The City of Warren

Tax Increment Finance Authority

29500 Van Dyke Avenue (810) 574-4594
Warren, Michigan 48093

T.I.F.A. Mission Statement

The Tax Increment Finance Authority (T.I.F.A.) of the City of Warren is charged with the task of using its powers with discretion and its resources with responsibility to eliminate blight and to create new development. This commitment to the community will ultimately generate new tax revenues, create jobs, raise property values and create a new quality of life for the older section of the City of Warren.

CITY OF WARREN

Office of the Council Secretary

15B

I . T E R - O F F I C E C O M M U N I C A T I O N

DATE : January 24, 1994

TO : Mayor Ronald L. Bonkowski

SUBJECT : Approval of an amendment to the Tax Increment Finance Authority Bylaws, Article II, Sections 1 and 3

At the regular meeting of the City Council held Tuesday, December 14, 1993, Council by formal motion approved the amendment to the Tax Increment Finance Authority Bylaws, Article II, Sections 1 and 3.

Please make the necessary dispositions.

George L. Dimas

George L. Dimas
Council Secretary

dd

cc: ✓Attorney
Controller
Planning

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Warren
CITY OF PROGRESS

City Attorney's Office
29500 Van Dyke Avenue
Warren, Michigan 48093
(313) 574-4671

Ronald L. Bonkowski, Mayor

Robert J. Chrzanowski
City Attorney

November 22, 1993

Mr. George Dimas
Secretary
Warren City Council

RE: Amendments to T.I.F.A. Bylaws

Dear Mr. Dimas:

At the November 18, 1993 regular meeting of the City of Warren Tax Increment Finance Authority (T.I.F.A.), the Board of Directors, by unanimous vote, requested that the City Council give favorable consideration to the following amendments to its Bylaws:

I. That Article II, Section 3 of the Bylaws of the City of Warren Tax Increment Finance Authority which presently reads:

> Removal. A director may be removed from office for inefficiency, neglect of duty or misconduct or malfeasance by a majority vote of the City Council of the City of Warren or this Board.

be amended to read:

> Removal. Any director may be removed from office for inefficiency, neglect of duty or misconduct or malfeasance, **or for accruing two consecutive, unexcused absences from any validly convened regular or special meeting of this Board** by a majority vote of the City Council or of this Board.

II. That Article II, Section 1 of the Bylaws of the City of Warren Tax Increment Finance Authority which presently reads:

> General Powers. The business and affairs of the Authority shall be managed by its Board except as otherwise provided by statute, by its Articles of Incorporation, or by these Bylaws.

> The Board of Directors shall consist of eight (8) members appointed by the Mayor subject to the approval of the City Council. The term of office shall be in accordance with Section 4(e) of Act 450 of Public Acts of 1980. The initial terms are as follows: two members for one year; two members for two years; two members for three years; and two members for four years. The term of each Authority member shall expire on November 1, of their respective years.

be amended to read:

> General Powers. The business and affairs of the Authority shall be managed by its Board except as otherwise provided by statute, by its Articles of Incorporation, or by these Bylaws.
>
> The Board of Directors shall consist of **nine (9)** members appointed by the Mayor subject to the approval of the City Council. The term of office shall be in accordance with Section 4(e) of Act 450 of Public Acts of 1980. The initial terms are as follows: **three** members for one year; two members for two years; two members for three years; and two members for four years. The term of each Authority member shall expire on November 1, of their respective years.

Due to the complexity and urgency of many of the projects and decisions currently being considered by the T.I.F.A Board, the Board respectfully requests that the aforementioned amendments to the T.I.F.A. Bylaws be discussed and acted upon by the Warren City Council at its next regular meeting to be held on December 14,1993.

Thank you for your prompt attention to this matter.

Respectfully,

Norene S. Redmond
T.I.F.A. Coordinator

cc: Mayor Ronald L. Bonkowski
Mr. Jack Dailey, Planning Director
Mr. Richard Fox, Controller
T.I.F.A. Board Members

PROPOSED BYLAWS
OF
THE TAX INCREMENT FINANCE AUTHORITY
OF THE CITY OF WARREN

(A Michigan Tax Increment Finance Authority formed pursuant to Act 450 of the Public Acts of 1980, as amended.)

ARTICLE I

Name, Registered Office, and Registered Agent

Section 1. Name. The name of this Authority is the Tax Increment Finance Authority of the City of Warren (the "Authority").

Section 2. Registered Office and Agent. The Authority shall continuously maintain a registered office in the City of Warren City Hall, State of Michigan, and a resident agent whose office is identical to such registered office. The registered office and agent may be changed from time to time by the Board of Directors of the Authority (the "Board") subject to the approval of the legislative body of the City of Warren (the "Incorporating Unit").

ARTICLE II

Directors

Section 1. General Powers. The business and affairs of the Authority shall be managed by its Board except as otherwise provided by statute, by its Articles of Incorporation, or by these Bylaws.

The Board of Directors shall consist of eight (8) members appointed by the Mayor subject to the approval of the City Council. The term of office shall be in accordance with Section 4(e) of Act 450 of Public Acts of 1980. The initial terms are as follows: two members for one year; two members for two years; two members for three years; and two members for four years. The term of each authority member shall expire on November 1, of their respective years.

Section 2. Replacement and Vacancies. Subsequent directors shall be appointed to four year terms in the same manner as original appointments. A director whose term of office has expired shall continue to hold office until a successor has been appointed by the Mayor of the City of Warren with the advice and consent of the City Council within thirty (30) days to hold office for the remainder of the term of office so vacated.

Section 3. Removal. A director may be removed from office for inefficiency, neglect of duty or misconduct or malfeasance by a majority vote of the City Council of the City of Warren or this Board.

Section 4. Meetings. Meetings of the Board may be called by or at the request of the Chief Executive Officer of the Board or any two directors. The meetings of the Board shall be public, and the appropriate notice of such meeting shall be provided to the public.

Section 5. Notice. Notice of any meetings shall be given in accordance with the Open Meetings Act (Act No. 267 of the Public Acts of 1976).

Section 6. Quorum and Bylaw Amendment. A majority of the members of the Board then in office constitutes a quorum for the transaction of business for that matter at any meeting of the Board, provided that if less than a majority of the directors are present at the meeting, a majority of the directors present may adjourn the meeting from time to time without further notice. A vote of the majority of members present at a meeting at which a quorum is present constitutes the action of the Board unless the vote of a larger number is required by statutes or these Bylaws. Amendment of the Bylaws by the Board requires the vote of not less than a majority of the members of the Board then in office.

Section 7. Committees. The Board may, by resolution, designate one or more committees, each committee to consist of one or more of the directors. The Board may designate one or more director as alternate members of a committee, who may replace an absent or disqualified member at a meeting of the committee. In the absence or disqualification of a member of a committee, the members thereof present at a meeting and not disqualified from voting, whether or not they constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of such an absent or disqualified member. A committee, and each member thereof, shall serve at the pleasure of the Board.

ARTICLE III

Officers

Section 1. Officers. The officers of the Authority shall be elected by the Board and shall consist of a Chairperson, Vice-Chairperson, Secretary and Treasurer. The Treasurer may also be appointed and need not be a member of the Board. The Board may also appoint a Deputy Secretary and Deputy Treasurer who need not be members of the Board but shall, in the case of the Treasurer and Deputy Treasurer, give bond for the faithful discharge of duties of office in such sum and with such sureties as the Board may determine. Two or more offices may be held by the same person, but an officer shall not execute, acknowledge or verify an instrument in more than one capacity if the instrument is required by law or otherwise to be executed, acknowledged or verified by two or more officers.

Section 2. Election and Term of Office. The officers of the Authority shall be elected annually by the Board. If the election of officers shall not be held or made at such meeting, such election shall be held or made as soon thereafter as is convenient. Each officer so elected or appointed shall hold office for the term of which he/she is elected or appointed and until a successor is elected or appointed and qualified, or until a resignation or removal.

Section 3. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled at any meeting of the Board for the unexpired portion of the term of such office.

Section 4. Chief Executive Officer. The Chairperson shall be the chief executive officer of the Authority, but may from time to time delegate all or any part of his/her duties to the Secretary. The Chairperson shall preside at all meetings of the Authority and shall have general and active management of the business of the Authority. The Chairperson shall be an ex-officio member of all standing committees and shall have the general power and duties of supervision and management of the Authority.

Section 5. Secretary. The Secretary shall attend all meetings of the Board and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. The Secretary shall be sworn to the faithful discharge of his/her duties.

Section 6. Treasurer. The Treasurer shall disburse the funds of the Authority as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Board, at the regular meetings of the Board or whenever they may require, an account of all his/her transactions as Treasurer and of the financial condition of the Authority. The Treasurer shall give the Authority a bond, if required by the Board, in a sum and with one or more sureties satisfactory to the Board, for the faithful performance of the duties of the office and for the restoration to the Authority in case of his/her death, resignation, retirement, or removal from office of all books, papers, vouchers, money and other property of whatever kind in his/her possesison or under his/her control belonging to the Authority.

Section 7. Delegation of Duties of Officers. In the absence of any officer of the Authority, or for any other reason that the Board may deem sufficient, the Board may delegate, from time to time and for such time as it may deep appropriate, the powers or duties, or any of them, of such officer to any other officer, or to any director, provided a majority of the Board then in office concurs therein. The Vice-Chairperson and any Deputy Secretary or Treasurer shall perform such duties as the Board may assign them and shall act in the absence, inability or disability of the Chairperson, Secretary or Treasurer respectively.

ARTICLE IV

Contracts, Loans, Checks and Deposits

Section 1. Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or executve and deliver any instrument in the name of and on behalf of the Authority and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority, shall be signed manually or by facsimile signature by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the Board.

Section 3. Deposits. All funds of the Authority not otherwise employed shall be deposited from time to time to the credit

of the Authority in such banks, trust companies, or other depositories as the Board may select.

Section 4. Annual Reports. All funds of the Authority shall be publicized annually as a part of the City Audit.

ARTICLE V

Fiscal Year

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

ARTICLE VI

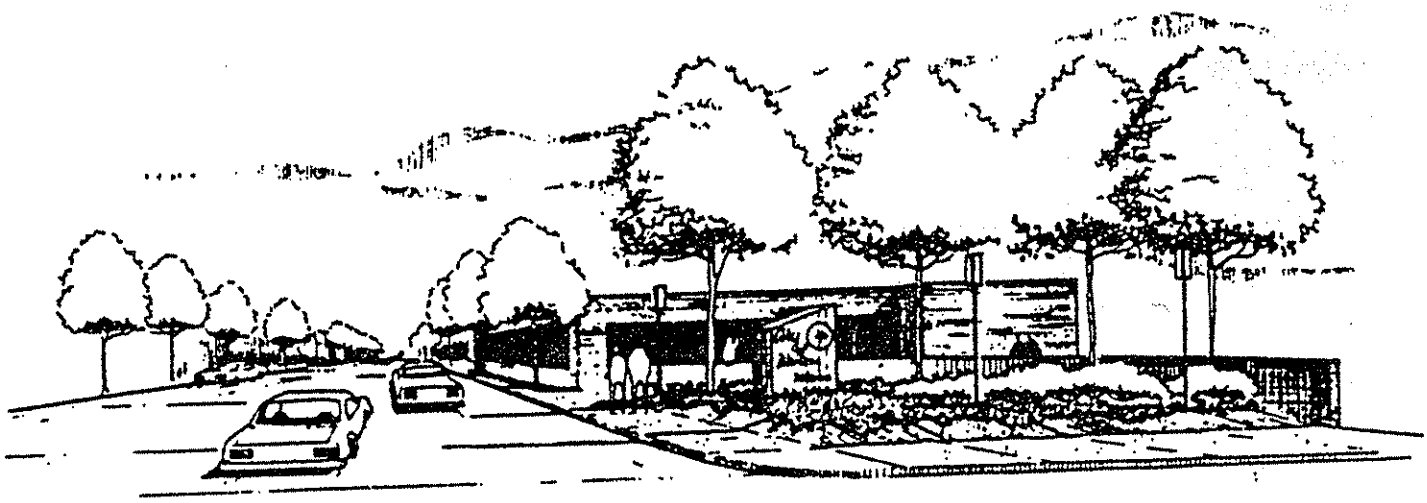
Amendments

These Bylaws may be altered or amended or repealed by the affirmative vote of the Board then in office at any regular or special meeting called for that purpose. All amendments hereto shall be subject to the approval of the City Council.

I HEREBY CERTIFY that the above Bylaws were adopted the _____ day of _____, 1987.

_____
Secretary

TAX INCREMENT FINANCING
and
DEVELOPMENT PLAN



VAN DYKE CORRIDOR
DEVELOPMENT AREA No. 1

TAX INCREMENT FINANCE AUTHORITY

CITY of WARREN , MICHIGAN

CITY OF WARREN

RONALD L. BONKOWSKI, Mayor

CARMELLA SABAUGH, Clerk

LILLIAN KLIMECKI DANNIS, Treasurer

CITY COUNCIL

CECIL D. ST. PIERRE, JR., President
GEORGE L. DIMAS, Vice President
FLOYD M. UNDERWOOD, Secretary
JAMES W. WORKENS, Assistant Secretary
LOUIS J. BURDI
CHARLES T. BUSSE
JAMES R. FOUTS
JEANNE OMELENCHUK
FRED S. SABAUGH

TAX INCREMENT FINANCE AUTHORITY

ELEANOR H. BATES, Chairperson
LILLI BUSCHMANN, Vice Chairperson
JOHN C. POGGIOLO, O.D., Secretary
ANTHONY AUBREY
JOSEPH CATALANO
EMMET DENHA
LILLIAN PETRYKOWSKI
MARVIN S. RUBY

WARREN DEVELOPMENT AREA CITIZENS COUNCIL

JO ANNE HELTON, Chairperson
LINDA L. WILLHITE, Vice-Chairperson
WILLIAM WELSING, Secretary
VERNIE CLINE
DAVID COLLIS
SHERRY KAURICH
ROBERT KNAPP
VIVIAN KNAPP

CITY OF WARREN

VAN DYKE CORRIDOR
DEVELOPMENT AREA NO. 1

TAX INCREMENT FINANCING
AND
DEVELOPMENT PLAN

ORIGINAL PLAN ADOPTED - DECEMBER, 1986

AMENDED PLAN ADOPTED - FEBRUARY, 1991

DEVELOPMENT PLAN FOR THE

VAN DYKE CORRIDOR DEVELOPMENT AREA

(As Adopted February 12, 1991)

INTRODUCTION

Pursuant to the provisions of Act No. 450, Public Acts of Michigan, 1980, as amended (Act 450), the City of Warren (the "City") established the Tax Increment Finance Authority of the City of Warren (the "Authority"). Act 450 provides that the Board of the Authority, if it determines that it is necessary for the achievement of the purposes of Act 450, shall prepare and submit a tax increment financing plan and a development plan to the City Council for approval.

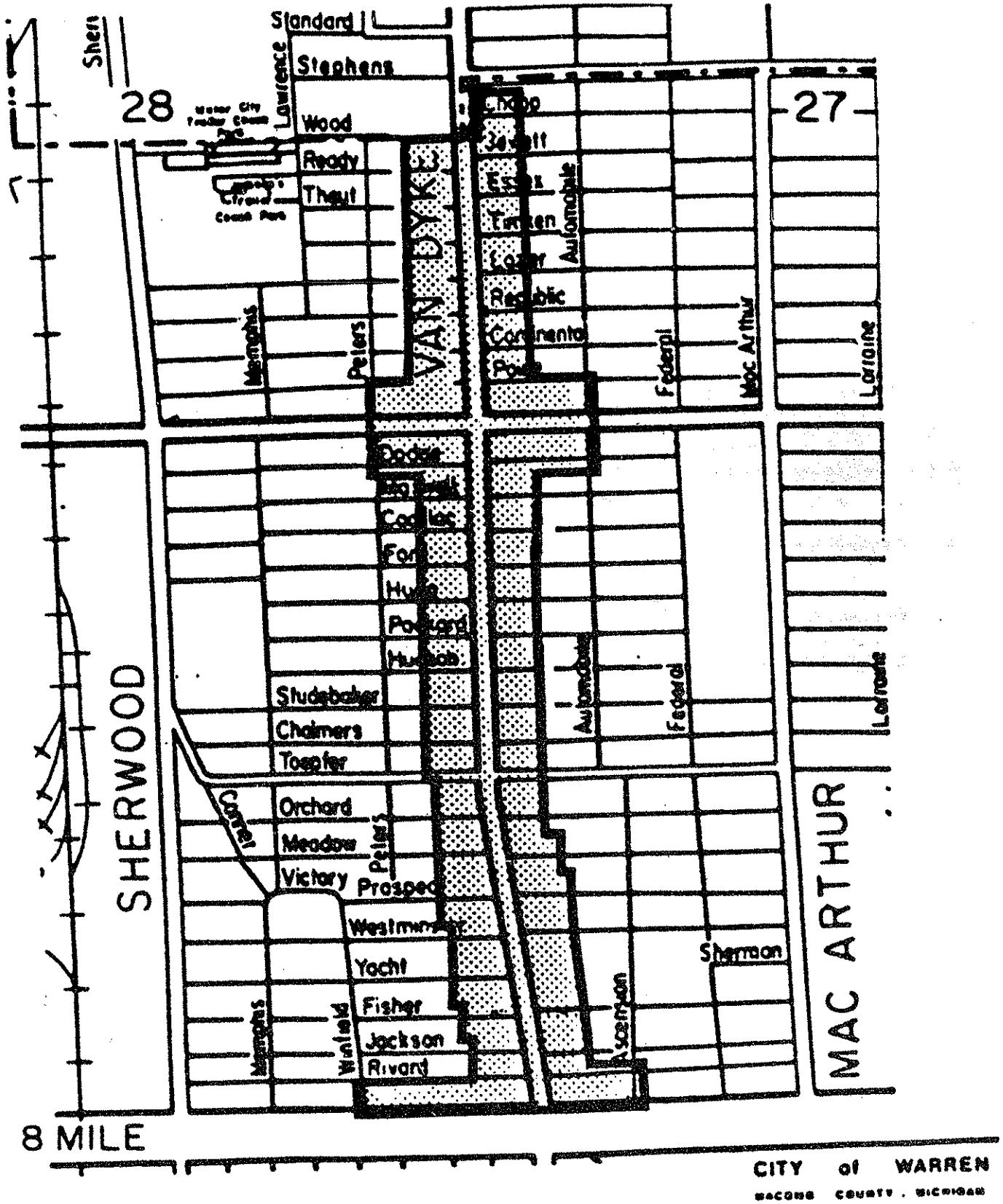
The Authority approved the Tax Increment Financing Plan and the Development Plan (together, the "Plan") for the Van Dyke Corridor Development Area No. 1 of the District (the "Development Area") on December 1, 1986. The City Council approved the Plan on December 9, 1986. Act 450 permits such plans to be amended.

On December 18, 1990, the Authority approved the amendments to the Plan as herein set forth for submission to the City Council for its approval. The Development Area Citizens Council (DACC), which was established pursuant to Act 450, has reviewed the Plan and its amendments. Their findings and recommendation for approval were submitted to the City Council on January 7, 1991. The City Council approved the amendments to the Plan on February 12, 1991, subsequent to a duly noticed public hearing.

The purpose of the Plan is to provide for the acquisition, construction and financing of public facilities (as defined in Act 450) in the District. The projects proposed herein will create economic growth and development in the Authority District and other areas of the City for the benefit of all taxing jurisdictions within the Authority District.

1. BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO THE BOUNDARIES OF THE AUTHORITY DISTRICT AND ANY OTHER DEVELOPMENT AREAS WITHIN THE AUTHORITY DISTRICT.

The following map, Map 1, shows the boundary of the Van Dyke Corridor Development Area No. 1. The same exact area is also the Authority District. The boundaries of the Authority District and Development Area No. 1 have not changed since adoption in 1986, and no changes are proposed.



CITY of WARREN
MACOMB COUNTY, MICHIGAN

TIFA DEVELOPMENT AREA NO. 1

DEVELOPMENT AREA BOUNDARY

2. DESIGNATION OF THE BOUNDARIES OF THE DEVELOPMENT AREA.

Map 1 shows the Development Area boundaries. In general, the Development Area includes those properties south of the City of Centerline which are along Van Dyke Avenue. For the most part, it includes lands which are within 350 feet east and west of the centerline of Van Dyke. At the Nine Mile intersection, it includes the entire area bordered by Automobile Street on the east, Dodge Street on the south, Peters Street on the west, and Paige Street on the north. At Eight Mile Road, it includes the area from the centerline of Eight Mile on the south, to Winfield Street on the west, Rivard Street on the north, and Ascension Street on the east. The legal description of the Development Area is contained in Exhibit A in the Appendix.

3. LOCATION CHARACTER AND EXTENT OF EXISTING PUBLIC AND PRIVATE USES.

The Van Dyke Corridor can be characterized as having strip commercial along the frontage, parking areas to the rear or sides of most stores, and then single-family residential about 200 feet from the centerline of Van Dyke. Van Dyke is the major north-south traffic artery for the Cities of Warren, Centerline and Sterling Heights. For the most part, it has six (6) lanes for moving traffic, a center lane for left-hand turns, and turning lanes at Eight and Nine Mile Roads. There is no on-street parking on Van Dyke. The traffic volumes for an average 24-hour period exceed 41,000 vehicles. The peak hour traffic in the morning and afternoon exceeds 6,000 vehicles per hour.

A. Existing Public Uses.

The primary public land acreage is that area reserved and used as roads and street rights-of-way. Van Dyke has an average right-of-way of about 100 feet, with some sections narrowed to 86 or 66 feet. The side streets generally have 50 feet of right-of-way. Behind most of the commercial frontages there are alleys which have 16 feet of right-of-way.

There are 13 City-owned and developed parking lots. They range in size from 5,000 square feet to about one-half (1/2) acre. The City lots are paved and separated from the adjacent residential by buffer walls. There is usually a sign noting that these are City parking lots. Most of the lots need resurfacing, repair of walls, painting or landscaping.

The City Library is located at the northwest corner of Van Dyke and Studebaker on a parcel of land encompassing about 28,000 square feet. There is paved parking provided for about 30 vehicles.

There are two (2) vacant City-owned parcels of land fronting on Van Dyke. Both parcels together total less than 8,500 square feet.

B. Existing Private Uses.

1) Commercial - Almost all of the frontage along Van Dyke is developed as retail, office or service uses. There are four (4) structures with frontage on Van Dyke which are used for residential purposes. Two (2) appear to be single-family and the other two (2) are apartments or rooming houses. There are also about 12 business structures that have apartments or living units on the second floor.

2) Industrial - There are about six (6) industrial businesses located along Nine Mile, east of Van Dyke. These businesses include machinery storage and sales, a tool shop, a plastics firm and auto repair.

3) Residential - As noted above, there are a few apartments and rooming houses along the Van Dyke frontage. The residential neighborhoods start beyond the alleys or the parking lots. Generally, this is about 150 to 200 feet from Van Dyke. Most of the area was platted with 35 or 40-foot lots. Most of the houses have less than 900 square feet and are of wood construction. The greatest percentage were built in the early 1940's. Generally, they are well maintained and neat in appearance. There are exceptions, but they are usually located closer to the major thoroughfare.

4) Other Uses - There are several churches located in the Development Area, as well as the Oddfellows, Masonic Hall, V.F.W., Disabled American Veterans, the Carpatheans Rental Hall, Boys Club of Warren, the Salvation Army, and the Van Dyke Public Schools. These uses have generally blended into the commercial activity along Van Dyke, but in most cases have had a major problem providing adequate parking.

C. Existing Recreational Uses.

There are no outdoor recreational uses in the Development Area.

D. Vacant Land.

There are several small parcels of land which are vacant. Most of these parcels are small subdivided lots of less than 5,000 square feet. There are a few instances where two or three of these parcels are side-by-side, but for the most part, they are isolated.

4. LOCATION, CHARACTER AND EXTENT OF PROPOSED PUBLIC AND PRIVATE IMPROVEMENTS.

The Development Plan concept is based upon the rehabilitation and revitalization of existing commercial and public or semi-public uses along the Van Dyke Corridor; the encouragement of new commercial uses; development of public and private parking lots and specific projects; and the protection of residential neighborhoods adjacent to the Corridor. Public improvements will be made as necessary to implement the objectives of the Development Plan. In addition, private investment will be strongly encouraged through the utilization of incentives to private parties, such as linking public investment with private investment through development agreements. Landscaping, sidewalk improvements, pedestrian plazas, additional streetscape and furniture will be provided to create a more attractive business environment and a pleasing and aesthetic environment. Facade and building improvements to private structures will be encouraged through the provision of architectural assistance and various economic incentives. The Warren International Neighborhood Project, at the northeast corner of Van Dyke and Nine Mile Road, shall be undertaken to attract people to the TIFA District for cultural and commercial purposes. The southeast corner of Van Dyke and Nine Mile is also scheduled as a major commercial revitalization project.

The Van Dyke Avenue Corridor Study, which was completed in August, 1985, provides the foundation for the Development Plan. The following are the specific goals for this Development Plan:

- Rehabilitate and redevelop the Van Dyke Corridor by providing for, or assisting in, the development of off-street parking facilities to make businesses more accessible to potential customers, attracting new business development, and providing buffers between commercial and residential areas.

- Encourage private investment in the area through the use of economic incentives.

- Use community development block grant and other funds, including TIFA-generated monies, as well as monies approved by the City, such as water and sewer system monies and motor vehicle highway fund monies, and other available sources to finance improvements.

- Focus attention at specific projects for the Eight Mile and Nine Mile intersections to achieve greatest impact; including the Warren International Neighborhood Project.

- Acquire sites for and develop parking lots.

- Acquire sites and buildings for redevelopment and rehabilitation.

- Unify the Van Dyke Corridor through the use of sidewalk or pedestrian improvements and landscaping.

- Leverage public fund expenditures by linking their expenditure with the investment or commitment of private funds through the use of development agreements and other techniques designed to encourage businesses to improve their facades and business environment.

- Minimize traffic conflicts along Van Dyke Avenue.

- Undertake improvements to existing streets, public utilities and pedestrian areas to stimulate economic activity in the Development Area.

- Provide adequate water, sewer and drainage services to the Development Area.

A. <u>Proposed Public Projects</u>.

1) Land acquisition and construction of parking lots throughout the Development Area.

2) Assistance in the rehabilitation of existing business structures and encouragement of new business investment in the Development Area.

3) Constructing, repaving, repairing and landscaping of City-owned parking lots throughout the Development Area.

4) Acquisition of land for public projects, by purchase, lease or, when and as approved by the City Council, through eminent domain proceedings initiated by the City Council.

5) Development of entrance zone treatment improvements at Eight Mile Road.

6) Core area treatment at the Nine Mile intersection. This could include low rectangular planters with benches, low evergreen spreaders and flower beds. Street trees, brick pavers and pedestrian lights would accent the area.

7) Development of fringe areas including new concrete sidewalks, street trees in grates, and narrow lawn panels between the curb and sidewalks.

8) Redesign of residential neighborhood access to Van Dyke where the residents request or permit them.

9) Acquisition of nonconforming use properties, by purchase, lease or, when approved by City Council, through eminent domain proceedings initiated by the City Council.

10) Provide attractive signs to indicate parking areas.

11) Guide and regulate signs within the Development Area.

12) Acquisition of various buildings and sites throughout the Development Area, by purchase, lease, or when and as approved by City Council, through eminent domain proceedings initiated by the City Council, such acquisition may be for rehabilitation, renovation or demolition and, subsequently, the leasing, sale or other transfer of property rights therein to public or private parties.

13) Facilitation of the Warren International Neighborhood Project as set forth in Project E.

14) Acquisition and development of facilities to provide a neighborhood police station, senior citizen and/or youth recreation facility.

15) Improving existing streets, public utilities, pedestrian areas, trees and other plantings in order to stimulate business activity and further private investment in the Development Area.

16) Extension and improvement of public services, such as water, sewer, lighting, electric and drainage services in the Development Area.

B. <u>Proposed Private Land Use Developments</u>.

1) Lincoln Center, at the northeast corner of Nine Mile and Van Dyke, was developed as a retail shopping complex in 1987. It is the direct result of a public/private partnership and the use of economic incentives with public improvements.

2) Sterling Furniture renovation was undertaken with economic incentives.

3) The Battery Shop relocated to a new store.

4). A new Kentucky Fried Chicken was constructed adjacent to its previous location.

5) Renovation and expansion of Shoppers Market.

6) The Warren International Village will include a shopping area of about 34,000 square feet.

7) Renovation, reconstruction and new parking lots at the southeast intersection of Nine Mile and Van Dyke.

8) Other public/private partnerships like the Lincoln Center Development.

5. LEGAL DESCRIPTION OF DEVELOPMENT AREA.

See Exhibit A in the Appendix. Exhibit B provides a listing of all 745 tax parcels in the Development Area, as they existed December 31, 1985.

6. IMPROVEMENTS TO BE MADE IN THE DEVELOPMENT AREA AND DESCRIPTION OF ANY REPAIRS OR ALTERATIONS AND THE TIME REQUIRED FOR COMPLETION OF THE IMPROVEMENTS.

It is anticipated that repairs and improvements, as well as new construction and landscaping, will be made to sidewalks, streets, alleys and parking lots. As part of the Warren International Neighborhood Project, it is anticipated that Automobile Street, from Nine Mile Road to Paige Street, will be abandoned as a public street and redeveloped as a pedestrian plaza between the cultural center and the restaurant and retail stores. Paige Street is proposed to be a cul-de-sac or turnaround and separated from the commercial traffic. Other streets or alleys may be revised or looped or closed, as suggested in the Van Dyke Corridor Plan.

The revitalization of the southeast corner of Van Dyke and Nine Mile anticipates the closure of Dodge Street and a cul-de-sac to serve the residential ara. Other improvements will include additional new commercial area, new parking lots, landscaping, and improved streetscape.

There are also 10 or 11 proposed projects, as described in Section 7 of this Plan, which provide for additional parking. Land acquisition to create new or to enlarge existing parking lots will take place as funds become available. Acquisition and rehabilitation, or removal of nonconforming or dilapidated structures, are also contemplated. Landscaping, building and pedestrian improvements will be made as specific projects are completed by either a private developer or as part of a City project.

Pursuant to the financial plan, projects undertaken during the first one (1) to three (3) years of the development period were limited by the immediate funds available. It is now anticipated that several projects will be started and that bonds will be sold to complete the public improvements outlined in the Development Plan.

Private investment in specific projects will be sought and encouraged through the provision of various incentives and utilization of development agreements. Emphasis will be placed on those projects which complement private investment activity. The TIFA will utilize bonding and other financing vehicles to secure adequate funds to assemble land, construct parking lots, pave alleys and landscape large areas. It is anticipated that many of these projects will be started over the next few years (1990-1993). Each project will generally have a construction period of two (2) years or less.

7. THE LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS AND ESTIMATED TIME REQUIRED FOR COMPLETION.

The following is a list of contemplated or potential projects within the Van Dyke Corridor. It is not intended to be exhaustive. Sufficient funds may not be available to complete all projects herein listed. Projects will be prioritized and undertaken to the extent that funds are available. Projects will also be considered based upon the availability to purchase the land and the support of the Development Area Citizens Council and the general public. Those projects which provide the greatest direct benefit to the Development Area and leverage private investment will be given greater emphasis.

The following projects are not listed in order of priority, but are based on their location from north to south in the Van Dyke Corridor.

A. Jewett Street parking lot, east of Van Dyke and north of Jewett Street. Acquire one 50' x 119' parcel with a house; demolition and paving for a parking lot with 11 cars ($70,000).

B. Theut Street parking lot, west side of Van Dyke and north side of Theut Street. Purchase one 41' x 108' parcel, upon which there is a swimming pool. Remove and use easterly 22 feet for parking lot. Deed or sell remainder to homeowner for greenbelt ($40,000).

C. Republic/Continental parking lot. Acquire nonconforming rooming house, located at the corner of Republic and Van Dyke. Remove the structure; purchase vacant 20-foot lot to the south; design parking lot and tie into existing City parking lot and commercial parking lots. An additional alternative is to purchase two additional lots on Continental Avenue (one lot has a home) and expand parking to the west. The total parking would be about 60 cars ($250,000).

D. Continental/Paige Street parking lot, west side of Van Dyke between Paige and Continental Streets. Acquire one, two or three houses and construct parking lot adjacent to the existing City lot ($180,000).

E. Warren International Neighborhood (WIN) Project, northeast corner of Van Dyke and Nine Mile Road.

New retail center of about 50,000 square feet, designed to encourage sale of international and ethnic goods. This center will include a restaurant and retail shops, blended together in a traditional European style. This facility will open to a pedestrian plaza which will provide direct access to the City of Warren Cultural Center on the west. It is also anticipated that a free-standing restaurant will be located along the Van Dyke frontage.

This project anticipates the purchase of all properties from Van Dyke to Automobile Street and from Nine Mile Road to Paige. The existing structures will be demolished and the land will be sold for retail development, parking lots, and pedestrian plaza. The total net cost in the TIFA program is estimated at $1,500,000.

F. Southeast Corner of Nine Mile Road and Van Dyke.

The preliminary plan proposes the purchase of two homes on Dodge Street and the expansion of the existing City parking lot. An expansion of that project includes the acquisition of the Oddfellows Hall and the auto repair business located on Nine Mile Road and the development of parking to serve the existing businesses.

The alternate plan would include the purchase of a business on Lot 29, which fronts on Nine Mile Road; the acquisition of a house on Lot 22 for access to Nine Mile; the acquisition of the business buildings which have frontage along Van Dyke; and the construction of a new retail center with parking and landscaping.

The extensive acquisition would permit the development of new retail business and expansion of some existing businesses. It could also permit Dodge Street to become a cul-de-sac, servicing only the residential area. Acquisition and development costs range from $350,000 to over $1,000,000, depending upon the scope of the project undertaken.

G. Cadillac Street parking lot, east side of Van Dyke, between Maxwell and Cadillac Streets. Acquire two houses and remove to construct a new parking lot. If the remaining storage building were removed, the parking lot would extend to Maxwell Street ($130,000).

H. Maxwell/Cadillac Street parking lot, located on the west side of Van Dyke, between Maxwell and Cadillac Streets. Acquire two houses and remove to construct a parking lot and alley extending from Maxwell to Cadillac ($140,000).

I. Ford/Hupp parking lot, located on the west side of Van Dyke, between Ford and Hupp Streets. Acquire one to three lots, each of which have a house, and remove to construct a parking lot ($210,000).

J. Sell City-owned properties. Encourage the City Council to sell the two City-owned properties on Van Dyke, south of Studebaker Street. Encourage and work with the new owner to develop this area as retail use.

K. Meadow Street parking area, located on the east side of Van Dyke, between Meadow and Prospect Streets. Needs paved alley. Acquire two residences, on three lots, 50' x 120'; 30' x 120'; and 50' x 120'. Construct parking lot; donate or sell excess land to adjacent residences ($100,000).

L. Prospect Street parking lot, located on the west side of Van Dyke, between Prospect and Westminister Streets. Needs paved alley. Acquire two residences, 55' x 129' and 37' x 129'; construct lot; donate or sell excess land to adjacent residences ($100,000).

M. Acquire nonconforming apartment, located at corner of Jackson and Van Dyke. The property is 33' x 110'; two-story apartment on corner lot. Purchase land; demolish building; and sell for retail or parking ($50,000).

N. Purchase of property located on Van Dyke, between Yacht and Fisher. Lease to City for development as a mini-police station ($125,000).

O. Yacht Avenue parking lot. Purchase one home and lot to the west of the existing City parking lot and redesign the parking lot for 25-car parking ($75,000).

P. City entrance area. Purchase and relocate DAV Hall. Purchase frontage at corner; redesign entrance area; redesign and construct parking area ($150,000).

Q. Encourage new retail development on vacant area along Eight Mile Road. Eliminate nonconforming residential structures; provide walls, landscaping and greenbelts ($100,000).

In addition to these specific projects, there will be numerous frontage, streetscape and landscaping improvements. These projects range from $21 per lineal foot along Eight Mile Road, to $280 per lineal foot in the core area of Van Dyke and Nine Mile Road. These improvements have been estimated at over $1.5 million. The Authority could undertake a small project area as funds become available or as developers prepare their projects.

Most of the projects could be started and completed within one (1) year. Exceptions include the proposals for the southeast corner of Nine Mile Road and Van Dyke, the proposals along Eight Mile Road, and the WIN Project. Each of these projects could take two (2) to five (5) years, depending upon the acquisition, clearance, engineering and design problems.

8. STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION.

Timetable	Project Designation	Description	Cost
1990-1991	N	Mini-police station (project completed)	$ 125,000
1990-1998	E	Warren International Neighborhood	1,500,000
1990-1991	C	Acquisition of non-conforming apartment house, additional land, and construct parking lot	250,000
1990-1993	F	Southeast corner of Nine Mile Road and Van Dyke -- Phase I	350,000
1993-1995	F	Southeast corner of Nine Mile Road and Van Dyke -- Phase II	1,000,000
1994-1996	P	Eight Mile Road Entrance	150,000
1993	M	Acquire nonconforming apartment building	50,000

The remaining projects will be undertaken as buildings and land become available on the market, or as funding becomes available.

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

As noted in the Warren International Neighborhood (WIN) Plan (Project E), a pedestrian plaza and open space area will be constructed within the right-of-way of the present Automobile Street between Nine Mile Road and Paige Street. Other properties which are contemplated to be left as open space for public use are the pedestrian plazas at the intersection of Nine Mile and Van Dyke and the entrance sign area proposed for Eight Mile Road. These areas will be landscaped and designed as proposed in the Corridor Plan. Other open space plazas or greenbelts will occur as new developments occur.

10. 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 City proposes to purchase land and buildings located at the intersection of Van Dyke and Yacht Streets. This area will then be leased to the City of Warren for use as a mini or neighborhood police station and recreation center. The terms of the lease will be negotiated with the City for a length of time adequate to amortize the facility.

The Authority also anticipates that it will need to purchase certain lands and buildings as part of the WIN project, the redevelopment of the southeast corner of Nine Mile Road and Van Dyke, or other similar projects. These lands wil be sold for proposed private developments or used for public improvements.

If the Authority acquires land for streets, sidewalks, parking lots or other public purposes, it may donate such lands to the City as it deems desirable or necessary to carry out the purposes of the Plan. The Authority does not propose to own or lease any land from the City, except as noted above or on an interim basis, as necessary, to create or complete a project.

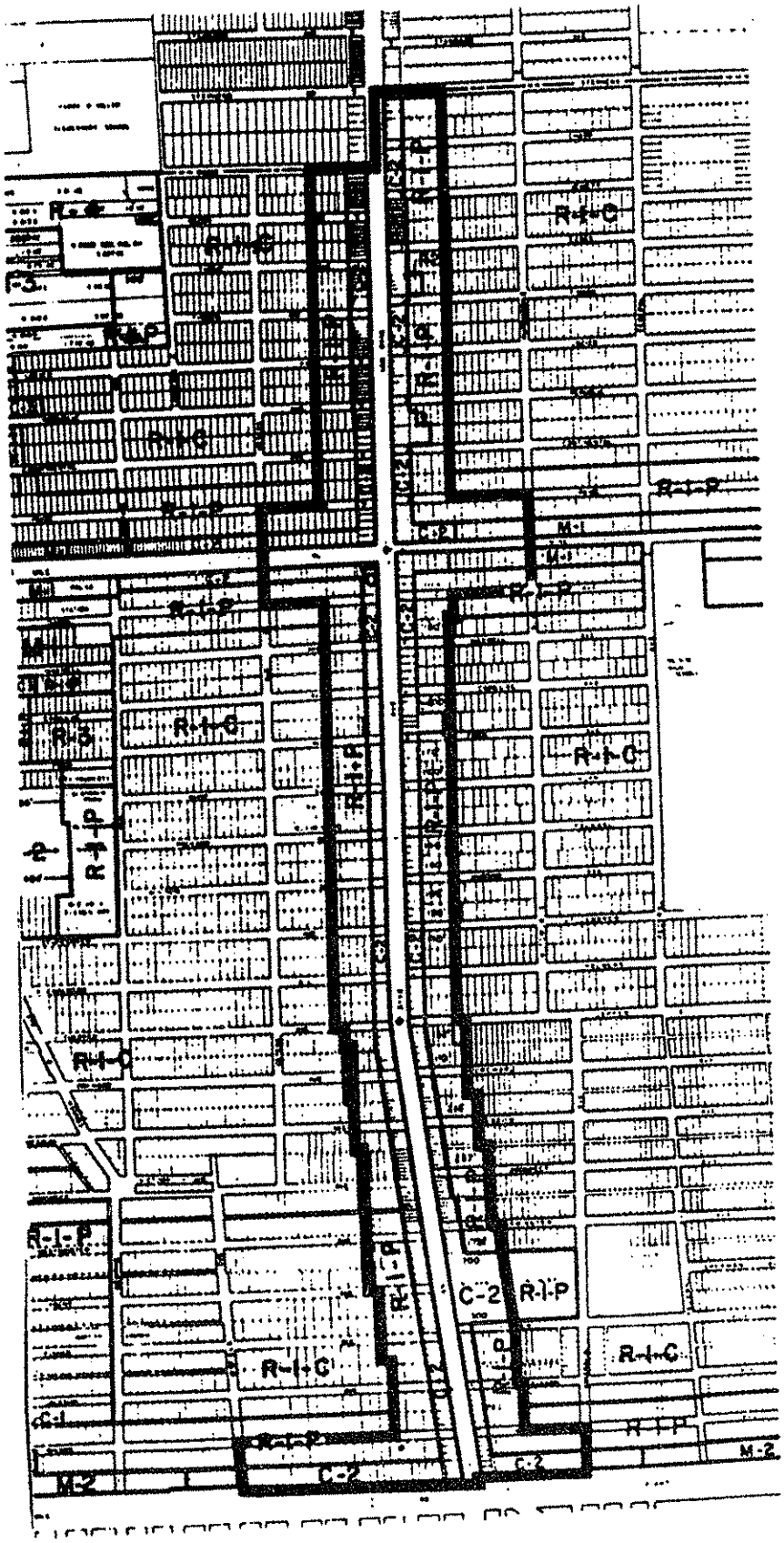
11. DESIRED ZONING CHANGES.

All lands within the Development Area are zoned either Commercial, Industrial or R-1-P (One-Family Residential and Parking). It is anticipated that the area between Nine Mile Road and Paige and Van Dyke and Automobile will be rezoned to C-2 Commercial in keeping with the WIN project plan. Ultimately, there will be no need or desire to have industrial zones or industrial uses located within the Development Area. (See Map 2 for the existing zoning.)

12. CHANGES IN STREETS, INTERSECTIONS AND UTILITIES.

The Warren International Neighborhood (WIN) project proposes the closure of Automobile Street from Nine Mile Road to Paige Street. The public right-of-way will be reserved for public utilities. The street area will be used as a pedestrian plaza.

The Van Dyke Corridor Plan, as well as other proposals studied by the City in the past, has envisioned the closure or looping of residential side streets before they reached Van Dyke. This concept separates commercial traffic from residential neighborhoods, improves the residential environment, permits increased parking in the commercial area, and lessens traffic conflicts. It encourages the separation or buffering of the residential area from the commercial activity along Van Dyke Avenue. Paige and Dodge Streets, east of Van Dyke, are two streets which may be closed to commercial traffic.



CITY of WARREN
MACOMB COUNTY, MICHIGAN

TIFA AUTHORITY DISTRICT

AUTHORITY DISTRICT BOUNDARY

While these diversions, loop streets or closures could be installed within many areas, their actual installation would be dependent upon the demand and the acceptance by the neighborhood. The Citizen District Council will review and make recommendations on all projects. If there is not the neighborhood support, projects will not be designed or constructed.

It is anticipated that public utilities will be extended and improved in the Development Area as needed, including the provision of storm drainage in alleys and public parking lots. It may also be necessary to loop water or sewer lines as developments are made. As the specific areas are redeveloped, it may also be necessary to re-route or construct new utilities to service the new buildings.

13. AN ESTIMATE OF THE COST OF DEVELOPMENT, A STATEMENT OF THE PROPOSED METHOD OF FINANCING AND THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING.

The Authority is presently planning for an initial tax increment bond sale in 1991, in the amount not to exceed $3,000,000, for a term not to exceed twenty (20) years. The actual amount of the bond will be the maximum permitted by law. Such a bond sale would be subject to the approval of the City Council if the full faith and credit of the City will accompany the bonds.

Improvements are anticipated to occur according to the priority listed in the proposed program in Part 8. This program will shift, however, as developments are finalized and bonds are sold. If a bond issue cannot be sold or loans secured, the projects will be implemented on a pay-as-you-go basis.

The total cost of all of the specific projects listed in Part 7 of this Development Plan is approximately $4,180,000. Other streetscape and landscape improvements would increase the total cost to over $5,000,000. It is expected that some of these potential projects may be funded, in whole or in part, by private investors or through other funding.

14. 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 Authority did not own any property at the time of initial adoption, but at the time of amendment has purchased the land and building used for the mini-police station. The City of Warren has leased the land and buildings from the Authority.

It is anticipated certain lands will be acquired and later sold to commercial developers who are willing to build a project acceptable to the Authority. There are no known direct beneficiaries at this time. To the extent that certain projects, such as the provision of public parking facilities, will benefit a set of businesses, efforts will be made to capture such benefit through special assessments and development agreements linking the project with further private investment from such beneficiaries.

The commercial business community within the Development Area and the residential neighborhoods abutting the Van Dyke Corridor are the primary beneficiaries of this Plan. The entire concept and reason for this TIFA program is to reverse the trend of declining property values and revitalize the southern portion of the City of Warren.

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

The terms under which any land designated for development will be sold to, leased, or otherwise conveyed, shall be determined by the Authority.

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

There are approximately 355 residential living units in the Development Area. Over 90 percent of them are single-family residences on small lots. Based on the average family size of 3.0 persons, there would be over 1,000 persons residing within the Development Area.

The Development Plan includes the acquisition of up to 19 residential structures. Two (2) of these structures, located on Van Dyke, are apartments or rooming houses. Twelve of the units are located in the developments proposed at Nine Mile and Van Dyke. There are also five residences along Eight Mile Road that could be considered for acquisition and removal.

After further project planning is undertaken, any families, individuals or businesses who may be displaced as a result of property acquisition and clearance activities will be identified and relocated in accordance with City relocation procedures.

17. PLAN FOR ESTABISHING PRIORITY FOR THE RELOCATION FOR PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA.

It is anticipated that there will be no new housing constructed within the Development Area. All lands to be developed or redeveloped will be commercial or parking.

18. PROVISION FOR THE COST OF RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT.

The project cost will include the cost of acquisition based upon market value. The amount and type of financial assistance and reimbursement expense payments to be provided to each displacee will be determined on a case-by-case basis by the Authority.

19. A PLAN FOR COMPLIANCE WITH ACT 227 OF THE PUBLIC ACTS OF 1972.

The relocation of any families, individuals or businesses shall also be carried out in accordance with the statutory requirements and provisions of State of Michigan Act No. 227 of the Public Acts of 1972.

The City of Warren, acting in behalf of the Authority, shall establish and implement a relocation assistance advisory program to assist displacees in obtaining and becoming established in comparable facilities elsewhere in the City.

The specific types of relocation advisory assistance to be provided to each displacee may include, but are not limited to, personal contact and consultation on technical services available, eligible relocation expenses, and current information on comparable facilities available elsewhere in the City.

TAX INCREMENT PLAN

FOR THE

VAN DYKE CORRIDOR DEVELOPMENT AREA

DETAILED EXPLANATION OF THE TAX INCREMENT FINANCING PROCEDURE.

This Tax Increment Financing Plan is established to make possible the financing of the public improvements necessary or desirable for the development of the City of Warren Van Dyke Corridor Development Area in accordance with the Development Plan for that area.

The Tax Increment Finance Authority enabling legislation, Act No. 450 of the Public Acts of 1980, as amended, enables tax increment finance authorities to undertake a broad range of public facility improvement activities which will contribute to and encourage economic growth and the halting of deterioration of property values in a designated area. These public facilities include, but are not limited to, the construction or renovation of the following: streets, sidewalks, sewers, water, storm drainages, parks, libraries, bridges, parking facilities, plazas, pedestrian malls, boulevards, recreation facilities, playgrounds, administration buildings, rights-of-way, structures, utility lines, barrier-free improvements, and similar facilities. They can also include acquisition or sale of property, demolition of structures, site preparation, building rehabilitation and architectural engineering or administrative costs associated with the above.

In order to provide the Authority with the means of financing the planning and implementation of development proposals, the statute affords the opportunity to undertake tax increment financing of development programs. These programs must be identified in a development plan which has been approved by the governing body of a municipality.

Simply stated, tax increment financing permits the Authority to capture tax revenues attributable to increases in the valuation of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions, or to such other factors as the assessor may deem appropriate.

At the time the resolution establishing the Tax Increment Financing Plan is approved, the sum of the most recently assessed values (i.e., the values as finally equalized by the State Board of Equalization) of those taxable properties located within the development area is established as the "Initial Assessed Value". Property exempt from taxation at the time of determination of the Initial Assessed Value shall be included as zero.

In each subsequent year, the total assessed value of real and personal property within the district is termed the "Current Assessed Value".

The difference in any one year between the Current Assessed Value and the Initial Assessed Value is the "Captured Assessed Value". During that period in which the Development Area is in place, local taxing jurisdictions continue to receive ad valorem taxes based on the Initial Assessed Value. Taxes paid on the Captured Assessed Value in years subsequent to the establishment of the Development Area, however, are payable to the Authority pursuant to the Tax Increment Financing Plan.

Attached hereto as Exhibit D is a schedule of the assessed values of all real and personal property in the Van Dyke Corridor Development Area as recorded in the December 31, 1985 tax roles and equalized by the State of Michigan in May, 1986. The total State Equalized Valuation of $12,155,613 is the Initial Assessed Valuation for the Van Dyke Corridor Development Area No. 1.

PROJECTION OF CAPTURED ASSESSED VALUES AND TAX INCREMENT REVENUES.

During the calendar year of 1986, there was the demolition of all structures and the construction of a new shopping center and restaurant in the one block located at the northwest corner of Nine Mile Road and Van Dyke Avenue. This project was made possible by the availability of a large parcel of land, a willing developer, and the economic incentives provided by the Warren Community Development Block Grant program. It provided a risk to the developer because of the depressed and declining property values in this area of the City. At the same time, it provided an opportunity and a catalyst for the City of Warren to undertake the revitalization of the southern part of the City.

The Battery Warehouse, which was originally located on the north side of Nine Mile Road, moved to the south side when the redevelopment started. Other new development in the Development Area includes the Kentucky Fried Chicken located on the east side of Van Dyke between Timken and Lozier Streets. Sterling Furniture, located on the west side of Van Dyke between Lozier and Republic, also renovated their business structure.

As noted in the Development Plan, there are several projects which could develop over the next decade. Of particular importance are the Warren International Neighborhood (WIN) and the potential developments in the Eight Mile and Nine Mile areas. The Authority will promote projects in which TIFA improvements can act as a catalyst for private investment. Where necessary, and if possible, other Federal and State funds will be used to complete a development package. As more project funds are developed in the TIFA, more improvements can be made. The following table illustrates the anticipated increase in State Equalized Valuation, captured assessed valuation, and tax increment revenues.

SUMMARY OF PROJECTED

CAPTURED VALUATIONS AND REVENUES
As Projected in December, 1990

Year End 12/31	Total SEV	Additional SEV	Captured Assessed Valuation	Tax Increment Revenue	Available for Debt Retirement
1986	12,155,613				
1987	12,815,095	659,482	659,482	40,414	32,331
1988	14,004,845	1,189,750	1,849,232	111,947	89,557
1989	15,068,211	1,063,366	2,912,598	187,446	149,957
1990	15,238,795	170,584	3,083,182	197,899	158,319
1991	15,371,081	152,189	3,215,469	206,390	165,112
1992	15,524,791	153,711	3,369,180	216,257	173,006
1993	15,680,038	155,248	3,524,428	226,221	180,977
1994	15,836,838	156,800	3,681,228	236,286	189,029
1995	15,995,206	158,368	3,839,596	246,451	197,161
1996	16,155,158	159,952	3,999,548	256,718	205,374
1997	16,316,709	161,551	4,161,099	267,087	213,670
1998	16,479,876	163,167	4,324,266	277,560	222,048
1999	16,644,674	164,799	4,489,065	288,138	230,510
2000	16,811,120	166,446	4,655,511	298,822	239,058
2001	16,979,231	168,111	4,823,622	309,612	247,690
2002	17,149,023	169,792	4,993,414	320,511	256,409
2003	17,320,513	171,490	5,164,904	331,518	265,214
2004	17,493,718	173,205	5,338,109	342,636	274,109
2005	17,668,655	174,937	5,513,046	353,864	283,091
2006	17,845,342	176,687	5,689,733	365,205	292,164
2007	18,023,795	178,453	5,868,186	376,659	301,327
2008	18,204,033	180,238	6,048,424	388,228	310,582
2009	18,386,073	182,040	6,230,464	399,913	319,930
2010	18,569,934	183,861	6,414,325	411,714	329,371

The TIFA legislation provides that not more than eighty percent (80%) of the annual tax increment revenue can be pledged in any year for debt service retirement.

The preceding table is based primarily upon the growth that is known at this time. The captured assessed value, when multiplied by the present millage rate of 64.18 (without debt service), yields a total projected revenue of $6,565,371 over the life of the Development Plan. It should be noted that this revenue projection is definitely on the conservative side. There are several factors which support this statement:

1. The projected new growth is based only upon the development which is known at this time. It does not include any new commercial growth which could, and should, take place in future years as a result of the new public improvements being made and the increase in property values.

2. The annual growth rate has been assumed at 1.0 percent. The total growth rate between 1985 and 1990 has been about five percent (5%). If the actual growth rate of existing SEV is greater than the 1.0 percent, as it is expected, so will be the revenues of the district.

3. It assumes that the tax rate will remain unchanged over the life of the district. If any of the taxing districts that have tax base in the Development Area raise their millage, the TIFA will accumulate even more revenues. By the same token, if they decrease the rate, the revenues will decrease.

MAXIMUM AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED.

The total estimated cost of improvements outlined in the Development Plan is about $5,000,000. Based upon the revenues which are presently projected and a rate of eight percent (8%), the maximum bond which could be supported at this time would be about $2,500,000. The actual amount of the bond will be established by the maximum permitted by law. As indicated previously, it is the belief of the Authority that this Development Plan will cause new construction and revitalization within the Corridor area. Such would result in an increase in TIFA revenues which could be used to pay for additional improvements.

The maximum amount of bonded indebtedness to be incurred within this TIFA is 4.5 million dollars. The actual amount of any single bond issue would be dependent upon the tax revenues available to meet principal and interest payments. The final value of the bond sale will vary from the above estimates based upon such factors as actual project costs, availability of revenues, whether the City's faith and credit are pledged, and the final term and interest rate.

USE OF TAX INCREMENTS.

The tax increment revenues generated within the Development Area, pursuant to the Development Plan as it now exists or is hereafter amended, shall be used:

First, to make the improvements outlined for development to the extent possible on a pay-as-you-go basis. If bonding is not possible, then the Plan will continue on a pay-as-you-go basis until bonding is possible.

Second, to pay into the debt retirement fund, or funds, for all outstanding debts established pursuant to this Plan, an amount equal to the interest and principal coming due prior to the next collection of taxes.

Third, to establish a reserve account for payment of principal and interest on debts encountered pursuant to this Plan.

Fourth, to pay the administrative and operating costs of the Tax Increment Finance Authority and City for the Development Area, including planning and promotion, to the extent provided in the annual budget of the Tax Increment Finance Authority.

Fifth, to pay, to the extent determined desirable by the Tax Increment Finance 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 other sources.

Sixth, to establish a sinking fund or a set aside account to be used to retire the debt incurred pursuant to this Plan at the earliest possible date.

Any tax increment receipts in excess of those needed under the preceding paragraphs 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 Development Area pursuant to amendment or modification of the Development Plan and this Tax Increment Financing Plan pursuant to applicable provisions of Act No. 450 of 1980 and other laws.

DURATION OF THE DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN.

The Tax Increment Financing Plan shall last until the principal and interest on bonds issued pursuant of this Plan have been paid, or until $5,000,000 in public improvements have been financed. The Plan is anticipated to have a duration of 25 years, commencing upon its approval by City Council in December, 1986, and ending in December, 2010.

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

The primary overall impact of this Plan is anticipated increased economic activity within the Development Area. This increase in activity will, in turn, generate additional tax revenue to local taxing jurisdictions through increases in assessed valuation of real and personal property, improved residential neighborhoods, and from increases in personal income from new employment within the Development Area.

The local taxing units affected by the Tax Increment Financing Plan and their 1986 and 1990 tax rates are as follows:

	1986 (mills)	1990 (mills)
City of Warren	14.67	14.68
Van Dyke School District - operating	40.58	41.00
- debt service	4.76	4.76
Macomb Intermediate School District	2.06	2.06
Macomb Community College	1.69	1.69
Macomb County and others	4.91	4.75
Total	68.67	68.94
Without voted debt service	63.91	64.18

The proposed creation of the Van Dyke Corridor Development and Financing Plan shall in no way diminish the existing assessed values of property within the area boundaries. The local taxing jurisdictions noted above shall, therefore, suffer no loss of current tax revenues.

For the period during which the Tax Increment Financing Plan and Development Plan are in effect, the assessed values of properties within the Development Area shall effectively remain constant insofar as the local taxing jurisdictions are concerned. Any increases in property values will generate tax increment revenues which shall be available only to the Authority during the duration of said plans.

An amendment to Act 450 specifically authorizes the exclusion of the "Captured Assessed Value" of the Development Area from any computations made by school districts to determine State financial assistance. As a result, the Van Dyke School District will not lose any operating money as a result of this TIFA program.

Debt retirement monies are not a part of the State formula and, as such, are paid based on the local tax roles. Therefore, the TIFA would affect future potential for early debt retirement within the School District. The Tax Increment Finance Authority is recommending that the millage set aside for all debt retirement remain with the Van Dyke School District and not be a part of the Captured Assessed Valuation and the TIFA project.

The debt retirement millages for any local taxing jurisdiction within the Development Area will also remain with those taxing jurisdictions.

It is anticipated that the development activities of the Authority, financed in whole or in part by tax increment revenues, will produce a positive, material effect on the assessed values of property within, and in, the proximity of the development and will ultimately result in the eventual collection of greater real and personal property tax revenues than would otherwise have been available.

The TIFA proposes that all of the eligible taxes, minus those presently collected for debt service retirement, subject to any agreements with the various taxing units, levied on the captured assessed value within the district, be used by the Authority to the extent needed from year-to-year to accomplish the purpose of this Plan.

JUSTIFICATION OF THE TAX INCREMENT FINANCING PLAN.

This Tax Increment Financing Plan is based upon the premise that the anticipated increase in development would not occur without the public improvements projected in the Development Area Plan. Over the past decade, land values and tax revenues within the Development Area have declined. The trend has been for businesses to move to the north part of the City, or to relocate within shopping centers. Many stores have remained vacant or now house businesses which economically cannot move, or stay because of the lower rents. Lack of parking, loss of amenities, conflicts with neighboring residential properties, and negative environmental impacts are problems which have accompanied or caused the decline of business. Without the reversal promised through the Development Plan, the loss of value and taxes would continue.

The basic premise of this Plan is that private development would not take place without the public investment. Therefore, the short-term investment made by the taxing units in foregoing initial growth in tax revenues is repaid by the long-term benefit of substantially greater taxes, improved neighborhoods, and increased employment realized from a significantly stronger commercial tax base.

CITY COUNCIL
CITY OF WARREN
COUNTY OF MACOMB, MICHIGAN

NOTICE OF PUBLIC HEARING ON AMENDMENTS TO THE TAX INCREMENT FINANCING AND DEVELOPMENT PLAN NO. 1

This is notice that the City Council of the City of Warren (the "City"), County of Macomb, Michigan, pursuant to Act No. 450, Public Acts of Michigan, 1980, as amended ("Act 450") shall hold a public hearing regarding amendments to the Tax Increment Financing and Development Plan No. 1 (the "Plan") of the Tax Increment Finance Authority of the City of Warren (the "Authority").

The boundaries of the Authority and Development Area No. 1 are the same, and generally run on both sides of Van Dyke Avenue between Eight Mile Road and Stephens, as more particularly described on Exhibit A hereto and shown on Exhibit B hereto. These boundaries have not changed since the original adoption of the Plan in December of 1986.

All maps, plats, and a description of the amended Plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection during regular business hours at the office of the City Clerk, City Hall, 29500 Van Dyke Avenue, Warren, Michigan.

All aspects of the amended Plan will be open for discussion at the public hearing. The Council will 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 arguments on the merits, and for introduction of documentary evidence pertinent to the Plan.

NOTICE OF TIME AND PLACE

TAKE NOTICE that the public hearing shall be held on January 15, 1991, at 7:00 p.m. in the Van Dyke Community Auditorium (Lincoln High School Auditorium), 22100 Federal, in the City of Warren, Macomb County, Michigan. For information, phone 574-4687.

This notice is given pursuant to Section 17 of Act 450.

FLOYD M. UNDERWOOD
Council Secretary

EXHIBIT A
AUTHORITY DISTRICT

LEGAL DESCRIPTION OF VAN DYKE TIFA AUTHORITY DISTRICT

Lands within the municipal limits of the City of Warren, Macomb County, Michigan, beginning at the northwest corner of the southwest 1/4 of Section 27 T.1N. R.12E, thence east along the centerline of Stephens Road 350 feet, thence south 560 feet to the north right-of-way line of Jewett Avenue, thence west along the right-of-way line 15 feet, thence south 1,720 feet to the north right-of-way line of Paige Avenue, thence east 500 feet along said line to the east right-of-way line of Automobile Boulevard, thence south along said line approximately 610 feet to the south right-of-way line of Dodge Avenue, thence west 500 feet along the south right-of-way line, thence south 109 feet, thence west approximately 40 feet, thence south approximately 2,350 feet along the property lines which are approximately 320 feet from the centerline of Van Dyke Avenue to the south right-of-way line of Toepfer Avenue, thence east along the right-of-way line 30 feet, thence south 410 feet to the centerline of the alley, thence east 90 feet, thence south 290 feet to the centerline of the alley, thence east 60 feet, thence south 290 feet to the centerline of the alley, thence east 10 feet, thence south 180 feet to the south right-of-way line of Westminster, thence east 20 feet, thence south 130 feet, thence east 10 feet, thence southeasterly 480 feet to the south right-of-way line of Fisher Avenue, thence easterly 20 feet, thence southerly 340 feet to the south right-of-way line of Jackson Avenue, thence east 30 feet, thence south 215 feet to the north right-of-way line of Rivard Avenue, thence east 380 feet to the east right-of-way line of Ascension Avenue, thence south along said line 300 feet to the Eight Mile Road City limits, thence westerly along the City limits to the west right-of-way line of Winfield Avenue, thence north 320 feet to the north right-of-way line of Rivard Avenue, thence east along said line 920 feet, thence north 390 feet, thence west 50 feet, thence north 390 feet to the south right-of-way line of Yacht Avenue, thence west 50 feet along said line, thence north 157 feet, thence west 10 feet, thence north 670 feet, thence west 70 feet, thence north 570 feet, thence west 40 feet, thence north 159 feet to the north right-of-way line of Toepfer Avenue, thence west along said line 60 feet, thence north 2,380 feet to the south right-of-way line of Dodge Avenue, thence west along said line 370 feet to the west right-of-way line of Peters Avenue, thence north along said line 606 feet to the north right-of-way line of Paige Avenue, thence east along said line 370 feet, thence north 1,870 feet to the centerline of Wood Avenue and the City limits, thence east 350 feet along the City limits to the centerline of Van Dyke Avenue and the City limits, thence north along said line 430 feet to the centerline of Stephens Avenue to the point of beginning.

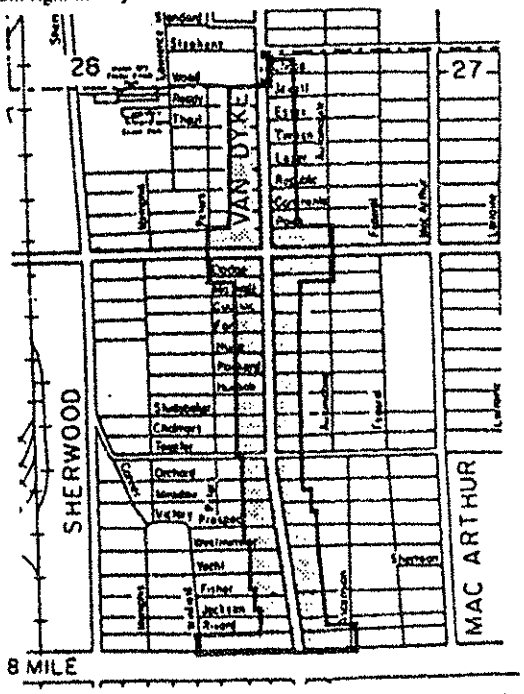


EXHIBIT A
AUTHORITY DISTRICT

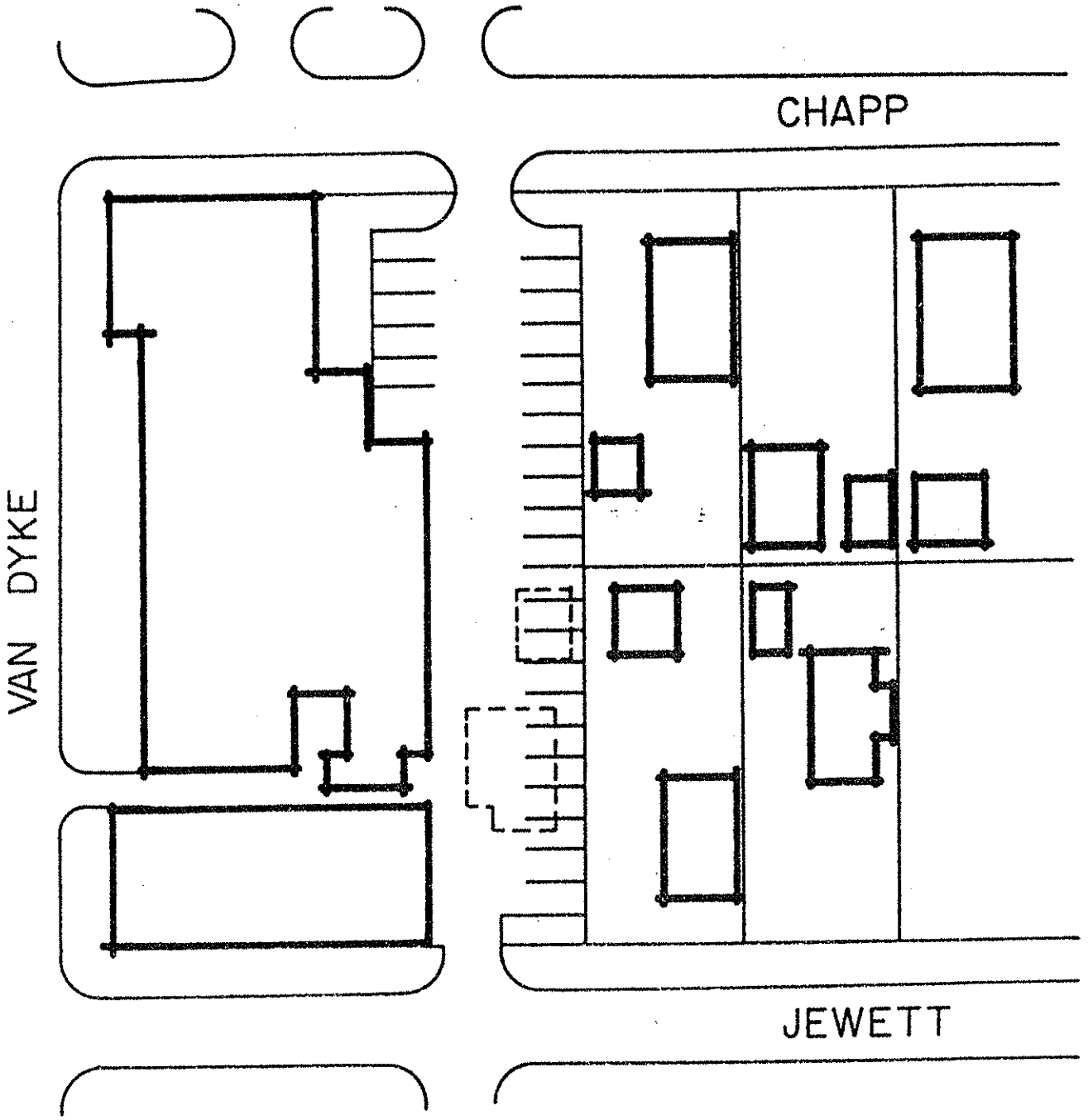
LEGAL DESCRIPTION
OF
VAN DYKE TIFA AUTHORITY DISTRICT

Lands within the municipal limits of the City of Warren, Macomb County, Michigan, beginning at the northwest corner of the southwest 1/4 of Section 27 T.1N, R.12E, thence east along the centerline of Stephens Road 350 feet, thence south 560 feet to the north right-of-way line of Jewett Avenue, thence west along the right-of-way line 15 feet, thence south 1,720 feet to the north right-of-way line of Paige Avenue, thence east 500 feet along said line to the east right-of-way line of Automobile Boulevard, thence south along said line approximately 610 feet to the south right-of-way line of Dodge Avenue, thence west 500 feet along the south right-of-way line, thence south 109 feet, thence west approximately 40 feet, thence south approximately 2,350 feet along the property lines which are approximately 320 feet from the centerline of Van Dyke Avenue to the south right-of-way line of Toepfer Avenue, thence east along the right-of-way line 30 feet, thence south 410 feet to the centerline of the alley, thence east 90 feet, thence south 290 feet to the centerline of the alley, thence east 60 feet, thence south 290 feet to the centerline of the alley, thence east 10 feet, thence south 180 feet to the south right-of-way line of Westminster, thence east 20 feet, thence south 130 feet, thence east 10 feet, thence southeasterly 480 feet to the south right-of-way line of Fisher Avenue, thence easterly 20 feet, thence southerly 340 feet to the south right-of-way line of Jackson Avenue, thence east 30 feet, thence south 215 feet to the north right-of-way line of Rivard Avenue, thence east 380 feet to the east right-of-way line of Ascension Avenue, thence south along said line 300 feet to the Eight Mile Road City limits, thence westerly along the City limits to the west right-of-way line of Winfield Avenue, thence north 320 feet to the north right-of-way line of Rivard Avenue, thence east along said line 920 feet, thence north 390 feet, thence west 50 feet, thence north 390 feet to the south right-of-way line of Yacht Avenue, thence west 50 feet along said line, thence north 157 feet, thence west 10 feet, thence north 670 feet, thence west 70 feet, thence north 570 feet, thence west 40 feet, thence north 159 feet to the north right-of-way line of Toepfer Avenue, thence west along said line 60 feet, thence north 2,380 feet to the south right-of-way line of Dodge Avenue, thence west along said line 370 feet to the west right-of-way line of Peters Avenue, thence north along said line 606 feet to the north right-of-way line of Paige Avenue, thence east along said line 370 feet, thence north 1,870 feet to the centerline of Wood Avenue and the City limits, thence east 350 feet along the City limits to the centerline of Van Dyke Avenue and the City limits, thence north along said line 430 feet to the centerline of Stephens Avenue to the point of beginning.

EXHIBIT B

TAX PARCELS IN THE TIFA DISTRICT

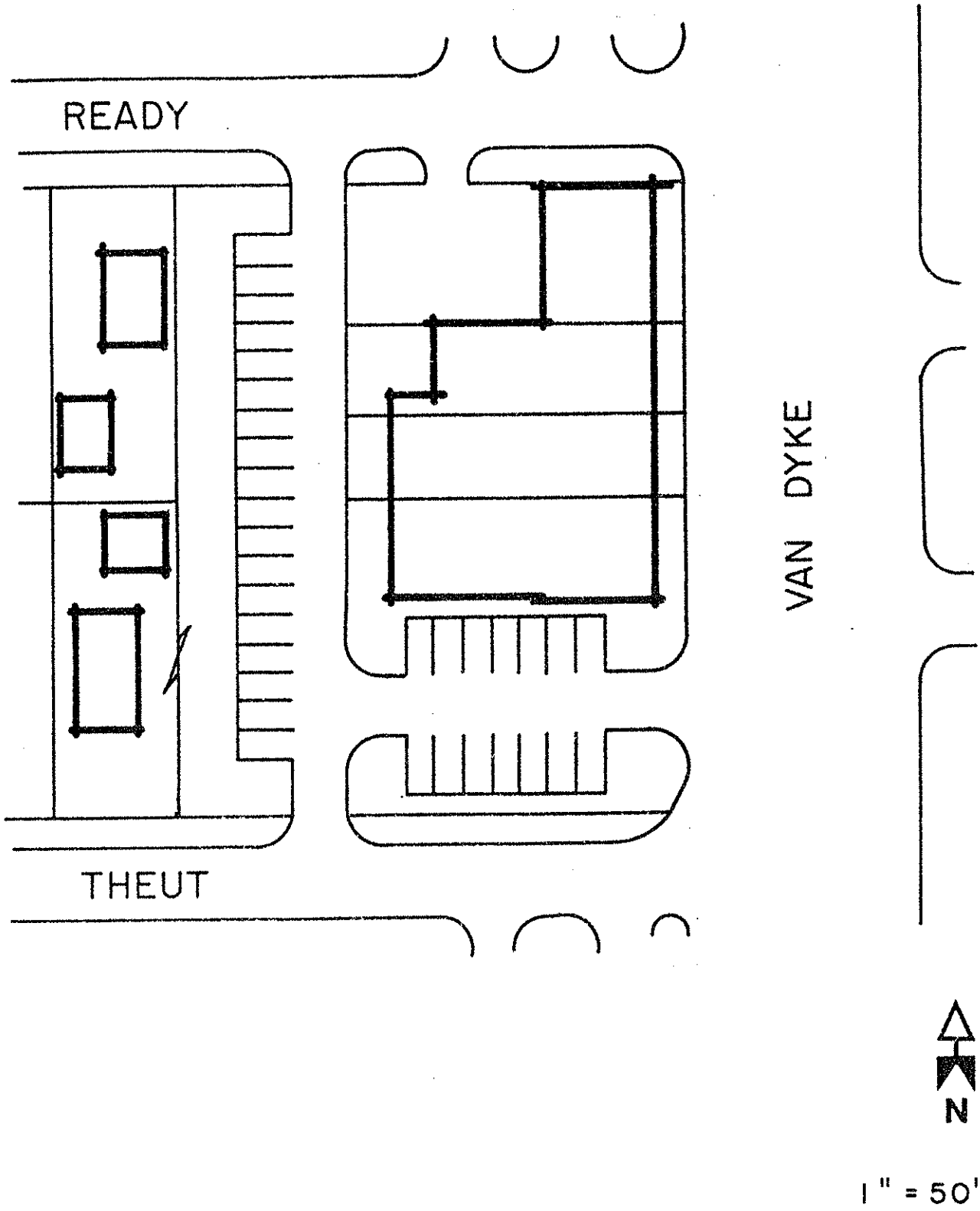
There were 744 parcels of land recorded as of December 31, 1985 in the TIFA Van Dyke Corridor Development Area No. 1. The initial assessed valuation recorded at that time was $12,155,613. This includes $10,912,013 in real property and $1,265,900 in personal property. The complete listing is available in the City Clerk's office.



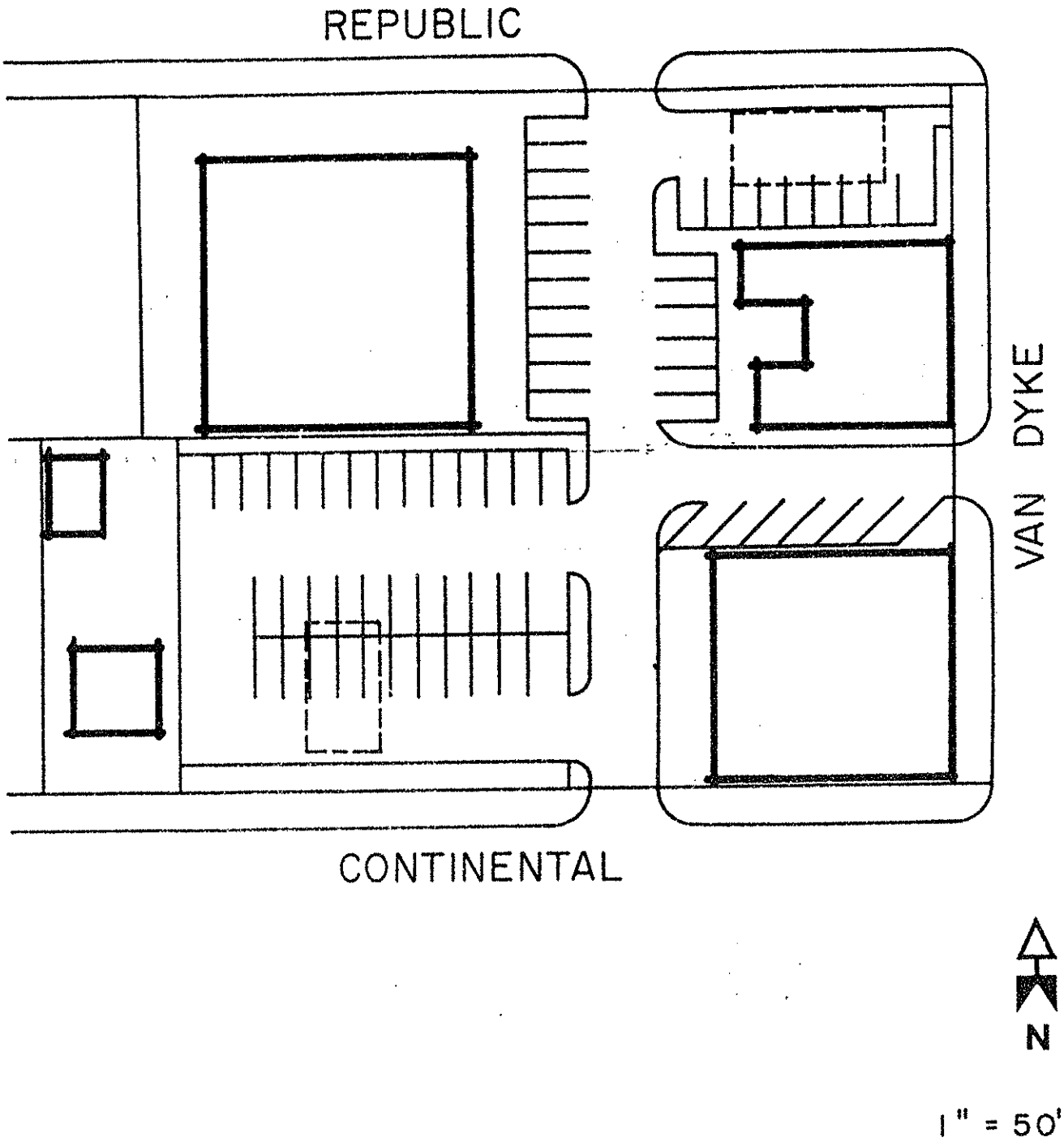
N

1" = 50'

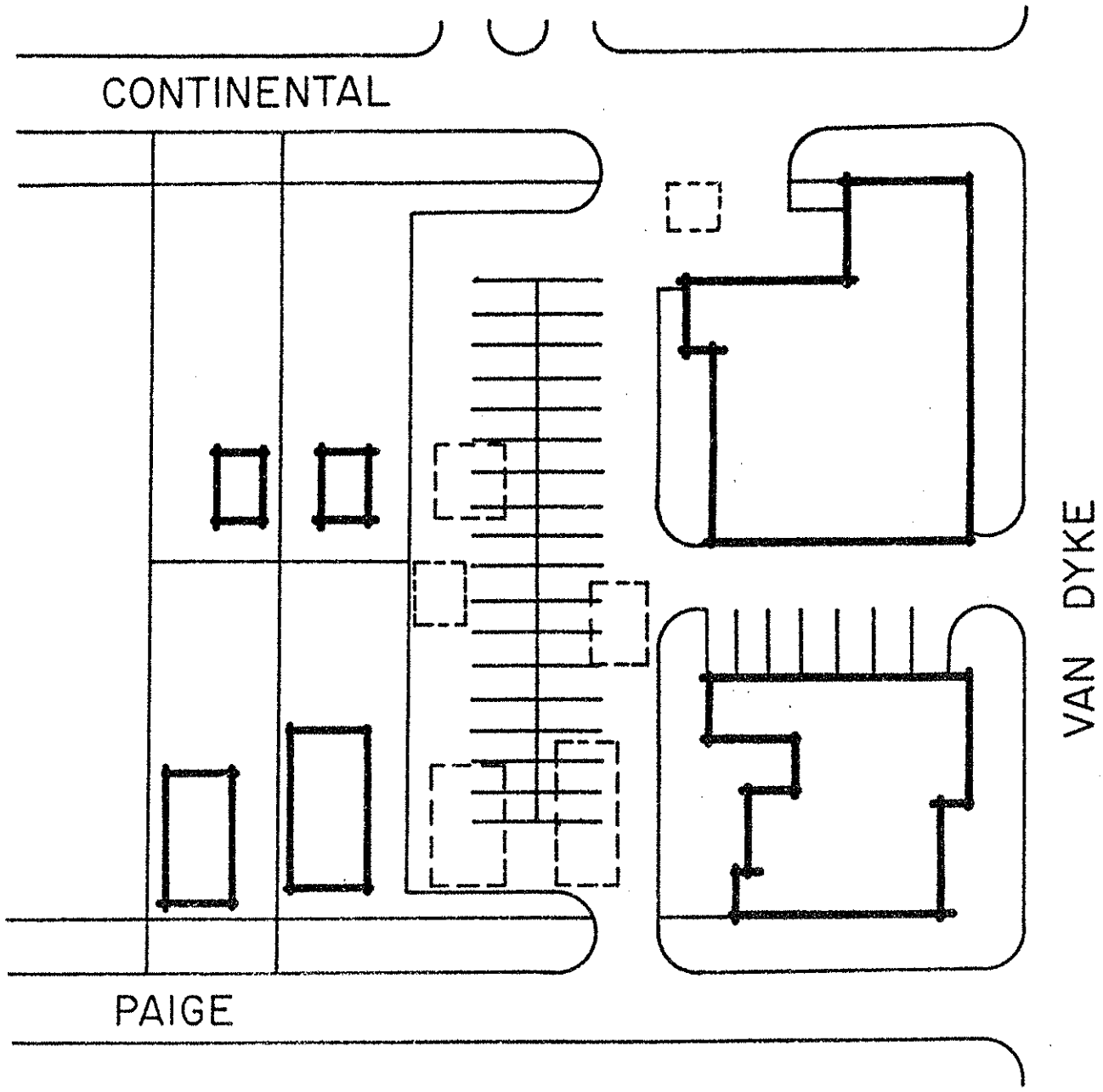
project A



project B



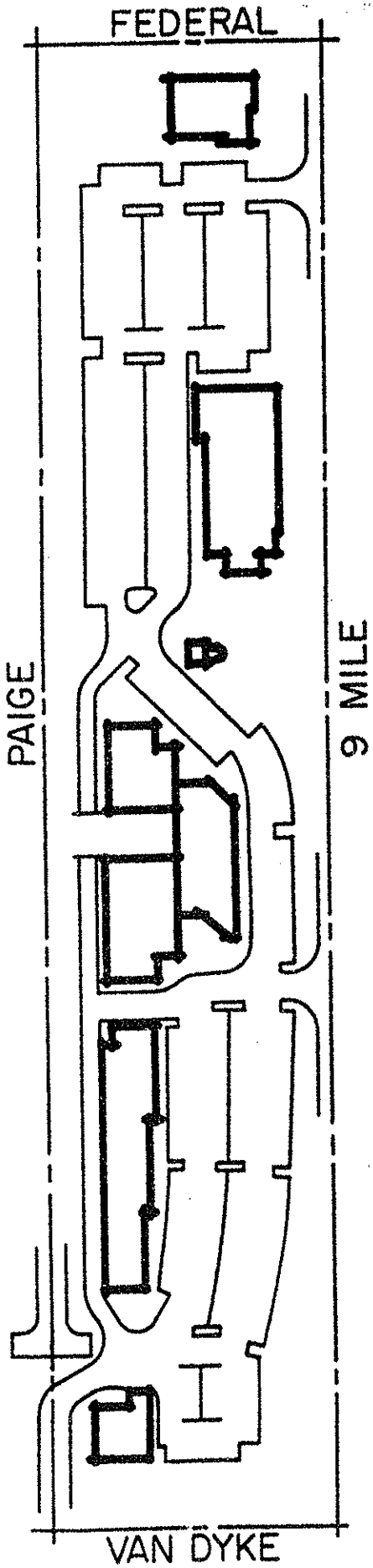
project C



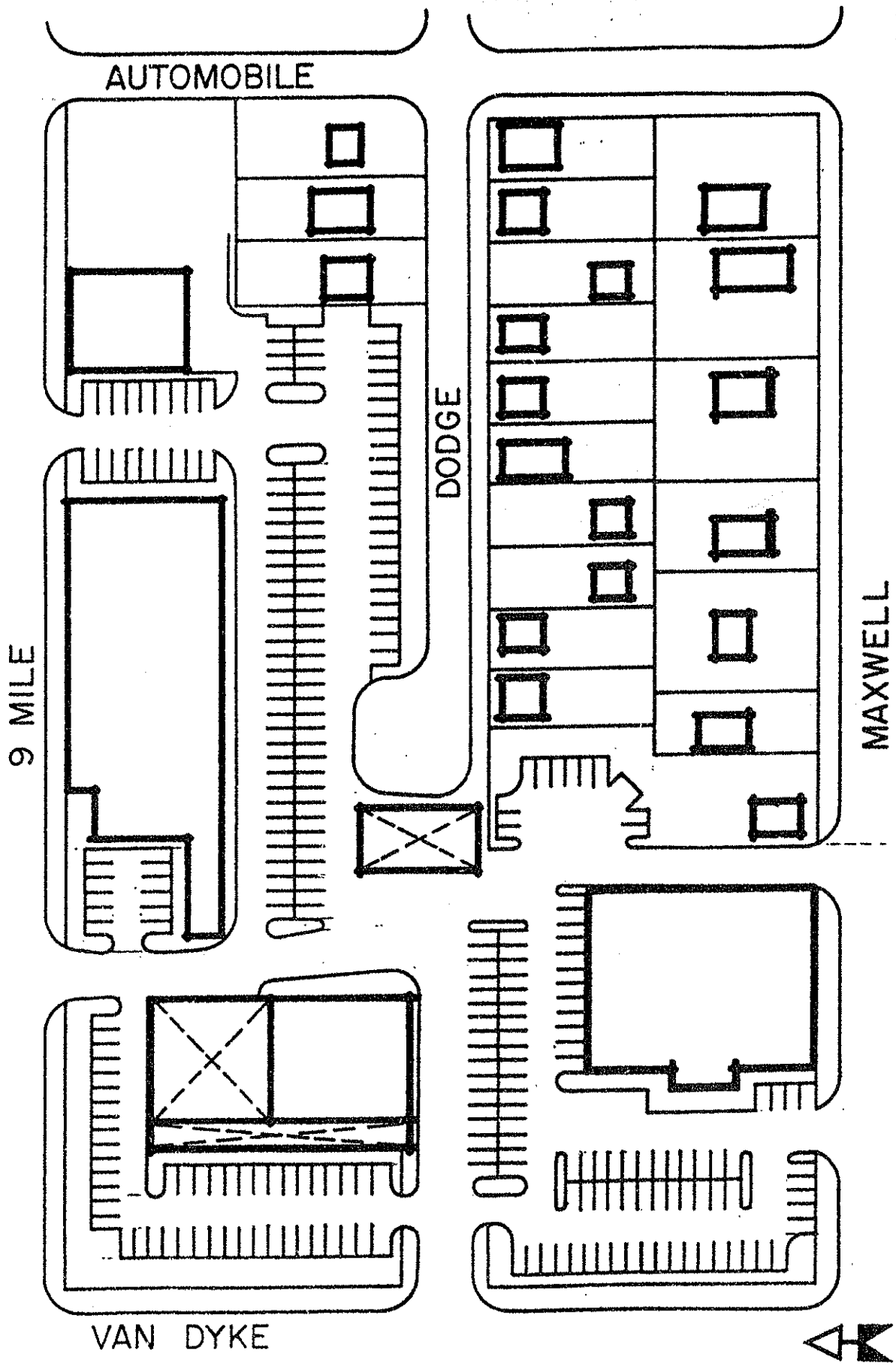
N

1" = 50'

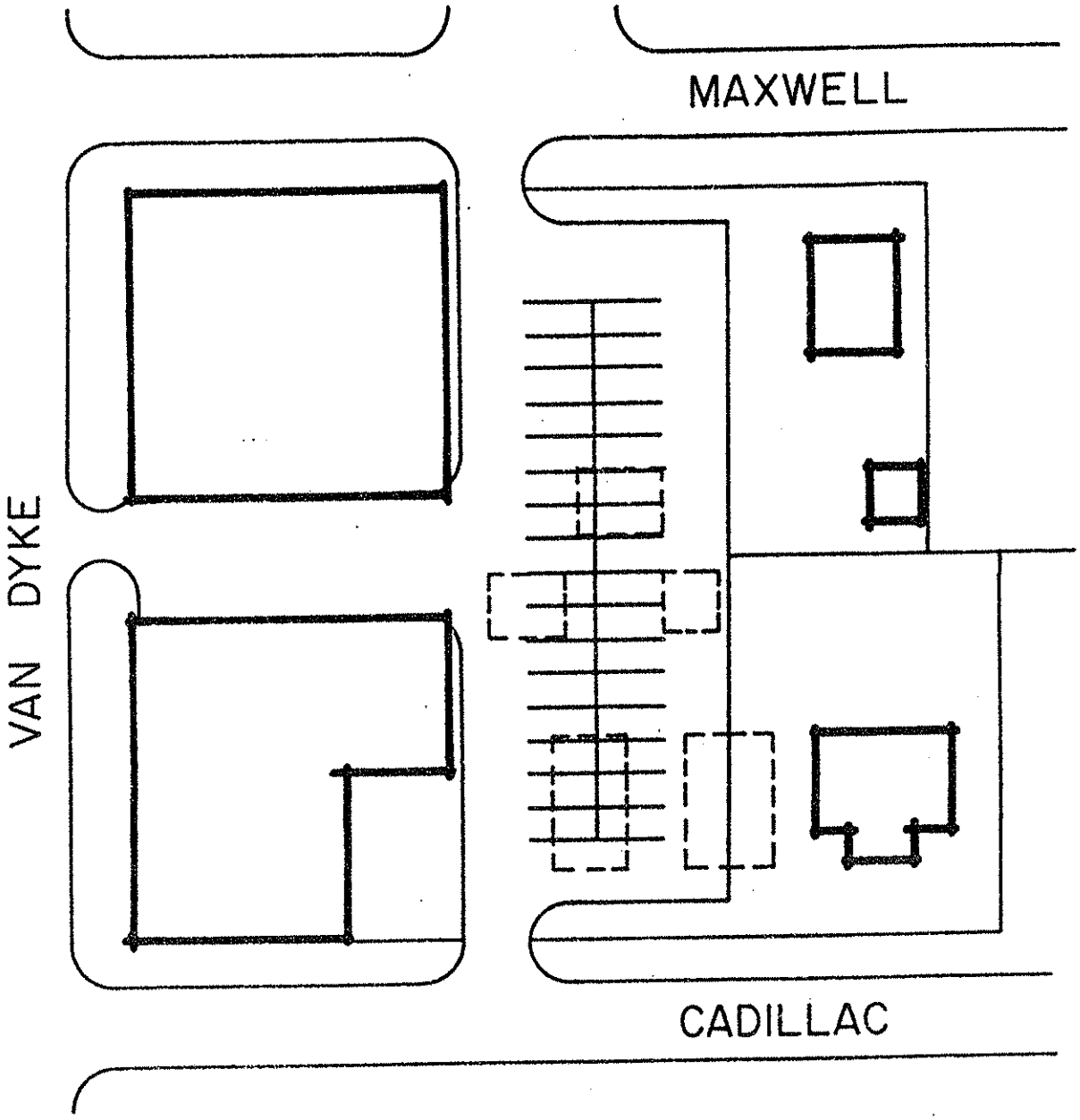
project D



project E



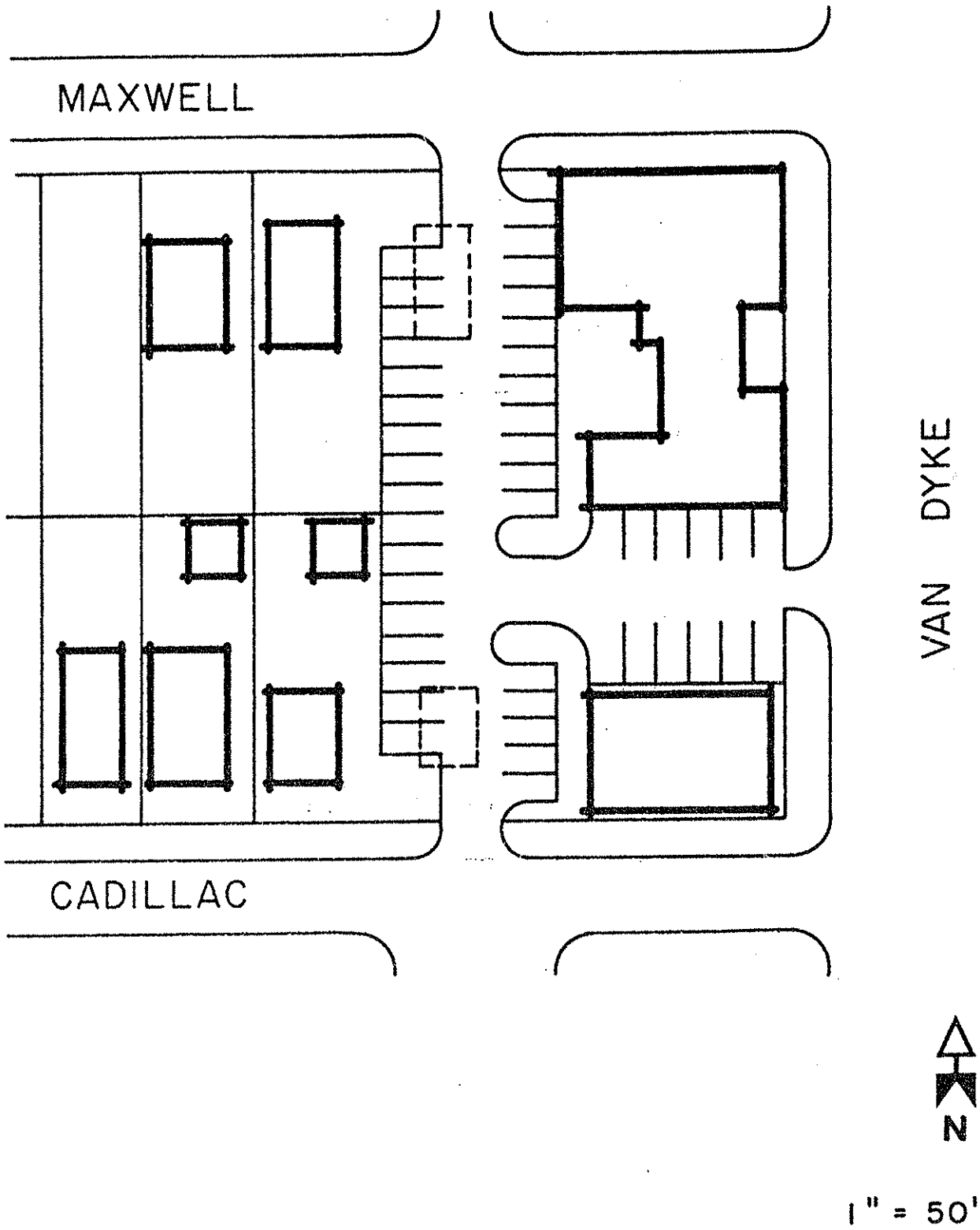
project F



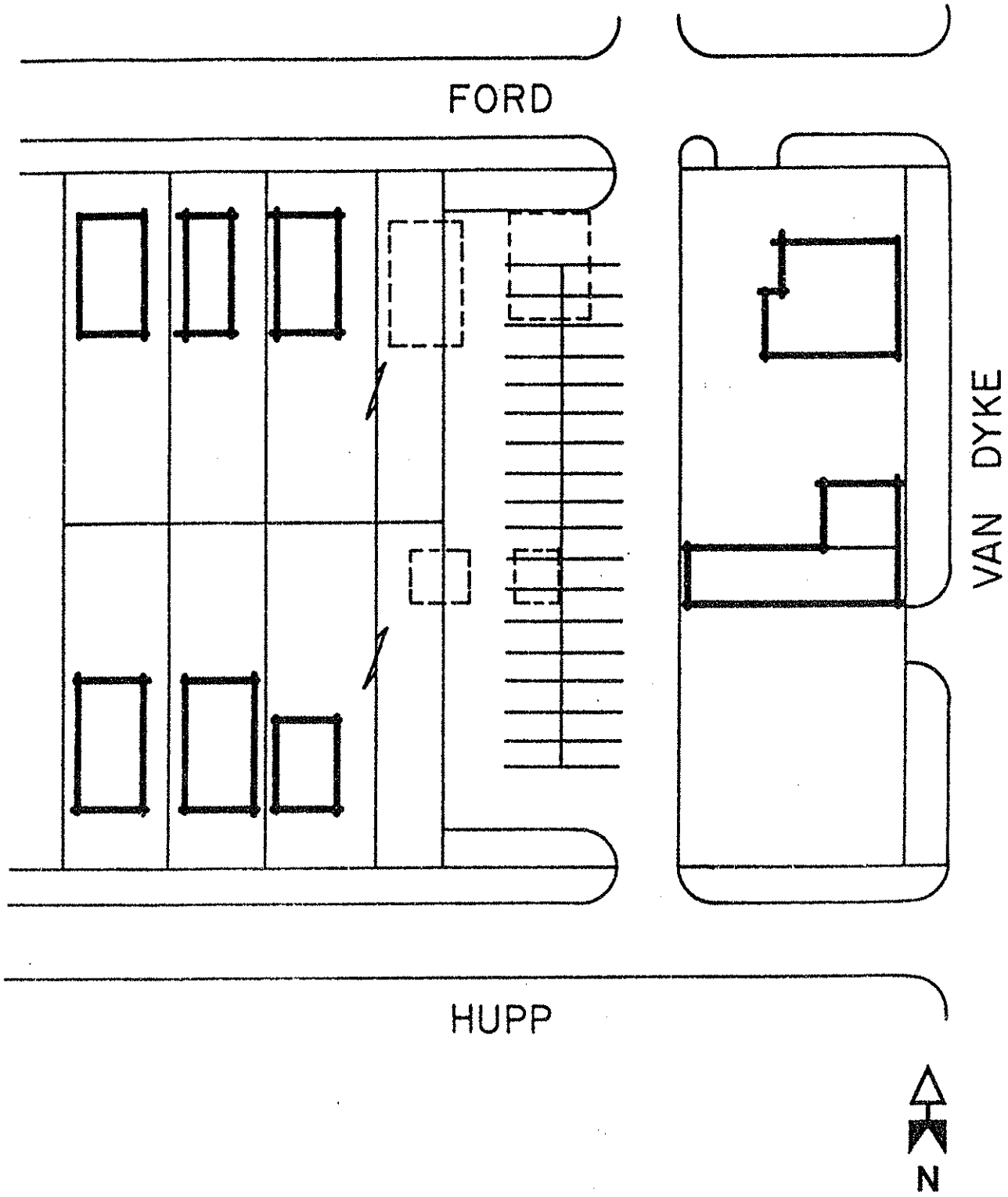
N

1" = 50'

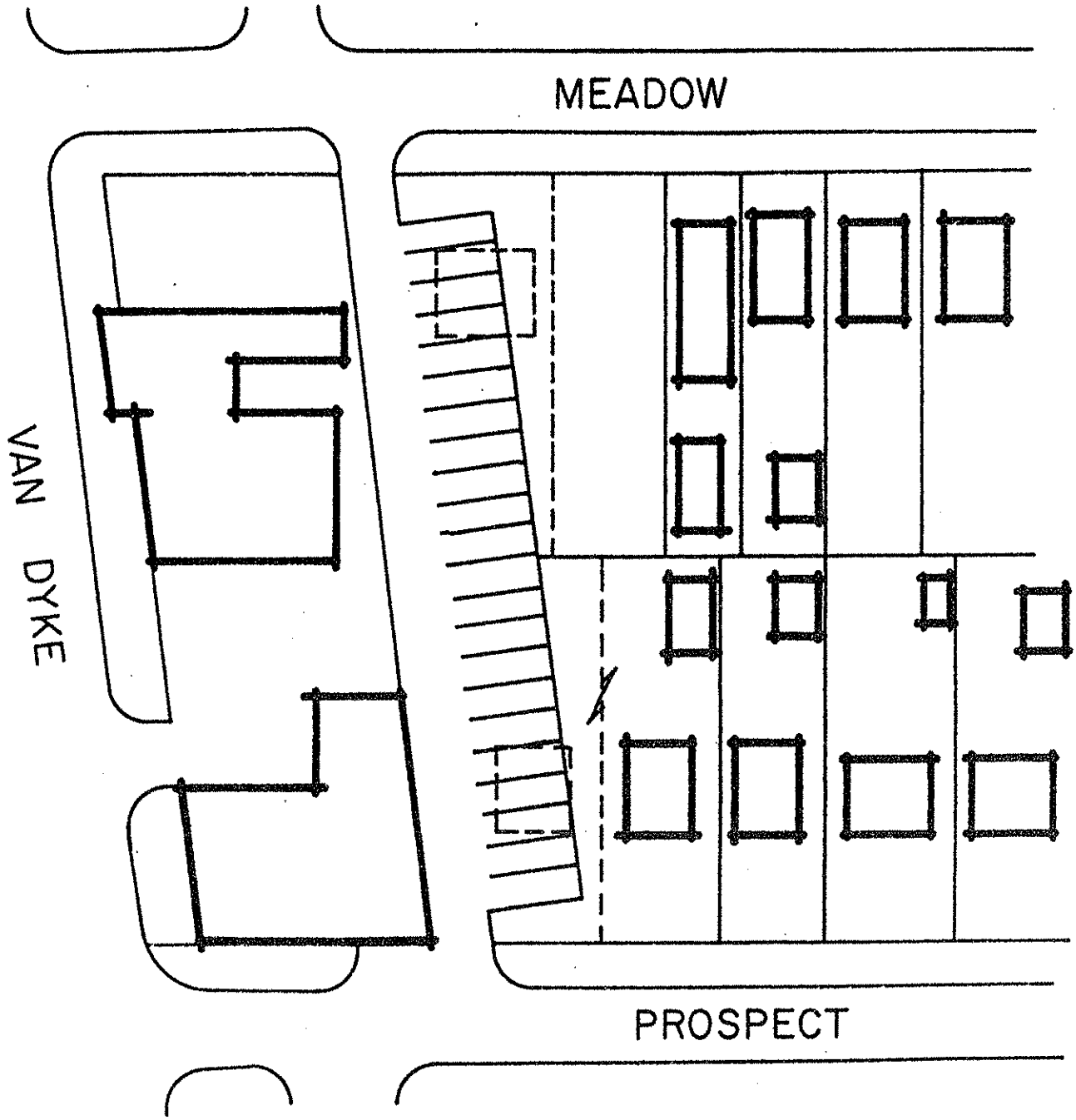
project G



project H



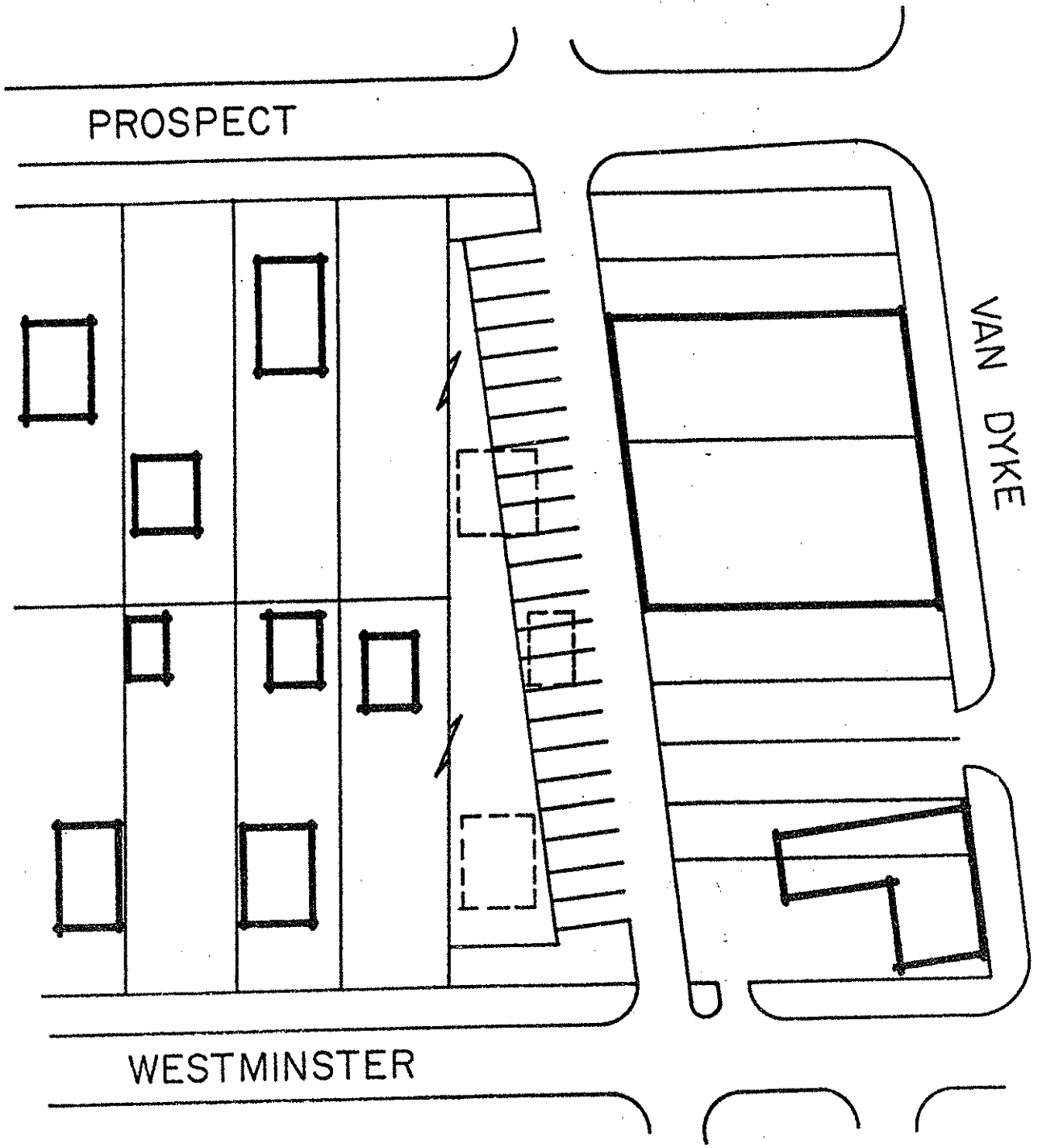
project I



N

1" = 50'

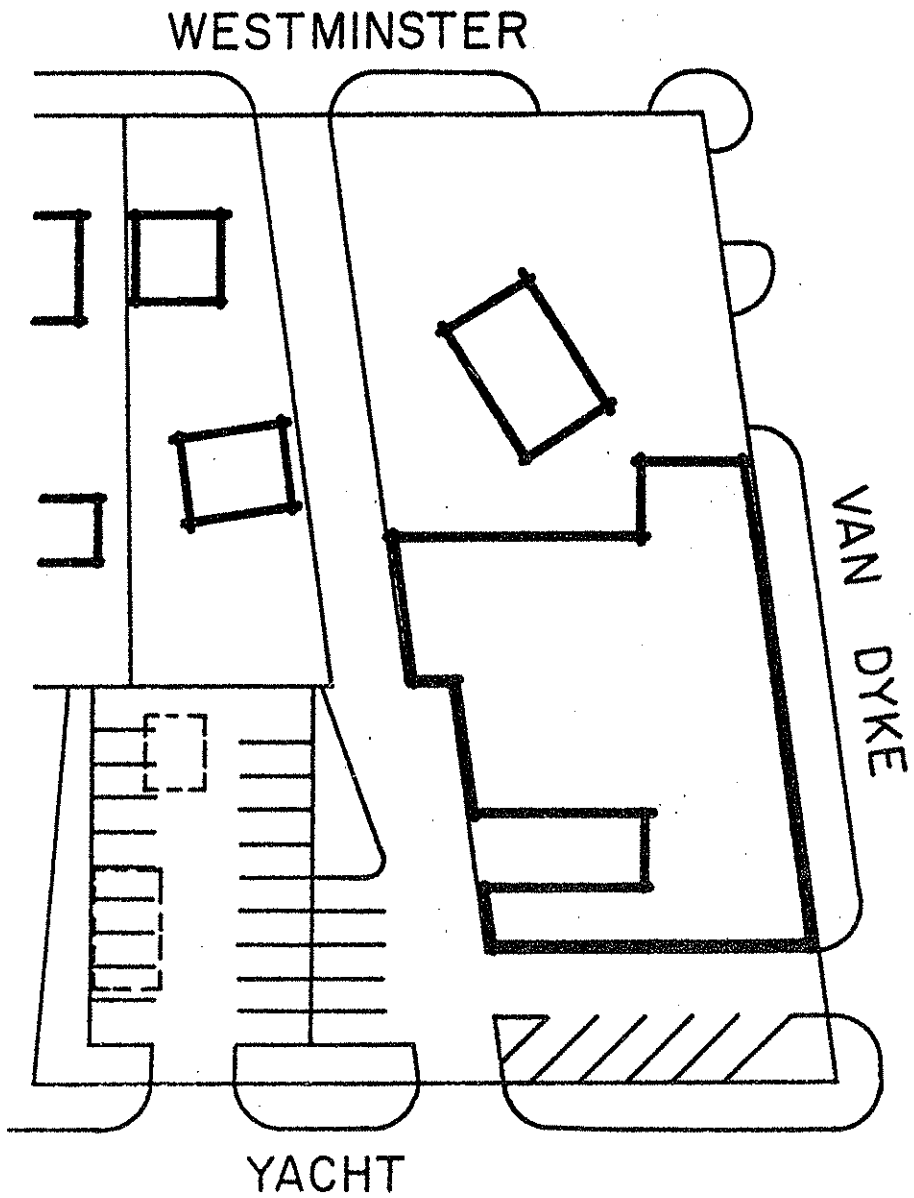
project K



N

1" = 50'

project L



N

1" = 50'

project O

TAX INCREMENT FINANCE AUTHORITY ACT

P.A. 1980, No. 450, Imd. Eff. Jan. 15, 1981

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.

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 prior to the advance, or prior to August 14, 1993, or a resolution of the authority or the municipality.

(b) "Authority" means a tax increment finance authority created pursuant to this act.

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

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

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

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

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

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

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

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

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

(l) "Eligible obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993.

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

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

(o) "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 (u).

(p) "Municipality" means a city.

(q) "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. 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.

(r) "On behalf of an authority", in relation to an eligible advance made or an eligible 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 or the eligible 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.

(s) "Other protected obligation" means:

(i) An obligation issued to refund a bond or note that is an eligible obligation.

(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.

(t) "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, playgroud, 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.

(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 Act No. 1 of the Public Acts of 1966, being section 125.1351 of the Michigan Compiled Laws, which improvement is made 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.

(u) "Specific local tax" means a tax levied under Act No. 198 of the Public Acts of 1974, being sections 207.551 to 207.571 of the Michigan Compiled Laws, the commercial redevelopment act, Act No. 255 of the Public Acts of 1978 being sections 207.651 to 207.668 of the Michigan Compiled Laws, the technology park development act, Act No. 385 of the Public Acts of 1984, being sections 207.701 to 207.718 of the Michigan Compiled Laws, and Act No. 189 of the Public Acts of 1953, being sections 211.181 to 211.182 of the Michigan Compiled Laws. 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.

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

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

(x) "Tax increment financing plan" means that information and those requirements set forth in sections 13 to 15.

(y) "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, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws, 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, Act No. 331 of the Public Acts of 1993, 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, Act No. 331 of the Public Acts of 1993, 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).

Amended by P.A. 1993, No. 322, S 1, Eff. March 15, 1994; P.A. 1994, No. 281 S 1, Imd. Eff. July 11, 1994; P.A. 1994, No. 329 S 1, Imd. Eff. Oct. 14, 1994.

125.1801a. Short title

Sec. 1a. This act shall be known and may be cited as "the tax increment finance authority act".

P.A. 1980, No. 450 S 1a, Imd. Eff. Jan. 15, 1981.

125.1802. Authority; body corporate, powers

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.

P.A. 1980, No. 450, S 2, Imd. Eff. Jan. 15, 1981.

125.1803. Resolution of intent; hearing; resolution establishing authority; validity of proceeding

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. 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.

(c) The effective date of this subsection.

P.A. 1980, No. 450, S 3, Imd. Eff. Jan. 15, 1981. Amended by P.A. 1983, No. 148, S 1, Imd. Eff. July 18.

125.1804. Board; establishment

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.

Amended by P.A. 1987, No 68, S 1, Imd. Eff. June 25.

125.1805. Director; other employees; retirement and insurance

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 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.

P.A. 1980, No. 450, S 5, Imd. Eff. Jan. 15, 1981.

125.1807. Board; powers and duties

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.

P.A. 1980, No. 450, S 7, Imd. Eff. Jan. 15, 1981. Amended by P.A. 1985, No. 193, S 1, Imd. Eff. Dec. 20.

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.

P.A. 1980, No. 450, S 8, added by P.A. 1987, No. 68, S 1, Imd. Eff. June 25, 1987.

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.

P.A. 1980, No. 450, S 9, Imd. Eff. Jan 15, 1981.

125.1810. Taking, transfer and use of private property

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 considered appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

P.A. 1980, No. 450, S 10, Imd. Eff. Jan. 15, 1981.

125.1811. Financing

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.

Amended by P.A. 1993, No. 322, S 1, Eff. March 15, 1994

125.1812. Borrowing; issuance of revenue bonds

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.

P.A. 1980, No. 450, S 12, Imd. Eff. Jan. 15, 1981.

125.1812a. Reimbursement for certain losses of tax increment revenues

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 school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1211 of the Michigan Compiled Laws, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 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).

(2) Not less than 30 days before the first day of a fiscal year, an authority eligible to receive a distribution under this section for that fiscal year shall file a claim for distribution with the department of treasury. The claim for distribution 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.

(e) A list 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.

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

(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 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, 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.

(11) Calculations of distribution 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.

P.A. 1980, No. 450, S 12a, added by P.A. 1993, No. 322, S 1, Eff. March 15, 1994. Amended by P.A. 1994, No. 281, S 1, Imd. Eff. July 11, 1994.

125.1813. Tax increment financing plan

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 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. This limitation does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, Act No. 224 of the Public Acts of 1985, being section 125.2113 of the Michigan Compiled Laws.

(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.

Amended by P.A. 1986, No. 294, S 1, Imd. Eff. Dec. 22; P.A. 1988, No. 420, S 1, Imd. Eff. Dec. 27; P.A. 1989, No. 120, S 1, Imd. Eff. June 28; P.A. 1993, No. 322, S 1, Eff. March 15, 1994.

125.1814. Expenditure of tax increment revenues; 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.

Amended by P.A. 1986, No. 294, S 1, Imd. Eff. Dec 22; P.A. 1988, No. 420, 1, Imd. Eff. Dec 27; P.A. 1993, No. 322, S 1, Eff. March 15, 1994.

125.1815. Tax increment bonds

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 shall mature in not more than 30 years and are subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 139.3 of the Michigan Compiled Laws. The bonds issued under this section shall be considered a single series for the purposes of section 4 of chapter V of Act No. 202 of the Public Acts of 1943, as amended, being section 135.4 of the Michigan Compiled Laws.

(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.

Amended by P.A. 1993, No. 322, S 1, Eff. March 15, 1994.

125.1816. Development plan; 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 acquisition policies act of 1970, 42 U.S.C. 4601 to 4655.

(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.

P.A. 1980, No. 450, S 16, Imd. Eff. Jan. 15, 1981.

125.1817. Development plan or tax increment financing plan; hearing

Sec. 17. (1) The governing body, before adoption of a resolution approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall 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.

(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.

P.A. 1980, No. 450, S 17, Imd. Eff. Jan. 15, 1981.

125.1818. Development plan or tax increment financing plan; approval; amendments; conclusiveness

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.

Amended by P.A. 1993, No. 322, S 1, Eff. March 15, 1994.

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.

P.A. 1980, No. 450, S 19, Imd. Eff. Jan. 15, 1981.

125.1820. Development area citizens council

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.

P.A. 1980, No. 450, S 20, Imd. Eff. Jan. 15, 1981.

125.1821. Development area citizens council; consultation with authority representative

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.

P.A. 1980, No. 450, S 21, Imd. Eff. Jan. 15, 1981.

125.1822. Development area citizens council; public meetings; information and technical assistance

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.

P.A. 1980, No. 450, S 22, Imd. Eff. Jan. 15, 1981.

125.1823. Development area citizens council; 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.

P.A. 1980, No. 450, S 23, Imd. Eff. Jan. 15, 1981.

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.

P.A. 1980, No. 450, S 24, Imd. Eff. Jan. 15, 1981.

125.1825. Authority; budget

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.

P.A. 1980, No. 450, S 25, Imd. Eff. Jan. 15, 1981.

125.1826. Historical preservation of public buildings

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.

P.A. 1980, No. 450, S 26, Imd. Eff. Jan. 15, 1981.

125.1827. Authority; dissolution

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.

P.A. 1980, No. 450, S 27, Imd. Eff. Jan. 15, 1981.

125.1828. Annexing or consolidation of authority district with another municipality; existence of authority; obligations

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.

P.A. 1980, No. 450, S 28, added by P.A. 1983, No. 148, S 1, Imd. Eff. July 18, 1983.

125.1829. Creation of new authorities or authority districts, expansion of authority district, time period; invalidation, excepted grounds; creation or expansion requirements

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).

P.A. 1980, No. 450, S 29, added by P.A. 1986, No. 280, S 1, Imd. Eff. Dec. 22, 1986.

125.1830. Proceedings to compel enforcement; 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.

P.A. 1980, No. 450, S 30, added by P.A. 1988, No. 420, S 1, Imd. Eff. Dec. 27, 1988.

THE LOCAL DEVELOPMENT FINANCING ACT

P.A. 1986, NO. 281, EFF. FEB. 1, 1987

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 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. Amended by P.A. 1993, No. 333, S 1, Eff. March 15, 1994.

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) The 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 treasurer 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".

P.A. 1986, No. 281, S 1, Eff. Feb. 1, 1987.

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) "Authority" means a local development finance authority created pursuant to this act.

(c) "Authority district" means an area or areas within which an authority exercises its powers.

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

(e) "Captured assessed value" means the amount in any 1 year by which the current assessed value, as equalized, of the eligible property identified 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 (u), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(f) "Certified industrial park" means an area of land designated by the department of commerce as meeting all of the following requirements:

(i) It contains not less than 40 acres of land.

(ii) It is zoned exclusively for use for eligible property.

(iii) It has a site plan or plat approved by the city, village, or township in which the land is located.

(iv) The developer of the land agrees to comply with other requirements, not inconsistent with subparagraphs (i) to (iii), imposed upon property classified as a certified industrial park by the department of commerce under the certified industrial park program. The compliance with these other requirements is not a prerequisite to meeting the requirement of this subparagraph.

(g) "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.

(h) "Development plan" means that information and those requirements for a development set forth in section 15.

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

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

(k) "Eligible obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993.

(l) "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 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 that has as its primary purpose research, product development, engineering, laboratory testing, or development of industrial technology. This subparagraph applies only to eligible property for which a tax increment financing plan or development plan is adopted and bonds are issued under this act before January 1, 1993.

(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.

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

(n) "Governing body" means the elected body having legislative powers of a municipality creating an authority under this act.

(o) "Initial assessed value" means the assessed value, as equalized, of the eligible property identified 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. 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 (u).

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

(q) "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. 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.

(r) "On behalf of an authority", in relation to an eligible advance made or an eligible 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 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.

(s) "Other protected obligation" means:

(i) An obligation issued to refund a bond or note that is an eligible obligation.

(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.

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

(i) A street, road, bridge, sewer, sewage treatment facility, facility designed to reduce, eliminate, or prevent the spread of identified soil or groundwater contamination, drainage system, waterway, waterline, water storage facility, rail line, utility line or pipeline, or other similar or related structure or improvement, together with necessary easements for the structure or improvement, owned or used by a public agency or 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, provided that any road, street, or bridge shall be continuously open to public access and that other facilities shall be located in public easements or rights-of-way and sized to accommodate reasonably foreseeable development of eligible property in adjoining areas.

(ii) The acquisition and disposal of real and personal property or an interest in that property, demolition of structures, site preparation, relocation costs, building rehabilitation, and all administrative costs related to a public facility, 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 Act No. 1 of the Public Acts of 1966, being section 125.1351 of the Michigan Compiled Laws, which improvement is made 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.

(u) "Specific local tax" means a tax levied under Act No. 198 of the Public Acts of 1974, being sections 207.551 to 207.571 of the Michigan Compiled Laws, the commercial redevelopment act, Act No. 255 of the Public Acts of 1978, being sections 207.651 to 207.668 of the Michigan Compiled Laws, the enterprise zone act, Act No. 224 of the Public Acts of 1985, being sections 125.2101 to 125.2122 of the Michigan Compiled Laws, Act No. 189 of the Public Acts of 1953, being sections 211.181 to 211.182 of the Michigan Compiled Laws, and the technology park development act, Act No. 385 of the Public Acts of 1984, being sections 207.701 to 207.718 of the Michigan Compiled Laws. 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.

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

(w) "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 capture 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, Act No. 331 of the Public Acts of 1993, being sections 211.901 to 211.906 of the Michigan Compiled Laws, 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, Act No. 331 of the Public Acts of 1993, 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 or specific local 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.

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

(C) Ad valorem property taxes exempted from capture under section 4(3) or specific local taxes attributable to such ad valorem property taxes.

(D) Ad valorem property taxes specifically levied for the payment of principal and interest of obligations approved by the electors or obligations pledging the unlimited taxing power of the local governmental unit or specific local taxes attributable to such ad valorem property taxes.

(iv) The amount of tax increment revenues authorized to be included under subparagraph (ii), and required to be transmitted to the authority under section 13(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 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, 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).

(x) "Urban township" means a township that meets all of the following requirements:

(i) 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.

(ii) Has adopted a master zoning plan before February 1, 1987.

(iii) Provides sewer, water, and other public services to all or part of the township.

P.A. 1986, No. 281, S 2, Eff. Feb. 1, 1987. Amended by P.A. 1991, No. 101, S 1, Imd. Eff. Aug. 21, 1991; P.A. 1992, No. 287, S 1, Imd. Eff. Dec. 18, 1992; P.A. 1993, No. 333, S 1, Eff. March 15, 1994; P.A. 1994, No. 282, S 1, Imd. Eff. July 11, 1994; P.A. 1994, No. 331, S 1, Imd. Eff. Oct. 14, 1994.

125. 2153. Authority; body corporate, powers

Sec. 3. (1) A municipality may establish not more than 1 authority under the provisions of this act. An authority shall exercise its powers in all authority districts.

(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.

P.A. 1986, No. 281, S 3, Eff. Feb. 1, 1987.

125.2154. Resolution of intention; hearing; resolution establishing authority; alteration of boundaries; validity of proceedings

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 purposing 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. 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. 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.

P.A. 1986, No. 281, S 4, Eff. Feb. 1, 1987. Amended by P.A. 1993, No. 333, S 1, Eff. March 15, 1994.

125.2155. Board; authority expenses and records

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 act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

(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.

P.A. 1986, No. 281, S 5, Eff. Feb. 1, 1987.

125.2156. Director; other appointees and employees; retirement and insurance

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 penal sum determined in the resolution establishing the authority. The bond shall be payable to the authority for the use and benefit of the authority, approved by the board, and filed with the clerk of the municipality. The premium on the bond shall be considered an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this 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 of office

and furnish bond as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

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

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

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

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

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

P.A. 1986, No. 281, S 6, Eff. Feb. 1, 1987.

125.2157. Board; powers and duties

Sec. 7. The board may:

(a) Study and analyze unemployment, underemployment, and joblessness and the impact of growth upon the authority district or districts.

(b) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility.

(c) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, to promote the growth of the authority district or districts, and take the steps that are necessary to implement the plans to the fullest extent possible to create jobs, and promote economic growth.

(d) Implement any plan of development necessary to achieve the purposes of this 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.

(m) Plan, propose, and implement an improvement to a public facility on eligible property to comply with the barrier free design requirements of the state construction code promulgated under the 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.

P.A. 1986, No. 281, S 7, Eff. Feb. 1, 1987. Amended by P.A. 1993, No. 333, S 1, Eff. March 15, 1994.

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.

P.A. 1986, No. 281, S 8, Eff. Feb. 1, 1987.

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.

P.A. 1986, No. 281, S 9, Eff. Feb. 1, 1987.

125.2160. Sources of financing

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.

P.A. 1986, No. 281, S 10, Eff. Feb. 1, 1987. Amended by P.A. 1993, No. 333, S 1, Eff. March 15, 1994.

125.2161. Revenue bonds; municipal support

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.

P.A. 1986, No. 281, S 11, Eff. Feb. 1, 1987.

125.2161a. Appropriations for repayment of eligible advances or obligations

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 school code of 1976, Act No. 451 of the Public Acts of 1976, being section 380.1211 of the Michigan Compiled Laws, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 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 receive a distribution under this section for that fiscal year shall file a claim for distribution with the department of treasury. The claim for distribution 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.

(e) A list 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.

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

(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 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, 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 operating taxes or attributable to taxes levied under the state education tax act.

(11) Calculations of distribution 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.

P.A. 1986, No. 281, S 11a, added by P.A. 1993, No. 333, S 1, Eff. March 15, 1994. Amended by P.A. 1994, No. 282, S 1, Imd. Eff. July 11, 1994.

125.2162. Tax increment financing plan

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, 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 located.

(j) A legal description of the eligible property to which the tax increment financing plan applies.

(k) An estimate of the number of jobs to be created as a result of implementation of the tax increment financing plan.

(2) A tax increment financing plan shall only 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 certified industrial park, for other eligible property located in the certified industrial park. 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(1)(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 so provided in the tax increment financing plan, if the eligible property identified in the tax increment financing plan is property to which section 2(1)(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 uncollectable 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 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 Public Acts of 1933, being sections 211.201 to 211. 217a of the Michigan Compiled Laws.

(4) If the construction of eligible property has, or may reasonably be expected to have, the effect of transferring employment of 50 or more full-time jobs from 1 or more local governmental units of this state to the municipality in which the eligible property is located, that eligible property

shall be considered excluded from the authority district or districts unless the legislative body of each local governmental unit from which 50 or more full-time jobs are to be transferred consents, by resolution, to the inclusion of that eligible property in the authority district for purposes of the tax increment financing plan.

(5) 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.

(6) 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. 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.

P.A. 1986, No. 281, S 12, Eff. Feb. 1, 1987. Amended by P.A. 1991, No. 101, S 1, Imd. Eff. Aug. 21, 1991; P.A. 1993, No. 333, S 1, Eff. March 15, 1994.

125.2163. Excess tax increment revenues; abolishment of plan; 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.

P.A. 1986, No. 281, S 13, Eff. Feb. 1, 1987. Amended by P.A. 1993, No. 333, S 1, Eff. March 15, 1994.

125.2164. Tax increment bonds

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 shall mature in 30 years or less and are subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws. 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 purpose of section 4 of chapter V of the municipal finance act, Act No. 202 of the Public Acts of 1943, being section 135.4 of the Michigan Compiled Laws.

(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.

P.A. 1986, No. 281, S 14, Eff. Feb. 1, 1987. Amended by P.A. 1993, No. 333, S 1, Eff. March 15, 1994.

125.2165. Development plan; contents; preparation

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.

(o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

(p) Other material which the authority 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.

P.A. 1986, No. 281, S 15, Eff. Feb. 1, 1987.

125.2166. Development plan; hearing

Sec. 16. (1) Before adoption of a resolution approving a development plan or 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.

(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.

P.A. 1986, No. 281, S 16, Eff. Feb. 1, 1987.

125.2167. Approval of development or tax increment financing plan; amendments; conclusiveness

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.

P.A. 1986, No. 281, S 17, Eff. Feb. 1, 1987. Amended by P.A. 1993, No. 333, S 1, Eff. March 15, 1994.

125.2168. Notice to vacate property

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.

P.A. 1986, No. 281, S 18, Eff. Feb. 1, 1987.

125.2169. Authority budget; annual 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(l)(iv).

P.A. 1986, No. 281, S 19, Eff. Feb. 1 1987. Amended by P.A. 1991, No. 101, S 1, Imd. Eff. Aug. 21, 1991; P.A. 1993, No. 333, S 1, Eff. March 15, 1994.

125.2170. Dissolution of authority

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.

P.A. 1986, No. 281, S 20, Eff. Feb. 1, 1987.

125.2171. Proceedings for enforcement of act; tax commission

Sec. 21. The state tax commission may institute proceedings to compel enforcement of this act.

P.A. 1986, No. 281, S 21, Eff. Feb. 1, 1987.

125.2172. Effective date

Sec. 22. This act shall take effect on February 1, 1987.

P.A. 1986, No. 281, S 22, Eff. Feb. 1, 1987.

125.2173. Contingent effect of act

Sec. 23. This act shall not take effect unless House Bill No. 5729 of the 83rd Legislature is enacted into law.

P.A. 1986, No. 281, S 23, Eff. Feb. 1, 1987.

125.2174. Request for review of constitutionality

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.

P.A. 1986, No. 281, S 24, Eff. Feb. 1, 1987.