July 1st of each year and end on June 30th of the following year, or such other fiscal year as may hereinafter be adopted by the Council.

(b) The Board shall prepare annually a budget and shall submit it to the City Council for approval. The Board shall not finally adopt a budget for any fiscal year until the budget has been approved by the City Council. The Board may, however, temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds where required to do so by the ordinance authorizing the revenue bonds.

(c) The Authority shall submit financial reports to the City Council at the same time and on the same basis as departments of the City are required to submit reports. The Authority shall be audited annually by the same independent auditors auditing the City and copies of the audit report shall be filed with the Council.
Section 2. This ordinance shall be in full force and effect on the ___5th___ day of ___January_______, 1999.

I hereby certify that the above-entitled Ordinance was adopted by the City of Wyoming at a _____regular_____ session of the City Council held on the ___21st___ day of ___December_____, 1998.

[Signature]

NANCY M. O'NEAR
Wyoming City Clerk
DOWNTOWN DEVELOPMENT AUTHORITY
OF THE CITY OF WYOMING

BYLAWS

ARTICLE I

BOARD OF DIRECTORS

Section 1. The business and property of the authority shall be managed and directed by the board of directors, consisting of all of the members of which who shall serve terms as provided in the ordinance creating the authority.

Section 2. The fiscal year of the authority shall begin on July 1 of each year and end on the next succeeding June 30. The board annually at its first regular meeting in January shall elect a chairman, vice-chairman, secretary and treasurer. The treasurer does not need to be a member of the board to serve in this office. The officers so elected shall be for a term of one (1) year or any part thereof as may be determined, and until a successor is designated. No term of office created under this section shall extend beyond the term of the member designated.

Section 3. The board may employ and fix the compensation of a Director, subject to the approval of the Council. The Director shall not be a member of the board. The board may employ a deputy secretary and deputy treasurer who need not be members of the board and, subject to the approval of the Council, may fix the compensation of the deputy secretary and deputy treasurer. The Director, deputy secretary and deputy treasurer shall serve at the pleasure of the board for no definite term of office. 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.

Section 4. The board may exercise all powers provided by Act 197, Public Acts of Michigan, 1975, as amended, or otherwise by law including those bestowed by the ordinance establishing the authority.

Section 5. The board shall have the power to engage and employ such manual, clerical, technical, financial and professional assistants as in its judgment may be necessary and is incidental to carry out the purposes of the authority.

Section 6. The board may adopt an official seal.

Section 7. The board shall cause an annual audit of its business to be made and the result thereof shall be submitted to the Council.
ARTICLE II
MEETINGS

Section 1. Meetings of the board shall be held in accordance with the provisions of the Michigan Open Meetings Act, being Act 267 of the Public Acts of Michigan, 1976, as amended, and shall be held in the City of Wyoming, Michigan.

Section 2. Regular meetings of the board shall be held at 8 o'clock, a.m. on 1st Tuesdays monthly.

Section 3. Special meetings shall be held whenever called by direction of the chairman, Director, or any two (2) members of the board on eighteen (18) hours' written notice of the time and place of meeting. A waiver of notice in writing signed by a member entitled to such notice, whether before or after the time of the meeting, shall be deemed the equivalent to the giving of such notice.

Section 4. A majority vote of the members of the board shall be necessary for the transaction of any and all business or the passage of any resolution.

Section 5. At meetings of the board, business shall be transacted in such order as from time to time the board may determine.

ARTICLE III
OFFICIALS

Section 1. The chairman shall preside at meetings of the board and shall do and perform such other duties as may be from time to time assigned by the board. The vice chairman shall perform the duties of the chairman in the chairman's absence and such other duties as shall from time to time be assigned by the board.

Section 2. (1) if a Director is appointed, then the Director shall be the chief executive officer of the authority. Before entering upon the duties of his 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 City 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. 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 law. The Director shall attend the meetings of the board, and shall render to the board and to the Council 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 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 may require from time to time. 

(2) The Director annually 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 by law and by the Council.

Section 3. The secretary shall maintain custody of the official seal and of records, books, documents, or other papers of the authority 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. The deputy secretary shall carry out such duties as are assigned by the secretary or the board.

Section 4. The treasurer shall keep the financial records of the authority and, 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 by the board and shall furnish bond in an amount as prescribed by the board. The deputy treasurer shall carry out such duties as are assigned by the treasurer or the board.

Section 5. All checks shall be signed by the treasurer and countersigned by either the chairman or the secretary, except as otherwise provided by the board.

ARTICLE IV

BYLAWS

Section 1. The board shall have power to make, alter or amend the bylaws in whole or in part, to be effective upon approval of the Council. Written copies of the proposed changes shall be delivered to the board prior to submission for approval at the next preceding regular or special meeting of the board.
Section 2. These bylaws shall become effective upon approval of the City Council of the City of Wyoming. Until such approval the bylaws shall be temporary bylaws for the authority.

Adopted February 4, 1999

[Signature]
Secretary

Approved by the City Council of the City of Wyoming on 2-15, 1999

[Signature]
City Clerk
Downtown Development Authority Incentive Program

To Encourage Loan or Private Investment In Historic Downtown Manistee

- Improve the overall aesthetic appeal of the downtown
- Encourage the preservation of historical influences on existing structures
- Make a visible impact by emphasizing exterior improvements
- Encourage permanent building improvements consistent with age and type of business
- Conform with Section 503 Handicapped and Building Codes. Variances are possible on front entrances.
- Provide funds to property owners for EXTERIOR IMPROVEMENTS.

Review required by the City of Manistee Historic Overlay Committee

Downtown Development Office

Phone: 231-723-4325
FAX: 231-723-1515
MANISTEE DOWNTOWN DEVELOPMENT AUTHORITY

GOALS

The Manistee Downtown Development Authority has as its goal the development of an identifiable, unique, attractive and usable downtown area that will strengthen local business and serve as a focal point for a growing community spirit.

In keeping this goal, the DDA encourages businesses in the Historic Register District to correct and prevent deterioration, to encourage historic preservation, and to think in terms of restoring our architectural strengths and reclaim our historical identity when they consider making improvements to their places of business.

The DDA INCENTIVE LOAN PROGRAM wishes to accomplish the following:

Improve the overall aesthetic appeal of the downtown;
Encourage the preservation of historical influences on existing structures;
Make a visible impact by emphasizing exterior improvements;
Encourage permanent building improvements consistent with age and type of business;
Conform with Section 503 Handicapped and Building Codes. Variances are possible on front entrances.

It is the intent of the program to provide funds to property owners for EXTERIOR IMPROVEMENTS. This includes rehabilitation and/or restoration of existing buildings as well as construction of new buildings. Compliance with the DDA design guidelines is required.
DDA INCENTIVE LOAN PROGRAM QUALIFICATIONS

Eligible borrowers are commercial property owners and owners of businesses located within the Historic Register District.

Loan proceeds can be used for exterior improvements only.

Up to $25,000 per storefront can be borrowed.

Signage, shrubs, greenery, awnings, architects’ fees, painting and sidewalk repair may be included.

Proof of insurance coverage and payment of all property taxes must be provided along with a copy of the deed.

Plans and concepts must be consistent with the DDA guidelines.

Letters of approval from the property owner must be provided by a tenant or land contract purchaser.

All improvements must comply with zoning regulation and building codes.
Loan Program Project Funding

Through the cooperation of five local financial institutions, the Manistee DDA presents the DDA Incentive Loan Program.

Under this program, property owners and businesses in the DDA Historic Register District may apply for loan funds up to $25,000 per storefront street address for exterior improvements. Some of the features of the loan include:

Interest rates: Floating 1% below prime loan rate for the term of the loan.

Low Monthly payment (minimum of $100) and

Loan terms of up to five years.

No processing fees are charged.

Minimum loan amounts are $2,500.

Along with the Financial Institutions, the DDA will also provide incentives for this Incentive Loan Program by rebating to the Loan Applicant up to 10% of the total allowable loan amount not to exceed $2500 per loan. Based on available DDA funds. This rebate may be given to the Financial Institution to reduce the Loan balance. For PRIVATELY funded projects, the DDA incentive is available, and would be funded upon meeting the guidelines and upon completion of the project. Program goals, design guidelines, program qualifications and procedures and applications are available on request.

Loan rates are set by the banks at the time of the Loan approval. Historic Overlay Design Review committee approval on the project must be secured as well. Participants may select a financial institution of their choice from the following participants. Completed application and project plans and other descriptive material should be taken to the financial institution.

  National City Bank      Huntington Bank      West Shore Bank
  Northwestern Savings Bank & Trust   West Michigan National Bank
  Honor State Bank
DDA LOAN PROGRAM PROCEDURES

1. Applicant applies to participating financial institution. If applicant meets institution’s criteria, he will be given a conditional loan commitment.
2. Upon receiving the conditional loan commitment, plans are submitted to the Historic Overlay Design Review Committee for compliance of project design criteria.
3. Upon approval from the Historic Overlay Design Review Committee, the applicant will return to their financial institution for final approval and processing.

PROJECT GUIDELINES

These guidelines offer basic common sense advice to merchants, property owners and others involved in improving downtown. Their use is intended to be applied uniformly to all buildings within the Historic Register District.

For projects participating in the DDA Incentive Loan Program, the design guidelines are intended to facilitate mandatory compliance.

Guidelines contain a brief discussion of the importance of the element being examined and a list of specific recommendations and procedures to be avoided.

Subjects covered are:

- Front Facades and Storefronts
  - Upper Facades
  - Doors and Entries
  - Awnings
  - Painting and Color
  - Rear Entrances
  - Signs
  - Streets and Sidewalks

It is the intent of these guidelines to allow the individual character of each existing historic building to be retained. Consideration of making the building design visually compatible with its surrounds is encouraged.
THE HISTORIC OVERLAY DISTRICT

FRONT FACADES AND STOREFRONTS

Listing downtown Manistee in the National Register was done to help preserve these historic buildings individually and collectively. It provides the building owners with federal tax breaks and preservation assistance.

The Historic Register District is covered by a Historic Overlay City Ordinance which has adopted a detailed set of guidelines regarding historic preservation and development. The plan contains an evaluation of each individual building in the Historic District with a recommendation regarding guidelines for each individual building. Those guidelines are available for all property owners in determining what should be done for their building.

The front facades of buildings are one of the most important physical components of downtown—economically, functionally and aesthetically. Their physical condition plays a substantial role in the well-being of the business community.

All too often the façade projects a negative image due to inappropriate siding, peeling paint, out-of-character signs/awnings and garish color schemes. Also, many facades are two stories high. Visually, this divides the façade and the upper half has been disregarded in the “modernization.” The end products have frequently been out of scale with the entire building and incompatible with the original façade material.

With proper design and maintenance, the facades downtown present property owners and merchants with a rare opportunity. Since many of our buildings date back to 1871 or later, they have a visually interesting and historically important Victorian architecture. Due to the era in which they were produced, they have a basic warmth and human scale which is difficult to duplicate today. There, its restoration to the original design becomes increasingly important.

The Uniqueness Committee was formed to assist business owners and homeowners in their plans to renovate, restore, or remodel their buildings. The Manistee County Library also has a large section on Victorian Buildings.

The lower façade of the building, the storefront, has usually been altered since its original construction. The net result of these changes is normally an erosion of its original character. One of these problems with the storefronts today is that they no longer look like an integral part of the building—rather they look pasted on and do not reinforce the character of the entire façade.
The traditional storefront usually had a recessed entry for the front door, flanked by display windows. This offered a full view of the merchandise, a view of the stores’ interior and emphasized the door entryway inviting the customer inside.

The following recommendations are suggested:
- Storefronts should be designed to fit inside the original openings and not extend beyond it.
- Storefronts should be designed with the largest possible window area in keeping with the original design.
- Where storefronts have been covered up with incompatible material, this should be uncovered. Use of unpainted aluminum, imitation masonry, fake shutters and other incompatible materials should be avoided.
- Use of simple and unobtrusive materials blends in well with the surrounding storefronts. Avoiding garish patterns, textures or colors adds to the quality of the project.

UPPER FACADES

From a distance, the image of the front façade is heavily influenced by its upper story appearance. Typically, windows in the upper facades are positioned at regular intervals and act to establish a visual rhythm for the exterior design of the building. Their shape, size and placement, constitutes a major element in creating the character of the building and contributes to the overall visual character of the street.

Recommendations:
- Screens, boards and inappropriate materials should be removed from windows in the upper facades.
- If window openings have been altered, windows should be restored to original configuration and detail. If storm windows are used to improve thermal performance, they should resemble the existing window as closely as possible.
- The storing of material directly in front of windows should be avoided. Windows should be washed regularly and curtains or other suitable materials installed to give a “live-in” look.
- Use of heating/air conditioning units on significant facades is discouraged.

DOORS AND ENTRIES

Doors create individual character in the buildings exterior appearance. Historically, the entry is more than just a door; its design and appearance reflects its commercial importance. Attractive entrances are essential and doors should be made to welcome the customer as they approach.

Recommendations:
- If historic in character, original doors should be repaired, retained or refinished when possible. The use of brass door pulls and plates adds to the visual value of the restored look.
- Rear doors should reflect the unadorned character of the rear façade. Incorporation of glass panels invites the customer into the store. Attractive molding can make a door special.
- Store doors should be appropriate in size, color and material.
AWNINGS

Awnings can be visually and functionally appropriate and are encouraged. They reduce glare and serve as energy savers by controlling the amount of light to the interior of the structure. Colors can be coordinated with paint on the exterior. Design of the awning should be in keeping with the architectural style of the building.

PAINTING AND COLOR

Painting can be one of the most dramatic and least expensive improvements to a building. Painting at regular intervals is an essential part of maintenance and is a practical way to visually tie together individual building facades. Attention should not be given not only to selection of appropriate colors, but also the preparation of the surfaces, choice of paint type and finish.

Recommendations:

- Color palettes should generally be lighter on the south side of the street, which is normally in shadow, than on the north which is often in the sun.
- Use of bright primary colors usually is incompatible with the buildings downtown. Bright colors often fade easily.
- Colors should be used to tie building elements, such as details, cornices, signs and storefronts together. His is usually most successful when a maximum of four colors is used.
- Colors applied to side and real walls should avoid harsh shifts from the front. A building should be treated as visually consistent on all sides.

REAR ENTRANCES

Rear entrances can be as important as a front entrance. Consideration should be given to rear entry treatment on alleys as well as river side entry. Signage should be scaled down to fit the more casual atmosphere of the area. While rear entry treatments do not have to relate architecturally with the storefront, similar details and materials should be used. Meter boxes and building mechanical equipment should be masked. Trash cans and dumpsters should be screened from view. Gutters and downspouts should be in good repair and blended into the façade. Wall signs should usually be located above the entry to the store to assist the pedestrian.
SIGNS

Business signs are the most prominent visual element in the downtown. The purpose of a sign is to locate the store for customers and the sign should be scaled and located so as to achieve the maximum pedestrian viewing. Building signs should be limited in size so as not to overwhelm the façade. The message should be simple—limited to identification of the business. The color and style of the sign should be consistent with the character of the building.

Small scale hanging signs are an effective method of advertising. Usually located near the entrance, these signs serve not only to inform, but to locate the entry and to provide a rhythmic motion along the sidewalk. The size and placement of hanging signs should be compatible with the façade. Service entries also should be clearly marked to avoid confusion.

Compliance with City of Manistee Zoning and Sign Ordinance and Historic Overlay Design Review Committee review and recommendation is a requirement.

STREETS AND SIDEWALKS

Improvements to the public spaces and off-street parking lots in the downtown are essential to the commitments and investments in façade improvements made by individual property owners and merchants.

The primary connective network of pathways for pedestrian movement throughout the downtown is provided by sidewalks, crosswalks, and public spaces. Collectively, these pathways serve as the floor of the downtown. The condition and appearance of the sidewalk is essential to the comfort of the shopper.

The use of varied materials in sidewalks, crosswalks and parking lots can provide interest to the pedestrian. A safe, even slip-resistant surface is important. Maintenance, including snow and trash removal, is the responsibility of the business owner.
MANISTEE DOWNTOWN DEVELOPMENT AUTHORITY
INCENTIVE LOAN PROGRAM
PROJECT APPLICATION

Applicant_____________________________________________________________Date:_______________________

Building Address: ______________________________________________________Phone:____________________

Date Property Taxes Paid________________________________________In Historic District?_________________

Has the entire exterior been considered in your project?__________

Is the project in compliance with the City Zoning Ordinance?____________

Are your improvements visible?___________Is building permit required?___________

Attachments:                Deed
Fire Insurance Verification
Current photos of building
Proposed drawings, plans, etc.
Cost estimates
Estimated beginning/completion date
Owners’ permission letter (if needed)

Loan amount requested:  ____________________Cash:____________________
Other:_________________                                    Total Project:______________

PROJECT
DESCRIPTION:__________________________________________________________________________________

________________________________________________________________________________________________________________________________________________

Itemized activities & costs:

Bank Choice:

Building Owner:__________________________________________________________________________________

Name                                                             Address                                                       Phone

I (we) hereby request an application for a loan from the Manistee DDA Incentive Loan Program for exterior re-
habilitation of my business building. I agree to furnish to the DDA and the leading institution sufficient informa-
tion upon which a decision can be made. I agree to provide my lending institution the financial information
needed for the use of the five participating banks. It is my intent to carry this project through to completion.

Date                              Applicant’s Signature (s)

Bank’s tentative approval of loan
Historic Overlay Design Review Committee approval
Bank’s final approval of loan
MANISTEE DOWNTOWN DEVELOPMENT AUTHORITY
INCENTIVE/PRIVATELY FUNDED PROGRAM
PROJECT APPLICATION

Applicant_____________________________________________________________Date:_______________________
Building Address: _________________________________________________Phone:__________________________
Date Property Taxes Paid________________________________________In Historic District?_________________
Has the entire exterior been considered in your project?__________
Is the project in compliance with the City Zoning Ordinance?________
Are your improvements visible?________Is building permit required?________

Attachments:                Deed
                           Fire Insurance Verification
                           Current photos of building
                           Proposed drawings, plans, etc.
                           Cost estimates
                           Estimated beginning/completion date
                           Owners’ permission letter (if needed)

Total Project:______________

PROJECT
DESCRIPTION:__________________________________________________________________________________

Itemized activities & costs:______________________________________________________________

Building Owner:__________________________________________________________________________________
Name                                                             Address                                                       Phone

I (we) hereby request an application for a loan from the Manistee DDA Incentive Loan Program for exterior re-
habilitation of my business building. I agree to furnish to the DDA and the leading institution sufficient informa-
tion upon which a decision can be made. I agree to provide my lending institution the financial information
needed for the use of the five participating banks. It is my intent to carry this project through to completion.

Date                              Applicant’s Signature (s)

Historic Overlay Design Review Committee approval___________________________________________________
CADILLAC DDA LOW-INTEREST LOAN FACADE IMPROVEMENT PROGRAM

Application Form

1. Applicant Information

Name ____________________________________________________________

Address________________________________________________________

Phone ___________________________ Fax ____________________________

2. Project Information

Building Location ________________________________________________

Owner of Record ________________________________________________

If Leased: Lease Expires ________ Renewal Term _______

3. Project Description

Describe in detail the proposed scope of work, using additional sheets if necessary. Attach any architectural sketches or drawings if applicable. Provide cost breakdowns by major categories such as signs, awnings, painting, repair, carpentry, electrical, etc., as an attachment.

________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________
________________________________________________________________

1
4. Participating Bank Designation

Please mark the participating financial institution of your choice who will process your loan:

_____ Fifth Third Bank, 123 S. Mitchell Street, Cadillac, MI 49601, 779-2700

_____ Citizens Bank, 103 N. Mitchell Street, Cadillac, MI 49601, 775-4611

_____ Chemical Bank West, 115 N. Mitchell Street, Cadillac, MI 49601, 775-6151

_____ Firstbank, 114 W. Pine Street, Cadillac, MI 49601, 775-9000

Anticipated Project Cost ____________________________

Anticipated Construction Start Date _________ Completion Date ____________

Contractor Bid #1 _____________________ Contractor Bid #2 _____________________
(A minimum of two contractor bids is recommended.)

5. Mortgage Information

Is there a current Mortgage on the property? YES______ NO______

If YES, holder of Mortgage: ____________________________

Date of Mortgage ______ Original Amount ______ Current Balance ______

6. Building Information

Type of Construction ________________________ Floors Above Grade__________

Present Use (if mixed use, indicate percentage of type of use) ________________

_____ Retail _____ Office/Professional _____ Residential _____ Other

_____ Occupancy Level _____ Full _____ % Occupied _____ Vacant

Will project result in a change of use for the building? YES_____ NO______

If YES, uses of the building after completion of the facade project:

1st Floor: __________________________________________

2nd Floor: __________________________________________

Other: ______________________________________________
7. Other Required Documents
   a. Property deed with legal description of property
   b. Proof that all property taxes are paid and current
   c. Proof of property and liability insurance
   d. Copies of any leases associated with property
   e. One (1) contractor quote/construction bid for total facade project [Two (2) bids are recommended, but not required]
   f. If tenant is applying please provide a letter from the owner expressing approval of the project proposal.

I/We certify that all information set forth is this application is a true representation of the facts pertaining to the subject property for the purpose of obtaining funding under the Cadillac DDA Downtown Facade Improvement Program. I understand and acknowledge that any willful misrepresentation of the information contained in this application could result in disqualification from the program, requiring any funds already disbursed under the program to be repaid in full.

I/We understand that I/we will be responsible for all closing costs, including but not limited to recording fees. I/We further certify that I/we have read and understand the Facade Improvement Guidelines. If a determination is made by the Cadillac DDA that loan proceeds have not been used for eligible and/or approved program activities, I/we agree that the proceeds shall be returned in full, to the participating bank and further acknowledge that, with respect to such proceeds so returned, I/we shall have no further interest, right or claim. It is understood that all loan commitments are contingent upon participating bank final approval and the availability of program funds.

Signed this __________ day of __________________, __________.
   (month)       (year)

By: ____________________________________________________________
    ____________________________________________________________

3
Introduction

Do you own or rent a building in the Cadillac Downtown Development Authority (DDA) District and wish you had money to renovate the front, rear, or side facades? Have you dreamed of a new awning and a fresh coat of paint? If you answered "yes" to either of these questions, then the DDA's low-interest loan façade program may be for you.

These funds will make possible many exterior projects, including anything from a simple coat of fresh paint to an overall façade renovation, complete with new awnings or other signage. Very basically, the terms of this loan program are as follows:

- 10 year maximum amortization
- Low interest (i.e., 2.42% - 4.79%)
- $30,000 maximum loan

Who and What is Eligible?

Basically, the following properties and projects are eligible. Please call the Cadillac DDA office at 775-0181 for a complete set of guidelines.

- Properties located within the boundaries of the Cadillac DDA District with retail, commercial or professional uses consistent with desired downtown land uses.

- Properties that are structurally sound with intact roofs and meet basic public safety codes. Proposed façade improvements must also comply with all applicable building and zoning codes.

- Awnings and signs are eligible expenses under program guidelines and are encouraged as part of a comprehensive façade restoration project.

- Any facades abutting public rights-of-way or public parking lots are eligible. This includes rear facades, as well as highly visible side facades.

How do I apply?

Applications for loan funds are available from the DDA office, located at the Cadillac Municipal Complex, 200 N. Lake Street. All applications are first reviewed by the DDA’s Façade Design Review Committee. Once approved by the Committee, the application will then be forwarded to a Participating Lender (Fifth Third, Citizens Bank, or Chemical Bank West) of the applicant’s choice. Eligibility, terms and conditions of private financing will be determined on an individual basis, subject to the normal credit granting criteria of Participating Lenders.
How Long Will the Approval Process Take?

The DDA’s Façade Design Review Committee will receive and review all proposals using the Downtown Cadillac Design Guidelines. This committee will meet as needed to provide input, make suggestions to the scope of work and approve or deny individual projects. The Design Review Committee is committed to a speedy review process and will strive to complete all reviews within a two week period or less.

Ineligible Uses of Funds

Program funds may not be used for any of the following:

- Refinancing existing debt
- Property acquisition
- Interior improvements and/or furnishings
- Site plan, building or sign permit fees.
- Property appraisal costs, legal fees, or loan origination fees.
- Labor costs paid to the owner/applicant or relatives of the owner/applicant.

Participating Lenders

The following lenders participate in the Cadillac DDA Low-Interest Loan Façade Program:

**Chemical Bank West**, 115 N. Mitchell Street, Cadillac, MI 775-6151

**Citizens Bank**, 103 N. Mitchell Street, Cadillac, MI 775-4611

**Fifth Third Bank**, 123 S. Mitchell Street, Cadillac, MI 779-2700

**Firstbank**, 114 W. Pine Street, Cadillac MI 775-900C

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Sample Loan Payments

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<tr>
<th>Principal Amount</th>
<th>Interest Rate*</th>
<th>Monthly Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 5,000</td>
<td>2.41%</td>
<td>$ 46.93</td>
</tr>
<tr>
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</tr>
<tr>
<td>$30,000</td>
<td>4.86%</td>
<td>$316.15</td>
</tr>
</tbody>
</table>

*Interest rate is based on a blend of funds at 7/8% below prime and 0%, per program rules.
REVOLVING LOW-INTEREST LOAN FUND FOR
DOWNTOWN CADILLAC FAÇADE IMPROVEMENTS

PROGRAM GUIDELINES

The Cadillac Downtown Development Authority (DDA) in partnership with the City of Cadillac and the Cadillac Downtown Fund has created a Downtown Façade Improvement Program that is intended to directly stimulate façade design improvements to downtown buildings in a coordinated fashion, stressing overall compatibility with the historical significance and uniqueness of Cadillac’s downtown structures.

Program Eligibility & Requirements:
A property must be located within the legal boundaries of the Downtown Development District to be eligible. An owner or tenant with multiple buildings may apply once for each building. The following criteria will also apply:

1. Only buildings with retail, commercial or professional uses consistent with desired downtown land uses are eligible.

2. Properties must be structurally sound, roof intact, and meet basic public safety codes. Proposed façade improvements must also comply with all applicable building and zoning codes.

3. Awnings and signs are eligible expenses under program guidelines, and are encouraged as part of a comprehensive façade restoration project.

4. Any façades abutting public rights-of-way are eligible projects. This includes rear façades, as well as highly visible side façades. Side façades that do not abut public rights-of-way will be considered on a case-by-case basis.

5. Building owners or tenants are eligible. If a tenant applies for assistance, he/she must provide written proof that the building owner has authorized proposed improvements.

6. Applicants will be required to complete an application form provided by the Cadillac DDA.

7. All required municipal/governmental permits must be obtained prior to the start of any construction.

INELIGIBLE USES OF PROGRAM FUNDS:
Program loan funds may not be utilized for any of the following uses:

a. Refinancing existing debt
b. Property acquisition
c. Interior improvements and/or furnishings
d. Site plan, building or sign permit fees
e. Property appraisal costs, legal fees, or loan origination fees
f. Labor costs paid to the owner/applicant or relatives of the owner/applicant
PROGRAM GUIDELINES:
Applicants who wish to apply for the low-interest loan will complete an application, which in turn will be reviewed by the Downtown Façade Design Review Committee (appointed by the Cadillac DDA). Once approved by the Committee, the application will then be forwarded to the Participating Lender of the applicant’s choice for loan approval. Participating banks include Chemical Bank West, Fifth Third Bank, Citizens Bank and Firstbank. Eligibility, terms and conditions of private financing will be determined on an individual basis subject to the normal credit-granting criteria of Participating Lenders. Construction must commence within 60 days of approval for funding and be completed within 120 days after the construction start date. Requests for time extensions must be submitted in writing and will only be approved upon the express written consent of the Cadillac DDA.

1. The maximum loan amount under this program is $30,000 per project. At least one-third of the loan shall come from funds provided by a participating bank at ¼% below prime APR fixed. A maximum of $10,000 of the loan shall come from funds provided by the Cadillac DDA at 0% interest. Thus, the interest rate paid on each loan shall be based on a blend of ¼% below prime APR fixed and 0% interest funds.

2. Installment payments of principal and accrued interest will be paid monthly, with a maximum term of three (3) or five (5) years, subject to agreement between the applicant and participating bank. Additionally, loans shall amortize over five (5) or ten (10) years, subject to agreement between the applicant and participating bank. After maturity, the loan may be subject to an additional financing period until full payment at the then current ¼% below prime rate fixed, if the applicant’s previous record is satisfactory.

3. All out-of-pocket closing costs and recording fees will be the responsibility of the borrower.

4. Collateral will be required to secure the loan if deemed necessary by the Participating Bank.

5. At least two licensed contractor quotes are recommended. The applicant will not necessarily be required to accept the low bidder.

6. Building owners or tenants are eligible. If a tenant applies for assistance, he/she must provide written proof that the building owner has authorized proposed improvements. Evidence of an executed lease for a term equal to the loan period will also be required.

PROJECT REVIEW AND SELECTION PROCESS:
Façade Review Committee members and City staff will work closely with property owners and tenants to determine initial eligibility under program guidelines. Once the initial scope of work has been determined, the applicant will present the project to the Façade Review Committee. The Committee will meet as needed to provide input, make suggestions to the scope of work and approve or deny individual projects. Upon approval by the Committee, the application will be sent to the Participating Bank of the applicant’s choice for financing.

RIGHTS RESERVED:
The Cadillac DDA reserves the right to reject any and all applications. The specific program guidelines detailed herein are subject to revision or amendment by the Façade Committee. The Cadillac DDA may discontinue this program at any time, subject to the availability of program funding and Participating Banks’ continued participation.
Property and Loan Information

Property Address (Street, City, State and Zip)

__________________________

__________________________

__________________________

__________________________

Legal Description (Attach if necessary)

__________________________

__________________________

__________________________

__________________________

Purpose of Loan  Amount Requested

Acquisition _____ Construction _____ Personal Property _____  $___________

*Complete this line for acquisition.*

Original Cost ___________  Appraised Value ___________

*Complete this for construction or personal property*

Original Cost ___________  Cost of Improvements or Items ___________

Description of work to be done or items to be purchased (Attach if necessary).

__________________________

__________________________

__________________________

Borrower Information

Borrower’s Name ____________________________

Social Security Number ___________________  Home Phone ___________________

DOB (MM/DD/YYYY) ________________

Dependents  No. _______ Ages __________________________
Present Address  Own _____ Rent _____ No. of Years _________

________________________________________________________________________
________________________________________________________________________

Mailing Address

________________________________________________________________________
________________________________________________________________________

If residing at present address for less than two years, complete the following.

Former Address  Own _____ Rent _____ No. of Years _________

________________________________________________________________________
________________________________________________________________________

Co-Borrower Information

Borrower’s Name __________________________________________________________

Social Security Number ___________________________ Home Phone ___________________

DOB (MM/DD/YYYY) ____________________________

Dependents  No. _______ Ages ____________________________

Present Address  Own _____ Rent _____ No. of Years _________

________________________________________________________________________
________________________________________________________________________

Mailing Address

________________________________________________________________________
________________________________________________________________________

If residing at present address for less than two years, complete the following.

Former Address  Own _____ Rent _____ No. of Years _________

________________________________________________________________________
________________________________________________________________________
Employment Information

Borrower

Name and Address of Employer  Self Employed _____  Yrs. Employed _____

Position/Title/Type of Business  Business Phone _____

*If employed in current position for less than two years or if currently employed in more than one position, complete the following:*

Name and Address of Employer  Self Employed _____  Yrs. Employed _____

Position/Title/Type of Business  Business Phone _____

Co-Borrower

Name and Address of Employer  Self Employed _____  Yrs. Employed _____

Position/Title/Type of Business  Business Phone _____

*If employed in current position for less than two years or if currently employed in more than one position, complete the following:*

Name and Address of Employer  Self Employed _____  Yrs. Employed _____

Position/Title/Type of Business  Business Phone _____
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Total


**Liabilities**

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Borrower’s Signature  
Date

Co-Borrower’s Signature  
Date
**ARTICLE XIV. MAINSTREET DOWNTOWN DEVELOPMENT AUTHORITY***

*Editor's note: The user of this volume may wish to note that § 2 of Ord. No. 1002, adopted March 7, 1990, approves and adopts the development plan and tax increment financing plan for the downtown development authority of the city.

Sec. 2-97. Establishment.

In recognition of the fact that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation in the city downtown business district and to promote the economic growth of the city 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 City of Holland Mainstreet/Downtown Development Authority.

(Ord. No. 717; Ord. No. 1017, 7-10-91)

Sec. 2-98. Powers; duties; boundaries.

The downtown development authority shall have all of the powers and duties prescribed by Act No. 197 of the Public Acts of 1975, as amended (MCL 125.1651 et seq.), including but not limited to implementing development plans, acquiring and disposing of interests in real and personal property, levying an ad valorem tax, not to exceed two (2) mills, on the real and tangible personal property in the downtown development district, issuing bonds and other evidence of indebtedness and authorizing the use of tax increment financing, all as more fully delineated in Act 197 of the Public Acts of 1975, as amended, to promote the economic growth of the downtown development district. The city shall exercise its powers within the following described area which shall be the "downtown development district":

All property bounded by the existing corporate limits of the City of Holland between Fairbanks and Maple Avenues, if extended, to the waters of Lake Macatawa on the north, Fairbanks Avenue on the east, 11th Street on the south, and an area described as west of Maple Avenue, if extended, to the water's edge of Lake Macatawa and north of 9th Street, if extended, to the water's edge of Lake Macatawa on the west, including such additional property which is legally described as follows:

Part of Sections 20, 21, 28, and 29 of T5N, R15W, City of Holland, Ottawa County, Michigan, described as: Beginning at the intersection of the North line of the CSX Railroad spur track with the East line of Section 29, said point being distance North 426.35 feet from the East 1/4 corner of Section 29 and proceeding thence Easterly and Northeasterly along the Northerly and Northwesterly right-of-way line of the CSX Railroad to the centerline of the Macatawa River; thence Northwesterly, Southwesterly and Westerly along the centerline of the Macatawa River to the intersection with the centerline of the Northerly extension of College Avenue; thence South along the centerline of the extension of College Avenue to the South edge of the Macatawa River marsh; thence Southeasterly along the Southerly and Southweste rly edge of Macatawa River marsh to the East line of Section 29; thence South along the East line of Section 29 to the point of beginning.

which is zoned commercial (C-4, C-3, C-2, or C-1, or such future commercial classifications as shall be established), Windmill Island Neighborhood Business District, Planned Unit Development-Commercial, PRD, Planned Residential Development District, or Industrial (D-1 or D-2).

(Ord. No. 717; Ord. No. 909, 8-20-86; Ord. No. 958, 8-3-88; Ord. No. 971, 2-15-89; Ord. No. 1228, 12-2-98)
Sec. 2-98.1. Board; membership; terms.

The downtown development authority shall be under the supervision and control of a board consisting of the city manager and twelve (12) members. The board shall be appointed by the city manager and approved by city council. Not less than a majority of the members shall be persons having an interest in property located in the downtown development district. Not less than one (1) of the members shall be persons having an interest in property zoned Industrial and located in the downtown development district. Not less than one (1) of the members shall be a resident of the downtown development district, if the downtown district has one hundred (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 (1) year, two (2) years, three (3) years, and four (4) years. Notwithstanding, no member shall serve more than two (2) consecutive four (4) year terms or a total of eight (8) consecutive years. If a member desires to serve on the board after two (2) consecutive four (4) year terms or eight (8) consecutive years, he or she will not be eligible to serve until one (1) year has elapsed since the expiration of the two (2) consecutive four (4) year terms or eight (8) consecutive years. An appointment to fill a vacancy shall be made by the city manager for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The board shall elect a member as chairperson and vice-chairperson of the board. A member shall not serve as either a chairperson or a vice-chairperson for more than two (2) year term. After the chairperson's two (2) year term has expired, the vice-chairperson shall become chairperson of the board for a two (2) year term. In the event a vice-chairperson declines to become chairperson at the end of the two (2) year term, the board shall elect a chairperson and vice-chairperson from the remaining members of the board. A former chairperson may not serve as a vice-chairperson until two (2) years have elapsed since the expiration of the chairperson's two (2) year term. The operation and activities of the board shall comply with Act 197 of the Public Acts of 1975, as amended; MCLA 125.1651 et seq.

(Ord. No. 972, 2-15-89; Ord. No. 1375, 11-19-03; Ord. No. 1421, 8-17-05)

Sec. 2-99. Director; bond.

Any director of the downtown development authority shall, before entering upon the duties of his office, post a bond in the penal sum of ten thousand dollars ($10,000.00), payable to the authority for the use and benefit of the authority, approved by the board and filed with the city 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.

(Ord. No. 717)
DIVISION 1. GENERALLY

Sec. 16-81. Establishment.

The city council determining 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, hereby declares its intention to and hereby does create and provide for the operation of the downtown development authority, pursuant to Public Act No. 197 of 1975 (MCL 125.1651 et seq.).

(Code 1975, § 34-36; Code 1992, § 8-66)

Sec. 16-82. Powers, duties and boundaries.

(a) The downtown development authority established pursuant to Public Act No. 197 of 1975 (MCL 125.1651a et seq.) shall have all powers, duties and authority prescribed in the act's enabling legislation.

(b) The downtown development authority's boundaries within the city shall be as follows:

Beginning at the intersection of the centerline of Griswold Street and the east right-of-way line of Fourth Street extended south; thence westerly along the centerline of Griswold Street to the centerline of the north/south alley in block 51, White Plat; thence north on the alley centerline to the centerline of White Street; thence easterly along the White Street centerline to the centerline of the north/south alley in block 52, White Plat; thence northerly along last such alley centerline to the centerline of Chestnut Street; thence easterly along the Chestnut Street centerline to the centerline of the north/south alley in block 53, White Plat; thence northerly along last such alley centerline to the centerline of Union Street; thence easterly along the Union Street centerline to the centerline of the north/south alley in block 54, White Plat; thence northerly along last such alley centerline to the centerline of Court Street; thence westerly along the Court Street centerline to the centerline of Seventh Street; thence northerly along the Seventh Street centerline to the centerline of Lapeer Avenue; thence westerly along the Lapeer Avenue centerline to the centerline of Tenth Street; thence northerly along the Tenth Street centerline, across the Tenth Street bridge to the centerline of Tenth Avenue; thence continuing north along the Tenth Avenue centerline to the centerline of Glenwood Avenue; thence easterly along the Glenwood Avenue centerline to the west line of lot 7, block 4, Fort Gratiot Military Reservation Subdivision extended southerly; thence north 145 feet along the west line of lot 7; thence east 133 feet to the centerline of Superior Street; thence south 27.66 feet along the centerline of Superior Street; thence north 71° 55' 00'' E 74.21 feet; thence north 18° 05' 00'' W 2.30 feet; thence north 71° 44' 28'' E to the centerline of Pine Grove Avenue; thence northwesterly along the centerline of Pine Grove Avenue to the north right-of-way line of Prospect Street; thence northeasterly along the north right-of-way line of Prospect Street to the east line of lot 12, Washington Place; thence northwesterly along the east line of lot 12 and lot 13 to the south right-of-way line of Sedgwick Street; thence westerly along the south right-of-way line of Sedgwick Street to the centerline of Pine Grove Avenue; thence northwesterly along such centerline to the east right-of-way line of Stone Street extended; thence north to the intersection of the east line of Stone Street and the north right-of-way line of Whipple Street; thence N 00° 15' 03'' W to a point 438.11 feet from the intersection of east line of Stone Street and north line of Whipple Street; thence N 47° 10' 33'' E 136.40 feet; thence N 47° 10' 18'' E 22.37 feet; thence N 47° 10' 33'' E 135.81 feet; thence N 47° 10' 37'' E 89.26 feet; thence N 43° 37' 18'' E 92.87 feet; thence N 40° 59' 00'' E 87.94 feet; thence N 41° 02' 37'' E 66.57feet; thence N 36° 23' 07'' E 62.50 feet; thence N 35° 44' 25'' E 82.56 feet; thence northerly along centerline of St. Clair Street to the centerline of State Street; thence easterly along the centerline of State Street to the centerline of Gratiot Avenue; thence northerly along the centerline of Gratiot Avenue to the centerline of Elmwood Street; thence easterly along the centerline of Elmwood Street to the west right-of-way line of Conger Street; thence northeasterly along west right-of-way line of Conger Street to a point distant S 00° 11' 07'' E 170.0 feet from the southeast corner of Church Street and Wright Street; thence due east to the St. Clair River; thence southerly along the westerly shoreline of St. Clair River to the centerline of...
Lincoln Avenue; thence westerly along the Lincoln Avenue centerline to the centerline of Superior Street; thence southerly along the Superior Street centerline to the centerline of Rawlins Street; thence easterly along the Rawlins Street centerline to the centerline of Huron Avenue; thence southerly along the Huron Avenue centerline to the centerline of Stanton Street; thence easterly along the Stanton Street centerline to the centerline of Glenwood Avenue; thence easterly along the Glenwood Avenue centerline to the westerly shoreline of the St. Clair River; thence southerly along the westerly shoreline of the St. Clair River to the southeast corner of lot 39, Assessor's Military Plat Number 2; thence northwesterly along the south line of lot 39 to the easterly right-of-way line of Military Street; thence northeasterly along such right-of-way line to the southwest corner of lot 10, Plat of St. Clair Place; thence northerly along the easterly line of such plat to the northeast corner of lot 1, St. Clair Place; thence continuing northerly along the easterly line of Assessor's Military Plat Number 1 and St. Clair Place to the southeast corner of lot 24, Assessor's Military Plat Number 1; thence northerly to the southeast corner of lot 23, Assessor's Military Plat Number 1; thence continuing northeasterly along the easterly line of such plat to a point of intersection with the north line of lot 11 extended easterly; thence westerly along such north line to the northeast corner of lot 11, such plat; thence westerly to the southeast corner of lot 8; thence north to the northeast corner of lot 8; thence east to the southeast corner of lot 2; thence north to the northeast corner of lot 2 on the south right-of-way line of Griswold Street; thence north to the point of beginning of this description.

Except the following:

1. Lot 13, block 52, White Plat.
2. East 70 feet of north 15 feet lot 5 and east 70 feet lot 6, block 22, Butler Plat.
3. South 1/2 lot 5, block 21, Butler Plat.
4. North 25 feet of east 75 feet lot 5 and south 7 3/4 feet of east 75 feet lot 6, block 21, Butler Plat.
5. North 32 1/2 feet of east 75 feet lot 6, block 21, Butler Plat.
6. Lot 9, block 21, Butler Plat.
7. Lot 10, block 21, Butler Plat.
8. West 38.33 feet of south 16 feet lot 11 and west 38.33 feet lot 12, block 21, Butler Plat.
9. Lot 17 and south 1/2 lot 18, block 33, Plat of Village of Fort Gratiot.
10. Lots 28 and 29, block 11, Port Huron and Northwestern Railway Plat of a portion of the Fort Gratiot Military Reservation, also west 40 feet of north 57.4 feet of south 382.4 feet of land bounded north by State Street, west by block 11, Port Huron and Northwestern Railway Plat of a portion of the Fort Gratiot Military Reservation, south by the north line of Scott Avenue extended east, part of Military Reserve Subdivision of Fort Gratiot Military Reservation.
11. Lot 1 and north 18 feet lot 4, block 12, Subdivision of Fort Gratiot Military Reservation.
12. South 26 feet lot 4 and north 8.85 feet lot 5, block 12, Subdivision of Fort Gratiot Military Reservation.
13. South 34.85 feet lot 5, block 12, Subdivision of the Fort Gratiot Military Reservation.
15. North 1/2 lot 2, except east eight feet of south 1/2, block 2, Subdivision of the Fort Gratiot Military Reservation.


**Sec. 16-83. Board.**

(a) The downtown development authority shall be under the supervision and control of a board consisting of
the city manager and eight members appointed by the city manager subject to approval by the city council. At least five of the members shall be persons having an interest in property located in the downtown district. At least one of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. The members shall serve staggered terms of four years. A member shall hold office until the member's successor is appointed. An appointment to fill a vacancy shall be made by the city manager 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.

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

(c) The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the city council. 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.

(d) Pursuant to notice and an opportunity to be heard, a member of the board may be removed for cause by the city council. Removal of a member is subject to review by the circuit court.

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

(Code 1975, § 34-38; Code 1992, § 8-68)

Sec. 16-84. Director; bond.

The downtown development authority board may employ a director who, before entering upon the duties of his office, shall take and subscribe to the constitutional oath and furnish bond, by posting a bond in the penal sum of $20,000.00 payable to the authority for use and benefit of the authority, approved by the board and filed with the city clerk.


Secs. 16-85--16-105. Reserved.
Sec. 16-106. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- **Act** means Public Act No. 197 of 1975.
- **Base year assessment roll** means the base year assessment roll prepared by the city assessor in accordance with section 16-111.
- **Captured assessed value** means the amount in any one year by which the current assessed value as finally equalized of all taxable property in amendment no. 2 to the development plan for development area no. 1 exceeds the initial assessed value.
- **Development area** means the area shown in Map A, Property Boundaries, more fully described in the development plan.
- **Development plan** means the amendment no. 2 to the development plan for Port Huron Downtown Development Area No. 1, dated 1993, as amended and transmitted to the city council by the downtown development authority for public hearing, as modified by action of the city council and confirmed by this division, copies of which are on file in the office of the city clerk.
- **Downtown development authority** means the city downtown development authority (DDA).
- **Initial assessed value** means the most recently assessed value as finally equalized of all the taxable property within the boundaries of the development area at the time of adoption of Ordinance No. 1049.
- **Project fund** means the downtown development authority, project no. 1 fund, established pursuant to section 16-113.
- **Taxing jurisdiction** means each unit of government levying an ad valorem property tax on property in the development area.

(Ord. No. 1049, § 1, 12-13-1993; Code 1992, § 8-70)

**Cross references:** Definitions generally, § 1-2.

Sec. 16-107. Legislative findings.

(a) **Preamble.**

(1) Public Act No. 197 of 1975 provides for, among other things, the establishment of a downtown development authority; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the creation and implementation of development plans in the districts; to promote economic growth; and to authorize the use of tax increment plans.

(2) The downtown development authority has caused to be prepared and has recommended for
approval a tax increment financing and development plan to the area designated "amendment no. 2 to development area no. 1."

(3) Pursuant to section 18 of the act (MCL 125.1668), the city council conducted a public hearing on December 13, 1993.

(4) The city has given the county board of commissioners and the school board an opportunity to meet with the city council to express their views and recommendations regarding the plan, as required by section 14 of the act (MCL 125.1664).

(b) Findings. The city council finds all of the following:

(1) The downtown development authority has approved an overall development plan designed to bring to the central area of the city new residents and businesses. A portion of this plan is amendment no. 2 to the development plan for development area no. 1 which includes a multiple-family residential development.

(2) The tax increment plan will fund public improvements through taxes generated by private development.

(3) Implementation of the development plan will bring residents with disposable income to the downtown area, will create a new tax base and generate economic growth, thereby providing customers for retailers and it will serve as an impetus for additional residential and retail growth. Pursuant to section 7(c) of the act (MCL 125.1657(c)), the city council finds that, without the residential development, as contained in the development plan, the public improvements will not occur and that the multiple-family residential development will aid in the economic growth of the downtown district.

(4) The development plan constitutes a public purpose and is reasonable and necessary to carry out the purposes of the act.

(c) Approval considerations. The development plan and tax increment plan are being approved by this division based upon the following considerations:

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

(2) The plan meets the requirements set forth in section 17(2) of the act (MCL 125.1667(2)).

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

(4) The development is reasonable and necessary to carry out the purposes of the act.

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

(6) The development plan is in reasonable accord with the master plan of the city.

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

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

(Ord. No. 1049, § 2, 12-13-1993; Code 1992, § 8-71)

Sec. 16-108. Approval and adoption of development plan.

For the purposes of this division, the development plan is hereby approved and adopted. The duration of the plan shall be 30 years from the date of the adoption of Ordinance No. 1049 or 30 years from the date of issuance of the last series of bonds issued pursuant to the development plan, except as it may be extended by subsequent amendment of the plan and this division. A copy of the plan and all amendments thereto shall be maintained on file in

Sec. 16-109. Boundaries of development area.

The boundaries of amendment no. 2 to development area no. 1, as set forth in the development plan, are hereby adopted and confirmed.


Sec. 16-110. Preparation of base year assessment roll.

(a) Within 60 days of the effective date of Ordinance No. 1049, the city assessor shall prepare the initial base year assessment roll. The initial base year assessment roll shall list each tax jurisdiction in which amendment no. 2 to development area no. 1 is located, the initial assessed value of amendment no. 2 to development area no. 1 on the effective date of Ordinance No. 1049 and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on the property in the development area.

(b) The assessor shall transmit copies of the initial base year assessment roll to the city treasurer, county treasurer, downtown development authority and each taxing jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this division and the tax increment financing plan in the development plan approved by this division.

(Ord. No. 1049, § 5, 12-13-1993; Code 1992, § 8-74)

Sec. 16-111. Preparation of annual base year assessment roll.

Each year within 15 days following the final equalization of property in amendment no. 2 to development area no. 1, the assessor shall prepare an updated base year assessment roll. The updated base year assessment roll shall show the information required in the initial base year assessment roll and, in addition, the captured assessed value for that year. Copies of the annual base year assessment roll shall be transmitted by the assessor to the same persons as the initial base year assessment roll, together with a notice that it has been prepared in accordance with this division and the development plan.

(Ord. No. 1049, § 6, 12-13-1993; Code 1992, § 8-75)

Sec. 16-112. Establishment of project fund; approval of depository.

The treasurer of the downtown development authority shall establish a separate fund which shall be kept in a depository bank account in a bank approved by the city finance director, to be designated "Downtown Development Authority, Project No. 1." All moneys received by the downtown development authority, pursuant to the development plan, shall be deposited in the project fund. All moneys in that fund and earnings thereon shall be used in accordance with the development plan and this division.

(Ord. No. 1049, § 7, 12-13-1993; Code 1992, § 8-76)

Sec. 16-113. Payment of tax increments to downtown development authority.

The city and county treasurers shall, as ad valorem taxes are collected on the property in the development area, pay that proportion of the taxes, except for penalties and collection fees, that the captured assessed value bears to the initial assessed value to the treasurer of the downtown development authority for deposit in the project fund. The
payments shall be made on the date on which the city and county treasurers are required to remit taxes to each of the taxing jurisdictions.

(Ord. No. 1049, § 8, 12-13-1993; Code 1992, § 8-77)

Sec. 16-114. Uses of moneys in project fund.

(a) The money credited to the project fund and on hand therein from time to time, pursuant to this division, shall annually be used in the following manner and following order of priority:

(1) To pay into the debt retirement fund, for all outstanding series of bonds issued pursuant to this plan, an amount equal to the interest and principal coming due, in the case of principal, whether by maturity or mandatory redemption, prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.

(2) To establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan an amount equal to one-fifth of the largest combined annual principal and interest payments due on bonds issued pursuant to this plan until the amount to the credit of the reserve account is equal to the largest combined annual principal and interest requirements on bonds issued pursuant to this plan. Any amount to the credit of the reserve account at beginning of a fiscal year in excess of the requirement of the preceding sentence shall be considered tax increment revenue for that year.

(3) To pay the administrative and operating costs of the downtown development authority and city for the development area, including planning and promotion, to the extent provided in the annual budget of the downtown development authority.

(4) To pay, to the extent determined desirable by the downtown development authority and approved by the city, the cost of improvements as set forth in the development plan to the extent those costs are not financed from the proceeds of bonds.

(5) To pay the cost of any additional improvements to the development that are determined necessary by the downtown development authority and approved by the city council.

(6) To reimburse the city for funds advanced to acquire property, clear land, make preliminary plans and improvements necessary for the development area in accordance with this plan.

(7) To provide a pool of mortgage financing as needed for private development in accordance with the development plan.

(b) Any tax increment receipts in excess of those needed under subsection (a) of this section would revert to the taxing jurisdictions or would be used for future development activities within the development area, as defined in the development plan or as expanded to include all or parts of amendment no. 2 to development area no. 1 pursuant to amendment or modification of the development plan pursuant to applicable provisions of Public Act No. 197 (MCL 125.1651 et seq.) and other laws.

(Ord. No. 1049, § 9, 12-13-1993; Code 1992, § 8-78)

Sec. 16-115. Annual report.

Under this division, within 90 days after the end of each fiscal year, the downtown development authority shall submit to the city council, with copies to each taxing jurisdiction, a report on the status of the project fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the initial assessed value of amendment no. 2 to development area no. 1, the captured assessed value of amendment no. 2 to development area no. 1, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the city council or deemed appropriate by the downtown development authority. The secretary of the downtown development authority shall cause a copy of the report to be published once, in full, in a newspaper of general circulation in the city.
Sec. 16-116. Refund of surplus tax increments.

Under this division, any surplus money in the project fund at the end of a year, as shown by the annual report of the downtown development authority, shall be paid by the authority to the city or county treasurer, as the case may be, and rebated by him to the appropriate taxing jurisdiction.

(Ord. No. 1049, § 11, 12-13-1993; Code 1992, § 8-80)

Secs. 16-117--16-140. Reserved.
DIVISION 3. AREA NUMBER 2*

*Editor's note: Prior to amendment by Ordinance No. 1002, provisions regarding downtown development area no. 2 derived from Ord. No. 748, adopted March 24, 1980.

Sec. 16-141. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Base year assessment roll* means the base year assessment roll prepared by the city assessor.

*Captured assessed value* means the amount in any one year by which the current assessed value as finally equalized for all taxable property in development area no. 2 exceeds the initial assessed value.

*Development area* means the area shown in Map A, Property Boundaries, more fully described in the development plan.

*Development plan* means the amended tax increment and development plan, Port Huron Downtown Development Area No. 2, dated February 1991, as amended and transmitted to the city council by the downtown development authority for public hearing, as modified by action of the city council and confirmed by this division, copies of which are on file in the office of the city clerk.

*Downtown development authority* means the city downtown development authority (DDA).

*Initial assessed value* means the most recently assessed value as finally equalized of all the taxable property within the boundaries of the development area on February 25, 1991.

*Project fund* means the downtown development authority project no. 2 fund.

*Taxing jurisdiction* means each unit of government levying an ad valorem property tax on property in the development area.

(Ord. No. 1002, § 1, 2-25-1991; Code 1992, § 8-81)

Cross references: Definitions generally, § 1-2.

Sec. 16-142. Approval and adoption of development plan.

Under this division, the development plan as amended by the city council is hereby approved and adopted. The duration of the plan shall be 30 years from the date of issuance of the last series of bonds issued pursuant to the development plan, except as it may be extended by subsequent amendment of the plan and this division. A copy of the plan and all amendments thereto shall be maintained on file in the city clerk's office and cross indexed to this division.


Sec. 16-143. Boundaries of development area.

The boundaries of amended development area no. 2 as set forth in the development plan are hereby adopted and confirmed.
Sec. 16-144. Preparation of base year assessment roll.

(a) Within 60 days after March 2, 1991, the city assessor shall prepare the initial base year assessment roll. The initial base year assessment roll shall list each taxing jurisdiction in which the amended development area no. 2 is located, the initial assessed value of amended development area no. 2 on March 2, 1991, and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on the property in the development area.

(b) The assessor shall transmit copies of the initial base year assessment roll to the city treasurer, county treasurer, downtown development authority and each taxing jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this division and the tax increment financing plan contained in the development plan approved by this division.

Sec. 16-145. Preparation of annual base year assessment roll.

Each year within 15 days following the final equalization of property in the amended development area no. 2, the assessor shall prepare an updated base year assessment roll. The updated base year assessment roll shall show the information required in the initial base year assessment roll and, in addition, the captured assessed value for that year. Copies of the annual base year assessment roll shall be transmitted by the assessor to the same persons as the initial base year assessment roll, together with a notice that it has been prepared in accordance with this division and the development plan.

Sec. 16-146. Establishment of project fund; approval of depository.

The treasurer of the downtown development authority shall establish a separate fund which shall be kept in a depository bank account in a bank approved by the finance director of the city, to be designated "amended downtown development authority project no. 2." All moneys received by the downtown development authority pursuant to the development plan shall be deposited in the project fund. All moneys in that fund and earnings thereon shall be used only in accordance with the development plan and this division.

Sec. 16-147. Payment of tax increments to downtown development authority.

Under this division, the city and county treasurers shall, as ad valorem taxes are collected on property in the development area, pay that proportion of the taxes, except for penalties and collection fees, that the captured assessed value bears to the initial assessed value to the treasurer of the downtown development authority for deposit in the project fund. The payments shall be made on the date on which the city and county treasurers are required to remit taxes to each of the taxing jurisdictions.

Sec. 16-148. Uses of moneys in the project fund.

(a) Under this division, the money credited to the project fund and on hand therein from time to time shall...
annually be used in the following manner and following order of priority:

1. To pay into the debt retirement fund for all outstanding series of bonds issued pursuant to this plan an amount equal to the interest and principal coming due, in the case of principal whether by maturity or mandatory redemption, prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.

2. To establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan an amount equal to one-fifth of the largest combined annual principal and interest payments on bonds issued pursuant to this plan until the amount to the credit of the reserve account is equal to the largest combined annual principal and interest requirements on bonds issued pursuant to this plan. Any amount to the credit of the reserve account at the beginning of a fiscal year in excess of the requirement of the preceding sentence shall be considered tax increment revenue for that year.

3. To pay the administrative and operating costs of the downtown development authority and city for the development area, including planning and promotion, to the extent provided in the annual budget of the downtown development authority.

4. To pay, to the extent determined desirable by the downtown development authority and approved by the city, the cost of completing the remaining public improvements as set forth in the development plan to the extent those costs are not financed from the proceeds of bonds.

5. To pay the cost of any additional improvements to the development that are determined necessary by the downtown development authority and approved by the city council.

6. To reimburse the city for funds advanced to acquire property, clear land, make preliminary plans, and improvements necessary for the development area in accordance with this plan.

7. To provide a pool of mortgage financing as needed for private development in accordance with the development plan.

(b) Any tax increment receipts in excess of those needed under subsection (a) of this section shall revert to the taxing jurisdictions or used for future development activities within the development area, as defined in the development plan or as expanded to include all or parts of the downtown development district pursuant to amendment or modification of the development plan pursuant to applicable provisions of Public Act No. 197 of 1975 (MCL 125.1651 et seq.) and other laws.

(Ord. No. 1002, § 8, 2-25-1991; Code 1992, § 8-88)

Sec. 16-149. Annual report.

Under this division, within 90 days after the end of each fiscal year, the downtown development authority shall submit to the city council, with copies to each taxing jurisdiction, a report on the status of the project fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the initial assessed value of amended development area no. 2, the captured assessed value of amended development area no. 2, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the city council or deemed appropriate by the downtown development authority. The secretary of the downtown development authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the city.


Sec. 16-150. Refund of surplus tax increments.

Under this division, any surplus money in the project fund at the end of a year, as shown by the annual report of the downtown development authority, shall be paid by the authority to the city or county treasurer, as the case may be, and rebated by him to the appropriate taxing jurisdiction.
Secs. 16-151--16-170. Reserved.
DIVISION 4. AREA NUMBER 3

Sec. 16-171. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- **Base year assessment roll** means the base year assessment roll prepared by the city assessor in accordance with section 16-174 of this division.

- **Captured assessed value** means the amount in any one year by which the current assessed value as finally equalized of all taxable property in the downtown development area no. 3 exceeds the initial assessed value.

- **Development area** means the area described on the map in the development plan marked "Map 2--Boundaries and Ownership Map for the Port Huron Downtown Development Area No. 3."

- **Development plan** means the Tax Increment and Development Plan, Port Huron Downtown Development Area No. 3, dated March 1987, as transmitted to the city council by the downtown development authority for public hearing, as approved by action of the city council and confirmed by this division, copies of which are on file in the office of the city clerk.

- **Downtown development authority** means the city downtown development authority.

- **Initial assessed value** means the most recently assessed value as finally equalized of all taxable property within the boundaries of the development area at the time of adoption of the resolution from which this division is derived.

- **Project fund** means the downtown development authority downtown development area no. 3 project fund established pursuant to section 16-176 of this division.

(Res. No. 6, § 1, 3-23-1987)

**Cross references:** Definitions generally, § 1-2.

Sec. 16-172. Approval and adoption of development plan.

The development plan submitted to the city council pursuant to this division is hereby approved and adopted. The duration of the plan shall be 30 years from the date of issuance of the last series of bonds issued pursuant to the development plan, except as it may be extended by subsequent amendment of the plan and this division. A copy of the plan and all amendments thereto shall be maintained on file in the city clerk's office and cross indexed to this division.

(Res. No. 6, § 2, 3-23-1987)

Sec. 16-173. Boundaries of development area.

The boundaries of the downtown development area no. 3 as set forth in the development plan are hereby adopted and confirmed.

(Res. No. 6, § 3, 3-23-1987)

Sec. 16-174. Preparation of base year assessment roll.

(a) Within 60 days of the effective date of the resolution from which this division is derived, the city assessor
shall prepare the initial base year assessment roll. The initial base year assessment roll shall list each taxing jurisdiction in which the downtown development area no. 3 is located, the initial assessed value of the downtown development area no. 3 on the effective date of the resolution from which this division is derived and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on the property in the development area.

(b) The assessor shall transmit copies of the initial base year assessment roll to the city treasurer, county treasurer, downtown development authority and each taxing jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this division and the tax increment financing plan in the development plan approved by this division.

(Res. No. 6, § 4, 3-23-1987)

Sec. 16-175. Preparation of annual base year assessment roll.

Each year, within 15 days following the final equalization of property in the downtown development area no. 3, the assessor shall prepare an updated base year assessment roll. The updated base year assessment roll shall show the information required in the initial base year assessment roll, together with a notice that it has been prepared in accordance with this division and the development plan.

(Res. No. 6, § 5, 3-23-1987)

Sec. 16-176. Establishment of project fund; approval of depository.

The treasurer of the downtown development authority shall establish a separate fund which shall be kept in a depository bank account in a bank approved by the finance director, to be designated "Downtown Development Authority Downtown Development Area No. 3 Site Development Project." All moneys received by the downtown development authority pursuant to the development plan shall be deposited in the project fund. All moneys in that fund and earnings thereon shall be used in accordance with the development plan and this division.

(Res. No. 6, § 6, 3-23-1987)

Sec. 16-177. Payment of tax increments to downtown development authority.

The city and county treasurers shall, as ad valorem taxes are collected on the property in the downtown development area no. 3, pay that proportion of the taxes, except for penalties and collection fees, that the captured assessed value bears to the initial assessed value to the treasurer of the downtown development authority for deposit in the project fund. The payments shall be made on the date on which the city and county treasurers are required to remit taxes to each of the taxing jurisdiction.

(Res. No. 6, § 7, 3-23-1987)

Sec. 16-178. Uses of moneys in project fund.

(a) The money credited to the project fund pursuant to this division and on hand therein from time to time shall annually be used in the following manner and following order of priority:

(1) To pay into the debt retirement fund for all outstanding series of bonds issued pursuant to this plan an amount equal to the interest and principal coming due (for principal whether by maturity or mandatory redemption) prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.

(2) To establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan an amount equal to one-fifth of the largest combined annual principal and interest payments on
bonds issued pursuant to this plan until the amount to the credit of the reserve account is equal to the largest combined annual principal and interest requirements on bonds issued pursuant to this plan. Any amounts to the credit of the reserve account at the beginning of a fiscal year in excess of the requirement of the preceding sentence shall be considered tax increment revenue for that year.

(3) To pay the administrative and operating costs of the downtown development authority and city for the development area, including planning and promotion, to the extent provided in the annual budget of the downtown development authority.

(4) To pay, to the extent determined desirable by the downtown development authority and approved by the city, the cost of improvements as set forth in the development plan to the extent those costs are not financed from the proceeds of bonds.

(5) To pay the cost of any additional improvements to the development that are determined necessary by the downtown development authority and approved by the city council.

(6) To pay the cost of acquiring property, clearing land, making preliminary plans and improvements necessary for the development of the development area in accordance with this plan.

(b) Any tax increment receipts in excess of those needed under subsection (a) of this section would revert to the taxing jurisdictions or would be used for future development activities within the development area, as defined in the development plan or as expanded to include all or parts of the downtown development area no. 3 pursuant to amendment or modification of the development plan and this tax increment financing plan pursuant to applicable provisions of Public Act No. 197 of 1975 (MCL 125.1651 et seq.) and other laws.

(Res. No. 6, § 8, 3-23-1987)

Sec. 16-179. Annual report.

Pursuant to this division, within 90 days after the end of each fiscal year, the downtown development authority shall submit to the city council, with copies to each taxing jurisdiction, a report on the status of the project fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the initial assessed value of downtown development area no. 3, the captured assessed value of downtown development area no. 3, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the city council or deemed appropriate by the downtown development authority. The secretary of the downtown development authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the city.

(Res. No. 6, § 9, 3-23-1987)

Sec. 16-180. Refund of surplus tax increments.

Any surplus money in the project fund at the end of a year, as shown by the annual report of the downtown development authority, shall be paid by the authority to the city or county treasurer, as the case may be, and rebated by him to the appropriate taxing jurisdiction.

(Res. No. 6, § 10, 3-23-1987)

Secs. 16-181–16-200. Reserved.
DIVISION 5. AREA NUMBER 4

Sec. 16-201. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Base year assessment roll means the base year assessment roll prepared by the city assessor in accordance with section 16-204.

Captured assessed value means the amount in any one year by which the current assessed value as finally equalized for all taxable property in development area no. 4 exceeds the initial assessed value.

Development area means the area shown in Map A, Property Boundaries, more fully described in the development plan.

Development plan means the amended tax increment and development plan, Port Huron Downtown Development Area No. 4, dated 1991, as amended and transmitted to the city council by the downtown development authority for public hearing, as modified by action of the city council and confirmed by this division, copies of which are on file in the office of the city clerk.

Downtown development authority means the city downtown development authority (DDA).

Initial assessed value means the most recently assessed value as finally equalized of all the taxable property within the boundaries of the development area on October 28, 1991.

Project fund means the downtown development authority project no. 4 fund established pursuant to section 16-206.

Taxing jurisdiction means each unit of government levying an ad valorem property tax on property in the development area.


Cross references: Definitions generally, § 1-2.

Sec. 16-202. Approval and adoption of development plan.

The development plan for downtown development area no. 4 is hereby approved and adopted. The duration of the plan shall be 30 years from the date of issuance of the last series of bonds issued pursuant to the development plan, except as it may be extended by subsequent amendment of the plan and this division. A copy of the plan and all amendments thereto shall be maintained on file in the city clerk’s office and cross indexed to this division.


Sec. 16-203. Boundaries of development area.

The boundaries of amended development area no. 4 as set forth in the development plan are hereby adopted and confirmed.


Sec. 16-204. Preparation of base year assessment roll.

(a) Within 60 days after November 2, 1991, the city assessor shall prepare the initial base year assessment roll. The initial base year assessment roll shall list each taxing jurisdiction in which the amended development area no. 4 is located; the initial assessed value of development area no. 4 on November 2, 1991; and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on the property in the development area.

(b) The assessor shall transmit copies of the initial base year assessment roll to the city treasurer, county treasurer, downtown development authority and each taxing jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this division and the tax increment financing plan contained in the development plan approved by this division.


Sec. 16-205. Preparation of annual base year assessment roll.

Each year, within 15 days following the final equalization of property in the development area no. 4, the assessor shall prepare an updated base year assessment roll. The updated base year assessment roll shall show the information required in the initial base year assessment roll and, in addition, the captured assessed value for that year. Copies of the annual base year assessment roll shall be transmitted by the assessor to the same persons as the initial base year assessment roll, together with a notice that it has been prepared in accordance with this division and the development plan.


Sec. 16-206. Establishment of project fund; approval of depository.

The treasurer of the downtown development authority shall establish a separate fund which shall be kept in a depository bank account in a bank approved by the finance director, to be designated "Amended Downtown Development Authority Project No. 4." All moneys received by the downtown development authority pursuant to the development plan shall be deposited in the project fund. All moneys in that fund and earnings thereon shall be used only in accordance with the development plan and this division.


Sec. 16-207. Payment of tax increments to downtown development authority.

The city and county treasurers shall, as ad valorem taxes are collected on the property in the development area pursuant to this division, pay that proportion of the taxes, except for penalties and collection fees, that the captured assessed value bears to the initial assessed value to the treasurer of the downtown development authority for deposit in the project fund. The payments shall be made on the date on which the city and county treasurers are required to remit taxes to each of the taxing jurisdictions.


Sec. 16-208. Uses of moneys in project fund.

(a) The money credited to the project fund pursuant to this division and on hand therein from time to time shall annually be used in the following manner and following order of priority:

(1) To pay into the debt retirement fund for all outstanding series of bonds issued pursuant to this plan an amount equal to the interest and principal coming due (for principal whether by maturity or mandatory redemption) prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.

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(2) To establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan an amount equal to one-fifth of the largest combined annual principal and interest payments on bonds issued pursuant to this plan until the amount to the credit of the reserve account is equal to the largest combined annual principal and interest requirements on bonds issued pursuant to this plan. Any amount to the credit of the reserve account at the beginning of a fiscal year in excess of the requirement of the preceding sentence shall be considered tax increment revenue for that year.

(3) To pay the administrative and operating costs of the downtown development authority and city for the development area, including planning and promotion, to the extent provided in the annual budget of the downtown development authority.

(4) To pay, to the extent determined desirable by the downtown development authority and approved by the city, the cost of completing the remaining public improvements as set forth in the development plan to the extent those costs are not financed from the proceeds of bonds.

(5) To pay the cost of any additional improvements to the development that are determined necessary by the downtown development authority and approved by the city council.

(6) To reimburse the city for funds advanced to acquire property, clear land, make preliminary plans, and improvements necessary for the development area in accordance with this plan.

(7) To provide a pool of mortgage financing as needed for private development in accordance with the development plan.

(b) Any tax increment receipts in excess of those needed under subsection (a) of this section shall revert to the taxing jurisdictions or would be used for future development activities within the development area, as defined in the development plan or as expanded to include all or parts of development area no. 4 pursuant to amendment or modification of the development plan pursuant to applicable provisions of Public Act No. 197 of 1975 (MCL 125.1651 et seq.) and other laws.

Sec. 16-209. Annual report.

Pursuant to this division, within 90 days after the end of each fiscal year, the downtown development authority shall submit to the city council, with copies to each taxing jurisdiction, a report on the status of the project fund for downtown development area no. 4. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the initial assessed value of amended development area no. 4, the captured assessed value of development area no.4, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the city council or deemed appropriate by the downtown development authority. The secretary of the downtown development authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the city.

Sec. 16-210. Refund of surplus tax increments.

Under this division, any surplus money in the project fund at the end of a year, as shown by the annual report of the downtown development authority, shall be paid by the authority to the city or county treasurer, as the case may be, and rebated by him to the appropriate taxing jurisdiction.

Secs. 16-211--16-230. Reserved.
DIVISION 6. AREA NUMBER 5

Sec. 16-231. Definitions.

The following words, terms and phrases, when used in this division, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

*Base year assessment roll* means the base year assessment roll prepared by the city assessor in accordance with section 16-234.

*Captured assessed value* means the amount in any one year by which the current assessed value as finally equalized of all taxable property in development area no. 5 exceeds the initial assessed value.

*Development area* means the area shown in Map A, Property Boundaries, more fully described in the development plan.

*Development plan* means the tax increment and development plan, Port Huron Downtown Development Area No. 5, dated October 1992, and transmitted to the city council by the downtown development authority for public hearing, copies of which are on file in the office of the city clerk.

*Downtown development authority* means the city downtown development authority.

*Initial assessed value* means the most recently assessed value as finally equalized of all the taxable property within the boundaries of the development area on December 14, 1992.

*Project fund* means the downtown development authority project no. 5 fund established pursuant to section 16-236.

*Taxing jurisdiction* means each unit of government levying an ad valorem property tax on property in the development area.

(Ord. No. 1029, § 1, 12-14-1992; Code 1992, § 8-121)

**Cross references:** Definitions generally, § 1-2.

Sec. 16-232. Approval and adoption of development plan.

The development plan for downtown development area no. 5 is hereby approved and adopted. The duration of the plan shall be 30 years from the date of issuance of the last series of bonds issued pursuant to the development plan, except as it may be extended by subsequent amendment of the plan and this division. A copy of the plan and all amendments thereto shall be maintained on file in the city clerk's office and cross indexed to this division.


Sec. 16-233. Boundaries of development area.

The boundaries of the development area no. 5 as set forth in the development plan are hereby adopted and confirmed.

(Ord. No. 1029, § 3, 12-14-1992; Code 1992, § 8-123)

Sec. 16-234. Preparation of base year assessment roll.
Within 60 days of December 19, 1992, the city assessor shall prepare the initial base year assessment roll. The initial base year assessment roll shall list each taxing jurisdiction in which development area no. 5 is located, the initial assessed value of development area no. 5 on December 19, 1992, and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on the property in the development area.

The assessor shall transmit copies of the initial base year assessment roll to the city treasurer, county treasurer, downtown development authority and each taxing jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this division and the tax increment financing plan in the development plan approved by this division.

Sec. 16-235. Preparation of annual base year assessment roll.

Each year, within 15 days following the final equalization of property in development area no. 5, the assessor shall prepare an updated base year assessment roll. The updated base year assessment roll shall show the information required in the initial base year assessment roll and, in addition, the captured assessed value for that year. Copies of the annual base year assessment roll shall be transmitted by the assessor to the same persons as the initial base year assessment roll, together with a notice that it has been prepared in accordance with this division and the development plan.

Sec. 16-236. Establishment of project fund; approval of depository.

The treasurer of the downtown development authority shall establish a separate fund which shall be kept in a depository bank account or accounts in a bank or banks approved by the finance director, to be designated "Downtown Development Authority Project No. 5." All moneys received by the downtown development authority pursuant to the development plan shall be deposited in the project fund. All moneys in that fund and earnings thereon shall be used in accordance with the development plan and this division.

Sec. 16-237. Payment of tax increments to downtown development authority.

The city and county treasurer shall, as ad valorem taxes are collected on the property in downtown development area no. 5, pay that proportion of the taxes, except for penalties and collection fees, that the captured assessed value bears to the initial assessed value to the treasurer of the downtown development authority for deposit in the project fund. The payments shall be made on the date on which the city and county treasurers are required to remit taxes to each of the taxing jurisdictions.

Sec. 16-238. Uses of moneys in project fund.

(a) The money credited to the project fund for downtown development area no. 5 and on hand therein from time to time shall annually be used in the following manner and following order of priority:

(1) To pay into the debt retirement fund for all outstanding series of bonds issued pursuant to this plan an amount equal to the interest and principal coming due (for principal whether by maturity or mandatory redemption) prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.
(2) To establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan an amount equal to one-fifth of the largest combined annual principal and interest payments due on bonds issued pursuant to this plan until the amount to the credit of the reserve account is equal to the largest combined annual principal and interest requirements on bonds issued pursuant to this plan. Any amount to the credit of the reserve account at beginning of a fiscal year in excess of the requirement of the preceding sentence shall be considered tax increment revenue for that year.

(3) To pay the administrative and operating costs of the downtown development authority and city for the development area, including planning and promotion, to the extent provided in the annual budget of the downtown development authority.

(4) To pay, to the extent determined desirable by the downtown development authority and approved by the city, the cost of improvements as set forth in the development plan to the extent those costs are not financed from the proceeds of bonds.

(5) To pay the cost of any additional improvements to the development that are determined necessary by the downtown development authority and approved by the city council.

(6) To reimburse the city for funds which may be advanced to acquire property, clear land, make preliminary plans and improvements necessary for the development area in accordance with this plan.

(b) Any tax increment receipts in excess of those needed under subsection (a) of this section would revert to the taxing jurisdictions or would be used for future development activities within the development area, as defined in the development plan or as expanded to include all or parts of development area no. 5 pursuant to amendment or modification of the development plan pursuant to applicable provisions of Public Act No. 197 of 1975 (MCL 125.1651 et seq.) and other laws.

(Ord. No. 1029, § 8, 12-14-1992; Code 1992, § 8-128)

Sec. 16-239. Annual report.

Pursuant to this division, within 90 days after the end of each fiscal year, the downtown development authority shall submit to the city council, with copies to each taxing jurisdiction, a report on the status of the project fund for the downtown development area no. 5. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the initial assessed value of development area no. 5, the captured assessed value of development area no. 5, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the city council or deemed appropriate by the downtown development authority. The secretary of the downtown development authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the city.

(Ord. No. 1029, § 9, 12-14-1992; Code 1992, § 8-129)

Sec. 16-240. Refund of surplus tax increments.

Under this division, any surplus money in the project fund at the end of a year, as shown by the annual report of the downtown development authority, shall be paid by the authority to the city or county treasurer, as the case may be, and rebated by him to the appropriate taxing jurisdiction.

(Ord. No. 1029, § 10, 12-14-1992; Code 1992, § 8-130)

Secs. 16-241--16-270. Reserved.
DOWNTOWN DEVELOPMENT AUTHORITY
Act 197 of 1975

AN ACT to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials.


Popular name: Downtown Development Authority Act

The People of the State of Michigan enact:

125.1651 Definitions.

Sec. 1. As used in this act:
(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 211.157.
(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 act.
(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 (y), 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 or village manager of a village, or the supervisor of a township or, if designated by the township board for purposes of this act, the township superintendent or township manager of a township.
(h) "Development area" means that area to which a development plan is applicable.
(i) "Development plan" means that information and those requirements for a development plan set forth in section 17.
(j) "Development program" means the implementation of the development plan.
(k) "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 act. 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 3(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.
(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.
(n) "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.

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

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

(q) "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 (y). 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.

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

(s) "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 act. 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.

(t) "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.

(u) "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.

(v) "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.

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(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 financing plan approved by the municipality in accordance with this act 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 act 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.

(w) "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.

(x) "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 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 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 (bb)(ii) and the distributions under section 13b 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 (bb)(ii) and the distributions under section 13b to repay the obligation being refunded, as calculated using a method approved by the department of
treasury.

(y) "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.

(z) "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.

(aa) "State fiscal year" means the annual period commencing October 1 of each year.
(bb) "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 act.
(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 3(3) or specific local taxes attributable to such ad valorem property taxes.
(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 14(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 750,000 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.
125.1651a Legislative findings.
Sec. 1a. 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 act 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 act 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 act 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.

Compiler's note: Section 2 of Act 425 of 1988 provides: “This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated.”

Popular name: Downtown Development Authority Act
Popular name: DDA

125.1652 Authority; establishment; restriction; public body corporate; powers generally.
Sec. 2. (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 3a, 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 act.
(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 act shall not be construed as a limitation upon the general powers of an authority.

Popular name: Downtown Development Authority Act
Popular name: DDA

125.1653 Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown

Popular name: Downtown Development Authority Act
Popular name: DDA
district; notice; exemption of taxes from capture; adoption, filing, and publication of ordinance; altering or amending boundaries; agreement with adjoining municipality; agreement with qualified township.

Sec. 3. (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.

(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.
125.1653a Authority of annexing or consolidated municipality; obligations, agreements, and bonds.

Sec. 3a. 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 act shall remain in effect following the annexation or consolidation.


Popular name: Downtown Development Authority Act

125.1653b Ratification and validation of ordinance and actions; applicability of section.

Sec. 3b. (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 3(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.


Popular name: Downtown Development Authority Act

125.1653c Proceedings or findings; validity.

Sec. 3c. 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.


Popular name: Downtown Development Authority Act

125.1653d Establishment or amendment of authority, district, or plan; notice; publication or posting.

Sec. 3d. 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 3(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.


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1654 Board; appointment, terms, and qualifications of members; vacancy; compensation and expenses; election of chairperson; oath; conducting business at public meeting; public notice; special meetings; removal of members; 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. 4. (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. 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.

(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 1931 PA 285, MCL 125.31 to 125.45, serve as the board provided for in subsection (1).

(9) If a municipality enters into an agreement with a qualified township under section 3(7), the membership of the board may be modified by the interlocal agreement described in section 3(7).


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1655 Director, acting director, treasurer, secretary, legal counsel, and other personnel.

Sec. 5. (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 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 act. 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 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 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.


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1656 Participation of employees in municipal retirement and insurance programs.

Sec. 6. 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.


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1657 Powers of board.

Sec. 7. 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 act, in accordance with the powers of the authority as granted by this act.

(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 act, 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 3(7).


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1658 Board serving as planning commission; agenda.

Sec. 8. If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include planning commission business in its agenda.


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1659 Authority as instrumentality of political subdivision.

Sec. 9. The authority shall be deemed an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1660 Taking, transfer, and use of private property.

Sec. 10. A municipality may take private property under Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41 of the Michigan Compiled Laws, 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.

**Popular name:** Downtown Development Authority Act
**Popular name:** DDA

### 125.1661 Financing activities of authority; disposition of money received by authority; municipal obligations.

Sec. 11. (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 12.

(c) Money borrowed and to be repaid as authorized by sections 13 and 13a.

(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 to 16.

(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 13b.

(i) Revenue from the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11a of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611a of the Michigan Compiled Laws.


(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 act. Except as provided in this act, 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.

**Popular name:** Downtown Development Authority Act
**Popular name:** DDA

### 125.1662 Ad valorem tax; borrowing in anticipation of collection.

Sec. 12. (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.

**Popular name:** Downtown Development Authority Act
**Popular name:** DDA

### 125.1663 Revenue bonds.

Sec. 13. The authority may borrow money and issue its negotiable revenue bonds therefor pursuant to Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws. 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.

Popular name: Downtown Development Authority Act

125.1663a 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. 13a. (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.

Popular name: Downtown Development Authority Act

125.1663b 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. 13b. (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 15 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 act 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 act 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.


Compiler's note: Enacting section 1 of Act 202 of 1997 provides:

"The provisions of section 1 and section 13b, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993."

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1664 Tax increment financing plan; preparation and contents; limitation; definition; public hearing; fiscal and economic implications; recommendations; agreements; modification of plan.

Sec. 14. (1) When the authority determines that it is necessary for the achievement of the purposes of this act, 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 17, 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 15. 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, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws. For purposes of this subsection, tax increment revenues used to pay bonds issued by a municipality under section 16(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, Act No. 224 of the Public Acts of 1985, being section 125.2113 of the Michigan Compiled Laws.

(3) Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 18. 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.
125.1665 Transmitting and expending tax increments revenues; reversion of surplus funds; abolition of tax increment financing plan; conditions; annual report on status of tax increment financing account; contents; publication.

Sec. 15. (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 until the principal of, and interest on, bonds issued pursuant to section 16 have been paid or funds sufficient to make the payment have been segregated.

(3) Annually the authority shall submit to the governing body of the municipality and the state tax commission a report on the status of the tax increment financing account. The report shall be published in a newspaper of general circulation in the municipality and shall include the following:

[a] The amount and source of revenue in the account.
[b] The amount in any bond reserve account.
[c] The amount and purpose of expenditures from the account.
[d] The amount of principal and interest on any outstanding bonded indebtedness.
[e] The initial assessed value of the project area.
[f] The captured assessed value retained by the authority.
[g] The tax increment revenues received.
[h] The number of jobs created as a result of the implementation of the tax increment financing plan.
[i] Any additional information the governing body or the state tax commission considers necessary.


Compiler's note: Section 2 of Act 425 of 1988 provides: “This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated.”

Popular name: Downtown Development Authority Act

125.1666 General obligation bonds and tax increment bonds; qualified refunding obligation.

Sec. 16. (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 11. 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 11 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 11 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 11 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 11 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 act, 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 13b 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.


Popular name: Downtown Development Authority Act

125.1667 Development plan; preparation; contents; improvements related to qualified facility.

Sec. 17. (1) When a 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, 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, being Public Law 91-646, 42 U.S.C. sections 4601, et seq.


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

(3) A development plan may provide for improvements related to a qualified facility, as defined in the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, that is located outside of the boundaries of the development area but within the district, including the cost of construction, renovation, rehabilitation, or acquisition of that qualified facility or of public facilities and improvements related to that qualified facility.


**Popular name:** Downtown Development Authority Act

**Popular name:** DDA

### 125.1668 Ordinance approving development plan or tax increment financing plan; public hearing; notice; record.

Sec. 18. (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.


**Popular name:** Downtown Development Authority Act

**Popular name:** DDA

125.1669 Development plan or tax increment financing plan as constituting public purpose; determination; ordinance; considerations.

Sec. 19. (1) The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice thereof given in accordance with section 18, 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 17 (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 act.

(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 act 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.


**Popular name:** Downtown Development Authority Act

**Popular name:** DDA

125.1670 Notice to vacate.

Sec. 20. A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.


**Popular name:** Downtown Development Authority Act

**Popular name:** DDA

125.1671 Development area citizens council; establishment; appointment and qualifications of members; representative of development area.

Sec. 21. (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.


**Popular name:** Downtown Development Authority Act

**Popular name:** DDA

125.1672 Development area citizens council; advisory body.

Sec. 22. A development area citizens council established pursuant to this act shall act an advisory body to the authority and the governing body in the adoption of the development or tax increment financing plans.

125.1673 Consultation.

Sec. 23. 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.


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1674 Development area citizens council; meetings; notice; record; information and technical assistance; failure to organize, consult, or advise.

Sec. 24. (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 act, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this act.


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1675 Citizens district council as development area citizens council.

Sec. 25. In a development area where a citizens district council established according to Act No. 344 of the Public Acts of 1945, as amended, being sections 125.71 to 125.84 of the Michigan Compiled Laws, already exists the governing body may designate it as the development area citizens council authorized by this act.


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1676 Notice of findings and recommendations.

Sec. 26. 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.


Popular name: Downtown Development Authority Act

Popular name: DDA

125.1677 Development area citizens council; dissolution.

Sec. 27. 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 18 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.
Upon termination of the authority by ordinance of the governing body.


Popular name: Downtown Development Authority Act

125.1678 Budget; cost of handling and auditing funds.

Sec. 28. (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 act 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.


Popular name: Downtown Development Authority Act

125.1679 Historic sites.

Sec. 29. (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 department of history, arts, and libraries for review.


Popular name: Downtown Development Authority Act

125.1680 Dissolution of authority; disposition of property and assets; reinstatement of authority; contesting validity of proceedings, findings, and determinations.

Sec. 30. (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 act 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 3(2) shall not be invalidated pursuant to a claim that, based upon the standards set forth in section 3(1), a governing body improperly determined that the necessary conditions existed for the reinstatement of an authority under the act 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 act or could have determined that establishment of an authority under this act 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 3(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.
Proceedings to compel enforcement of act; rules.

Sec. 31. (1) The state tax commission may institute proceedings to compel enforcement of this act.
(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.


Compiler's note: Section 2 of Act 425 of 1988 provides: “This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated.”
THE TAX INCREMENT FINANCE AUTHORITY ACT
Act 450 of 1980

AN ACT to prevent urban deterioration and encourage economic development and activity and to encourage neighborhood revitalization and historic preservation; to provide for the establishment of tax increment finance authorities and to prescribe their powers and duties; to authorize the acquisition and disposal of interests in real and personal property; to provide for the creation and implementation of development plans; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to permit the issuance of bonds and other evidences of indebtedness by an authority; to permit the use of tax increment financing; to reimburse authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state agencies and officers.


Popular name: TIFA

The People of the State of Michigan enact:

125.1801 Definitions.

Sec. 1. As used in this act:
(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 211.157.
(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 act.
(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 act.
(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 act. 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 act 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 act 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 authority in accordance with this act 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 act 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 finance plan approved before August 19, 1993 by a municipality in accordance with this act.

(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.

(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, 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 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 (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 12a to repay the obligation being refunded, as calculated using a method approved by the department of treasury.

(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 13 to 15.

(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 act.

(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.

(iv) The amount of tax increment revenues authorized to be included under subparagraph (ii), and required to be transmitted to the authority under section 14(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).


Compiler's note: Enacting section 1 of Act 201 of 1997 provides:

"The provisions of section 1 and section 12a, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993."

Popular name: TIFA

125.1801a Short title.

Sec. 1a. This act shall be known and may be cited as “the tax increment finance authority act”.


Popular name: TIFA

125.1802 Authority; establishment; public body corporate; powers generally.

Sec. 2. (1) A municipality may establish not more than 1 authority. An authority shall exercise its powers in all development areas designated pursuant to this act.

(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 act shall not be construed as a limitation upon the general powers of the
authority. The powers granted in this act to an authority may be exercised notwithstanding that bonds are not issued by the authority.


**Popular name:** TIFA

### 125.1803 Resolution of intent; 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.

Sec. 3. (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.


**Popular name:** TIFA

### 125.1804 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. 4. (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, Act No. 338 of the Public Acts of 1974, as amended, being sections 125.1601 to 125.1636 of the Michigan Compiled Laws.

(b) The trustees of the board of a downtown development authority established pursuant to Act No. 197 of the Public Acts of 1975, as amended, being sections 125.1651 to 125.1680 of the Michigan Compiled Laws.

(c) The trustees of the board of an urban redevelopment corporation established pursuant to the urban redevelopment corporations law, Act No. 250 of the Public Acts of 1941, as amended, being sections 125.901
to 125.922 of the Michigan Compiled Laws.

(d) The members of the commission established pursuant to Act No. 344 of the Public Acts of 1945, being sections 125.71 to 125.84 of the Michigan Compiled Laws.

(e) In a municipality that has a population of less than 5,000, the planning commission of the municipality established pursuant to Act No. 285 of the Public Acts of 1931, being sections 125.31 to 125.45 of the Michigan Compiled Laws.

(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, Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

(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, Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.


Popular name: TIFA

125.1805 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. 5. (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 act. 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.


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.”

Popular name: TIFA

125.1807 Board; powers generally.

Sec. 7. 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 state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.

(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 act, in accordance with the powers of the authority as granted by this act.

(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 act, 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.


Popular name: TIFA

Administrative rules: R 408.30101 et seq. of the Michigan Administrative Code.

125.1808 Board serving as planning commission; agenda.

Sec. 8. If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include...
planning commission business in its agenda.


**Popular name:** TIFA

### 125.1809 Authority as instrumentality of political subdivision.

Sec. 9. The authority shall be considered an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.


**Popular name:** TIFA

### 125.1810 Taking, transfer, and use of private property by municipality.

Sec. 10. A municipality may take private property under Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws, 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.


**Popular name:** TIFA

### 125.1811 Financing activities of authority; sources.

Sec. 11. 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 13 to 15.

(d) Proceeds of tax increment bonds issued pursuant to section 15.

(e) Proceeds of revenue bonds issued pursuant to section 12.

(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 12a.


**Popular name:** TIFA

### 125.1812 Borrowing money; issuing negotiable revenue bonds; full faith and credit.

Sec. 12. (1) The authority may borrow money and issue its negotiable revenue bonds pursuant to Act No. 94 of the Public Acts of 1933, as amended, being section 141.101 to 141.139 of the Michigan Compiled Laws. 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.


**Popular name:** TIFA

### 125.1812a 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. 12a. (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 14 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).

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(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 act 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 act 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.


**Compiler's note:** Enacting section 1 of Act 201 of 1997 provides:

“The provisions of section 1 and section 12a, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993.”

**Popular name:** TIFA

### 125.1813 Preparation and submission of tax increment financing plan; contents and approval of plan; public hearing; taxing jurisdictions.

Sec. 13. (1) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body. The plan shall be in compliance with section 14 and shall include a development plan as provided in section 16. 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.

(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 17 and 18. 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.


Compiler’s note: Section 2 of Act 420 of 1988 provides: “This amendatory act is effective beginning with taxes levied in 1989.”

Popular name: TIFA

125.1814 Transmitting and expending tax increment revenues; disposition of surplus funds; abolition of tax increment financing plan; financial report.

Sec. 14. (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 until the principal of and interest on bonds issued pursuant to section 15 have been paid or funds sufficient to make the payment have been segregated.

(3) The authority shall submit annually to the governing body and the state tax commission a financial report on the status of the tax increment financing plan. The report shall include the following:

(a) The amount and source of tax increments received.

(b) The amount in any bond reserve account.

(c) The amount and purpose of expenditures of tax increment revenues.

(d) The amount of principal and interest on any outstanding bonded indebtedness.

(e) The initial assessed value of the development area.

(f) The captured assessed value retained by the authority.

(g) The number of jobs created as a result of the implementation of the tax increment financing plan.

(h) Any additional information the governing body or the state tax commission considers necessary.


Compiler’s note: Section 2 of Act 420 of 1988 provides: “This amendatory act is effective beginning with taxes levied in 1989.”

Popular name: TIFA

125.1815 Tax increment bonds; qualified refunding obligation.

Sec. 15. (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 11.

(3) Notwithstanding any other provision of this act, 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 12a 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.


Popular name: TIFA

125.1816 Development plan; preparation; contents.

Sec. 16. (1) When a board decides to finance a project in a development area pursuant to this act, 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

(p) 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.

(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 4(1)(a) to (d) and where the development plan
has been approved by the board and governing body pursuant to sections 17 and 18.


Popular name: TIFA

125.1817 Public hearing on development plan; publication, mailing, and contents of notice;
presentation of data; record.

Sec. 17. (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.


Popular name: TIFA

125.1818 Development plan or tax increment plan as public purpose; determination;
approval or rejection of plan; notice and public hearing; conclusiveness of procedure,
adequacy of notice, and certain findings; validation and conclusiveness of plan;
contesting plan.

Sec. 18. (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 17, 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 16(2) and the tax increment financing plan meets the requirements set forth in section 13(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 act.

(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 act.

(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.


Popular name: TIFA

125.1819 Notice to vacate.

Sec. 19. A person to be relocated under this act shall be given not less than 90 days’ written notice to vacate unless modified by court order for good cause.


Popular name: TIFA

125.1820 Development area citizens council; establishment; advisory body; appointment and qualifications of members.

Sec. 20. (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 4(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.


Popular name: TIFA

125.1821 Consultation representative of authority and council.

Sec. 21. 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.

Popular name: TIFA

125.1822 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. 22. (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 act, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this act.

Popular name: TIFA

125.1823 Development plan; notice of findings and recommendations.

Sec. 23. 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.

Popular name: TIFA

125.1824 Development area citizens council; dissolution.

Sec. 24. 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 17 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.

Popular name: TIFA

125.1825 Budget; cost of handling and auditing funds.

Sec. 25. (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 act 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.

Popular name: TIFA

125.1826 Preservation of public facility, building, or structure having significant historical interest; review of proposed changes to exterior of historic site.
Sec. 26. (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 Act No. 169 of the Public Acts of 1970, as amended, being sections 399.201 to 399.212 of the Michigan Compiled Laws, or the secretary of state for review.


Popular name: TIFA

125.1827 Dissolution of authority; resolution; disposition of property and assets.

Sec. 27. 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.


Popular name: TIFA

125.1828 Authority district part of area annexed to or consolidated with another municipality; authority of annexing or consolidated municipality; status of obligations, agreements, and bonds.

Sec. 28. Notwithstanding the limitation provided by section 2(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 act shall remain in effect following the annexation or consolidation.


Popular name: TIFA

125.1829 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. 29. (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 act before December 30, 1986 shall not be invalidated pursuant to a claim that based on the standards set forth in section 3(1), a governing body improperly determined that the necessary conditions existed for the establishment of a tax increment financing authority under this act, if, at the time the governing body established the authority, the governing body could have determined that establishment of an authority under this act 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 3(1).


Popular name: TIFA

125.1830 Proceedings to compel enforcement of act; rules.

Sec. 30. (1) The state tax commission may institute proceedings to compel enforcement of this act.

(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.


Compiler's note: Section 2 of Act 420 of 1988 provides: “This amendatory act is effective beginning with taxes levied in 1989.”

Popular name: TIFA
THE LOCAL DEVELOPMENT FINANCING ACT
Act 281 of 1986

AN ACT to encourage local development to prevent conditions of unemployment and promote economic growth; to provide for the establishment of local development finance authorities and to prescribe their powers and duties; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to provide for the creation and implementation of development plans; to authorize the acquisition and disposal of interests in real and personal property; to permit the issuance of bonds and other evidences of indebtedness by an authority; to prescribe powers and duties of certain public entities and state officers and agencies; to reimburse authorities for certain losses of tax increment revenues; and to authorize and permit the use of tax increment financing.


The People of the State of Michigan enact:

125.2151 Legislative findings; short title.

Sec. 1. (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 act 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 act 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 act 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 act shall be known and may be cited as “the local development financing act”.


Constitutionality: The capture of tax increment revenue by a local development finance authority and the use of the revenues by the authority for purposes authorized by the Local Development Financing Act are not unconstitutional diversions of tax revenues from the taxing entity or unconstitutional lending's of credit by the state or a municipality. Advisory Opinion on 1986 PA 281, 430 Mich. 93, 422 N.W.2d 186 (1988).

125.2152 Definitions.

Sec. 2. As used in this act:

(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 211.157.
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 local development finance authority created pursuant to this act.

(d) “Authority district” means an area or areas within which an authority exercises its powers.

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

(f) “Business development area” means an area designated as a certified industrial park under this act prior to the effective date of the amendatory act that added this subdivision, 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.

(g) “Business incubator” means real and personal property that meets all of the following requirements:

(i) Is located in a certified technology park.

(ii) Is subject to an agreement under section 12a.

(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 (p)(iii).

(h) “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, 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 (cc), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(i) “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.

(j) “Certified technology park” means that portion of the authority district designated by a written agreement entered into pursuant to section 12a between the authority, the municipality, and the Michigan economic development corporation.

(k) “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.

(l) “Development plan” means that information and those requirements for a development set forth in section 15.

(m) “Development program” means the implementation of a development plan.


(o) “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.

(p) “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, 92 Stat. 3117, which facility is fueled primarily by biomass or wood waste. This act 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.

(q) “Fiscal year” means the fiscal year of the authority.

(r) “Governing body” means the elected body having legislative powers of a municipality creating an authority under this act.

(s) “High technology activity” means that term as defined in section 3 of the Michigan economic growth authority act, 1995 PA 24, MCL 207.803.

(t) “Initial assessed value” means the assessed value of the eligible property identified in the tax increment financing plan or, for a certified technology park, 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 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 (cc).

(u) “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 act, those duties may be exercised by the Michigan strategic fund.


(w) “Municipality” means a city, village, or urban township.

(x) “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 act. 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.

(y) “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 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 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.

(z) “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 act 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 act 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.

(aa) “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, 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.

(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 (p)(iii), that are owned by a public entity, and that are located within a certified technology park.

(vi) Operating and planning costs included in a plan pursuant to section 12(1)(f), including costs of marketing property within the district and attracting development of eligible property within the district.

(bb) “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 (ee)(ii) and the distributions under section 11a 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 (ee)(i) and the distributions under section 11a to repay the obligation being refunded, as calculated using a method approved by the department of treasury.

(cc) “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.

(dd) “State fiscal year” means the annual period commencing October 1 of each year.
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).

(ff) “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 value for all real and personal property located in the township of more than $200,000,000.

(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.


125.2153 Authority; establishment; powers.

Sec. 3. (1) Except as otherwise provided by subsection (2), a municipality may establish not more than 1 authority under the provisions of this act. 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 municipality located within the same county to establish an authority under this act. An authority created under this subsection may only exercise its powers in a certified technology park designated in an agreement made under section 12a. A municipality shall not establish more than 1 authority under this subsection.

(3) 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 act shall not be construed as a limitation upon the general powers of the authority. The powers granted in this act to an authority may be exercised notwithstanding that bonds are not issued by the authority.


125.2154 Resolution of intent; notice of public hearing; hearing; resolution exempting taxes from capture; 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.

Sec. 4. (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. 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) 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. 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.

(4) Not less than 60 days after the public hearing, 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 3(2), each municipality in which the authority district will be located shall comply with the procedures prescribed by this act. 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.


125.2155 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.

Sec. 5. (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

(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, Act No. 442 of the Public Acts of 1976, being
sections 15.231 to 15.246 of the Michigan Compiled Laws.


125.2156 Director, employment; compensation; term; 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. 6. (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
(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 act in accordance with the powers of the authority as granted by this act.

(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 act, 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 12(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.
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 state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.


Administrative rules: R 408.30401 et seq. of the Michigan Administrative Code.

125.2158 Authority as instrumentality of political subdivision.

Sec. 8. The authority shall be considered an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.


125.2159 Taking, transfer, and use of private property.

Sec. 9. A municipality may take private property under the uniform condemnation procedures act, Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws, 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.


125.2160 Financing activities of authority.

Sec. 10. 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 12 to 14.
(d) Proceeds of tax increment bonds issued pursuant to section 14.
(e) Proceeds of revenue bonds issued pursuant to section 11.
(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 11a.
(h) Loans from the Michigan strategic fund or the Michigan economic development corporation.


125.2161 Revenue bonds.

Sec. 11. (1) The authority may borrow money and issue its negotiable revenue bonds pursuant to the revenue bond act of 1933, Act No. 94 of the Public Acts of 1933, being sections 141.101 to 141.139 of the Michigan Compiled Laws. 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.


125.2161a 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. 11a. (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 13 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 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 act 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 act 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).
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.

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.

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.

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.

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.

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.


125.2162 Tax increment financing plan generally.

Sec. 12. (1) If the board determines that it is necessary for the achievement of the purposes of this act, the board shall prepare and submit a tax increment financing plan to the governing body. The plan shall be in compliance with section 13 and shall include a development plan as provided in section 15. 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.
(1) The proposed boundaries of a certified technology park to be created under an agreement proposed to be entered into pursuant to section 12a, an identification of the real property within the certified technology park 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 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, for other eligible property located in the business 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 2(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 2(p)(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 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, 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 1975 PA 197, MCL 125.1651 to 125.1681, the tax increment finance authority act, 1980 PA 450, MCL 125.1801 to 125.1830, 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 16 and 17. 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 3(2) and 4(7), the notice required by section 16 may be published jointly by the municipalities in which the authority district is located. The plan shall not be considered approved unless each governing body in which the authority district is located makes the determinations required by section 17 and approves the same plan, including the same modifications, if any, made to the plan by any other governing body.

(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 act, 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 2(aa)(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 or a certified technology park 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 2(aa)(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 or certified technology park 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 or certified technology park 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.

(8) If title to property qualified as a public facility under section 2(aa)(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.


125.2162a Designation as certified technology park; application to Michigan economic development corporation; agreement.

Sec. 12a. (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 or a private research-based institute 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 or private research-based institute 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 2(p)(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 2(aa).

(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 subsection, 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 subsection (9), 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. 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 shall give priority to applications that include new business activity.

(11) For an authority established by 2 or more municipalities under sections 3(2) and 4(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.

(12) Not including certified technology parks designated under subsection (8), but for certified technology parks designated under subsection (9) 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 the effective date of the amendatory act that added this subdivision.

(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 the effective date of the amendatory act that added this subdivision.

(c) Reimburse the school aid fund from funds other than those appropriated in section 11 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 the effective date of the amendatory act that added this subdivision. 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) after the effective date of the amendatory act that added this subdivision.


125.2163 Tax increment revenues transmitted to authority; expenditure of tax increment revenues; retention or reversion of excess revenue; prohibition; abolition of tax increment financing plan; annual financial report.

Sec. 13. (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 until the principal of and interest on bonds issued pursuant to section 14 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.

(3) The authority shall submit annually to the governing body and the state tax commission a financial report on the status of the tax increment financing plan. The report shall include the following:

(a) The amount and source of tax increment revenues received.
(b) The amount in any bond reserve account.
(c) The amount and purpose of expenditures of tax increment revenues.
(d) The amount of principal and interest on any outstanding bonded indebtedness of the authority.
(e) The initial assessed value of the eligible property.
(f) The captured assessed value of the eligible property retained by the authority.
(g) The number of jobs created as a result of the implementation of the tax increment financing plan.
(h) Any additional information the governing body or the state tax commission considers necessary.


125.2164 Tax increment bonds; qualified refunding obligation.
Sec. 14. (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 10.
(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 act, 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 11a 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.


125.2165 Development plan generally.
Sec. 15. (1) If a board decides to finance a project under this act, 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 U.S.C. 4601 to 4655.


(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 16 and 17.


125.2166 Adoption of resolution approving development plan or tax increment financing plan; public hearing; notice; record.

Sec. 16. (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.

125.2167 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. 17. (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 16, 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 15(2) and the tax increment financing plan meets the requirements set forth in section 12(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 act.

(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 act.

(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.


125.2168 Relocation of person; notice to vacate.

Sec. 18. A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.


125.2169 Budget; cost of handling and auditing funds; audit.

Sec. 19. (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 act 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.

(3) The auditor general or a certified public accountant appointed by the auditor general shall annually audit the authority whose authority district includes eligible property to which section 2(l)(iv) applies. The audit shall be limited to matters pertaining to that district. Upon completion of the audit, the auditor general shall submit a report on the audit to the committees of the senate and the house of representatives primarily responsible for taxation and environmental protection issues. The department of natural resource shall biannually report to these committees and to the auditor general the status of the remediation of the soil and
groundwater contamination described in section 2(j)(iv).


125.2170 Dissolution of authority; resolution; disposition of property and assets.
Sec. 20. 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.


125.2171 Proceedings to enforce act.
Sec. 21. The state tax commission may institute proceedings to compel enforcement of this act.


125.2172 Effective date.
Sec. 22. This act shall take effect on February 1, 1987.


125.2173 Conditional effective date.
Sec. 23. This act shall not take effect unless House Bill No. 5729 of the 83rd Legislature is enacted into law.


125.2174 Constitutionality of act.
Sec. 24. Pursuant to section 8 of article III of the state constitution of 1963, it is the intent of the legislature, by concurrent resolution, to request the opinion of the supreme court as to the constitutionality of this 1986 act if the governor has not already requested an opinion.