

DOWNTOWN DEVELOPMENT AUTHORITY
Act 197 of 1975

AN ACT to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: DDA

Popular name: Downtown Development Authority Act

The People of the State of Michigan enact:

125.1651 Definitions.

Sec. 1. As used in this act:

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

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

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

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

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

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

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

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

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

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

(i) "Development plan" means that information and those requirements for a development plan set forth in section 17.

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

(k) "Downtown district" means that part of an area in a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to this act. A downtown district may include 1 or more separate and distinct geographic areas in a business district as determined by the municipality if the municipality enters into an agreement with a qualified township under section 3(7) or if the municipality is a city that surrounds another city and that other city lies between the 2 separate and distinct geographic areas. If the downtown district contains more than 1 separate and distinct geographic area in the downtown district, the separate and distinct geographic areas shall be considered 1 downtown district.

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

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

(n) "Fire alarm system" means a system designed to detect and annunciate the presence of fire, or

by-products of fire. Fire alarm system includes smoke detectors.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(v) "Other protected obligation" means:

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

(ii) An obligation issued or incurred by an authority or by a municipality on behalf of an authority after

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) The obligation is issued to refund a qualified refunding obligation issued in November 1997 and any subsequent refundings of that obligation issued before January 1, 2010 or the obligation is issued to refund a qualified refunding obligation issued on May 15, 1997 and any subsequent refundings of that obligation issued before January 1, 2010 in an authority in which 1 parcel or group of parcels under common ownership represents 50% or more of the taxable value captured within the tax increment finance district and that will ultimately provide for at least a 40% reduction in the taxable value of the property as part of a negotiated settlement as a result of an appeal filed with the state tax tribunal. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 611 of the revised municipal finance

act, 2001 PA 34, MCL 141.2611, if issued before January 1, 2010. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is hereby extended to 1 year after the final date of maturity of the qualified refunding obligations.

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

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

(B) The net present value of the sum of the tax increment revenues described in subdivision (bb)(ii) and the distributions under section 13b to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (bb)(ii) and the distributions under section 13b to repay the obligation being refunded, as calculated using a method approved by the department of treasury.

(iii) The obligation is issued to refund an other protected obligation issued as a capital appreciation bond delivered to the Michigan municipal bond authority on December 21, 1994 and any subsequent refundings of that obligation issued before January 1, 2012. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 305(2), (3), (5), and (6), section 501, section 503, or section 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611, if issued before January 1, 2012. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is extended to 1 year after the final date of maturity of the qualified refunding obligations. The obligation may be payable through the year 2025 at an interest rate not exceeding the maximum rate permitted by law, notwithstanding the bond maturity dates contained in the notice of intent to issue bonds published by the municipality. An obligation issued under this subparagraph is a qualified refunding obligation only to the extent that revenues described in subdivision (bb)(ii) and distributions under section 13b to repay the qualified refunding obligation do not exceed \$750,000.00.

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

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

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

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

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

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

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

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

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

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

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

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

taxes attributable to such ad valorem property taxes.

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

(iv) The amount of tax increment revenues authorized to be included under subparagraph (ii) or (v), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

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

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

(v) Tax increment revenues include ad valorem property taxes and specific local taxes, in an annual amount and for each year approved by the state treasurer, attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and by local or intermediate school districts, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 750,000 or more to pay for, or reimburse an advance for, not more than \$8,000,000.00 for the demolition of buildings or structures on public or privately owned property within a development area that commences in 2005, or to pay the annual principal of or interest on an obligation, the terms of which are approved by the state treasurer, issued by an authority, or by a city on behalf of an authority, to pay not more than \$8,000,000.00 of the costs to demolish buildings or structures on public or privately owned property within a development area that commences in 2005.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1985, Act 221, Imd. Eff. Jan. 10, 1986;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1994, Act 280, Imd. Eff. July 11, 1994;—Am. 1994, Act 330, Imd. Eff. Oct. 14, 1994;—Am. 1994, Act 381, Imd. Eff. Dec. 28, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 1996, Act 454, Imd. Eff. Dec. 19, 1996;—Am. 1997, Act 202, Imd. Eff. Jan. 13, 1998;—Am. 2003, Act 136, Imd. Eff. Aug. 1, 2003;—Am. 2004, Act 66, Imd. Eff. Apr. 20, 2004;—Am. 2004, Act 158, Imd. Eff. June 17, 2004;—Am. 2004, Act 196, Imd. Eff. July 8, 2004;—Am. 2005, Act 13, Imd. Eff. May 4, 2005;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005;—Am. 2006, Act 659, Imd. Eff. Jan. 10, 2007;—Am. 2008, Act 35, Imd. Eff. Mar. 14, 2008;—Am. 2008, Act 225, Imd. Eff. July 17, 2008;—Am. 2011, Act 24, Imd. Eff. Apr. 28, 2011.

Compiler's note: Enacting section 1 of Act 202 of 1997 provides:

"The provisions of section 1 and section 13b, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993."

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1651a Legislative findings.

Sec. 1a. The legislature finds all of the following:

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

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

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

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

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

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

(g) That economic development strengthens the tax base upon which local units of government rely and

that government programs to eliminate property value deterioration benefit local units of government and are for the use of the local units of government.

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

History: Add. 1988, Act 425, Imd. Eff. Dec. 27, 1988.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1652 Authority; establishment; restriction; public body corporate; powers generally.

Sec. 2. (1) Except as otherwise provided in this subsection, a municipality may establish 1 authority. If, before November 1, 1985, a municipality establishes more than 1 authority, those authorities may continue to exist as separate authorities. Under the conditions described in section 3a, a municipality may have more than 1 authority within that municipality's boundaries. A parcel of property shall not be included in more than 1 authority created by this act.

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653 Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown district; notice; exemption of taxes from capture; adoption, filing, and publication of ordinance; altering or amending boundaries; agreement with adjoining municipality; agreement with qualified township.

Sec. 3. (1) When the governing body of a municipality determines that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the downtown district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed district and for a public hearing to be held after February 15, 1994 to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure of a property taxpayer to receive the notice shall not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed downtown district. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district. The governing body of the municipality shall not incorporate land into the downtown district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the downtown district in the final determination of the boundaries.

(3) Not more than 60 days after a public hearing held after February 15, 1994, the governing body of a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. The resolution takes effect when filed with that clerk and

remains effective until a copy of a resolution rescinding that resolution is filed with that clerk.

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

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

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

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

- (a) Size and makeup of the board.
- (b) Determination and modification of downtown district, business district, and development area.
- (c) Modification of development area and development plan.
- (d) Issuance and repayment of obligations.
- (e) Capture of taxes.
- (f) Notice, hearing, and exemption of taxes from capture provisions described in this section.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 2004, Act 521, Imd. Eff. Jan. 3, 2005;—Am. 2005, Act 13, Imd. Eff. May 4, 2005;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653a Authority of annexing or consolidated municipality; obligations, agreements, and bonds.

Sec. 3a. If a downtown district is part of an area annexed to or consolidated with another municipality, the authority managing that district shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this act shall remain in effect following the annexation or consolidation.

History: Add. 1985, Act 159, Imd. Eff. Nov. 15, 1985.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653b Ratification and validation of ordinance and actions; compliance.

Sec. 3b. (1) An ordinance enacted by a municipality that has a population of less than 50,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken under that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, if the notice was published or posted at least 15 days before the hearing or the authority was established in 1984 by a village that filed the ordinance with the secretary of state not later than March, 1986. This section applies only to an ordinance adopted by a municipality before February 1, 1991, and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority, the incorporating municipality, or a county on behalf of the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 3(4) to have promptly filed

the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before October 1, 1991. As used in this section, "notice was published" means publication of the notice occurred at least once.

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

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

History: Add. 1989, Act 242, Imd. Eff. Dec. 21, 1989;—Am. 1991, Act 66, Imd. Eff. July 3, 1991;—Am. 1993, Act 42, Imd. Eff. May 27, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 2006, Act 329, Imd. Eff. Aug. 10, 2006.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653c Proceedings or findings; validity.

Sec. 3c. The validity of the proceedings or findings establishing an authority, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan is conclusive with respect to the capture of tax increment revenues for an other protected obligation that is a bond issued after October 1, 1994.

History: Add. 1994, Act 381, Imd. Eff. Dec. 28, 1994.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653d Establishment or amendment of authority, district, or plan; notice; publication or posting.

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

History: Add. 2002, Act 460, Imd. Eff. June 21, 2002.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1654 Board; appointment, terms, and qualifications of members; vacancy; compensation and expenses; election of chairperson; oath; conducting business at public meeting; public notice; special meetings; removal of members; review; expense items and financial records; availability of writings to public; single board governing all authorities; member as resident or having interest in property; planning commission serving as board in certain municipalities; modification by interlocal agreement.

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

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

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

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

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

(6) In addition to the items and records prescribed in subsection (5), a writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

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

(8) By ordinance, the governing body of a municipality that has a population of less than 5,000 may have the municipality's planning commission created pursuant to 1931 PA 285, MCL 125.31 to 125.45, serve as the board provided for in subsection (1).

(9) If a municipality enters into an agreement with a qualified township under section 3(7), the membership of the board may be modified by the interlocal agreement described in section 3(7).

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1978, Act 521, Imd. Eff. Dec. 20, 1978;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;—Am. 1987, Act 66, Imd. Eff. June 25, 1987;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005;—Am. 2006, Act 279, Imd. Eff. July 7, 2006.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1655 Director, acting director, treasurer, secretary, legal counsel, and other personnel.

Sec. 5. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. **A member of the board is not eligible to hold the position of director.** Before entering upon the duties of his office, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the penal sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be deemed an operating expense of the authority, payable from funds available to the authority for expenses of operation. **The director shall be the chief executive officer of the authority.** Subject to the approval of the board, the director shall supervise, and be responsible for, the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the board, and shall render to the board and to the governing body of the municipality a regular report covering

the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

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

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

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

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1656 Participation of employees in municipal retirement and insurance programs.

Sec. 6. The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1657 Powers of board; creation, operation, or funding of retail business incubator.

Sec. 7. (1) The board may:

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

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

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

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

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

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

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

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

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

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

What we should do

- (k) Lease any building or property under its control, or any part of a building or property.
- (l) Accept grants and donations of property, labor, or other things of value from a public or private source.
- (m) Acquire and construct public facilities.
- (n) Create, operate, and fund marketing initiatives that benefit only retail and general marketing of the downtown district.
- (o) Contract for broadband service and wireless technology service in the downtown district.
- (p) Operate and perform all duties and exercise all responsibilities described in this section in a qualified township if the qualified township has entered into an agreement with the municipality under section 3(7).
- (q) Create, operate, and fund a loan program to fund improvements for existing buildings located in a downtown district to make them marketable for sale or lease. The board may make loans with interest at a market rate or may make loans with interest at a below market rate, as determined by the board.
- (r) Create, operate, and fund retail business incubators in the downtown district.
- (2) If it is the express determination of the board to create, operate, or fund a retail business incubator in the downtown district, the board shall give preference to tenants who will provide goods or services that are not available or that are underserved in the downtown area. If the board creates, operates, or funds retail business incubators in the downtown district, the board and each tenant who leases space in a retail business incubator shall enter into a written contract that includes, but is not limited to, all of the following:
 - (a) The lease or rental rate that may be below the fair market rate as determined by the board.
 - (b) The requirement that a tenant may lease space in the retail business incubator for a period not to exceed 18 months.
 - (c) The terms of a joint operating plan with 1 or more other businesses located in the downtown district.
 - (d) A copy of the business plan of the tenant that contains measurable goals and objectives.
 - (e) The requirement that the tenant participate in basic management classes, business seminars, or other business education programs offered by the authority, the local chamber of commerce, local community colleges, or institutions of higher education, as determined by the board.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1985, Act 221, Imd. Eff. Jan. 10, 1986;—Am. 2004, Act 196, Imd. Eff. July 8, 2004;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005;—Am. 2008, Act 226, Imd. Eff. July 17, 2008.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1658 Board serving as planning commission; agenda.

Sec. 8. If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include planning commission business in its agenda.

History: Add. 1987, Act 66, Imd. Eff. June 25, 1987.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1659 Authority as instrumentality of political subdivision.

Sec. 9. The authority shall be deemed an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1660 Taking, transfer, and use of private property.

Sec. 10. A municipality may take private property under Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41 of the Michigan Compiled Laws, for the purpose of transfer to the authority, and may transfer the property to the authority for use in an approved development, on terms and conditions it deems appropriate, and the taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1661 Financing activities of authority; disposition of money received by authority; municipal obligations.

Sec. 11. (1) The activities of the authority shall be financed from 1 or more of the following sources:

Rendered Thursday, September 15, 2011

Page 11

Michigan Compiled Laws Complete Through PA Compiled through Act 87 and includes 89-140 of 2011

- (a) Donations to the authority for the performance of its functions.
- (b) Proceeds of a tax imposed pursuant to section 12.
- (c) Money borrowed and to be repaid as authorized by sections 13 and 13a.
- (d) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.
- (e) Proceeds of a tax increment financing plan, established under sections 14 to 16.
- (f) Proceeds from a special assessment district created as provided by law.
- (g) Money obtained from other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.
- (h) Money obtained pursuant to section 13b.
- (i) Revenue from the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11a of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611a of the Michigan Compiled Laws.
- (j) Revenue from the federal data facility act, Act No. 126 of the Public Acts of 1993, being sections 3.951 to 3.961 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11b of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611b of the Michigan Compiled Laws.

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1662 Ad valorem tax; borrowing in anticipation of collection.

Sec. 12. (1) An authority with the approval of the municipal governing body may levy an ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the downtown district. The tax shall not be more than 1 mill if the downtown district is in a municipality having a population of 1,000,000 or more, or not more than 2 mills if the downtown district is in a municipality having a population of less than 1,000,000. The tax shall be collected by the municipality creating the authority levying the tax. The municipality shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes. The tax shall be paid to the treasurer of the authority and credited to the general fund of the authority for purposes of the authority.

(2) The municipality may at the request of the authority borrow money and issue its notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation of collection of the ad valorem tax authorized in this section.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1983, Act 86, Imd. Eff. June 16, 1983;—Am. 2002, Act 234, Imd. Eff. Apr. 29, 2002.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1663 Revenue bonds.

Sec. 13. The authority may borrow money and issue its negotiable revenue bonds therefor pursuant to Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the authority shall not except as hereinafter provided be deemed a debt of the municipality or the state. The municipality by majority vote of the members of its governing body may pledge its full faith and credit to support the authority's revenue bonds.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1663a Borrowing money; issuing revenue bonds or notes; purpose; costs; security; pledge and lien of pledge valid and binding; filing or recordation not required; tax exemption; bonds or notes neither liability nor debt of municipality; statement; investment

Rendered Thursday, September 15, 2011

Page 12

Michigan Compiled Laws Complete Through PA Compiled through Act 87 and includes 89-140 of 2011

and deposit of bonds and notes.

Sec. 13a. (1) The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of acquiring or constructing property in connection with the implementation of a development plan in the downtown district or to refund or refund in advance bonds or notes issued pursuant to this section. The costs which may be financed by the issuance of revenue bonds or notes may include the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the downtown district; any engineering, architectural, legal, accounting, or financial expenses; the costs necessary or incidental to the borrowing of money; interest on the bonds or notes during the period of construction; a reserve for payment of principal and interest on the bonds or notes; and a reserve for operation and maintenance until sufficient revenues have developed. The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and any money, revenues, or income received in connection therewith.

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

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

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

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

History: Add. 1981, Act 151, Imd. Eff. Nov. 19, 1981.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1663b Insufficient tax increment revenues to repay advance or pay obligation; contents, time, and payment of claim; appropriation and distribution of aggregate amount; limitations; distribution subject to lien; obligation as debt or liability; certification of distribution amount; basis for calculation of distributions and claim reports.

Sec. 13b. (1) If the amount of tax increment revenues lost as a result of the reduction of taxes levied by local school districts for school operating purposes required by the millage limitations under section 1211 of the school code of 1976, 1976 PA 451, MCL 380.1211, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause the tax increment revenues received in a fiscal year by an authority under section 15 to be insufficient to repay an eligible advance or to pay an eligible obligation, the legislature shall appropriate and distribute to the authority the amount described in subsection (5).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

History: Add. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1994, Act 280, Imd. Eff. July 11, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 1996, Act 454, Imd. Eff. Dec. 19, 1996;—Am. 1997, Act 202, Imd. Eff. Jan. 13, 1998.

Compiler's note: Enacting section 1 of Act 202 of 1997 provides:
"The provisions of section 1 and section 13b, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993."

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1663c Retention and payment of taxes levied under state education tax act; conditions; application by authority for approval; information to be included; approval, modification, or denial of application by department of treasury; appropriation and distribution of amount; calculation of aggregate amount; lien; reimbursement calculations; legislative intent.

Sec. 13c. (1) If the amount of tax increment revenues lost as a result of the personal property tax exemptions provided by section 1211(4) of the revised school code, 1976 PA 451, MCL 380.1211, section 3 of the state education tax act, 1993 PA 331, MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will reduce the allowable school tax capture received in a fiscal year, then, notwithstanding any other provision of this act, the authority, with approval of the department of treasury under subsection (3), may request the local tax collecting treasurer to retain and pay to the authority taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be used for the following:

- (a) To repay an eligible advance.
- (b) To repay an eligible obligation.
- (c) To repay an other protected obligation.

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

- (a) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.
- (b) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.
- (c) The tax increment revenues the authority estimates it would have received for that fiscal year if the personal property tax exemptions described in subsection (1) were not in effect.
- (d) A list of eligible obligations, eligible advances, and other protected obligations, the payments due on each of those in that fiscal year, and the total amount of all the payments due on all of those in that fiscal year.
- (e) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation, the repayment of an eligible advance, or the payment of an other protected obligation. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(11) It is the intent of the legislature that, to the extent that the total amount of taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be retained under this section and section 11b of the local development financing act, 1986 PA 281, MCL 125.2161b, section 15a of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a, and section 12b of the tax increment financing act, 1980 PA 450, MCL 125.1812b, exceeds the difference of the total school aid fund revenue for the tax year minus the estimated amount of revenue the school aid fund would have received for the tax year had the tax exemptions described in subsection (1) and the earmark created by section 515 of the Michigan business tax act, 2007 PA 36, MCL 208.1515, not taken effect, the general fund shall reimburse the school aid fund the difference.

History: Add. 2008, Act 157, Imd. Eff. June 5, 2008;—Am. 2009, Act 213, Imd. Eff. Jan. 4, 2010.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1664 Tax increment financing plan; preparation and contents; limitation; definition; public hearing; fiscal and economic implications; recommendations; agreements; modification of plan.

Sec. 14. (1) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 17, a detailed explanation of

the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 15. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(2) The percentage of taxes levied for school operating purposes that is captured and used by the tax increment financing plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws. For purposes of this subsection, tax increment revenues used to pay bonds issued by a municipality under section 16(1) shall be considered to be used by the tax increment financing plan rather than shared with the municipality. The limitation of this subsection does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, Act No. 224 of the Public Acts of 1985, being section 125.2113 of the Michigan Compiled Laws.

(3) Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 18. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

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

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1979, Act 26, Imd. Eff. June 6, 1979;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1986, Act 229, Imd. Eff. Oct. 1, 1986;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1989, Act 108, Imd. Eff. June 23, 1989;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1665 Transmitting and expending tax increments revenues; reversion of surplus funds; abolition of tax increment financing plan; conditions; annual report on status of tax increment financing account; contents; publication.

Sec. 15. (1) The municipal and county treasurers shall transmit to the authority tax increment revenues.

(2) The authority shall expend the tax increment revenues received for the development program only pursuant to the tax increment financing plan. Surplus funds shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan when it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished until the principal of, and interest on, bonds issued pursuant to section 16 have been paid or funds sufficient to make the payment have been segregated.

(3) Annually the authority shall submit to the governing body of the municipality and the state tax commission a report on the status of the tax increment financing account. The report shall be published in a newspaper of general circulation in the municipality and shall include the following:

- (a) The amount and source of revenue in the account.
- (b) The amount in any bond reserve account.
- (c) The amount and purpose of expenditures from the account.
- (d) The amount of principal and interest on any outstanding bonded indebtedness.

- (e) The initial assessed value of the project area.
- (f) The captured assessed value retained by the authority.
- (g) The tax increment revenues received.
- (h) The number of jobs created as a result of the implementation of the tax increment financing plan.
- (i) Any additional information the governing body or the state tax commission considers necessary.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1979, Act 26, Imd. Eff. June 6, 1979;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1986, Act 229, Imd. Eff. Oct. 1, 1986;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1666 General obligation bonds and tax increment bonds; qualified refunding obligation.

Sec. 16. (1) The municipality may by resolution of its governing body authorize, issue, and sell general obligation bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan and shall pledge its full faith and credit for the payment of the bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 11. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Before the municipality may authorize the borrowing, the authority shall submit an estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds, to the governing body of the municipality. This estimate shall be approved by the governing body of the municipality by resolution adopted by majority vote of the members of the governing body in the resolution authorizing the bonds. If the governing body of the municipality adopts the resolution authorizing the bonds, the estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds shall be conclusive for purposes of this section. The bonds issued under this subsection shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2801.

(2) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increment revenues of a development area in which the project is located or a development area from which tax increment revenues may be used for this project, or both. In addition or in the alternative, the bonds issued by the authority pursuant to this subsection may be secured by any other revenues identified in section 11 as sources of financing for activities of the authority that the authority shall specifically pledge in the resolution. However, the full faith and credit of the municipality shall not be pledged to secure bonds issued pursuant to this subsection. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increment revenues from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution. Bonds issued under this subsection that pledge revenue received under section 11 for repayment of the bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) Notwithstanding any other provision of this act, if the state treasurer determines that an authority or municipality can issue a qualified refunding obligation and the authority or municipality does not make a good faith effort to issue the qualified refunding obligation as determined by the state treasurer, the state treasurer may reduce the amount claimed by the authority or municipality under section 13b by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation or the state treasurer may require a reduction in the capture of tax increment revenues from taxes levied by a local or intermediate school district or this state by an amount equal to the net present value savings that would have been realized had the authority or municipality refunded the obligation. This subsection does not authorize the state treasurer to require the authority or municipality to pledge security greater than the security pledged for the obligation being refunded.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1983, Act 34, Imd. Eff. May 11, 1983;—Am. 1986, Act 229, Imd. Eff. Oct. 1, 1986;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

10, 1983;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 2002, Act 234, Imd. Eff. Apr. 29, 2002.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1667 Development plan; preparation; contents; improvements related to qualified facility.

Sec. 17. (1) When a board decides to finance a project in the downtown district by the use of revenue bonds as authorized in section 13 or tax increment financing as authorized in sections 14, 15, and 16, it shall prepare a development plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(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 that the authority, local public agency, or governing body considers pertinent.

(3) A development plan may provide for improvements related to a qualified facility, as defined in the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the

Michigan Compiled Laws, that is located outside of the boundaries of the development area but within the district, including the cost of construction, renovation, rehabilitation, or acquisition of that qualified facility or of public facilities and improvements related to that qualified facility.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1668 Ordinance approving development plan or tax increment financing plan; public hearing; notice; record.

Sec. 18. (1) The governing body, before adoption of an ordinance approving or amending a development plan or approving or amending a tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the downtown district not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the downtown district not less than 20 days before the hearing. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the development plan or the tax increment financing plan is approved or amended.

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 2005, Act 13, Imd. Eff. May 4, 2005.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1669 Development plan or tax increment financing plan as constituting public purpose; determination; ordinance; considerations.

Sec. 19. (1) The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice thereof given in accordance with section 18, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall then approve or reject the plan, or approve it with modification, by ordinance based on the following considerations:

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

(b) The plan meets the requirements set forth in section 17 (2).

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

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

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

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

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

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

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1670 Notice to vacate.

Sec. 20. A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1671 Development area citizens council; establishment; appointment and qualifications of members; representative of development area.

Sec. 21. (1) If a proposed development area has residing within it 100 or more residents, a development area citizens council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The development area citizens council shall be established by the governing body and shall consist of not less than 9 members. The members of the development area citizens council shall be residents of the development area and shall be appointed by the governing body. A member of a development area citizens council shall be at least 18 years of age.

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1672 Development area citizens council; advisory body.

Sec. 22. A development area citizens council established pursuant to this act shall act an advisory body to the authority and the governing body in the adoption of the development or tax increment financing plans.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1673 Consultation.

Sec. 23. Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1674 Development area citizens council; meetings; notice; record; information and technical assistance; failure to organize, consult, or advise.

Sec. 24. (1) Meetings of the development area citizens council shall be open to the public. Notice of the time and place of the meetings shall be given by publication in a newspaper of general circulation not less than 5 days before the dates set for meetings of the development area citizens council. A person present at those meetings shall have reasonable opportunity to be heard.

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

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

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Rendered Thursday, September 15, 2011

Page 21

Michigan Compiled Laws Complete Through PA Compiled through Act 87 and includes 89-140 of 2011

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Popular name: Downtown Development Authority Act

125.1675 Citizens district council as development area citizens council.

Sec. 25. In a development area where a citizens district council established according to Act No. 344 of the Public Acts of 1945, as amended, being sections 125.71 to 125.84 of the Michigan Compiled Laws, already exists the governing body may designate it as the development area citizens council authorized by this act.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1676 Notice of findings and recommendations.

Sec. 26. Within 20 days after the public hearing on a development or tax increment financing plan, the development area citizens council shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1677 Development area citizens council; dissolution.

Sec. 27. A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice thereof given in accordance with section 18 and by a 2/3 vote, may adopt an ordinance for the development area to eliminate the necessity of a development area citizens council.

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

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1678 Budget; cost of handling and auditing funds.

Sec. 28. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body of the municipality. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this act or by the governing body of the municipality.

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1679 Historic sites.

Sec. 29. (1) A public facility, building, or structure that is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites. The preservation of facilities, buildings, or structures determined to be historic sites by a municipality shall include, at a minimum, equipping the historic site with a fire alarm system.

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 2001, Act 68, Imd. Eff. July 24, 2001;—Am. 2004, Act 66, Imd. Eff. Apr. 20, 2004.

Compiler's note: For transfer of powers and duties of department of history, arts, and libraries or the Michigan historical center relating to the identification, certification, and preservation of historical sites to the Michigan state housing development authority. see E.R.O. No. 2009-26, compiled at MCL 399.752.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1680 Dissolution of authority; disposition of property and assets; reinstatement of authority; contesting validity of proceedings, findings, and determinations.

Sec. 30. (1) An authority that has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.

(2) An authority established under this act before December 31, 1988, that is dissolved by ordinance of the governing body before September 30, 1990 and that is reinstated by ordinance of the governing body after notice and public hearing as provided in section 3(2) shall not be invalidated pursuant to a claim that, based upon the standards set forth in section 3(1), a governing body improperly determined that the necessary conditions existed for the reinstatement of an authority under the act if at the time the governing body established the authority the governing body determined or could have determined that the necessary conditions existed for the establishment of an authority under this act or could have determined that establishment of an authority under this act would serve to promote economic growth and notwithstanding that the boundaries of the downtown district are altered at the time of reinstatement of the authority.

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

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

- (a) Publication of the ordinance reinstating the authority as adopted.
- (b) Filing of the ordinance reinstating the authority with the secretary of state.
- (c) May 27, 1993.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1993, Act 42, Imd. Eff. May 27, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1681 Proceedings to compel enforcement of act; rules.

Sec. 31. (1) The state tax commission may institute proceedings to compel enforcement of this act.

(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: Add. 1988, Act 425, Imd. Eff. Dec. 27, 1988.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: DDA

Popular name: Downtown Development Authority Act



STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

December 19, 2005

Village of Alanson
Iris E. Lesh, Clerk
P.O. Box 425
Alanson, MI 49706

Dear Ms. Lesh:

This letter acknowledges receipt and filing by the Alanson Village Council on November 21, 2005, with the Secretary of State, an ordinance creating a Tax Increment Financing Plan for the Alanson Downtown Development Authority District in accordance with Act 197 of the Public Acts of 1975.

Sincerely,

A handwritten signature in cursive script that reads "Joanie Kollek".

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

Village of Alanson Amended Downtown Development Plan & Tax Increment Financing Plan

INTRODUCTION

Purpose of the Development Plan and Tax Increment Financing Plan

The purpose of this Development Plan and Tax Increment Financing Plan is to provide the legal authority and procedures for public financial participation necessary to assist quality downtown development. The plan contains the following elements, as required by Act 197, Public Acts of Michigan, 1975, as amended:

1. Development Plan
2. Tax Increment Financing Plan

Purpose of the Downtown Development Authority Act

Act 197, Public Acts of Michigan, 1975, as amended, commonly referred to as the Downtown Development Authority Act, was created in part to correct and prevent deterioration in business districts; to authorize the acquisition and disposal of interest in real and personal property; to authorize the creation and implementation of development plans in the district; to promote the economic growth of the district; to encourage historic preservation; to authorize the issuance of bonds and other evidences of indebtedness; and to authorize the use of tax increment financing.

Creation of the Alanson Downtown Development Authority and the Alanson Village Downtown Development Authority District

In late 2002 the Village of Alanson Council began exploring the possibility of establishing a Downtown Development Authority and in January of 2003 an Ad Hoc committee was established to further explore those possibilities. After holding several public meetings it was the Ad Hoc committee's recommendation that the Village of Alanson establish a Downtown Development Authority. *formed for a specific test*
On August 31, 2004 the Village Council of Alanson passed ordinance no. 01-2004 which established the Village of Alanson Downtown Development Authority. Before this plan was put into place in December of 2005 it became clear that the proposed District was not going to generate enough money as soon as it was first believed it would. So on after the public hearing held on July 17, 2006 the Village of Alanson Council voted to expand the borders of the DDA by passing ordinance no.4-2006

Activities of the Downtown Development Authority and Statement of Intent Regarding Tax Increment Financing Plan

The Alanson Village Downtown Development Authority will conduct activities in accordance with the Public Act. The Alanson Village downtown Development and Financing Plan was adopted to meet the objectives of the Authority and to encourage increased economic

development in Alanson through public improvements such as parking, public sidewalks, public civic facilities, recreational and economic development opportunities, marketing and promotion, and better pedestrian and vehicle circulation and enhancing the overall appearance of the downtown.

Specifically, the plan calls for but is not necessarily limited to, consultation and operational expenditures needed to implement the plan; promotional and cultural development, street and sidewalk improvements, intersection improvements, parking expansions, streetscape enhancements, safety and security improvements, parks and recreational improvements and activities, construction of a boardwalk and public boat slips, economic development and other downtown enhancements.

DEVELOPMENT PLAN

Section 17.2. (a)

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

The Alanson Downtown Development Area is in all the part of the Village of Alanson, Littlefield Township, Emmet County, State of Michigan, both platted and metes and bound real property, commencing at intersection of former GR & I RR branch row with north line of Powers Rd in Section 9, T35N R4W, S54° 4'17"E 100 feet to Northwesterly Line of Hwy US 31, then Northeasterly along Southerly line of Chicago Street to East line of Milton Ave, thence Southwesterly along Milton Ave. to point of beginning. Also: Section 10, T35N R4W, commencing on East line of Hwy US 31 South 389 feet 10 inches North of North 1/8 line for point of beginning, thence Easterly 779.16 feet, M/L to McKenzie land, thence South approximately 200 feet, thence East to West bank of Crooked River, Southerly along river to Southeast Corner of plat of Riverside Park, thence Easterly across said River to East bank thereof, thence S83° 51'36"E 460.53 feet approximately along North line of Weidenhammer property to West line of Spring Street, South along said street to North line of highway M-68, Northwesterly along highway to West bank of Crooked River, thence Southerly along said river to North line of West Street if extended to riverbank, thence West along West Street to Southeast corner of Lot 6, Block 5, Village of Alanson Plat, thence to Northwest corner of Lot 1, Block 3 of Evergreen Park Plat, thence S3° 6'39" W along West line of said plat 142.51 feet, S3° 19'8"W 310 feet, S45° 27'48"W 110.15 feet, N41° 1'53 W 250 feet to East line of Hwy US 31 South, thence Northwesterly along said highway to point of beginning, including Bonz Island in Section 10, T35NR4W. See Map 1

Section 17.2b

The location and extent of existing streets and other public facilities within the development area, shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area,

including residential, recreational, commercial, industrial, educational, and other uses, and shall include a legal description of the development area.

The location and the existing public and private land uses within the development area are presented on Map 2. Map 3 shows the location and types of streets that are in the Downtown Development Authority.

Section 17.2c

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

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

Section 17.2d: Project Improvement Plan

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

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

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

Plan, propose and implement an improvement to a public facility within the development area to comply with the barrier-free design requirements of the State of Michigan.

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

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

The following project improvement plan is intended to be general in nature to provide flexibility in design and implementation. Detailed planning, design and engineering studies should be conducted to specifically set project parameters. Improvement projects are generally arranged according to their area of impact and are assigned to the following seven categories:

Consultation and Operational Expenditures, Promotional and Cultural Development, Street and Sidewalk Improvements, Parking Expansion, Streetscape Enhancements, Safety and Security, Parks and Recreation, and Construction, Economic Development and Other Downtown Enhancements.

Consultation and Operational Expenditures

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

A. Professional Services

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

B. DDA Operations

This expenditure category covers all expenses relating to the operating the DDA such as public notices, mailings, office supplies, laptop computers, overhead projectors, administrative support, etc.

Promotional and Cultural Development

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

A. Quiet Retreat Areas.

The DDA may develop quiet retreat areas throughout the development area as tourist attractions. These quiet retreat areas may include lawn swings and park benches in the midst of specially landscaped areas such as around the Hillside Gardens and on Island Sanctuary with the creation of a Butterfly Garden and any other areas that may be later created.

B. Signage and Information Kiosk

The DDA may purchase and install new "Welcome to Alanson" signage at all three major entrances to the Village (North on US 31 Hwy, South on US 31 Hwy, and West on M 68 Hwy). Other signs that the DDA may pursue are information signs and directional signs to be placed in various places through out the Downtown District. The DDA may create an information kiosk on the Crooked River by the public docks, or any other area deemed appropriate.

C. Festivals and Downtown Events

The DDA may sponsor festivals and downtown events to stimulate business activity and to promote a positive image of the DDA District. This may include sidewalk sales, art fairs, parade celebrations, summer concerts, etc. The DDA may also install more electrical outlets and other facilities in the parks in order to expedite such events.

D. Seasonal Decorations

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

E. Cultural Development

The DDA may encourage the placement of various statues or figurines, along with commissioning local artwork through out the downtown area. The DDA may also help in establishing an historical museum and other such projects such as walking tours of Downtown Alanson. The DDA may provide public wireless internet access in the Downtown area.

F. Marketing Material for the DDA

The DDA may create and use as many marketing avenues that become available to them. These avenues may include, but are not limited to creating audio and video commercials, brochures and print advertising to promote the Alanson Downtown and other various organizations within the DDA.

G. Development of DDA Web Page

The DDA may create their own web page to be included in the Village of Alanson's Web Site. This page may be used to produce a coordinated communication from the other various groups with in the downtown district such as the Alanson Improvement Group, Library, Hillside Gardens, Village Council, and Zoning and Planning Committee etc.

LAMA

Street and Sidewalk Improvements

This category provides for the development and repair of Village streets to better serve properties within the DDA District. Some improvements include, but are not limited to:

A. M 68 Hwy and US 31 Hwy Intersection Improvement

The DDA may contribute toward the redesign of M 68 Hwy and the US 31 Hwy intersection to improve traffic flow and improve the pedestrian experience.

B. Curbs, Sidewalks and Extensions

The DDA may construct sidewalks and other pedestrian improvements on the both sides of US-31 Hwy, along River Street and along M-68 including the bridge over the Crooked River. Street, intersection and curb improvements are contemplated throughout the Downtown District. Improvements and activities that keep the sidewalks free of snow are also contemplated.

Parking Expansions

This category provides for improvements and expansion of parking areas to better serve properties within the DDA District. The DDA may contribute funds to expand and develop parking areas within the downtown district to improve accessibility. This may include expanding the public parking area behind the business facing US-31 Hwy from River Street to the M-68 Hwy intersection as well as along the Village Park on West Street. In addition, the DDA may help acquire and develop any other areas that may become available at a later date.

Streetscape Enhancements

This category provides for physical and natural improvements within the public right-of-way to enhance the visual image and functionality of the streetscape. The streetscape will include new landscaping, lighting, and the replacement of sidewalks as needed and new traffic control devices as needed. The initial focus of improvements will be US-31 and River Street, but may be expanded to other streets in the future.

Safety and Security

This category provides for the safety and the security of the downtown district. The DDA may help in the purchase, installation and monitoring of security cameras through out downtown district. The DDA may employ extra security presences for any and all special festivals and events that may be sponsored in the future.

Parks and Recreation

This category provides for improvements and development of parks within the DDA District. The DDA may provide for the purchase of playground equipment, the building of gazebos, bandshells, public bathrooms, new water fountains etc. The DDA may also help establish a skatepark for skateboarders to use, improve the tennis courts and create a volleyball court and they may also create a fountainhead and a manmade creek to go thru the Village to the Crooked River. The DDA may provide funding for a Parks and Recreations Director to oversee the parks and recreation activities.

Construction

This category provides for the actual construction and building and repairs of structures within the DDA District. The DDA may, when the Fire Department vacates their present location choose to assist with the remodeling, expansion or the modification of the building into a community facility including public meeting rooms and office. The DDA may build a boardwalk around the Crooked River with the downtown district. Public boat slips and docks around the Island Sanctuary Park are envisioned as well as obtaining the necessary land to build a bridge for pedestrians to cross over to the Island Park.

Economic Development

The DDA may determine that helping to encourage business development within the downtown is needed to enhance the overall economy of the area. Activities that may be pursued include partnering with other entities in the development of a small business or retail incubator in the DDA District.

Other Downtown Enhancements

The DDA is concerned with improving and maintaining the overall appearance of the downtown area. In addition to the other activities already described above, the DDA may help organize and support a facade improvement program within the DDA District.

Table 1.

LIST OF PLANNED PUBLIC PROJECTS WITH LIST OF PRIORITY AND COST
 VILLAGE OF ALANSON
 2006-2026

PROJECT DESCRIPTION	PROJECT PRIORITY	ESTIMATED COST
<i>Consultation and Operational Expenditures</i>		
A. Professional services	High	\$40,000
B. DDA Operations	High	\$15,000/year
<i>Promotional and Cultural Development</i>		
A. Quiet Retreat Areas	Medium	\$25,000
B. Signage and Information Kiosk	High	\$20,000
C. Festivals and Downtown Events	High	\$5,000/year
D. Seasonal Decorations	Medium	\$10,000
E. Cultural Development	Low	\$30,000
F. Marketing Material for the DDA	High	\$20,000
G. Development of DDA Web Page	High	\$5,000
<i>Streets and Sidewalk Improvements</i>		
A. M 68 Hwy and US 31 Hwy Intersection Improvement	Low	\$400,000
B. Curbs, Sidewalks and Extensions	Medium	\$75,000
<i>Parking Expansions</i>		
A. Parking Expansion behind business facing US 31	High	\$200,000
B. Land acquisition for and development of new parking areas as may be determined by the DDA	Medium	\$550,000
<i>Streetscape Enhancements</i>		
A. Lights, landscaping, and other improvements	High	\$350,000
<i>Safety and Security</i>		
A. Security Cameras	Medium	\$10,000
B. Temporary Police Force for special occasions or events	High	\$5,000/year

<i>Parks and Recreation</i>		
A. Improvements and development within the parks	High	\$150,000
B. Parks and Receptions Director	Medium	\$30,000/year
<i>Construction</i>		
A. Remodeling and expansion of Village Community Building	Low	\$300,000
B. Boardwalk and Boat Slips around the Crooked River	High	\$150,000
C. Public Bathrooms by the Crooked River	High	\$150,000
D. Bandshell by the Crooked River	Medium	\$175,000
E. Development of the Island Sanctuary Park	High	\$81,995
<i>Economic Development</i>		
A. Downtown Incubator Building	Medium	\$500,000
<i>Other Downtown Enhancements</i>		
A. Facade Improvement	Medium	\$5,000/year
TOTAL		\$4,491,995
Notes: High Priority items are scheduled for completion by 2010 Medium Priority items are scheduled for completion by 2015 Low Priority items are scheduled for completion by 2025		

There are several private alterations and repairs anticipated over the life of the plan. Table 2 lists all private improvements expected including new development and repairs or redevelopment of privately owned existing buildings. Table 3 summarizes these changes and the impact of value by year.

Table 2
ALANSON DDA PROJECTED PRIVATE IMPROVEMENT

1. Marina Village Townhouse Development on River St., with 27 units plus boat slips
Includes tax I.D.# 300-022, 030, 031, 032, 038.

Projected date of completion: 2015 Projected investment: \$ 5,425,000

2. Customer rear access entrances, elevation changes and new facades on
on ally way of stores fronting on U.S.31, between River St. and East St.
Tax I.D.#: 300-086, 301-007, 008, 011, 012, 014, 015, 018, 019, 022.

Projected date of completion: 2010 Projected investment: \$ 700,000

3. Hotel/Conference Center (22,500 square ft. per floor, plus 30 boat slips)
Tax I.D.#: 100-030, 032, 038, 151-031, 033.

Projected date of completion: 2012 Projected investment: \$ 3,800,00

4. General upgrades between U.S.31 and Milton Rd., between
River St. on the south to Chicago St. on the north.
Tax. I.D.#: 300-009, 014, 021, 310-003, 004, 009, 012.

Projected date of completion: 2015 Projected investment: \$ 350,000

5. Improvements and upgrades on U.S. 31 between E. Warren St.
and River St. Includes Tax I.D.#: 301-029, 030, 032, 035, 038, 057.

Projected date of completion: 2010 Projected investment: \$ 300,000

6. New constructions and improvements on South side of River St. from
Crooked River going west to the Ally way. Includes tax I.D.#:
300-041, 043, 044, 048, 051, 052, 301-034, 036, 040, 054.

Projected date of completion: 2015 Projected investment: \$3,750,000

7. True Artesian Water Bottling Company-US 31 Includes tax ID #
100-016,018

Projected date of completion: 2007 Projected investment: \$425,000

8.	My Riverwalk Condos-M 68 & Spring Street 42 units with boat slips Includes tax ID# 100-029,028.		
	Projected Completion 2010	Projected investment:	\$5,000,000
9.	My Riverwalk Condos II 25 units with boat slips. Includes tax ID # 100-023		
	Projected date of completion: 2020	Projected investment:	\$2,750,000
10.	Alanson Commons- 8 Store fronts. Includes tax ID # 410-002		
	Projected date of Completion: 2015	Projected investment:	\$750,000
11.	Alanson Commons II- 15 Store fronts. Includes tax ID #410-003		
	Projected date of completion: 2020	Projected investment	\$1,500,000
12.	20 Unit Condo development with entrance on US 31 and West Street. Includes tax ID # 300-065.		
	Projected date of completion: 2015	Projected investment:	\$2,000,000
13.	General Improvements on US 31 starting at West Street to the end of the development area. Includes tax ID #300-062,064,066,069		
	Projected date of completion: 2010	Projected investment:	\$300,00
Total DDA Projected new investment over 20 years =			\$27,050,000

Section 17.2e: Construction Stages

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

High Priority items are scheduled for completion by 2010
Medium Priority items are scheduled for completion by 2015
Low Priority items are scheduled for completion by 2025

Section 17.2f: Open Space

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

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

- The Village playground park
- The Morgan Memorial Park
- The Hillside Gardens
- The Island Sanctuary Park

These areas are shown in map 2.

Section 17.2.g: Property Ownership/Leases

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

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

Section 17.2.h: Desired Zoning Changes

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

No zoning changes are anticipated within the development district at the time of adoption. Streets, street levels, intersections and utilities that are anticipated to be improved as a result of the plan. The Authority specifically plans to improve the intersection of M-68 & US-31 and provide pedestrian crossings and intersections throughout the district.

Section 17.2.i: Development Costs/Financing

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

The total cost for the undertaking the projects identified under Section 17.2.d is approximately \$4,491,995 (Table 1).

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

Donations to the Authority for the performance of its functions.

Money borrowed and to be repaid by Section 13 of the Public Act 1997 of 1975, as amended.

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.

Proceeds of a tax increment financing plan, established under Sections 14 to 16 of Public Act 197 of 197, as amended.

Money obtained from other sources approved by the governing body of the municipality.

Where receipt of specific funds are indicated as being anticipated by the Authority, methods of repayment will be established as necessary. Where repayment is not necessary, funds shall be credited to the general fund of the Authority for the purpose of financing only those activities, as indicated in this plan or otherwise appropriate as provided in PA 197 of 1975, as amended. The ability of the Authority to arrange the *financing* is considered to be established on the basis of tax increment revenues currently available to the Authority.

Section 17.2.j

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

Not applicable

Section 17.2.k

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

Not applicable

Section 17.2.l

Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence, or under construction, the condition of those in existence, the number of the 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 estimated capacity of private and public housing available to displaced families and individuals.

Based on a physical survey which was done May 15, 2006 which was conducted by going door to door and counting the actual people, it was found there are 85 people living in the Downtown Development District. No occupied residence is targeted for acquisition or clearance by the Authority. No forced relocation of families is anticipated as a result of the development projects.

Section 17.2.m

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

Not applicable

Section 17.2.n

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

Not applicable

Section 17.2.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 (Condemnation/Relocation Assistance)

Not applicable

Section 17.2.p

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

Not applicable

TAX INCREMENT FINANCING PLAN

Section 14.1: Tax Increment Financing

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

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

For this Tax Increment Financing Plan, the DDA adopts by reference and incorporates into this Tax Increment Financing Plan, the contents of the Development Plan adopted by the DDA on November 13, 2006.

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

Tax Increment Procedure

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

PA 197 of 1975, as amended, includes all increases in valuation resulting from the development plan whether in fact these increases bear any relation to the development or not. Tax increment revenues for the DDA result in the application of general tax rates of the community and all other governmental bodies levying taxes in the downtown district. These include the Village, County, College, etc. The amount to be transmitted to the DDA is that portion of the tax levy of all these applicable taxing bodies paid each year on the real and personal property.

"Captured Value" means the amount in any one year by which the current taxable value of the district, including the value of the property for which the specific local taxes are paid in lieu of property taxes, exceeds the initial value. "Initial value" means the taxable value of all property within the boundaries of the district at the time the ordinance establishing the tax increment

financing plan is approved, as shown by the most recent assessment roll of the municipality at the time the ordinance is adopted. Property for which an industrial facilities certificate or a commercial housing facilities exemption certificate is in effect shall not be considered to be property which is exempt from taxation. Tax dollars accruing from any incremental increase in taxable value above the initial value (base year total) may then be used by the DDA. Data presented in Table 3 reveals the anticipated capture on the taxable value for the Village of Alanson Downtown Development Authority District through the Year 2026, and provides a disbursement cycle. The base year taxable for the Development District is \$5,284,500. The total potential TIF revenue to the DDA from captured taxable value is displayed in Table 3. By the end of the planned period, it is estimated that approximately \$4,491,995 to fund projects in the Development Plan could be collected by the DDA and used for making public improvements within the Downtown district. For these estimates of captured taxes, the current year millage rates were used as provided in Table 4.

The following Tables 3, and 4 project the estimate of capturable taxable values, and the potential revenue reallocation from the various taxing units.

An annual DDA budget will highlight and prioritize projects. This annual budget will detail all operational and administrative expenses and fund development projects in priority as determined by the DDA board. The Village Council shall approve all DDA expenditures, by adoption of the annual DDA budget.

Maximum Amount of Bonded Indebtedness to be Incurred

Certain State and Federal loans, loan guarantees and grants will be sought for carrying out this TIF Plan including the Development Plan. All bonding methods employed by the DDA are subject to the provisions of the Development Plan. The Development Plan of this TIF Plan can be financed through the authorization, issuance and sale of revenue bonds, general obligation bonds or tax increment bonds. A bond issue in aggregate amount not to exceed two (2) million dollars may be utilized to accelerate the provision of the Development Plan. Types of bonds to be issued in accomplishing this plan will be determined after further project planning is undertaken.

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

Duration of the Program

The Alanson DDA's Tax Increment Financing Plan shall last not more than 20 years. The last date of capture shall be December 31, 2027.

Estimated impact on Assessed Values of Taxing Jurisdictions

The Authority intends to expend all available captured assessed value over the life of the development plan, including the expected increase resulting solely from the inflationary increase of assessed values. It is anticipated that the assessed values will increase substantially over the life of the development plan due in large part to the public investments made by the DDA. When the assessed value capture expires at the end of the plan, all of the taxing jurisdictions, including those listed in Table 5, will fiscally benefit by the increase in assessed values that arguably would not have accrued without the efforts of the DDA. It is anticipated that the foregone tax increment over the duration of the plan will be recouped in full by the taxing jurisdictions due to the expected accelerated increase in assessed values.

Table 3
Village of Alanson
Downtown Development
Authority
Estimate of Capturable Value

Year	Estimated Inflation Growth 2.50%	Estimated New Construction Value	Total Projected Value	Base Value	Captured Value	Tax to be Captured
2006				\$5,284,500		
2007	\$557,113	\$425,000	\$6,266,613	\$5,284,500	\$982,113	\$11,432
2008	\$1,114,225	\$0	\$6,398,725	\$5,284,500	\$1,114,225	\$12,970
2009	\$1,246,338	\$0	\$6,530,838	\$5,284,500	\$1,246,338	\$14,508
2010	\$1,378,450	\$6,300,000	\$12,962,950	\$5,284,500	\$7,678,450	\$89,381
2011	\$7,810,563	\$0	\$13,095,063	\$5,284,500	\$7,810,563	\$90,919
2012	\$7,942,675	\$3,800,000	\$17,027,175	\$5,284,500	\$11,742,675	\$136,691
2013	\$11,874,788	\$0	\$17,159,288	\$5,284,500	\$11,874,788	\$138,228
2014	\$12,006,900	\$0	\$17,291,400	\$5,284,500	\$12,006,900	\$139,766
2015	\$12,139,013	\$12,275,000	\$29,698,513	\$5,284,500	\$24,414,013	\$284,191
2016	\$24,546,125	\$0	\$29,830,625	\$5,284,500	\$24,546,125	\$285,729
2017	\$24,678,238	\$0	\$29,962,738	\$5,284,500	\$24,678,238	\$287,267
2018	\$24,810,350	\$0	\$30,094,850	\$5,284,500	\$24,810,350	\$288,805
2019	\$24,942,463	\$0	\$30,226,963	\$5,284,500	\$24,942,463	\$290,343
2020	\$25,074,575	\$4,250,000	\$34,609,075	\$5,284,500	\$29,324,575	\$341,353
2021	\$29,456,688	\$0	\$34,741,188	\$5,284,500	\$29,456,688	\$342,891
2022	\$29,588,800	\$0	\$34,873,300	\$5,284,500	\$29,588,800	\$344,428
2023	\$29,720,913	\$0	\$35,005,413	\$5,284,500	\$29,720,913	\$345,966
2024	\$29,853,025	\$0	\$35,137,525	\$5,284,500	\$29,853,025	\$347,504
2025	\$29,985,138	\$0	\$35,269,638	\$5,284,500	\$29,985,138	\$349,042
2026	\$30,117,250	\$0	\$35,401,750	\$5,284,500	\$30,117,250	\$350,580
Total		\$27,050,000				\$4,491,995

Table 4
Taxing Authorities Millage Rates
To be Captured SEV
Village of Alanson Downtown Development Authority

<u>Eligible Taxing Jurisdiction</u>	<u>2006 Millage Rate</u>	
Village of Alanson	.0046828	
Emmet County Allocation	.0016168	
Senior Citizens	.0005000	
Emmet County Medical Care Facility	.0004802	
Emmet County Ambulance & EM	.0019156	
Littlefield Township Allocation	.0011320	
North Central Michigan College	.0011320	
North Central Michigan Special Operation	.0002885	
North Central Michigan Collage Extra	<u>.0008966</u>	
	.0116405	Total Mills Available to the DDA

Table 5
Village of Alanson
Downtown Development Authority
Estimated Revenue by Jurisdiction

YEAR	CAPTURABLE TAXABLE VALUES	Village of Alanson 0.0046828	Emmet County 0.002745	Littlefield Township 0.0019156	North Central MI College 0.0022971	Total Millage 0.0116405
2006						
2007	\$982,113	\$4,599	\$2,696	\$1,881	\$2,256	\$11,432
2008	\$1,114,225	\$5,218	\$3,059	\$2,134	\$2,559	\$12,970
2009	\$1,246,338	\$5,836	\$3,421	\$2,387	\$2,863	\$14,508
2010	\$7,678,450	\$35,957	\$21,077	\$14,709	\$17,638	\$89,381
2011	\$7,810,563	\$36,575	\$21,440	\$14,962	\$17,942	\$90,919
2012	\$11,742,675	\$54,989	\$32,234	\$22,494	\$26,974	\$136,691
2013	\$11,874,788	\$55,607	\$32,596	\$22,747	\$27,278	\$138,228
2014	\$12,006,900	\$56,226	\$32,959	\$23,000	\$27,581	\$139,766
2015	\$24,414,013	\$114,326	\$67,016	\$46,767	\$56,081	\$284,191
2016	\$24,546,125	\$114,945	\$67,379	\$47,021	\$56,385	\$285,729
2017	\$24,678,238	\$115,563	\$67,742	\$47,274	\$56,688	\$287,267
2018	\$24,810,350	\$116,182	\$68,104	\$47,527	\$56,992	\$288,805
2019	\$24,942,463	\$116,801	\$68,467	\$47,780	\$57,295	\$290,343
2020	\$29,324,575	\$137,321	\$80,496	\$56,174	\$67,361	\$341,353
2021	\$29,456,688	\$137,940	\$80,859	\$56,427	\$67,665	\$342,891
2022	\$29,588,800	\$138,558	\$81,221	\$56,680	\$67,968	\$344,428
2023	\$29,720,913	\$139,177	\$81,584	\$56,933	\$68,272	\$345,966
2024	\$29,853,025	\$139,796	\$81,947	\$57,186	\$68,575	\$347,504
2025	\$29,985,138	\$140,414	\$82,309	\$57,440	\$68,879	\$349,042
2026	\$30,117,250	\$141,033	\$82,672	\$57,693	\$69,182	\$350,580
						\$4,491,995

Names and Address of Taxing Government Agencies

Village of Alanson Treasurer
PO Box 184
Alanson, MI 49706

Littlefield Township Treasurer
PO Box 188
Alanson, MI 49706

Emmet County Treasurer
200 Division Street
Petoskey, MI 49770

North Central Michigan Collage
1515 Howard Street
Petoskey, MI 49770

Names of the Village of Alanson Council

President: Richard Weidenhamer

Treasurer: Theresa Cleven

Clerk: Iris E. Lesh

Trustees:

Marvin Blumke-President Pro Tem

Irvin Sturm

Georgia Waterson

Jim Dauser

Genevieve Lloyd

Kerry Hamlin

Street Commissioner: Allen Waterson

Names of the Village of Alanson Downtown Development Authority Board

President of the Village: Richard Weidenhamer

Chairman: Douglas Houseworth

Vice Chair: Tom Kuchnicki

Treasurer: Dan Plasencia

Secretary: Genevieve Lloyd

Board Members:

Tom Fairbairn Jr.

David Stepanovich

Jerry Kovacs

Jeff Karriger

Paul Cottee

John Sirvaitis

Names of the Village of Alanson Council

President: Richard Weidenhamer

Treasurer: Theresa Cleven

Clerk: Iris E. Lesh

Trustees:

Marvin Blumke – President Pro Tem

Georgia Waterson

Jeff Muller

Robert Wanner

Street Commissioner: Allen Waterson

Names of the Village of Alanson Downtown Development Authority Board

President of the Village: Richard Weidenhamer

Chairman: Douglas Houseworth

Vice Chair: Marvin Blumke

Treasurer: Kathy McCall

Secretary: Sue Anne Kilgore-Curnow

Board Members:

Paul Cottee

Janel Anderson

Phil Peurasaari

Heather Armock

David Marvin

Revision 09/2012

Village of Alanson

Bidding Policy

as recorded in May 6, 1996 minutes

Up to \$250 no bid necessary.

\$251-\$500 with council approval.

Over \$501 projects and purchases will be put up for bid.

Table 6							
Village of Alanson							
Downtown Development Authority							
2006 Tax Capture Report and							
Summary of Expected Changes in Taxable Value (aside from inflation)							
PID	Owner	2006	Change Expected	Expected	Expected	Year of	
		SEV		Change In	Taxable Value	Change	
41-17-09-410-002	ALANSON COMMONS, LLC	\$162,700.00	8 store fronts	\$750,000.00		2015	
41-17-09-410-003	BRILL DON	\$208,000.00	15 store fronts	\$1,500,000.00		2020	
41-17-10-100-016	HOUSEWORTH DOUGLAS E & SUSAN D	\$78,400.00	True Artesian Water	\$283,333.00		2007	
41-17-10-100-018	HOUSEWORTH DOUGLAS E & SUSAN D	\$18,900.00	True Artesian Water	\$141,667.00		2007	
41-17-10-100-022	LIBERTY BAPTIST CHURCH OF ALANSON	\$0.00					
41-17-10-100-023	SZYMANSKI GERALD & JANET	\$122,800.00	My Riverwalk Condos II	\$2,750,000.00		2020	
41-17-10-100-025	JLM NORTH INC	\$115,300.00					
41-17-10-100-026	JLM NORTH INC	\$21,900.00					
41-17-10-100-027	MILLER WAYNE A & JUDITH A	\$52,800.00					
41-17-10-100-028	WEIDENHAMMER RICHARD & GALETTA	\$38,000.00	My Riverwalk Condos	\$2,500,000.00		2010	
41-17-10-100-029	WEIDENHAMMER RICHARD & GALETTA	\$87,200.00	My Riverwalk Condos	\$2,500,000.00		2010	
41-17-10-100-030	STEPANOVICH DAVID A	\$70,300.00	Hotel/Conf Center	\$760,000.00		2012	
41-17-10-100-031	STEPANOVICH DAVID A	\$3,300.00	Hotel/Conf Center	\$760,000.00		2012	
41-17-10-100-032	STEPANOVICH DAVID A	\$69,900.00	Hotel/Conf Center	\$760,000.00		2012	
41-17-10-100-034	VILLAGE OF ALANSON	\$600.00					
41-17-10-100-038	KOPENKOSKEY LYLE & CAROL	\$59,600.00					
41-17-10-151-028	BRILL DON C	\$120,700.00					
41-17-10-151-030	STEPANOVICH DAVID A	\$53,400.00	Hotel/Conf Center	\$760,000.00		2012	

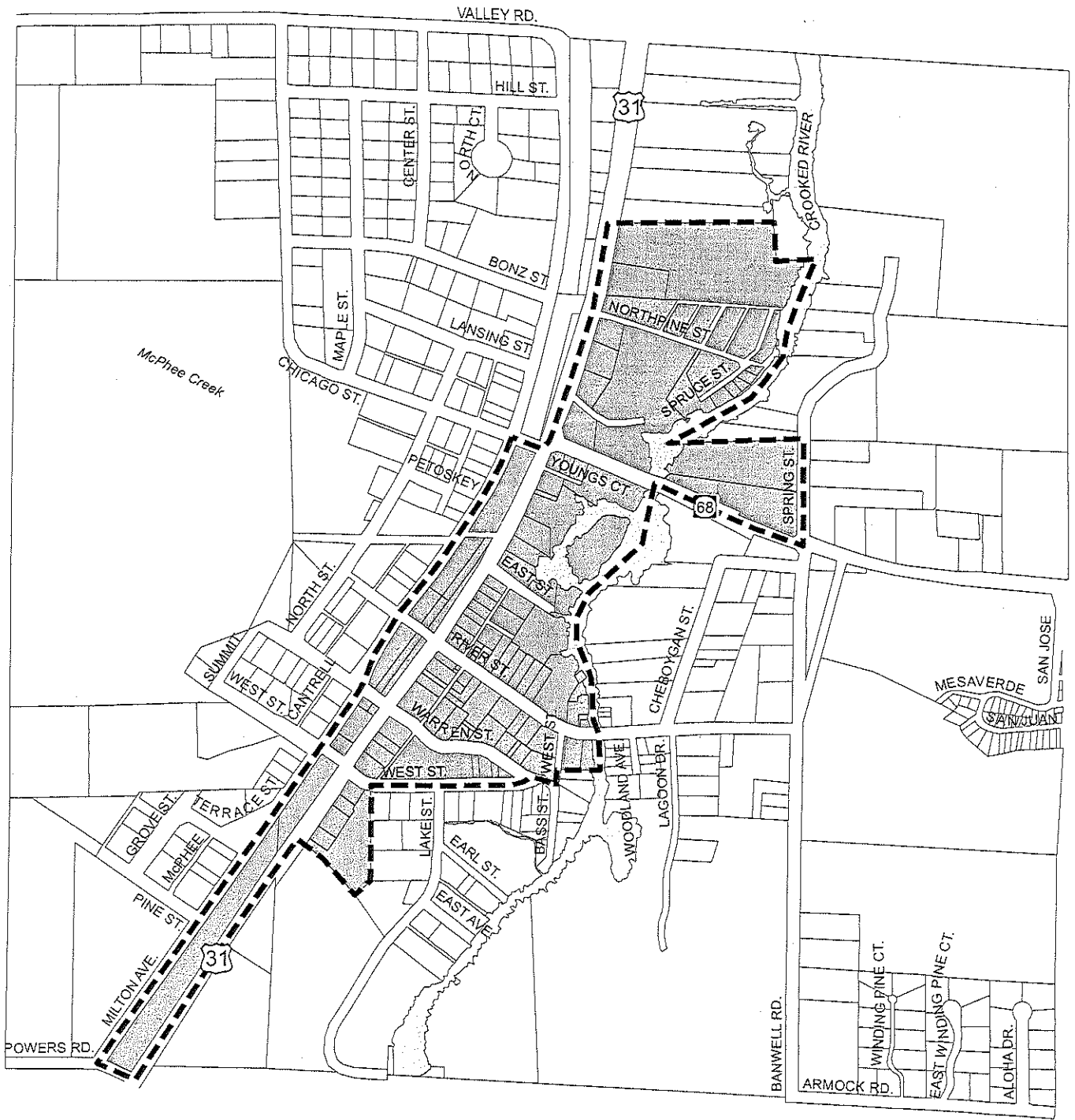
41-17-10-151-031	STEPANOVICH DAVID A	\$56,300.00	Hotel/Conf Center	\$760,000.00	2012
41-17-10-151-033	BRILL DON C	\$5,800.00			
41-17-10-176-001	SHAFFER NORMAN & SUSAN	\$56,400.00			
41-17-10-176-002	FAIRBAIRN MARK RAYMOND	\$160,400.00			
41-17-10-176-005	PRATER PATRICIA	\$33,300.00			
41-17-10-176-006	EMERSON TIMOTHY & MOORE RITA JOYCE	\$30,400.00			
41-17-10-176-007	HOWARD LEA ANN	\$42,100.00			
41-17-10-176-008	KAZMERS A & IRENE S	\$41,500.00			
41-17-10-176-009	KLING HAROLD & LOUISE MARY	\$9,000.00			
41-17-10-176-010	KLING HAROLD JR & LOUISE MARY	\$50,700.00			
41-17-10-176-012	KAZMERS A & IRENE S	\$11,700.00			
41-17-10-176-013	KLING HAROLD & LOUISE	\$7,500.00			
41-17-10-300-006	KOBOSKI KATHLEEN & ANDERSON MILDRED	\$39,400.00			
41-17-10-300-009	KOVACS JERRY & KAREN	\$272,300.00	Upgrade Improvements	\$58,334.00	2015
41-17-10-300-012	STAHL LES-LEE K	\$101,400.00			
41-17-10-300-013	UNITED STATES POST OFFICE	\$0.00			
41-17-10-300-014	PFEIFLE HENRY H & DOLORES I	\$4,000.00	Upgrade Improvements	\$58,334.00	2015
41-17-10-300-018	LONG JOHN M & REHMANN CHARLES	\$55,900.00			
41-17-10-300-021	FAIRBAIRN W W & SONS INC	\$73,800.00	Upgrade Improvements	\$58,333.00	2015
41-17-10-300-022	DOHM TED & INEZ	\$3,000.00	Marina Village Townhouses	\$904,166.00	2015
41-17-10-300-024	VILLAGE OF ALANSON	\$0.00			
41-17-10-300-028	UNITED STATES POST OFFICE	\$0.00			
41-17-10-300-029	UNITED STATES POST OFFICE	\$0.00			
41-17-10-300-030	DURAN ANN E TRUST	\$10,600.00	Marina Village Townhouses	\$904,166.00	2015
41-17-10-300-031	DURAN PHILIP D & ANN	\$32,100.00	Marina Village Townhouses	\$904,167.00	2015
41-17-10-300-032	KISER MARJORIE & BEVERLY & GARY	\$21,900.00	Marina Village Townhouses	\$904,167.00	2015
41-17-10-300-033	KOVACS JERRY J & KAREN E	\$58,900.00	Marina Village Townhouses	\$904,167.00	2015

41-17-10-300-038	MAINWARING WILLIAM & LUCILLE	\$5,800.00	Marina Village Townhouses	\$904,167.00	2015
41-17-10-300-041	KARRIGER MAURICE	\$6,500.00	New Construction	\$375,000.00	2015
41-17-10-300-042	ROBERTSON GREGORY & LINDA	\$6,500.00			
41-17-10-300-043	HOLMES ALTA ELAINE TRUST	\$26,700.00	New Construction	\$375,000.00	2015
41-17-10-300-044	KRAMER KAREN	\$26,600.00	New Construction	\$375,000.00	2015
41-17-10-300-045	WHITTENACK GARY & PHILIP	\$17,500.00			
41-17-10-300-046	KOONS VALERIE A	\$2,000.00			
41-17-10-300-047	LICHJUS FREDRICK & LEAH	\$31,900.00			
41-17-10-300-048	KRAMER KAREN	\$3,900.00	New Construction	\$375,000.00	2015
41-17-10-300-049	KOONS VALERIE A	\$42,100.00			
41-17-10-300-050	LAMEE CECIL BRUCE & HAZEL	\$23,100.00			
41-17-10-300-051	CROOKED RIVER VENTURE LLC	\$19,600.00	New Construction	\$375,000.00	2015
41-17-10-300-052	CROOKED RIVER VENTURE LLC	\$75,000.00	New Construction	\$375,000.00	2015
41-17-10-300-056	BURGHERR RUDOLF TRUST	\$34,300.00			
41-17-10-300-062	MORGAN ELEANOR, CLEON & DONNA	\$32,700.00	General Improvements	\$75,000.00	2015
41-17-10-300-064	STONECLIFFE PROPERTIES LLC	\$27,800.00	General Improvements	\$75,000.00	2015
41-17-10-300-065	MCPHEE DONALD & HAZEL TRUST	\$57,400.00	20 unit condos	\$2,000,000.00	2015
41-17-10-300-066	CONE JANICE & BAKER NADINE	\$38,500.00	General Improvements	\$75,000.00	2015
41-17-10-300-069	SUTTON VERNIE E JR & GARRARD SUSAN K	\$21,200.00	General Improvements	\$75,000.00	2015
41-17-10-300-085	PFEIFLE HENRY JR TRUST	\$60,700.00			
41-17-10-300-086	BENHAM JAMES E & TIEMAN MARY ELLEN	\$45,500.00	Upgrade Improvements	\$70,000.00	2010
41-17-10-301-007	BENHAM JAMES E & TIEMAN MARY ELLEN	\$32,000.00	Upgrade Improvements	\$70,000.00	2010
41-17-10-301-008	HENGHELD PAUL	\$17,500.00	Upgrade Improvements	\$70,000.00	2010
41-17-10-301-011	BENHAM JAMES E & TIEMAN MARY ELLEN	\$18,400.00	Upgrade Improvements	\$70,000.00	2010
41-17-10-301-012	SAGANTE RANDALL	\$6,300.00	Upgrade Improvements	\$70,000.00	2010
41-17-10-301-014	SAGANTE RANDALL	\$112,200.00	Upgrade Improvements	\$70,000.00	2010
41-17-10-301-015	SAGANTE RANDALL	\$5,900.00	Upgrade Improvements	\$70,000.00	2010

41-17-10-301-018	BERAKOVICH KARL	\$70,200.00	Upgrade Improvements	\$70,000.00	2010
41-17-10-301-019	FAIRBAIRN W W & SONS INC	\$47,800.00	Upgrade Improvements	\$70,000.00	2010
41-17-10-301-022	FAIRBAIRN W W & SONS INC	\$91,900.00	Upgrade Improvements	\$70,000.00	2010
41-17-10-301-025	WALDRON JOHN & NANCY	\$35,400.00			
41-17-10-301-026	HENDERSHOT ALLEN K & GAIL G	\$3,800.00			
41-17-10-301-027	REID NICHOLAS J & PENNIE	\$30,300.00			
41-17-10-301-028	ALANSON IMPROVEMENT GROUP	\$102,200.00			
41-17-10-301-029	FOUX WALTER J JR & EMMA J	\$37,400.00	New Improvements	\$50,000.00	2010
41-17-10-301-030	SHEAFFER AMY L	\$39,500.00	New Improvements	\$50,000.00	2010
41-17-10-301-032	VANTILBURG CATHERINE	\$42,700.00	New Improvements	\$50,000.00	2010
41-17-10-301-034	FIRST FEDERAL OF NORTHERN MICH	\$81,000.00	New Construction	\$375,000.00	2015
41-17-10-301-035	ZOERHOF WILLIAM N	\$5,200.00	New Improvements	\$50,000.00	2015
41-17-10-301-036	STRABEL JAMES & SUSAN	\$34,400.00	New Construction	\$375,000.00	2015
41-17-10-301-038	ZOERHOF WILLIAM N	\$45,600.00	New Improvements	\$50,000.00	2010
41-17-10-301-040	FIRST FEDERAL OF NORTHERN MICH	\$3,200.00	New Construction	\$375,000.00	2015
41-17-10-301-044	SHEAFFER AMY L	\$6,800.00			
41-17-10-301-045	LICHILUS HERMAN W	\$40,700.00			
41-17-10-301-047	SPADE GEORGE L & NORMA	\$46,900.00			
41-17-10-301-049	VILLAGE OF ALANSON	\$0.00			
41-17-10-301-050	VILLAGE OF ALANSON	\$0.00			
41-17-10-301-052	TOWNSHIP OF LITTLEFIELD	\$0.00			
41-17-10-301-054	KARRIGER MAURICE & NANCY TRUST	\$89,500.00	New Construction	\$375,000.00	2015
41-17-10-301-055	TOWNSHIP OF LITTLEFIELD & VILLAGE	\$0.00			
41-17-10-301-056	TOWNSHIP OF LITTLEFIELD	\$0.00			
41-17-10-301-057	SIRVAITIS JOHN & THERESA	\$122,200.00	New Improvements	\$50,000.00	2010
41-17-10-301-058	VILLAGE OF ALANSON	\$0.00			
41-17-10-301-059	LAMBERT MICHAEL & HELEN	\$45,700.00			

13

41-17-10-301-060	LAMBERT MICHAEL & HELEN	\$55,800.00				
41-17-10-302-001	WHITTENACK GARY & PHILIP	\$4,500.00				
41-17-10-302-002	VILLAGE OF ALANSON	\$0.00				
41-17-10-302-003	NURGHERR ROBERT & CHRISTINA	\$31,300.00				
41-17-10-302-004	MORAN JAMES J & LINDA J	\$34,500.00				
41-17-10-302-005	GROBASKI PRESTON W	\$32,600.00				
41-17-10-310-003	FAIRBAIRN THOMAS SR & MARILYN TRUST	\$6,800.00	Upgrade Improvements	\$58,333.00		2015
41-17-10-310-004	FAIRBAIRN THOMAS SR & MARILYN TRUST	\$3,600.00	Upgrade Improvements	\$58,333.00		2015
41-17-10-310-007	ALANSON BEAUTIFICATION CENTER Inc	\$0.00				
41-17-10-310-009	TRIPLE J SELF SERVE Inc	\$204,500.00				
41-17-10-310-010	VILLAGE OF ALANSON	\$0.00				
41-17-10-310-011	TRIPLE J SELF SERVE Inc	\$5,500.00				
41-17-10-310-012	SUTTON VERNIE E JR & JOANNE M	\$105,400.00	Upgrade Improvements	\$58,333.00		2015
41-17-10-310-015	KOVACS JERRY J & KAREN E	\$29,200.00				
41-17-10-310-016	STAHL LES-LEE K	\$18,400.00				
41-17-10-310-017	BRILL DON	\$21,700.00				
41-17-10-310-018	BRILL DON	\$448,500.00				
Total		\$5,284,500.00		\$27,050,000.00		



MAP 1
DDA DEVELOPMENT AREA

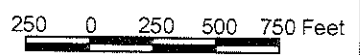
LEGEND
 DDA District

SOURCE: EMMET COUNTY GIS COMPUTER MAPPING

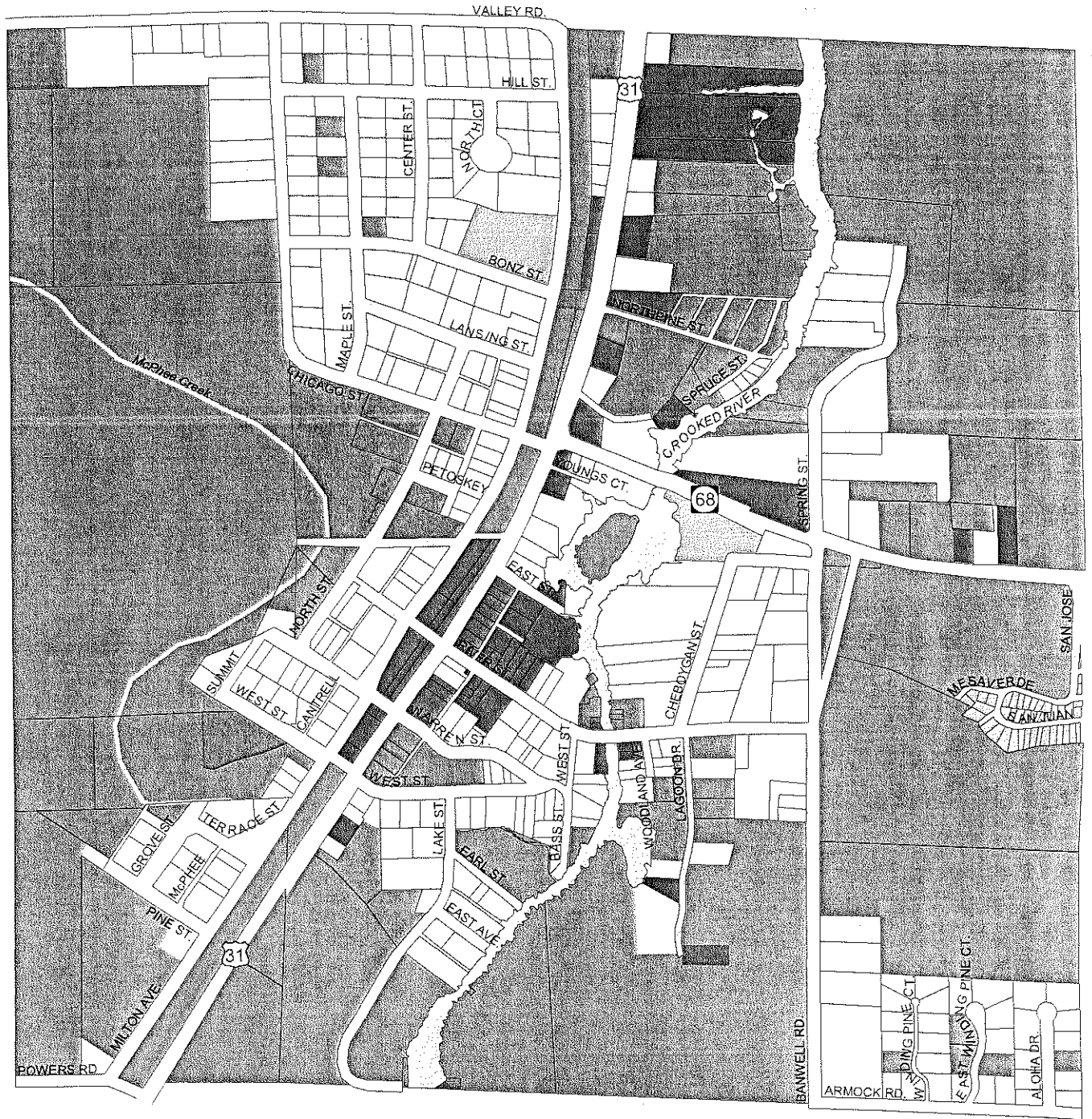
DDA PLAN
VILLAGE OF ALANSON
 EMMET COUNTY, MICHIGAN



WADETRIM
 271 West McCoy Road
 Gaylord, Michigan 49735
 989.732.3584








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MAP 2 EXISTING LAND USE / LAND COVER

LEGEND

-  RESIDENTIAL
-  COMMERCIAL
-  MOBILE HOME PARK / MULTI-FAMILY / RV PARK
-  RECREATION
-  INSTITUTIONAL
-  WOODLAND / VACANT
-  WATER
-  UNDEVELOPED ROADS
-  PRIVATE ROADS

SOURCE: EMMET COUNTY GIS COMPUTER MAPPING,
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
(MDNR) 1992 DIGITAL ORTHOPHOTOGRAPHY,
WADE-TRIM FIELD CHECK MAY 2002

DDA PLAN VILLAGE OF ALANSON EMMET COUNTY, MICHIGAN

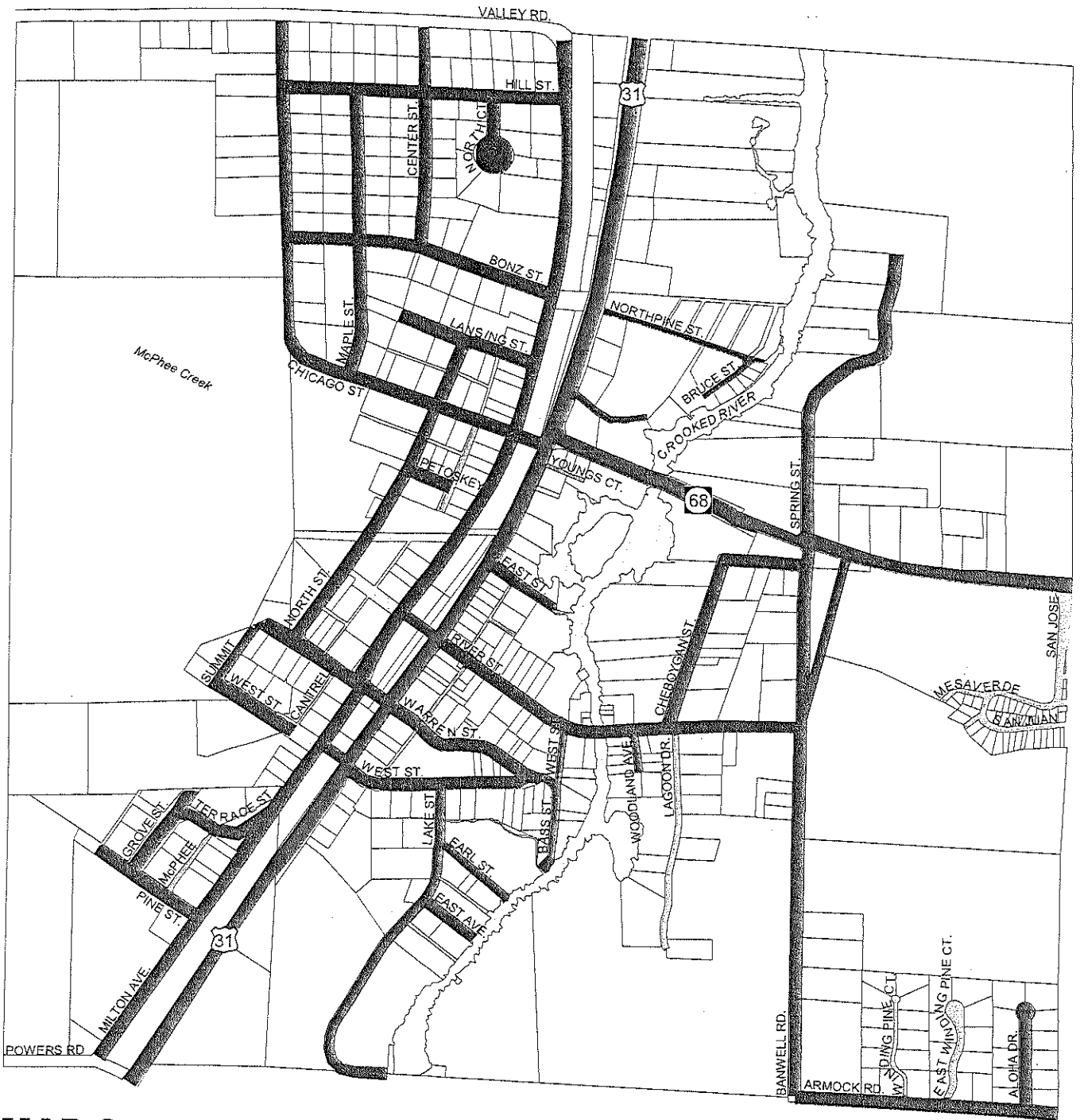


271 West McCoy Road
Gaylord, Michigan 49735
989.732.3584









250 0 250 500 750 Feet

09/12/05



MAP 3 TRANSPORTATION NETWORK

LEGEND

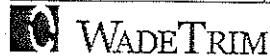
-  STATE TRUNKLINES
-  MAJOR STREETS
-  LOCAL STREETS
-  PRIVATE ROAD
-  ALLEYS IN USE
-  DESIGNATED EASEMENTS,
ALLEYS NOT IN USE, AND
UNDEVELOPED STREETS

SOURCE: EMMET COUNTY GIS COMPUTER MAPPING

DDA PLAN

VILLAGE OF ALANSON

EMMET COUNTY, MICHIGAN



271 West McCoy Road
Gaylord, Michigan 48735
989.732.3584



250 0 250 500 750 Feet



09/12/05

Bylaws for the Village of Alanson Downtown Development Authority

I. The name of the organization shall be called the Village of Alanson Downtown Authority.

II. Board of Directors

According to Act 197 of 1975, which establishes Downtown Development Authority's 125.1654 Sec 4.

(1) "The authority shall be under the supervision and control of a board consisting of the chief executive officer of the Village of Alanson and not less than 8 or more than 12 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an interest in property located in the downtown district. Of the members first appointed, an equal number of the members, as near as it's 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. ~~X~~ Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board."

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

~~X~~ (3) "The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meeting act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. The board shall adopt rules consistent with Act No. 267 of the Public Acts of 1976 governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board."

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

III. Officers

According to 125.1655 of Act 197 of 1975 Sec 5.

(1) "The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of his office, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the penal sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filled with the municipal clerk. The premium on the bond shall be deemed and operating expense of the authority, payable from funds 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 of the board, and shall render to the board to the governing body of the municipality a regular report covering the activities financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person a acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires."

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

(3) "The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of the 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 duties delegated by the board."

IV. Committees

The board may appoint standing and ad hoc committees as needed.

V. Meetings

Regular meetings shall be held once a month at the time set by the board.

Special meetings can be called by the chief executive officer of the municipality or the chairman of the board or the director of the board if one is in place or by a majority of the Board.

Agendas shall be provided at the meeting.

VI. Rules of order

Roberts Rules of Order for Small Assemblies: Commissions, Boards, and Committees shall be followed except for passage of a motion of the board, which will require a simple majority of those present.

VII. Voting

(a) A majority of board members constitutes a quorum. (b) In absence of a quorum, no formal action shall be taken except to adjourn the meeting to a subsequent date.

VIII. Conflict of interest

Any member of the board who has a financial, personal, or official interest in or conflict (or appearance of a conflict) with any matter pending before the Board, of such nature that prevents or may prevent that member from acting on the matter in an impartial manner, will offer to the board to voluntarily excuse him/herself and will vacate his seat and refrain from discussions and voting on the said item.

IX. Fiscal Policies

The fiscal year of the board shall be from March 1 to February 28.

X. Dissolution of the Authority

According to 125.1689 of Act 197 of 1975 Sec 30

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

XI. Amendments

These bylaws may be amended by a two-thirds vote of board members present at any meeting, provided a quorum is present and provided a copy of the proposed amendmend(s) are provided to each board member at least one week prior to said meeting.

These By-laws were past on November 9, 2009

The motion to put into place these by-laws was made by Ray Peurasaari the motion was seconded by Michael Lloyd

The motion carried by a unanimous vote of the board members present.

Signed by _____

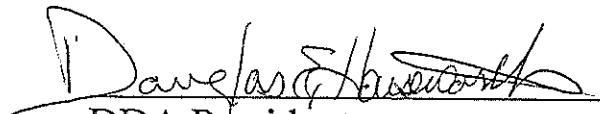
Genevieve Lloyd DDA Secertary

Village of Alanson
Downtown Development Authority
Bylaws

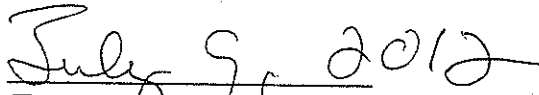
The Downtown Development Authority hereby amends
Section 10 of the bylaws – “Disillusionment of Authority”

In the bylaws adopted November 9, 2009 by unanimous vote to read, the Alanson DDA is and shall remain non-profit forever or until disillusionment. All assets in real and personal property remaining after the satisfaction of obligations will revert to the Village of Alanson, Michigan, County of Emmet.

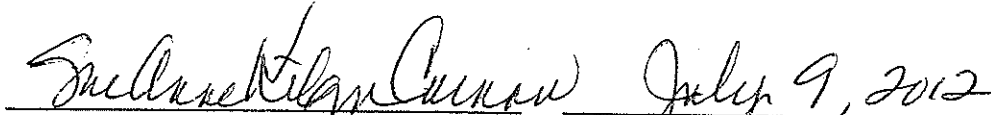
This amendment was passed by unanimous vote of a quorum of members on July 9, 2012 at a DDA Meeting.



DDA President



Date



DDA Secretary



Date

The Alanson Downtown Development Authority Board was appointed and 1st meet on 10/21/2004

*Denotes members who have an interest in property or business in the DDA

Original Board Length of term

10/21/2004

Doug Houseworth* 1 year

Tom Fairbairn Jr.* 1 year

Tom Kuchnicki 2 years

Karl Berakovich* 2 years

Dave Stepanovich* 3 years

Jerry Kovacs* 3 years

Jeff Karriger* 4 years

Genevieve Lloyd* 4 years

4/11/2005 John Sirvatis* appointed for a 1 year term

4/11/2005 Lisa Schofield* appointed for a 4 year term

DDA Board Members Length of Term remaining

*Denotes members who have an interest in property or business in the DDA

10/10/2005

Doug Houseworth*	4 years	
Tom Fairbairn Jr.*	4 years	
Tom Kuchnicki	1 year	
Karl Berakovich*	Removed	
Dan Pleseneia replaced Karl	1 year	
Dave Stepanovich*	Resigned	
Jerry Kovacs*	2 years	
Jeff Karriger*	3 years	
Genevieve Lloyd*	3 years	
John Sirvatis*	1 year	
Lisa Schofield*	4 years	Resigned on 8/14/2006
9/11/2006	Paul Cottie appointed to replace Lisa Schofield	

DDA Board Members Length of Term remaining

*Denotes members who have an interest in property or business in the DDA

10/09/2006

Doug Houseworth*	3 years	
Tom Fairbairn Jr.*	3 years	
Tom Kuchnicki	4 years	
Dan Pleseneia	4 years	
Jerry Kovacs*	1 year	
Jeff Karriger*	2 years	2/12/2007 Removed
Janel Anderson replaced Jeff Karriger		2/12/2007 1 year
Genevieve Lloyd*	2 years	
John Sirvatis*	4 year	
Paul Cottie*	3 years	



DDA Board Members Length of Term remaining

*Denotes members who have an interest in property or business in the DDA

10/08/2007

Doug Houseworth* 2 years

Tom Fairbairn Jr.* 2 years

Tom Kuchnicki 3 years 05/25/2008 Resigned

06/09/2008 Michael Lloyd appointed to replace Tom Kuchnicki 2 years

Dan Pleseneia 3 years

Jerry Kovacs* 4 year

Janel Anderson 1 year

Genevieve Lloyd* 1 years

John Sirvatis* Resigned

Paul Cottie* Resigned

04/14/2008 Ray Peurasaari* appointed for a 4 year term

DDA Board Members Length of Term remaining

*Denotes members who have an interest in property or business in the DDA

10/13/2008

Doug Houseworth* 1 years

Tom Fairbairn Jr.* 1 years

Michael Lloyd 2 years

Dan Pleseneia 2 years 5/30/2009 Resigned

Linda Harris appointed to replace Dan Pleseneia 1 year

Jerry Kovacs* 3 years

Janel Anderson 4 years

Genevieve Lloyd* 4 years

Ray Peurasaari* 3 years

08/10/2009 Kathy McCall* appointed to a 4 year term

DDA Board Members Length of Term remaining

*Denotes members who have an interest in property or business in the DDA

10/12/2009

Doug Houseworth*	4 years
Tom Fairbairn Jr.*	Resigned
Michael Lloyd*	1 year
Linda Harris	1 year
Jerry Kovacs*	Resigned
Dr. Bill Zoerhof*	to replace Jerry Kovacs 2 years
Janel Anderson	3 years
Genevieve Lloyd	3 years
Ray Peurasaari*	2 years
Kathy McCall*	4 years

DDA Board Members

Length of Term remaining

*Denotes members who have an interest in property or business in the DDA

10/11/2010

Doug Houseworth*	3 years
Michael Lloyd*	4 years
Linda Harris	4 years
Dr Bill Zoerhof*	Resigned
Janel Anderson	2 years
Genevieve Lloyd	2 years
Ray Peurasaari*	1 year
Kathy McCall*	4 years



DDA Board Members

Length of Term remaining

*Denotes members who have an interest in property or business in the DDA

10/10/2011

Doug Houseworth	2 years -Resigned 9/2011
Michael Lloyd*	3 years - Removed 05/2011
Marvin Blumke*	3 years - Replaced Michael Lloyd 05/2011
Linda Harris	3 years - Resigned 05/2011
Janel Anderson	1 year
Genevieve Lloyd*	1 year
Ray Peurasaari*	4 years
Kathy McCall*	2 years

*Revised 09/2012
see revision*

DDA Board Members

Length of Term Remaining

*Denotes members who have an interest in property or business in the DDA.

10/10/2011

Doug Houseworth

2 years – Resigned 09/2011
2 years - Reinstated 10/2011

Michael Lloyd*

3 years – Removed 05/2011

Marvin Blumke*

3 years – Replaced M. Lloyd 05/2011

Linda Harris

3 years – Resigned 05/2011

Janel Anderson

1 year

Genevieve Lloyd*

1 year – Resigned 01/2012

Kathy McCall*

2 years – Replaced L. Harris 05/2011

Ray Peurasaari*

4 years – Deceased 05/2012

Phil Peurasaari*

4 years – Replaced R. Peurasaari
06/2012

Sue Anne Kilgore-Curnow

1 year - Replaced G. Lloyd 01/2012

? David Marvin*

1 year

Heather Armock*

1 year

Paul Cottee, Sr.*

1 year - Reinstated 02/2011

Julie Peurasaari*

Revision 09/2012

9 5*

Tom
Dude

Roberts Rules of Order for Small Assemblies: Commissions, Boards and Committees
A method of keeping order and speeding up the process

By

Gurdon H. Buck, AICP¹

Small Assemblies.

If a municipal administrative commission, or even the municipality itself has adopted *Roberts Rules of Order Newly Revised* ("RONR") or it names "Roberts Rules of Order" with some reference to the latest version, RONR is the rule of the assembly and all of its commissions, boards and committees. In some bylaws of commissions, RONR are designated as the rules of order for the association.

The general rules for a large assembly is to following the agenda, making motions, amendments and votes for adoption (although a show of hands is appropriate rather than the formal Roberts standard of standing) apply equally well to a board or committee. However, under RONR the rules of order for a small meeting or assembly (less than a dozen or so people) are much more informal and pragmatic and should be used by the chair of the board or committee to speed matters along.

In a board, commission or committee of around a dozen or less members, the *Roberts Rules of Order Newly Revised* mandates significantly different rules of order which are less formal, and can speed up deliberations.

RONR indicates that board, commission and committee meetings should *not* be conducted with the formality of a large assembly. However, it is important to emphasize again, that if the bylaws of the commission or board, or the procedural rules of the municipality adopt *Roberts Rules of Order, Newly Revised*, the following *are* the rules of order for boards and committees unless the commission, board or committee specifically adopts other rules.

A general rule for boards or committees is that they can not transact business except at a regularly called meeting, noticed to all members, or an adjournment. The state statutes govern the form, timing and publication of the notices. They can not act without a quorum, (a majority unless the bylaws of the commission provide otherwise). They should follow their agenda, unless there is a vote to take a matter out of order. A telephone meeting is only binding if all of the members can hear and participate in the debate and the rules permit it. If telephone approval is obtained one member at a time in an emergency, the resolution has not been formally adopted; proceeding under it is at the peril of the officer doing so, because the resolution must be ratified at a regular meeting where it can be amended.

¹ Of Hartford, and the Connecticut Bar. He is at Robinson & Cole, LLP, and can be reached at 860 275 8222, e-mail gbuck@rc.com. Copyright 2004, G. H. Buck, used with permission.

Minutes of the commission, board or committee must be kept by the secretary or clerk. Like any minutes they only consist of the resolutions passed, actions of the chair and the reports received by the assembly. They do not cover the substance of discussions or arguments if that substance was not adopted by the board or committee. They do not cover testimony in hearings or side discussions. These are not actions of the meeting. The minutes are only available to the members of the commission, board or committee, unless it votes to provide them to others, or if at the meeting of the superior assembly, the board or committees minutes are ordered to be produced and read to the assembly's meeting. If no notice of the vote to produce the minutes has been given in the call of the meeting, the vote will require a two-thirds vote because the assembly is varying the rules. Upon adoption or acceptance of the minutes, they become an official record and are to be made available as the record of the official action of the assembly. Until then, the draft minutes are the personal notes of the secretary, and although under the Freedom of Information Act, state and municipal agency minutes may be required to be made public, they do not represent the action of the commission, board or committee.

Certain requirements of RONR for large assemblies do *not* apply to meetings of commissions, boards and committees of less than a dozen or so members. The Rules and exceptions are called the rules of order for small assemblies. However, the following RONR modifications to the Rules for small assemblies are significant and, to my recollection, are seldom considered in meetings of commissions, committees and small boards. RONR actually points out that some of the formality that is required to keep a large assembly on course and in order would hinder business at a small meeting. These modifications for smaller assemblies are as follows:

- Members are not required to obtain the floor before speaking or making a motion, which can be done while seated. The chair merely recognizes the person.
- Motions need not be seconded, although the chair should repeat the motion so that the meeting knows what is being talked about and before there is a vote, the proposed resolution should be repeated by the chair unless the resolution is clear. (A long motion should be in writing to assist the chair.)
- There is no limit on the number of times that a person can speak, although in boards and committees it is not proper for a member to speak if a person who has not spoken wishes to be recognized. It is never proper to interrupt.
- Informal discussion on a topic is permitted, even though no motion is pending. (It is required, however, to stick to the agenda.)
- When a proposal is perfectly clear to the assembly, a vote can be taken without a motion having been made, but the chair is responsible for expressing the resolution before it is put to a vote.
- The chair need not rise while putting questions to a vote.
- The chair can participate in the discussion and unless there is a rule or custom of the board or committee to the contrary, can make motions and vote.
- In order to have the benefit of the committee's or board's matured judgment, no motions to close or limit debate (such as "calling the question") are permitted.

Generally a "commission" or "board" has independent power to pass binding resolutions, on which action must be taken, while a "committee" does not. In the municipal context, only the specifically appointed and enabled board or commission has the power to undertake actions within its enabling authority. That power can not be delegated to a committee, unless the enabling authority specifically authorizes such actions. If a committee of the board reports to the commission or board, the board is the superior convening authority. However, if the committee reports to the town meeting or council, that meeting is the superior assembly. The superior assembly depends on which group appointed and charged the committee. Only the superior assembly can discipline members of a committee. However, if it is a commission or board with independent ability to take *binding actions*, it can *discipline its own members*.

If the board, commission or committee is to make substantive decisions or recommendations, it may permit interested persons to appear before it and provide information. This is called a *hearing*. In a hearing, the board or committee does not deliberate, make decisions nor should the members express positions of policy. However, members can ask questions with the chair's permission. During deliberations, unless the bylaws or statutes require that the meeting be open, only members of the committee should be present.

In a commission, board or committee, the accepted process for all assemblies under RONR, of passage of a "motion without objection" can particularly speed the up the process. For instance, if the chair feels that the board or committee has reached consensus and there are no objecting parties, the chair can ask that the motion be adopted, "without objection." As in a large assembly, any person can object and then the motion will continue to be open for debate. If not, silence means that the resolution has been adopted unanimously.

Business of a commission, board or committee with a long agenda can also be speeded by having a "consent calendar" that lists all of the chair's or manager's suggested resolutions, which are thought to be able to be passed on a routine manner. The consent calendar is often called at the beginning of the meeting, after the chair calls the meeting to order. Thus, the whole consent calendar is called at once by the chair for passage "without objection" and if any member wishes to discuss or debate an item, the member points out the objection or wish to debate, and the item is then removed from the consent calendar and placed under new, or if already having appeared at a previous meeting, old business. If the consent calendar is passed without objection, the minutes will reflect that the motions were all passed unanimously. Great numbers of routine matters can be passed in a few moments. In meetings, such as organization meetings where only boiler plate motions must be passed, the whole meeting can be passed by consent and concluded in short order. Commissions often have routine recommendations of staff as to reductions of bonds, continuation of periods for submission, etc., and the consent calendar can speed those matters up without losing the right of any commission, board or committee member from taking the matter off of the consent calendar and putting the issue to debate.

Small Assemblies, Special Characteristics of Committees.

Committees of meetings, commissions or boards can be appointed by resolution of the meeting, commission or board, or if the bylaws include standing committees, the appointment can be

made under the bylaw provision. Committees can be as few as a single person, who can have a fact-finding or hearing function or if the task is substantial, the committee can be several persons.

When the committee makes a report to the superior commission, board or body for action, the recommendations should be in writing. The reporting committee can include the reason for the recommendation, but unless the board or committee has adopted the report as a whole, the reasons should be only those of the person reporting. If the report requires an action for the superior assembly, the report should end with the wording of a motion. It is also a good idea that if a committee report is to end with a proposal for action, this proposal should be summarized in the beginning of the report as well.

Generally a commission, board or committee with a "power" can not shirk its duty by taking its powers and submitting them to the superior assembly or a plebiscite of the attendees at a hearing for a vote and ratification. For instance, a zoning commission under the general statutes has the power of enacting zoning regulations. The municipality has only the power to enact or reject zoning as a whole. Thus the superior assembly, such as the town meeting or council, cannot change the zoning regulations, or be asked to revise or amend the zoning regulations.

However, as a part of its general powers of any assembly, any meeting of a committee can govern its debate, appoint subcommittees to make recommendations, convene and adjourn and discipline its members for actions relevant to the meeting. The convening commission or board does everything else.

If a committee consists of members of a large assembly, the motion to enact the recommendations to the superior assembly need not have a second, as it is presumed that other members of the committee approved the motion, and it would be considered automatically seconded.

Upon the making of the motion by the committee, the motion is debated, amended, and put to a vote under the rules of the superior assembly. Under the general rules of debate for a large assembly since the moving party can speak first and last, when the chair recognizes that everyone with a right and desire to speak has done so, the chair can recognize the committee reporting person for the last word.

For instance, if a committee of the commission were to report to the commission concerning an approval of a change to the regulations, at the time on the agenda when the particular committee's report was to be read, the reporting person (often the chair of the committee), would provide the background of the proceedings of the committee, the reasons for the recommendation, and conclude with a motion that the regulations be amended specifically, with language of the amendment, and that the commission notice and hold a hearing on the proposed amendment containing substantially terms as listed in the motion.

The committee report can be oral, but if the recommended motion consists of more than a few words, the proposed resolution should be in writing.

Then if the convening assembly was a commission or board, it could debate the motion under its abbreviated and informal rules and no second would be needed anyway.

Committees, as opposed to boards, are presumed to have no power to bind the assembly. However, a committee can be appointed "with power" to take designated activities and for those activities becomes an agent of the superior body provided that the superior body has the authority in its organization documents or enabling statutes to delegate such powers. If a committee is appointed to undertake the will of the superior body, it should be small and its members should be sympathetic with the action to be taken. However, if it is a fact-finding, study or deliberative committee, the committee should represent various viewpoints.

When a committee is appointed, all members should be notified and its charge and powers must be communicated. If it is a standing committee, its charge is permanent, and usually outlined in the bylaws or the minutes of the superior assembly establishing the committee. If it is a special committee, its charge is communicated and it goes out of existence when its job is done.

When a special committee has finished its business, it does not adjourn but a motion is made for it to "rise" and the chair to report the actions of the committee to the convening assembly. At that point the committee goes out of existence.

A standing committee remains in existence and usually reports its doings at the annual meeting. When it has finished its business for the year, it adjourns as it will remain in existence in the next year, possibly with new members.

When a committee adjourns without a date to re-assemble, it is deemed to have adjourned to meet at the call of the chair.

In a small committee the chair often also acts as secretary and will often take the most active role in the business of the committee.

Sometimes when a large assembly wants to make its proceedings informal, including the ability of people to have unlimited rights to speak, such as when the assembly is attempting to draft a complicated motion, it can move to adjourn and reconstitute itself as a committee of the whole, elect a special chair and after *deliberations and the drafting and wrangling* is over, "rise" (that is, go out of existence), and the assembly is re-convened, the elected chair reports to the assembly and the more formal rules then apply again.

Conclusion

Generally, these informal rules for commissions, boards and committees are rules of common sense. We have seen the process drag on and on as commissions, boards and committees tie themselves up in knots often over minor routine matters which could have been passed by consent. Robert's Rules of Order offers a system for reaching majority vote in a large deliberative assembly by providing order and permitting the assembly to reach majority conclusions in a swift and concise manner. By the chair's generous use of the "without objection" process, and not allowing everybody to speak and modify the resolution, a board or

committee can reach a swift consensus of the matter on the table. However, the minor modifications of RONR for boards and committees can make it easy for the chair to reach unanimous consensus and, obviously, a unanimous decision is always much better than that of a majority.

The only certain rules for a small assembly are: the chair is in charge and can speak and vote, people speak in order and as often as the chair permits and don't interrupt, no seconds or termination of debate motions are permitted, and the agenda is followed.

The purpose of the committee, board and small assembly rules are to facilitate reaching a consensus, while the general Robert's Rules of Order for regular assemblies are to facilitate reaching a majority decision.

Like any meeting, even the small assembly actions should be brought to conclusion and the action taken or rejected by the meeting. Without those basic elements, there is no meeting, there are no minutes (the meeting did not do anything) and all that occurred was a fortuitous gathering of citizens.