

**TAX INCREMENT FINANCING
AND
DEVELOPMENT PLAN**

**Sault Ste. Marie
Airport Property Area**

Prepared by
Sault Ste. Marie
Tax Increment Finance Authority
November 1986
Amended July 2003
Amended March 2009

Adopted by City Commission: December 15, 1986 (Ordinance 262-86)
Amended by City Commission: August 4, 2003 (Ordinance 470-03)
Amended by City Commission: April 20, 2009

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PREFACE TO THE AMENDMENT

In December 1986, the Sault Ste. Marie City Commission adopted the Tax Increment Financing and Development Plan for the Sault Ste. Marie Airport Property. The plan was given a 20 year life-span, with the plan set to terminate in 2006. Many of the improvement set forth in the original Phase I portion of the plan have been accomplished, however, several infrastructure improvements remain for the property. Some of these improvements are now underway or will be under construction in the near future in connection with a recent CDBG grant/loan obtained by the City.

Because improvements **WERE** still needed to accomplish the original purposes of the plan, **THE 2003 amendment WAS** for the specific purpose of extending the life of the plan by ten years, and in the process, better defining and articulating the improvements that will be funded by the plan.

FORMAT NOTES

As this is an amendment to the original plan, most of the language of the original **AND 2003 AMENDMENT TO THE** plan is left intact. The original format is retained, and specific language changes (or tables) are highlighted to identify the changes that are incorporated by this amendment.

Specifically, in the Development Plan, changes are made in Section C (clarification of the improvements to be undertaken in the plan), ~~Section D clarifying the use of certain Open Space in the plan, Section F (minor clarifications in the zoning changes proposed), Section J (clarification of language),~~ and updates and changes to Map 4 "Proposed Land Uses" and Table 1 "Development Plan Improvements."

In the Tax Increment Plan, changes are made in Section C and Section E (providing for the extended life of the plan), and on Table 1 "Tax Increment Projections" and Table 4 "Projected Impact of Tax Increment Financing Upon Taxing Jurisdictions."

INTRODUCTION

In 1980, Michigan enacted Public Act 450 (the Tax Increment Finance Authority Act). This Law was designed to provide a redevelopment financing tool for cities throughout the State which suffer the effects of declining tax base and unemployment. The Act was intended as a tool for cities to use in retaining and expanding their industrial job base which will subsequently help to eliminate the causes of urban deterioration.

Tax increment financing allows for cities to make public improvements in a specific redevelopment district that are necessary to induce and accommodate private development such as industrial, commercial and residential construction in that same district. The financing for these public improvements comes from the increase in property tax revenues generated by the new private development in the designated district.

The act requires that a City establish a Tax Increment Financing Authority (TIFA) to serve as the organization responsible to oversee the planning and implementation of the tax increment plan in conjunction with the development program. If a city currently has an Economic Development Corporation, the City can name that corporation as the Board of the Tax Increment Financing Authority. This provision of Act 450 allows a city to take advantage of this new development tool without necessarily having to create a new board, thus insuring coordination and continuity with existing development programs.

Once established, the TIFA has the responsibility to plan, arrange, finance and implement its development program in a variety of ways enumerated in the Law. The TIFA can issue both revenue bonds and tax increment bonds necessary to finance the eligible activities of the development program.

For some time, the Airport Property Area of the City has been recognized by both the City governing body and the EDC as a unique resource capable of playing a major part in the future development of the City. Over the past several years, a broad consensus has been reached on the development goals for this property. The EDC has refined a plan that provides for retention of a general aviation airport, a new air-industrial park and the development of some commercial properties.

With the use of tax increment financing, the public improvements necessary for the achievement of this plan will be able to be developed. And with the public improvements in place, new industrial and commercial development will be encouraged and assisted, and a significant improvement in the City's tax base and unemployment status will be possible.

**ECONOMIC DEVELOPMENT CORPORATION
OF THE CITY OF SAULT STE. MARIE**

TAX INCREMENT FINANCING AUTHORITY

Board of Directors

Chairman: Thomas Veum

Vice Chairman: Charles Litzner

Secretary: **KELLY BUNKER**

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Jeff Holt

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RANDY PINGATORE

Commissioner **RAY BAUER**
(Designated City Commission liaison)

DEVELOPMENT PLAN

This development plan specifies the public improvements that the EDC/TIFA feels will be instrumental in developing the Airport Property Area. The supporting information required by Public Act 450 of the 1980 is also included.

A. Boundaries of the Development Area

The general boundaries of the Development Area may be described as 8th Avenue West on the north; 24th Avenue West on the south; Meridian, Davitt Street and M-129 on the east and the general alignment of 8th Street West on the west. The property included in the development area is that property customarily used and considered as the municipal airport property.

The Development Area is identical to the Authority District, and is graphically depicted on Map 1 and particularly described as follows:

Several parcels of land located in Section 12 and 13, T47N, R1W and in Section 7 and 18 of T47N, R1E collectively known as the Sault Ste. Marie Municipal Airport property and described as follows:

Beginning at the centerpoint of Section 13, T47N, R1W; thence northerly a distance of approximately 2,640 feet to the Section line between Sections 12 and 13; thence westerly a distance of approximately 1,320 feet; thence northerly a distance of approximately 1,320 feet; thence easterly a distance of approximately 660 feet; thence northerly a distance of approximately 660 feet; thence westerly a distance of 330 feet; thence northerly a distance of approximately 660 feet; thence easterly a distance of approximately 330 feet; thence N 40— 25' 11" E a distance of approximately 1,050 Feet; thence southerly a distance of approximately 350 feet; thence S 72— 30' E a distance of approximately 2,010 feet along the centerline of 8th Avenue West to the easterly right-of-way line of Meridian Street; thence southerly a distance of approximately 1,320 feet to the centerline of 12 Avenue West "extended"; thence easterly a distance of approximately 630 feet; thence northerly a distance of 298 feet; thence easterly a distance of 471 feet; thence southerly a distance of 78 feet; thence easterly a distance of 157 feet; thence northly a distance of 78 feet; thence easterly a distance of 629 feet to the westerly right-of-way of Davitt Street; thence southerly a distance of 1,460.38 feet; thence S 45— 41' 25" W a distance of 1,170.04 feet; thence S 44— 18' 33" East a distance of 330.56 feet to the centerline of vacated Ryan Street; thence southerly a distance of approximately 450 feet; thence easterly a distance of 260.4 feet; thence southerly a distance of 166.6 feet; thence easterly a distance of 196 feet; thence southerly a distance of 166.6 feet to the centerline of 21st Avenue; then easterly a distance of approximately a distance of 220 feet; thence northerly a distance of 295.3 feet to the southerly right-of-way line of 20th Avenue; thence easterly a distance of 593.2 feet to the westerly right-of-way line of M-129; thence southerly a distance of 1,301.3 feet to the southerly right-of-way line of 24th Avenue; thence westerly a distance of 1,960.5 feet to the westerly right-of-way line of 3rd Street; thence northerly a distance of 697.2 feet; thence westerly a distance of approximately 1,950 feet; thence southerly a distance of approximately 660 feet to the centerline of 24th Avenue West; thence westerly a distance of approximately 1,320 feet to the point of beginning with in the City of Sault Ste. Marie, Chippewa County, Michigan.

B. Existing Public Improvements and Existing and Proposed Land Uses

With the exception of the municipal airport improvements (runway, taxiway, several hangar and related buildings and road utility access to the airport), the property is in an undeveloped state. Map 2 shows the location and extend of all public improvements in the Development Area.

Almost all the property within the Development Area is City-owned public property. Two other property owners have land within the Development Area: the US Government (owner of the US Weather Service facility) and a private owner of two small platted lots. The owners of the land parcels included in the Development Area are listed in Table 2. The existing public and private land uses are shown on Map 3.

The Proposed Land Uses are shown on Map 5.

Summary of Existing and Proposed Land Uses

	<u>Existing</u>	<u>Proposed</u>
Airport-related	239.80 ac	160.00 ac
Weather Service	6.68 ac	6.68 ac
Vacant/Unused	279.30 ac	-
Light Industrial	-	125.00 ac
Commercial	-	50.00 ac
Recreational	-	93.00 ac
Residential	-	84.00 ac
Public Rights-of-Way	<u>16.22 ac</u>	<u>30.00 ac</u>
TOTAL	542.00 ac	542.00 ac

C. Improvements

The total airport area development program is broken into two phases. Phase I encompasses about 307 acres of the entire 542 acre site and includes the development of approximately 85 acres of new industrial sites, 24 acres of commercial sites, 4 acres of housing, the 160 acre airport site and related roads and utilities. Twenty-four acres of recreation area are set aside in this phase.

The second phase primarily encompasses property to the southwest of the runway with another approximately 15 acres of commercial 20 acres set aside for housing and 120 acres set aside for recreation and potential office-research.

Other projects that are included in the plan amendment include additional hangars, **SUPPORT OF THE SAULT STE. MARIE SMART ZONE AND THE NEW INDUSTRIAL BUILDING THAT WILL HOUSE THE ZONE ("Breeder Building")**, **NEW PUBLIC SAFETY BUILDING**, infrastructure along 8th Avenue to open up property on the south side of that street, some provision for recreational development and maintenance, repair and upgrade of TIFA-funded projects.

The improvements are set forth on Table 1.

The improvements proposed are basic infrastructure needed to open the land for development. Roads, water lines, sewer lines, drainage systems, site preparation and

marketing expenses, and certain airport improvements are included. All such roads and utilities are prepared to be constructed to full City standards.

The improvements are intended to be constructed in concert with the Phases set forth in this Plan. All of the Phase I improvements will be completed before Phase II improvements are initiated. Specific projects in either Phase may be accomplished as tax increment funds become available, or increment funds may be held over for several years in order to permit the complete financing of a major portion -or all of a Phase.

D. Open Space and Uses

Certain lands shown on Map 4 "Proposed Land Uses" on both the northeast and the southwest side of the runway may be used for recreational purposes. A trail system is anticipated along the Ashmun Creek corridor on the southwest side, which will be articulated further in future years.

E. Transactions between City and EDC/TIFA

The Tax Increment Financing Authority will not sell, donate, exchange or lease any property to or from the City. The City will retain full control of all improvements, unless it elects to make other arrangements. In such a case, the City will abide by all applicable ordinances and laws. The TIFA will act as the City's agent in accomplishing the improvements and in implementing the plan.

F. Zoning

Most zoning changes consistent with the Proposed Land Uses (Map 4) have been accomplished. (The zoning changes are consistent with the City's adopted Master Plan for the City; and this airport area development has been coordinated with the City's Planning and Development Commission.) There will be some additional minor zoning changes along 8th Avenue and in Phase II as the new access road is developed to open land on the southwest side of the airport.

G. Changes in Streets, Street Levels, Intersections and Utilities

The changes in streets and utilities area as depicted on Map 5, Proposed Improvements. Detailed specifications of the proposed streets, intersections and utility systems will be developed as part of this program.

H. Residents in Development Area and Number to be Displaced

There are no residents in the Development Area.

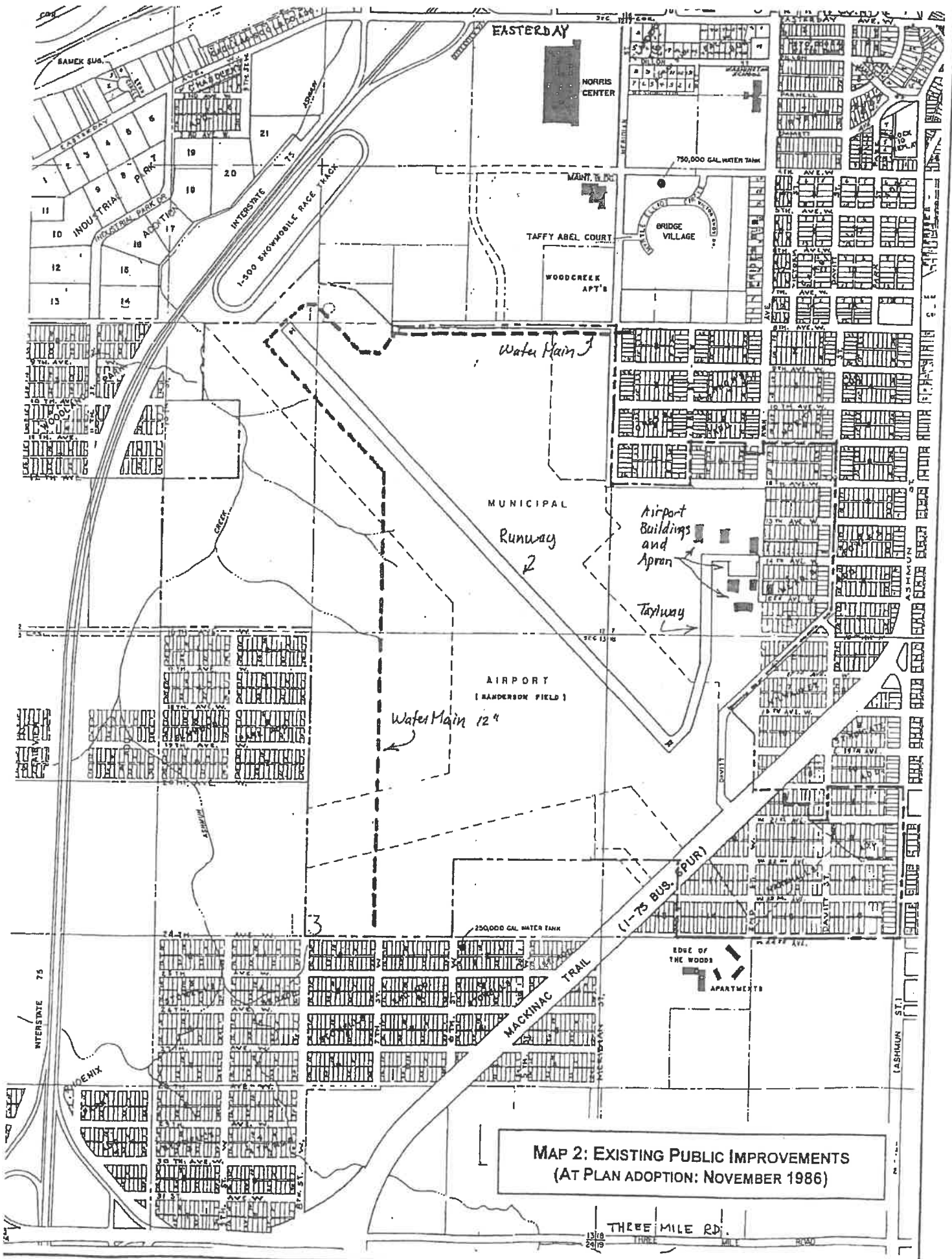
I. Businesses in Development Area to be Displaced

There are no businesses in the Development Area.

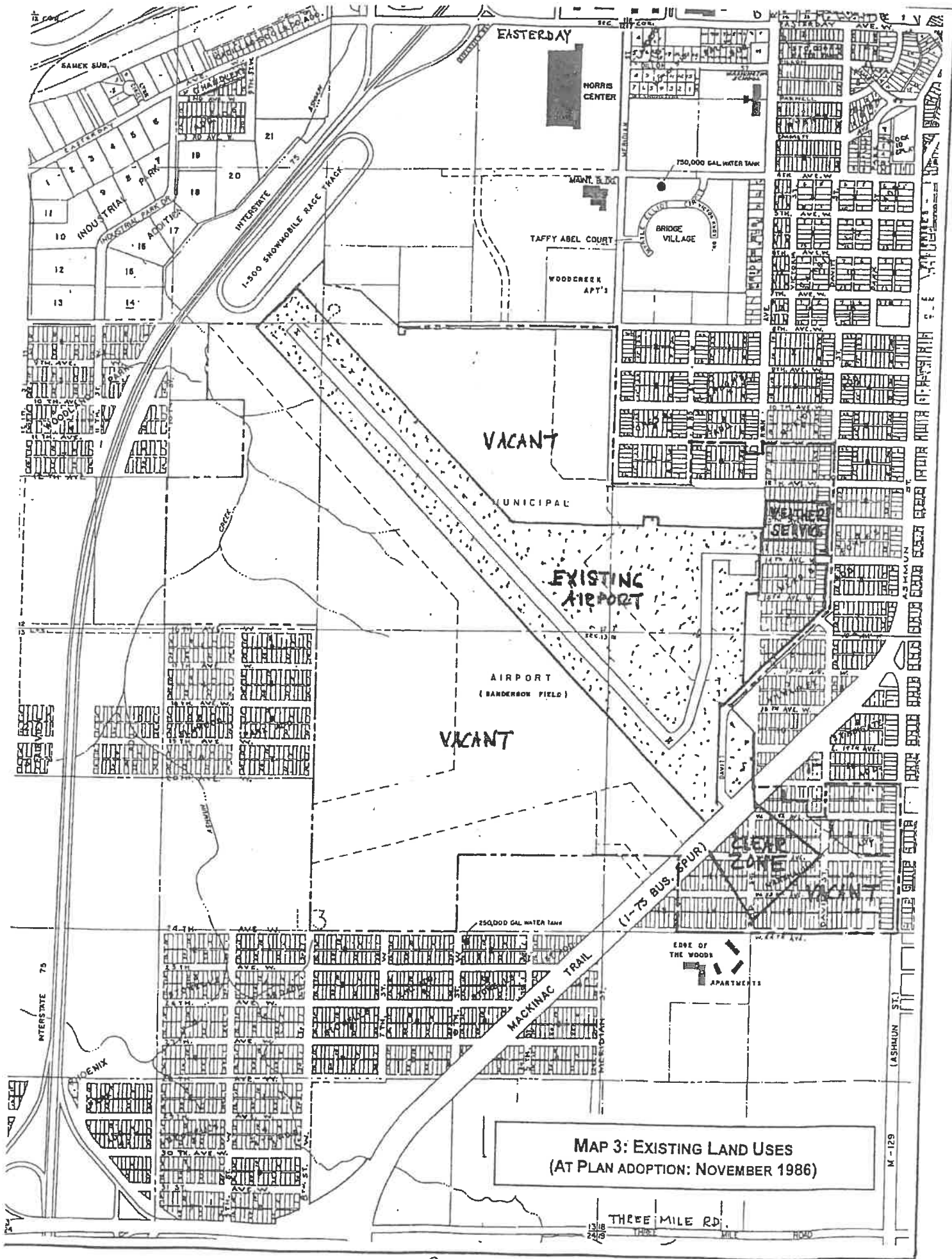
J. Disposition of Property

It is intended that upon completion of the improvements at each stage, the developed properties will be sold or leased to industrial, office or commercial entities.

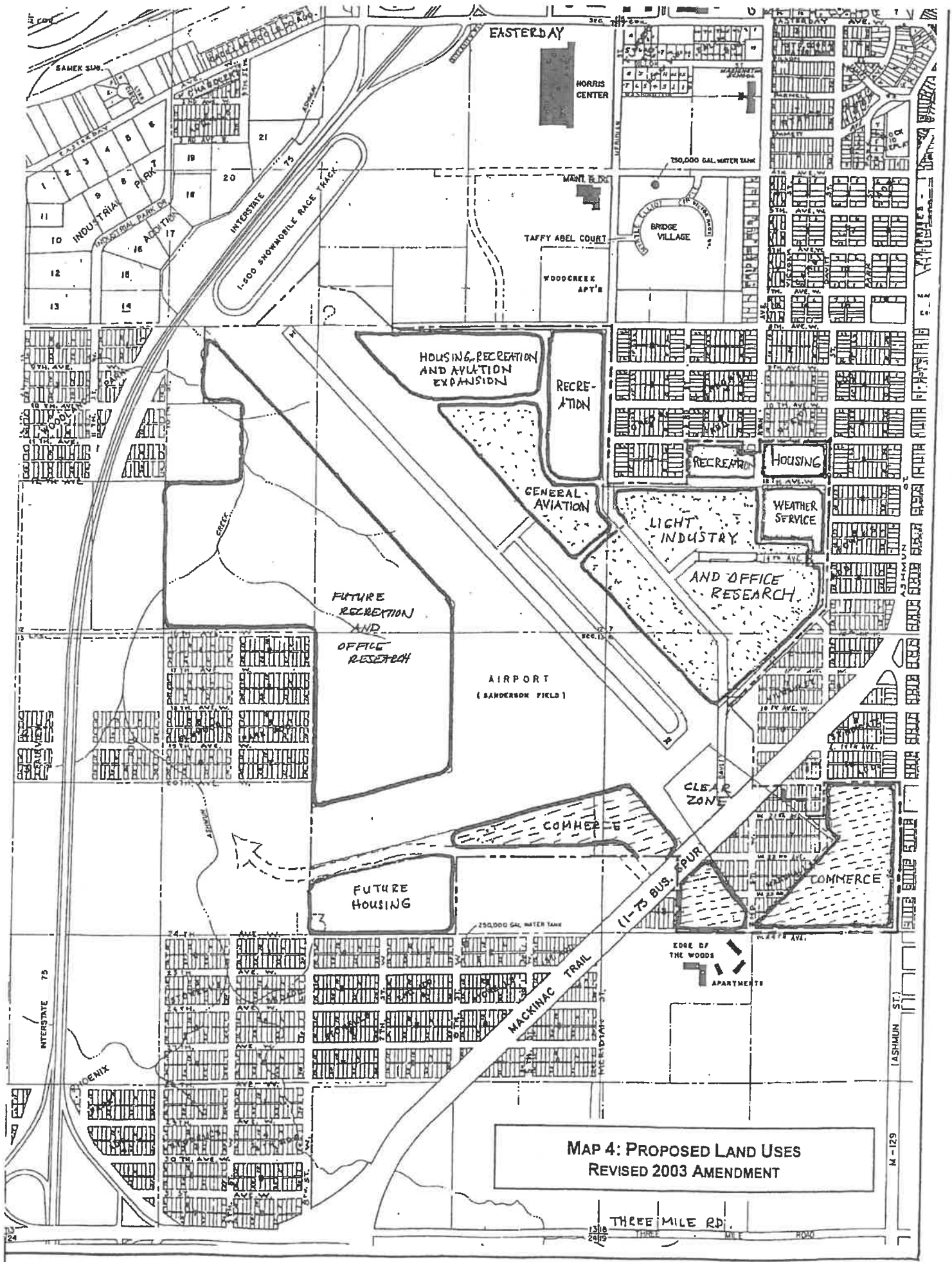
The procedure for such conveyance will be identical to the existing EDC procedures in dealing with the conveyance of City-owned land in the current City Industrial Park and other City properties managed by the EDC.

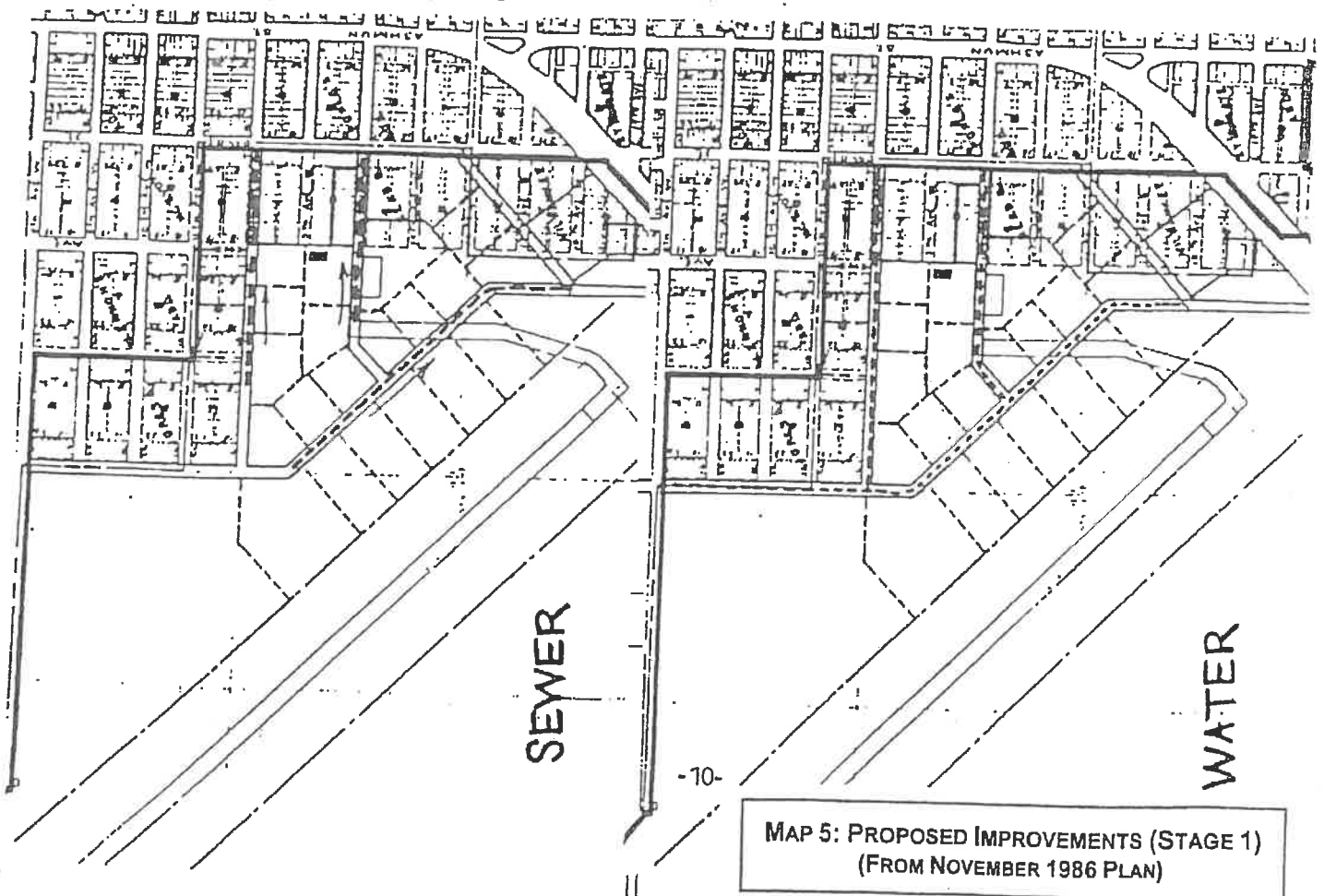
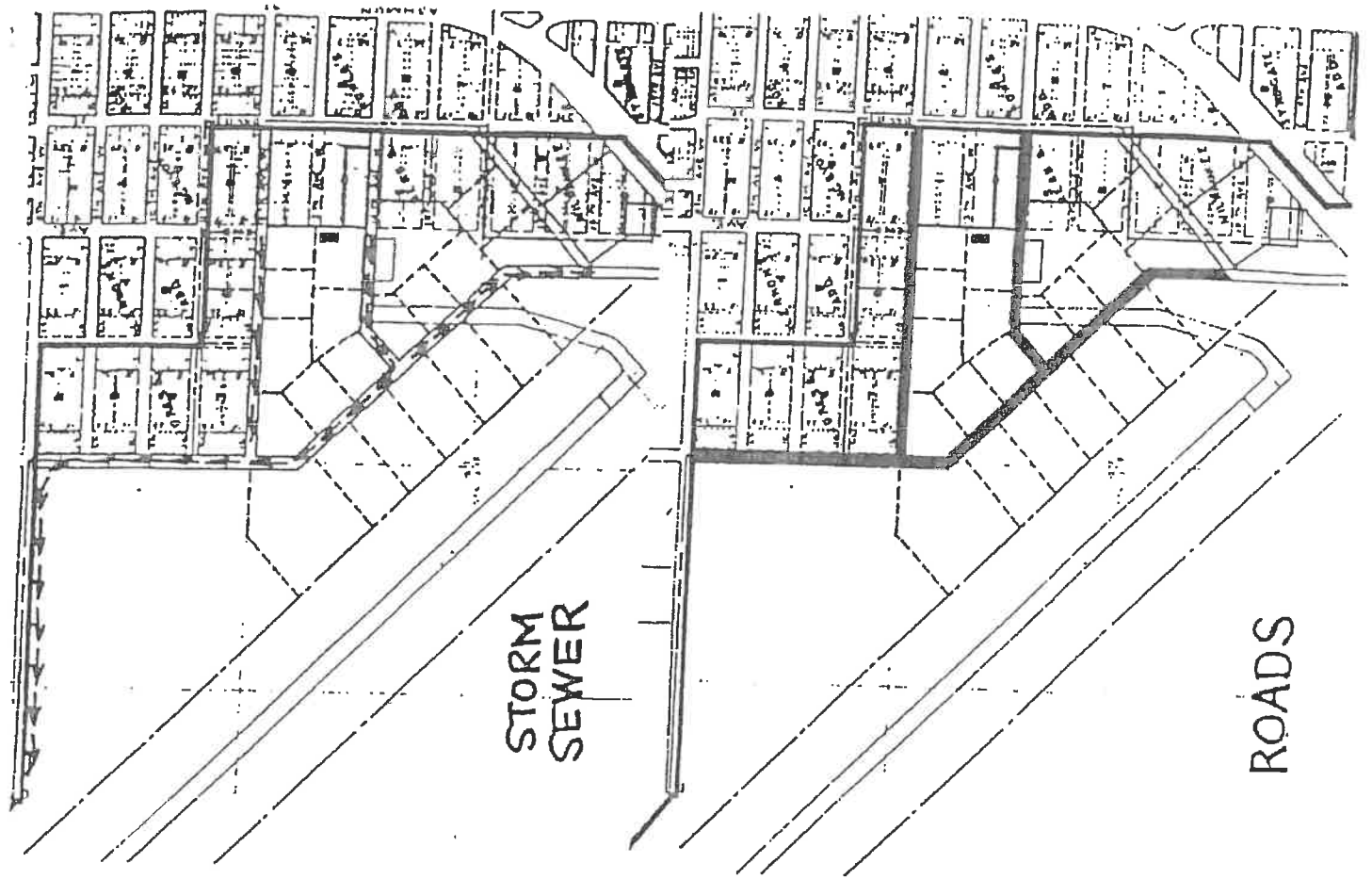


MAP 2: EXISTING PUBLIC IMPROVEMENTS
(AT PLAN ADOPTION: NOVEMBER 1986)



MAP 3: EXISTING LAND USES
(AT PLAN ADOPTION: NOVEMBER 1986)





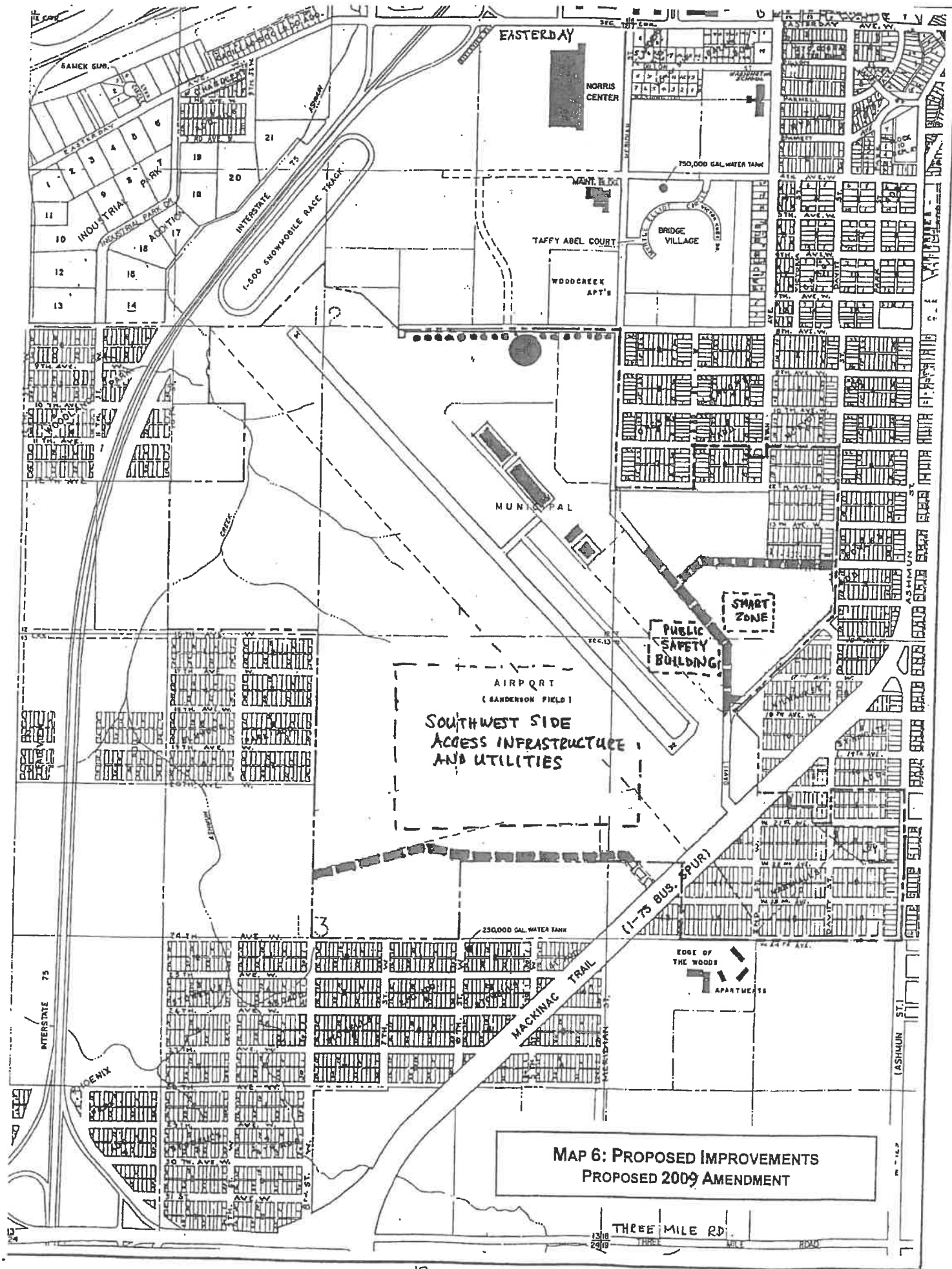


Table 1
DEVELOPMENT PLAN IMPROVEMENTS

1.	Completion of the Airport relocation, including hangars, taxi-lanes, equipment storage building and related and misc. airport improvements	\$1,010,000
a.	Estimated Hangar Debt payments	\$480,000
b.	Taxi-lanes	130,000
c.	Equipment Storage Building	200,000
d.	Other related and misc. improvements	200,000
2.	Completion of the road and utility infrastructure for remaining road access projects: Meridian extension and 1th Avenue.....	\$1,030,000
a.	Meridian Extension allowance	350,000
b.	14 th Avenue extension (1,400 feet)	680,000
3.	Land Preparation and Marketing.....	150,000
4.	SMARTZONE DEVELOPMENT.....	260,000
5.	Southwest side Access infrastructure/utilities.....	\$1,500,000
<u>Other Projects</u>		
1.	Additional Hangars.....	300,000
2.	8th Avenue utility infrastructure.....	600,000
3.	Recreation development.....	200,000
4.	Maintenance, repair and upgrade of TIFA improvements.....	200,000
5.	PUBLIC SAFETY BUILDING.....	5,000,000

Table 2
DEVELOPMENT PLAN
PARCEL DATA

No.	Tax Parcel	Owner	Area	1986 Assessed Value	Land Use
1.	see attached	City	518.86 ac.	Exempt	Airport and vacant
2.	175158300100	US Gov't	6.68 ac.	Exempt	U.S. Weather Service
3.	175150802500	Lewis Palmer 131 W. Gilman St. Madison, WI 53703	0.24 ac	<u>\$200</u>	Vacant
TOTAL.....				\$200	

Parcel Data - City Property

17-51-062-004-00	17-51-549-019-00
17-51-062-018-00	17-51-549-025-00
17-51-062-054-00	17-51-586-018-00
17-51-062-053-00	17-51-586-020-00
17-51-062-056-00	17-51-586-022-00
17-51-062-061-00	17-51-586-024-00
17-51-062-062-00	17-51-587-007-00
17-51-441-001-00	17-51-587-018-00
17-51-442-001-00	17-51-590-001-00
17-51-443-001-00	17-51-590-007-00
17-51-444-001-00	17-51-590-018-00
17-51-445-001-00	17-51-603-001-00
17-51-446-001-00	17-51-611-001-00
17-51-447-001-00	17-51-501-001-00
17-51-448-001-00	17-51-502-010-00
17-51-451-001-00	17-51-502-016-00
17-51-452-001-00	17-51-503-001-00
17-51-453-001-00	17-51-504-001-00
17-51-454-001-00	17-51-505-001-00
17-51-455-001-00	17-51-506-001-00
17-51-456-001-00	17-51-507-001-00
17-51-457-001-00	17-51-508-001-00
17-51-458-001-00	17-51-508-007-00
17-51-063-001-00	17-51-508-018-00
17-51-063-011-00	17-51-508-027-00
17-51-062-063-00	17-51-509-001-00
17-51-037-024-00	17-51-510-001-00
17-51-428-003-00	17-51-511-001-00
17-51-428-016-00	17-51-514-001-00
17-51-549-001-00	17-51-515-001-00
17-51-549-005-00	17-51-516-001-00
17-51-549-008-00	17-51-587-001-00

TAX INCREMENT FINANCING PLAN

This plan explains the financing procedures that will be used to pay for the projects presented in the development plan for the Development Area. Necessary supporting information is also supplied to the extent possible at this time.

A. Tax Increment Procedure

Tax increment financing is a means by which a city can redistribute tax revenues to an area of special need, for the purpose of revitalizing or developing it. This is the procedure: A specific area within the Authority District boundaries is selected for development. A development plan is written which outlines the projects that the Authority believes should be constructed. When a tax increment financing plan is used to raise money for the projects, the Authority measures the total assessed value of all the real and personal property within the development area boundaries. This total is the initial assessed value of the development area. Each year thereafter, the assessed value of the development area is re-totaled. If the new total is larger than the initial assessed value (first year of plan), the difference between the two is called the captured assessed value. The captured assessed value is very important, because when it is multiplied by the local tax rate, the resulting tax revenues are transmitted to the Tax Increment Financing Authority for its development plan. These tax revenues are called the tax increment for that year.

An example will help clarify the process. If 1986 is the year in which a tax increment plan is established, the total assessed value of all properties in the development area is \$100,000, then the initial assessed value of the area is \$100,000. Let us assume that in 1987 the owners of the properties construct several improvements, which brings the total assessed value of the area to \$150,000. In this year, then, the captured assessed value is $(\$150,000 - \$100,000) = \$50,000$. Now if we assume that the local tax rate is 50 mills, then the tax increment revenue for that year will be $(\$50,000 \times .05) = \$2,500$. This \$2,500 is transmitted to the Tax Increment Financing Authority, which then uses it for the public projects it has outlined in its development plan. If more improvements were made in 1988, bringing the total assessed value, say, to \$250,000, then the captured assessed value in that year is $(\$250,000 - \$100,000) = \$150,000$. If the millage remains at 50 mills, then the tax increment revenue for 1988 would be $(\$150,000 \times .05) = \$7,500$. As one can see, tax increment revenues are dependent upon growth in the development area. Growth must come first, but once it has occurred, the property owners will be rewarded by seeing their tax dollars go to improving their surroundings, helping them to continue to grow.

It is important to note that the procedure does not increase taxes in any way. Also, no taxing body ever loses tax revenue. It simply does not get the increase in tax revenue that the improvements generated. There are three taxing jurisdictions that are affected by this procedure - the City, the schools and the county. Since the development area is itself within the City, the City is merely seeing its tax revenues more sharply focused on an important district. The schools are largely unaffected by the plan, because the state's formula for financial aid to school districts assures that the schools receive a minimum

amount of funds per student per mill levied. The tax increment plan will not change the number of students nor the school millage, so the state will largely compensate the school system for the tax revenues it does not receive. The county is not compensated in any way, its tax revenues from the development area will remain constant for the duration of the plan. However, the county's share of the tax millage is only 9.4% of the total (1985), so it will not be heavily affected by the plan. Also, if the development plan accomplishes its goals of attracting new development, then all three taxing jurisdictions will see a significant increase in revenues when the plan expires.

Once tax increments have been collected, they can only be spent according to the guidelines in the development plan, in the development area. When the plan expires, is abolished, or its objectives are met, tax patterns return to normal.

For a complete and legal description of the tax increment procedure, see PUBLIC ACT 450 of the MICHIGAN COMPILED LAWS OF 1980, as amended through 2003. For the reasoning behind the tax increment plan itself, see the introduction to the accompanying Development Plan.

B. Bonding and Other Financing Methods

It is the intent of this plan to finance and undertake projects on a year-to-year basis according to actual annual tax increment revenues received. Any tax increment funds not expended at the end of a given year will be carried over to the next year of the plan and applied to subsequent project expenses.

Some bonded indebtedness is expected to be incurred. Some borrowing from local banks or advancement of funds from the City may take place to speed up construction on certain projects, but this possibility is still being studied. Such borrowing or advance of funds would be against future tax increment revenues. Should local, state, federal or private revenues become available for the funding of some portion of the development plan, such revenues would reduce the overall amount of tax increment revenues needed to accomplish the development plan. However, any project in the plan may be financed completely by tax increment revenues if other funds are not available. In the case of certain infrastructure loan programs available to the City or the TIFA, tax increment funds may be obligated to retire such debt or pay off such loans either directly, or through the City.

C. Revenues

Table 1 lists the tax increment projections for the duration of the plan. The Authority will retain all of the captured assessed value in the Development Area for the generation of tax increments. The projections are based upon the current tax rate of approximately 56 mills through the fiscal year ending 2007, and then 29 mills for the following **TWENTY** years. There may be considerable differences between the projections and actual receipts, since it is very difficult to predict tax rates and economic growth several years into the future. Consequently, the Development Plan allows for a wide variance in revenues during its operation. Tables 2 and 3 show the assessed values of all real and personal property in the Development Area that form the base year figures from which all projections follow.

D. Expenditures

All revenues received by the Authority that pertain to the Development Area shall be spent

according to the provisions of the Tax Increment Financing and Development Plans for the Development Area. All revenues in excess the needs of the Development Plan shall revert proportionately to the original taxing bodies.

E. Duration of Plan

The Development Plan and Tax Increment Financing Plans for the Development Area shall expire after 40 years, or when all the original and amended projects have been completed, whichever comes first. The City Commission may also elect to abolish both plans at any time, should it determine that the plans goals have been achieved.

F. All provisions of this Tax Increment Financing Plan may be amended by the City Commission, save those required by law, upon notice and after public hearings and agreements as are required for approval of the original plan.

Table 1
TAX INCREMENT PROJECTIONS
DEVELOPMENT AREA

Assessed Value
Base Year Calculation (1986) Real \$200, Personal \$0. Total \$200.

Fiscal Year Ending	Current Assessed Value	Initial Assess Value	Captured Assessed Value	Tax Rate	Tax Increment Revenues	(*) Other Revenues	Total Revenues	Total Debt Service	Expenses and School Repayments	Total Expenses	Excess Revenues	Cumulative Total Tax Increment
2002												
2003	\$2,535,828.27	\$200.00	\$2,535,628.27	0.0560000	\$163,000.00	\$1,300.00	\$164,300.00	\$106,860.00	\$38,450.00	\$145,310.00	\$18,990.00	\$38,135.47
2004	\$3,944,000.00	\$200.00	\$3,943,800.00	0.0560000	\$225,000.00	\$3,000.00	\$228,000.00	\$96,055.00	\$34,450.00	\$130,505.00	\$97,495.00	\$57,125.47
2005	\$4,022,880.00	\$200.00	\$4,022,680.00	0.0560000	\$229,500.00	\$3,000.00	\$232,500.00	\$92,250.00	\$32,450.00	\$124,700.00	\$107,800.00	\$154,820.47
2006	\$4,103,337.60	\$200.00	\$4,103,137.60	0.0560000	\$234,090.00	\$3,000.00	\$237,090.00	\$82,935.00	\$34,450.00	\$117,385.00	\$119,705.00	\$262,420.47
2007	\$4,185,404.35	\$200.00	\$4,185,204.35	0.0560000	\$238,771.80	\$3,000.00	\$241,771.80	\$88,092.00	\$34,450.00	\$122,542.00	\$119,229.80	\$382,125.47
2008	\$4,269,112.44	\$200.00	\$4,268,912.44	0.0290000	\$123,798.46	\$2,500.00	\$126,298.46	\$0.00			\$126,298.46	\$501,355.27
2009	\$4,354,494.69	\$200.00	\$4,354,294.69	0.0290000	\$126,274.55	\$2,500.00	\$128,774.55	\$0.00			\$128,774.55	\$627,653.73
2010	\$4,441,584.58	\$200.00	\$4,441,384.58	0.0290000	\$128,800.15	\$2,500.00	\$131,300.15	\$0.00			\$131,300.15	\$756,428.28
2011	\$4,530,416.27	\$200.00	\$4,530,216.27	0.0290000	\$131,376.27	\$2,500.00	\$133,876.27	\$0.00			\$133,876.27	\$887,728.43
2012	\$4,621,024.60	\$200.00	\$4,620,824.60	0.0290000	\$134,003.91	\$2,600.00	\$136,603.91	\$0.00			\$136,603.91	\$1,021,604.70
2013	\$4,713,445.09	\$200.00	\$4,713,245.09	0.0290000	\$136,684.11	\$2,600.00	\$139,284.11	\$0.00			\$139,284.11	\$1,158,208.61
2014	\$4,807,713.99	\$200.00	\$4,807,513.99	0.0290000	\$139,417.91	\$2,600.00	\$142,017.91	\$0.00			\$142,017.91	\$1,297,492.72
2015	\$4,903,868.27	\$200.00	\$4,903,668.27	0.0290000	\$142,206.38	\$2,600.00	\$144,806.38	\$0.00			\$144,806.38	\$1,439,510.63
2016	\$5,001,945.64	\$200.00	\$5,001,745.64	0.0290000	\$145,050.62	\$2,700.00	\$147,750.62	\$0.00			\$147,750.62	\$1,584,317.01
2017	\$5,101,984.55	\$200.00	\$5,101,784.55	0.0290000	\$147,951.75	\$2,700.00	\$150,651.75	\$0.00			\$150,651.75	\$1,732,087.83
2018	\$5,204,024.24	\$200.00	\$5,203,824.24	0.0290000	\$150,910.90	\$2,700.00	\$153,610.90	\$0.00			\$153,610.90	\$1,882,719.38
2019	\$5,308,104.73	\$200.00	\$5,307,904.73	0.0290000	\$153,929.24	\$2,700.00	\$156,629.24	\$0.00			\$156,629.24	\$2,036,330.29
2020	\$5,414,266.82	\$200.00	\$5,414,066.82	0.0290000	\$157,007.94	\$2,800.00	\$159,807.94	\$0.00			\$159,807.94	\$2,192,959.52
2021	\$5,522,552.16	\$200.00	\$5,522,352.16	0.0290000	\$160,148.21	\$2,800.00	\$162,948.21	\$0.00			\$162,948.21	\$2,352,767.46
2022	\$5,633,003.20	\$200.00	\$5,632,803.20	0.0290000	\$163,351.29	\$2,800.00	\$166,151.29	\$0.00			\$166,151.29	\$2,515,715.67
2023	\$5,745,663.26	\$200.00	\$5,745,463.26	0.0290000	\$166,618.43	\$2,800.00	\$169,418.43	\$0.00			\$169,418.43	\$2,681,866.97
2024	\$5,860,576.53	\$200.00	\$5,860,376.53	0.0290000	\$169,950.92	\$2,800.00	\$172,750.92	\$0.00			\$172,750.92	\$2,851,285.40
2025	\$5,977,768.06	\$200.00	\$5,977,568.06	0.0290000	\$173,350.05	\$2,800.00	\$176,150.05	\$0.00			\$176,150.05	\$3,024,036.32
2026	\$6,097,343.82	\$200.00	\$6,097,143.82	0.0290000	\$176,817.17	\$2,800.00	\$179,617.17	\$0.00			\$179,617.17	\$3,200,186.37
2027	\$6,219,290.70	\$200.00	\$6,219,090.70	0.0290000	\$180,353.63	\$2,800.00	\$183,153.63	\$0.00			\$183,153.63	\$3,379,803.55
												\$3,562,957.18

NOTE: (*) Other Revenues include interest.

Table 2
TAX INCREMENT PLAN
PARCEL DATA

No.	Tax Parcel	Owner	Area	1986 Assessed Value	Land Use
1.	see attached	City	518.86 ac.	Exempt	Airport and vacant
2.	175158300100	US Gov't	6.68 ac.	Exempt	U.S. Weather Service
3.	175150802500	Lewis Palmer 131 W. Gilman St. Madison, WI 53703	0.24 ac	<u>\$200</u>	Vacant
TOTAL.....				\$200	

Table 3
TAX INCREMENT FINANCING PLAN
PERSONAL PROPERTY DATA

<u>Tax Parcel</u>	<u>Owner</u>	<u>1986 Assessed Value</u>
TOTAL.....		\$0

* There is no personal property in the Development Area. (1986)

Table 4
PROJECTED IMPACT OF TAX INCREMENT FINANCING
UPON TAXING JURISDICTIONS

Tax Year	FY Ending	Total Assessed	Base Year Assessed	Captured Assessed	Millage	Captured Taxes	Cumulative Captured	1. School Impact	ISD Impact	County Impact	City Impact
Base 1986											
1987	1988	\$200	\$200	\$0	0.0656600	\$0	\$0	0	0	0	0
1988	1989	\$200	\$200	\$0	0.0656600	\$0	\$0	0	0	0	0
1989	1990	\$200	\$200	\$0	0.0656600	\$0	\$0	0	0	0	0
1990	1991	\$160,800	\$200	\$160,600	0.0656600	\$10,545	\$10,545	\$5,782	\$193	\$1,068	\$3,490
1991	1992	\$366,800	\$200	\$366,600	0.0656600	\$24,071	\$34,616	\$13,198	\$440	\$2,438	\$7,986
1992	1993	\$423,300	\$200	\$423,100	0.0656600	\$27,781	\$62,397	\$15,232	\$508	\$2,814	\$9,194
1993	1994	\$594,800	\$200	\$594,600	0.0656600	\$39,041	\$101,438	\$21,406	\$714	\$3,954	\$12,921
1994	1995	\$1,152,000	\$200	\$1,151,800	0.0552282	\$83,611	\$165,049	\$29,509	\$1,156	\$9,172	\$23,774
1995	1996	\$1,191,100	\$200	\$1,190,900	0.0548082	\$65,271	\$230,320	\$30,320	\$1,195	\$9,484	\$24,272
1996	1997	\$1,207,926	\$200	\$1,207,726	0.0545882	\$65,927	\$296,247	\$30,121	\$1,212	\$9,618	\$24,977
1997	1998	\$1,213,303	\$200	\$1,213,103	0.0545042	\$66,119	\$362,366	\$29,114	\$1,248	\$10,711	\$25,046
1998	1999	\$1,414,348	\$200	\$1,414,148	0.0545014	\$77,073	\$439,439	\$39,940	\$1,453	\$12,484	\$29,196
1999	2000	\$1,607,596	\$200	\$1,607,396	0.0570206	\$84,447	\$523,886	\$42,998	\$1,640	\$13,898	\$33,119
2000	2001	\$1,617,309	\$200	\$1,617,109	0.0569916	\$88,052	\$611,938	\$43,258	\$1,639	\$13,947	\$33,319
2001	2002	\$2,415,628	\$200	\$2,415,428	0.0560000	\$134,432	\$746,370	\$64,613	\$2,448	\$20,705	\$49,767
2002	2003	\$2,535,828	\$200	\$2,535,628	0.0560000	\$163,000	\$909,370	\$67,828	\$2,569	\$21,735	\$52,244
2003	2004	\$3,944,000	\$200	\$3,943,800	0.0560000	\$225,000	\$1,134,370	\$105,497	\$3,996	\$33,806	\$81,258
2004	2005	\$4,022,880	\$200	\$4,022,680	0.0560000	\$229,500	\$1,363,870	\$107,607	\$4,076	\$34,482	\$82,883
2005	2006	\$4,103,337	\$200	\$4,103,137	0.0560000	\$234,090	\$1,597,960	\$109,759	\$4,158	\$35,172	\$84,541
2006	2007	\$4,185,404	\$200	\$4,185,204	0.0560000	\$238,772	\$1,836,732	\$111,954	\$4,241	\$35,876	\$86,232
Total Impacts through original plan period								\$862,133	\$32,886	\$271,363	\$664,187
2007	2008	\$4,269,112	\$200	\$4,268,912	0.0290000	\$123,798	\$1,960,531	0	0	\$36,286	\$87,513
2008	2009	\$4,354,495	\$200	\$4,354,295	0.0290000	\$126,275	\$2,086,805	0	0	\$37,012	\$89,263
2009	2010	\$4,441,585	\$200	\$4,441,385	0.0290000	\$128,800	\$2,215,605	0	0	\$37,752	\$91,048
2010	2011	\$4,530,416	\$200	\$4,530,216	0.0290000	\$131,376	\$2,346,982	0	0	\$38,507	\$92,869
2011	2012	\$4,621,025	\$200	\$4,620,825	0.0290000	\$134,004	\$2,480,985	0	0	\$39,277	\$94,727
2012	2013	\$4,713,445	\$200	\$4,713,245	0.0290000	\$136,684	\$2,617,670	0	0	\$40,063	\$96,622
2013	2014	\$4,807,714	\$200	\$4,807,514	0.0290000	\$139,418	\$2,757,087	0	0	\$40,864	\$98,554
2014	2015	\$4,903,868	\$200	\$4,903,668	0.0290000	\$142,206	\$2,899,294	0	0	\$41,681	\$100,525
2015	2016	\$5,001,946	\$200	\$5,001,746	0.0290000	\$145,051	\$3,044,344	0	0	\$42,515	\$102,536
2016	2017	\$5,101,985	\$200	\$5,101,785	0.0290000	\$147,952	\$3,192,296	0	0	\$43,365	\$104,587
Total Impacts for 10 year extension										\$397,321	\$959,244
2017	2018	\$5,204,024	\$200	\$5,203,824	0.0290000	\$150,911	\$3,343,207	0	0	\$44,233	\$106,678
2018	2019	\$5,308,105	\$200	\$5,307,905	0.0290000	\$153,929	\$3,497,136	0	0	\$45,117	\$108,812
2019	2020	\$5,414,267	\$200	\$5,414,067	0.0290000	\$157,008	\$3,654,144	0	0	\$46,020	\$110,988
2020	2021	\$5,522,552	\$200	\$5,522,352	0.0290000	\$160,148	\$3,814,293	0	0	\$46,940	\$113,208
2021	2022	\$5,633,003	\$200	\$5,632,803	0.0290000	\$163,351	\$3,977,644	0	0	\$47,879	\$115,472
2022	2023	\$5,745,663	\$200	\$5,745,463	0.0290000	\$166,618	\$4,144,262	0	0	\$48,836	\$117,782
2023	2024	\$5,860,577	\$200	\$5,860,377	0.0290000	\$169,951	\$4,314,213	0	0	\$49,813	\$120,138
2024	2025	\$5,977,788	\$200	\$5,977,588	0.0290000	\$173,350	\$4,487,563	0	0	\$50,809	\$122,541
2025	2026	\$6,097,344	\$200	\$6,097,144	0.0290000	\$176,817	\$4,664,380	0	0	\$51,826	\$124,991
2026	2027	\$6,219,291	\$200	\$6,219,091	0.0290000	\$180,354	\$4,844,734	0	0	\$52,862	\$127,491
Total Impacts for ADDITIONAL 10 year extension										\$484,335	\$1,168,103

NOTE: (1.) School Impact includes all school millages through 1994; and includes local school, local debt, and State Education tax from 1994 onward

THE TAX INCREMENT FINANCE AUTHORITY ACT

Act 450 of 1980

AN ACT to prevent urban deterioration and encourage economic development and activity and to encourage neighborhood revitalization and historic preservation; to provide for the establishment of tax increment finance authorities and to prescribe their powers and duties; to authorize the acquisition and disposal of interests in real and personal property; to provide for the creation and implementation of development plans; to provide for the creation of a board to govern an authority and to prescribe its powers and duties; to permit the issuance of bonds and other evidences of indebtedness by an authority; to permit the use of tax increment financing; to reimburse authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state agencies and officers.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1988, Act 420, Imd. Eff. Dec. 27, 1988;—Am. 1993, Act 322, Eff. Mar. 15, 1994.

Popular name: TIFA

The People of the State of Michigan enact:

125.1801 Definitions.

Sec. 1. As used in this act:

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

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

(i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(p) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the resolution establishing the tax increment financing plan is approved as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property

THE TAX INCREMENT FINANCE AUTHORITY ACT

for which a specific local tax is paid in lieu of a property tax shall not be considered property that is exempt from taxation. The initial assessed value of property for which a specific tax was paid in lieu of a property tax shall be determined as provided in subdivision (w).

(q) "Municipality" means a city.

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

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

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

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

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

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

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

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

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

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

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

(t) "Other protected obligation" means:

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

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

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

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

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

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

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

(A) The obligation is issued or incurred to finance a project described in a tax increment financing plan approved

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before August 19, 1993 by a municipality in accordance with this act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1985, Act 193, Imd. Eff. Dec. 20, 1985;—Am. 1993, Act 322, Eff. Mar. 15, 1994;—Am. 1994, Act 281, Imd. Eff. July 11, 1994;—Am. 1994, Act 329, Imd. Eff. Oct. 14, 1994;—Am. 1996, Act 271, Imd. Eff. June 12, 1996;—Am. 1997, Act 201, Imd. Eff. Jan. 13, 1998;—Am. 1998, Act 499, Imd. Eff. Jan. 5, 1999.

Compiler's note: Enacting section 1 of Act 201 of 1997 provides:

"The provisions of section 1 and section 12a, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993."

Popular name: TIFA

125.1801a Short title.

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1802 Authority; establishment; public body corporate; powers generally.

Sec. 2. (1) A municipality may establish not more than 1 authority. An authority shall exercise its powers in all development areas designated pursuant to this act.

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1803 Resolution of intent; determinations; notice of public hearing; adoption, filing, and publication of resolution establishing authority and designating boundaries of authority district; alteration or amendment of boundaries; validity of proceedings establishing authority.

Sec. 3. (1) If the governing body of a municipality determines that it is in the best interests of the public to halt a decline in property values, increase property tax valuation, eliminate the causes of the decline in property values, and to promote growth in an area in the municipality, the governing body of that municipality may declare by resolution its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed resolution creating the authority and designating the boundaries of the authority district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 nor more than 40 days before the date of the hearing. Notice shall also be mailed to the property taxpayers of record in the proposed authority district not less than 20 days before the hearing. Failure to receive the notice shall not invalidate these proceedings. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed authority district. At that hearing, a citizen, taxpayer, or property owner of the municipality has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed authority district. The governing body of the municipality shall not incorporate land into the authority

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district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the authority district in the final determination of the boundaries.

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

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

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

- (a) Publication of the resolution as adopted.
- (b) Filing of the resolution with the secretary of state.
- (c) The effective date of this subsection.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1983, Act 148, Imd. Eff. July 18, 1983.

Popular name: TIFA

125.1804 Board; composition; chairperson; oath of member; rules governing procedure and meetings; meetings open to public; removal of member; publicizing expense items; financial records open to public.

Sec. 4. (1) The authority shall be under the supervision and control of a board chosen by the governing body which may by majority vote designate any 1 of the following to constitute the board:

(a) The board of directors of the economic development corporation of the municipality established pursuant to the economic development corporations act, Act No. 338 of the Public Acts of 1974, as amended, being sections 125.1601 to 125.1636 of the Michigan Compiled Laws.

(b) The trustees of the board of a downtown development authority established pursuant to Act No. 197 of the Public Acts of 1975, as amended, being sections 125.1651 to 125.1680 of the Michigan Compiled Laws.

(c) The trustees of the board of an urban redevelopment corporation established pursuant to the urban redevelopment corporations law, Act No. 250 of the Public Acts of 1941, as amended, being sections 125.901 to 125.922 of the Michigan Compiled Laws.

(d) The members of the commission established pursuant to Act No. 344 of the Public Acts of 1945, being sections 125.71 to 125.84 of the Michigan Compiled Laws.

(e) In a municipality that has a population of less than 5,000, the planning commission of the municipality established pursuant to Act No. 285 of the Public Acts of 1931, being sections 125.31 to 125.45 of the Michigan Compiled Laws.

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

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

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

(4) The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held when called in the manner provided in the rules of the board. Meetings of the board shall be open to the public, in accordance with the open meetings act, Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws.

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

(6) All expense items of the authority shall be publicized annually and the financial records shall be open to the

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public pursuant to the freedom of information act, Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1987, Act 68, Imd. Eff. June 25, 1987.

Popular name: TIFA

125.1805 Board; employment, compensation, term, oath, and bond of director; chief executive office; duties of director; absence or disability of director; reports; employment, compensation, and duties of treasurer and secretary; retention and duties of legal counsel; employment of other personnel; participation in municipal retirement and insurance programs.

Sec. 5. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of the office, the director shall take and subscribe to the constitutional oath and furnish bond by posting a bond in the penal sum determined in the resolution establishing the authority, payable to the authority for use and benefit of the authority, approved by the board, and filed with the clerk of the municipality. The premium on the bond shall be considered an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive office of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the board and shall render to the board and to the governing body a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of the office, the acting director shall take and subscribe to the constitutional oath and furnish bond as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

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

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

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

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

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

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

Popular name: TIFA

125.1807 Board; powers generally.

Sec. 7. The board may:

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

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

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

(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.

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

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

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

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

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

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

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

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

(m) Acquire and construct public facilities.

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1985, Act 193, Imd. Eff. Dec. 20, 1985.

Popular name: TIFA

Administrative rules: R 408.30101 et seq. of the Michigan Administrative Code.

125.1808 Board serving as planning commission; agenda.

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

History: Add. 1987, Act 68, Imd. Eff. June 25, 1987.

Popular name: TIFA

125.1809 Authority as instrumentality of political subdivision.

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1810 Taking, transfer, and use of private property by municipality.

Sec. 10. A municipality may take private property under Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws, for the purpose of transfer to the authority, and may transfer the property to the authority for use as authorized in the development program, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1811 Financing activities of authority; sources.

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

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

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

(c) Tax increment revenues received pursuant to a tax increment financing plan established under sections 13 to

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15.

(d) Proceeds of tax increment bonds issued pursuant to section 15.

(e) Proceeds of revenue bonds issued pursuant to section 12.

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

(g) Money obtained pursuant to section 12a.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1993, Act 322, Eff. Mar. 15, 1994.

Popular name: TIFA

125.1812 Borrowing money; issuing negotiable revenue bonds; full faith and credit.

Sec. 12. (1) The authority may borrow money and issue its negotiable revenue bonds pursuant to Act No. 94 of the Public Acts of 1933, as amended, being section 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the authority shall not, except as hereinafter provided, be considered a debt of the municipality or of the state.

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1812a Insufficient tax increment revenues for repayment of advance or payment of obligation; appropriation and distribution to authority; filing, time, and contents of claim; distribution of amounts in 2 equal payments; appropriation and distribution of aggregate amount; limitations; distribution subject to lien; obligation as debt or liability; certification of distribution amount; basis for calculations of distributions and claims reports; debt payment period.

Sec. 12a. (1) If the amount of tax increment revenues lost as a result of the reduction of taxes levied by local school districts for school operating purposes required by the millage limitations under section 1211 of the revised school code, 1976 PA 451, MCL 380.1211, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause the tax increment revenues received in a fiscal year by an authority under section 14 to be insufficient to repay an eligible advance or to pay an eligible obligation, the legislature shall appropriate and distribute to the authority the amount described in subsection (5).

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

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

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

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

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

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

(f) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation or the repayment of an eligible advance. That amount shall not include excess tax increment revenues of the authority that are permitted

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by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development project.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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History: Add. 1993, Act 322, Eff. Mar. 15, 1994;—Am. 1994, Act 281, Imd. Eff. July 11, 1994;—Am. 1996, Act 271, Imd. Eff. June 12, 1996;—Am. 1996, Act 453, Imd. Eff. Dec. 19, 1996;—Am. 1997, Act 201, Imd. Eff. Jan. 13, 1998.

Compiler's note: Enacting section 1 of Act 201 of 1997 provides:

"The provisions of section 1 and section 12a, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993."

Popular name: TIFA

125.1813 Preparation and submission of tax increment financing plan; contents and approval of plan; public hearing; taxing jurisdictions.

Sec. 13. (1) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body. The plan shall be in compliance with section 14 and shall include a development plan as provided in section 16. The plan shall also contain the following:

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

(b) An estimate of the captured assessed value for each year of the plan. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used shall be clearly stated in the plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation. The percentage of taxes levied for school operating purposes that is captured and used by the plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws. This limitation does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, Act No. 224 of the Public Acts of 1985, being section 125.2113 of the Michigan Compiled Laws.

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

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

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

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

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

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

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

(2) Approval of the tax increment financing plan shall be in accordance with the notice, hearing, disclosure, and approval provisions of sections 17 and 18. When the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1982, Act 492, Imd. Eff. Dec. 30, 1982;—Am. 1983, Act 148, Imd. Eff. July 18, 1983;—Am. 1986, Act 294, Imd. Eff. Dec. 22, 1986;—Am. 1988, Act 420, Imd. Eff. Dec. 27, 1988;—Am. 1989, Act 120, Imd. Eff. June 28, 1989;—Am. 1993, Act 322, Eff. Mar. 15, 1994.

Compiler's note: Section 2 of Act 420 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989."

Popular name: TIFA

125.1814 Transmitting and expending tax increment revenues; disposition of surplus funds; abolition of tax increment financing plan; financial report.

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Sec. 14. (1) The municipal and county treasurers shall transmit to the authority tax increment revenues.

(2) The authority shall expend the tax increment revenues received for the development program only in accordance with the tax increment financing plan. Surplus funds may be retained by the authority for the payment of the principal of and interest on outstanding tax increment bonds or for other purposes that, by resolution of the board, are determined to further the development program. Any surplus funds not so used shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax laws or a local charter that provides a maximum authorized rate for levy of property taxes. The governing body may abolish the tax increment financing plan when it finds that the purposes for which the plan was established are accomplished. However, the tax increment finance plan shall not be abolished until the principal of and interest on bonds issued pursuant to section 15 have been paid or funds sufficient to make the payment have been segregated.

(3) The authority shall submit annually to the governing body and the state tax commission a financial report on the status of the tax increment financing plan. The report shall include the following:

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1983, Act 148, Imd. Eff. July 18, 1983;—Am. 1986, Act 294, Imd. Eff. Dec. 22, 1986;—Am. 1988, Act 420, Imd. Eff. Dec. 27, 1988;—Am. 1993, Act 322, Eff. Mar. 15, 1994.

Compiler's note: Section 2 of Act 420 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989."

Popular name: TIFA

125.1815 Tax increment bonds; qualified refunding obligation.

Sec. 15. (1) By resolution of its board, the authority may authorize, issue, and sell its tax increment bonds, subject to the limitations set forth in this section, to finance a development program. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. The bonds issued under this section shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(2) The municipality by majority vote of the members of its governing body may pledge its full faith and credit for the payment of the principal of and interest on the authority's tax increment bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 11.

(3) Notwithstanding any other provision of this act, if the state treasurer determines that an authority or municipality can issue a qualified refunding obligation and the authority or municipality does not make a good faith effort to issue the qualified refunding obligation as determined by the state treasurer, the state treasurer may reduce the amount claimed by the authority or municipality under section 12a by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation or the state treasurer may require a reduction in the capture of tax increment revenues from taxes levied by a local or intermediate school district or this state by an amount equal to the net present value savings that would have been realized had the authority or municipality refunded the obligation. This subsection does not authorize the state treasurer to require the authority or municipality to pledge security greater than the security pledged for the obligation being refunded.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1993, Act 322, Eff. Mar. 15, 1994;—Am. 1996, Act 271, Imd. Eff. June 12, 1996;—Am. 2002, Act 190, Imd. Eff. Apr. 24, 2002.

Popular name: TIFA

125.1816 Development plan; preparation; contents.

Sec. 16. (1) When a board decides to finance a project in a development area pursuant to this act, it shall prepare a development plan.

(2) To the extent necessary to accomplish the proposed development program the development plan shall contain:

(a) The designation of boundaries of the development area in relation to the boundaries of the authority district and any other development areas within the authority district.

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

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

(d) A description of improvements to be made in the development area, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.

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

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

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

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

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

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

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

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

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

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

(o) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 U.S.C. 4601 to 4655.

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

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

(3) It shall not be necessary for the board to prepare a development plan pursuant to this section where a development plan that adequately provides for accomplishing the proposed development program has already been prepared by any of the organizations described in section 4(1)(a) to (d) and where the development plan has been approved by the board and governing body pursuant to sections 17 and 18.

History: 1980, Act 450, Imd. Bff. Jan. 15, 1981.

Popular name: TIFA

125.1817 Public hearing on development plan; publication, mailing, and contents of notice; presentation of data; record.

Sec. 17. (1) The governing body, before adoption of a resolution approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall not be less than 20 days before the date set for the hearing. Notice shall also be mailed to all property taxpayers of record in the development area not less than 20 days before the hearing.

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1818 Development plan or tax increment plan as public purpose; determination; approval or rejection of plan; notice and public hearing; conclusiveness of procedure, adequacy of notice, and certain findings; validation and conclusiveness of plan; contesting plan.

Sec. 18. (1) The governing body, after a public hearing on the development plan or the tax increment financing plan, or both, with notice of the hearing given pursuant to section 17, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If the governing body determines that the development plan or tax increment financing plan constitutes a public purpose, the governing body shall then approve or reject the plan, or approve it with modification, by resolution based on the following considerations:

- (a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.
- (b) Whether the development plan meets the requirements set forth in section 16(2) and the tax increment financing plan meets the requirements set forth in section 13(1).
- (c) Whether the proposed method of financing the development is feasible and the authority has the ability to arrange the financing.
- (d) Whether the development is reasonable and necessary to carry out the purposes of this act.
- (e) Whether the amount of captured assessed value estimated to result from adoption of the plan is reasonable.
- (f) Whether the land to be acquired within the development area is reasonably necessary to carry out the purposes of the plan and the purposes of this act.
- (g) Whether the development plan is in reasonable accord with the approved master plan of the municipality, if an approved master plan exists.
- (h) Whether public services, such as fire and police protection and utilities, are or will be adequate to service the development area.
- (i) Whether changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

(2) Except as provided in this subsection, amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection following the same notice and public hearing provisions that are necessary for approval or rejection of the original plan. Notice and hearing shall not be necessary for revisions in the estimates of captured assessed value and tax increment revenues.

(3) The procedure, adequacy of notice, and findings with respect to purpose and captured assessed value shall be conclusive unless contested in a court of competent jurisdiction within 60 days after adoption of the resolution adopting the plan. A plan adopted before July 18, 1983 is validated and shall be conclusive unless contested in a court of competent jurisdiction within 60 days after July 18, 1983. A plan in effect before July 18, 1983 shall not be contested to the extent that tax increment revenues are necessary for the payment of principal and interest on outstanding bonds issued pursuant to the plan and payable from the tax increment revenues or to the extent the authority or municipality has incurred other obligations or made commitments dependent upon tax increment revenues.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;—Am. 1983, Act 148, Imd. Eff. July 18, 1983;—Am. 1993, Act 322, Eff. Mar. 15, 1994.

Popular name: TIFA

125.1819 Notice to vacate.

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Sec. 19. A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1820 Development area citizens council; establishment; advisory body; appointment and qualifications of members.

Sec. 20. (1) A development area citizens council shall be established if the proposed development area has 100 or more persons residing within it and a change in zoning or a taking of property by eminent domain is necessary to accomplish the proposed development program. The council shall act as an advisory body to the authority and the governing body in the adoption of the development plan or tax increment financing plan.

(2) If a development area citizens council is required, the council shall be appointed by the governing body, and shall consist of not less than 9 members. Each member shall be at least 18 years of age and reside in the development area. The council shall be established at least 60 days before the public hearing on the development plan or the tax increment financing plan, or both.

(3) If a development area citizens council is required pursuant to subsection (1) and if the authority was established pursuant to section 4(1)(a), (b), (c), or (d), a council established in conjunction with any of those boards or commissions, may serve in an advisory capacity to the authority, if the authority determines it is representative of the development area.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1821 Consultation representative of authority and council.

Sec. 21. Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1822 Meetings of council; open to public; notice; hearing persons present at meeting; record; information and technical assistance; failures not precluding adoption of development plan.

Sec. 22. (1) Meetings of the council shall be open to the public. Notice of the time and place of the meetings shall be posted in at least 10 conspicuous places in the development area accessible to the public not less than 5 days before the dates set for meetings of the council. A person present at those meetings shall have reasonable opportunity to be heard.

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

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

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1823 Development plan; notice of findings and recommendations.

Sec. 23. Within 20 days after the public hearing on a development or tax increment financing plan, the council, if established, shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

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Popular name: TIFA

125.1824 Development area citizens council; dissolution.

Sec. 24. A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

- (a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice given in accordance with section 17 and by a 2/3 vote, may adopt a resolution eliminating the necessity of a council for the development area.
- (b) If there are less than 18 residents located in the development area eligible to serve on the council.
- (c) Upon termination of the authority by resolution of the governing body.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1825 Budget; cost of handling and auditing funds.

Sec. 25. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this act or by the governing body.

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

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1826 Preservation of public facility, building, or structure having significant historical interest; review of proposed changes to exterior of historic site.

Sec. 26. (1) A public facility, building, or structure which is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the national register of historic places to the applicable historic district commission created under Act No. 169 of the Public Acts of 1970, as amended, being sections 399.201 to 399.212 of the Michigan Compiled Laws, or the secretary of state for review.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1827 Dissolution of authority; resolution; disposition of property and assets.

Sec. 27. An authority which has completed the purposes for which it was organized shall be dissolved by resolution of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority shall belong to the municipality.

History: 1980, Act 450, Imd. Eff. Jan. 15, 1981.

Popular name: TIFA

125.1828 Authority district part of area annexed to or consolidated with another municipality; authority of annexing or consolidated municipality; status of obligations, agreements, and bonds.

Sec. 28. Notwithstanding the limitation provided by section 2(1) on having more than 1 authority, if an authority district is part of an area annexed to or consolidated with another municipality, the authority managing that authority district shall become an authority of the annexing or consolidated municipality. All obligations of that authority incurred pursuant to development plans or tax increment plans, all agreements related to the plans, and bonds issued pursuant to this act shall remain in effect following the annexation or consolidation.

History: Add. 1983, Act 148, Imd. Eff. July 18, 1983.

Popular name: TIFA

125.1829 New authority or authority district and boundaries of authority district; prohibitions;

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validity of tax increment finance authority, authority district, development area, development plan, or tax increment financing plan established before December 30, 1986; development area created or expanded after December 29, 1986.

Sec. 29. (1) Beginning January 1, 1987, a new authority or authority district shall not be created and the boundaries of an authority district shall not be expanded to include additional land.

(2) A tax increment finance authority, authority district, development area, development plan, or tax increment financing plan established under this act before December 30, 1986 shall not be invalidated pursuant to a claim that based on the standards set forth in section 3(1), a governing body improperly determined that the necessary conditions existed for the establishment of a tax increment financing authority under this act, if, at the time the governing body established the authority, the governing body could have determined that establishment of an authority under this act would serve to create jobs or promote economic development growth.

(3) A development area created or expanded after December 29, 1986 shall be subject to the requirements of section 3(1).

History: Add. 1986, Act 280, Imd. Eff. Dec. 22, 1986.

Popular name: TIFA

125.1830 Proceedings to compel enforcement of act; rules.

Sec. 30. (1) The state tax commission may institute proceedings to compel enforcement of this act.

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

History: Add. 1988, Act 420, Imd. Eff. Dec. 27, 1988.

Compiler's note: Section 2 of Act 420 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989."

Popular name: TIFA

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City Commission
City of Sault Ste. Marie
Chippewa County, Michigan

A RESOLUTION PROVIDING FOR THE
ESTABLISHMENT OF A TAX INCREMENT FINANCING AUTHORITY
AND DESIGNATING THE BOUNDARIES OF THE AUTHORITY DISTRICT

PREAMBLE

WHEREAS, pursuant to Act No. 450 of the Public Acts of 1980, as amended, providing that a municipality may create a Tax Increment Financing Authority; and

WHEREAS, the City Commission did pass a Resolution of Intent to Establish a Tax Increment Financing Authority at its meeting of October 20, 1986, and did call for a Public Hearing in accordance with the requirements of said Act 450 of 1980; and

WHEREAS, notice of such hearing has been twice published in a newspaper of general circulation in the municipality and mailed to all property taxpayers of record in the proposed authority district; and

WHEREAS, the City Commission did hold a Public Hearing on this resolution on November 17, 1986 at its regular scheduled meeting; and

WHEREAS, the City Commission has determined that it is in the best interests of the public to halt a decline in property values, increase property tax valuation and to promote growth in the airport area of the municipality;

NOW THEREFORE BE IT RESOLVED, that:

1. Tax Increment Financing Authority Created.

Pursuant to the authority of PA 450 of 1980, as amended, a Tax Increment Financing Authority for the City of Sault Ste. Marie is hereby created,

2. Boundaries of Authority District.

The boundaries of the Authority District are described as follows:

Several parcels of land located in Sections 12 and 13, T47N, R1W and in Sections 7 and 18 of T47N, R1E collectively known as the Sault Ste. Marie Municipal Airport property and described as follows:

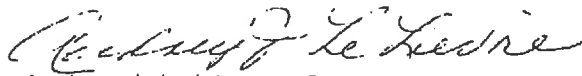
Beginning at the centerpoint of Section 13, T47N, R1W; thence northerly a distance of approximately 2,640 feet to the Section line between Sections 12 and 13; thence westerly a distance of approximately 1,320 feet; thence northerly a distance of approximately 1,320 feet; thence easterly a distance of approximately 660 feet; thence northerly a distance of approximately 660 feet; thence westerly a distance of approximately 330 feet; thence northerly a distance of approximately 660 feet; thence easterly a distance of approximately 330 feet; thence N 40°25'11" E a distance of approximately 1,050 feet; thence southerly a distance of approximately 350 feet; thence S 72°30' E a distance of 269.4 feet; thence S 48°24' E a distance of 438.6 feet; thence easterly a distance of approximately 2,010 feet along the centerline of 8th Avenue West to the easterly right-of-way line of Meridian Street; thence southerly a distance of approximately 1,320 feet to the center-

line of 12 Avenue West (extended); thence easterly a distance of approximately 630 feet; thence northerly a distance of 298 feet, thence easterly a distance of 471 feet; thence southerly a distance of 78 feet; thence easterly a distance of 157 feet; thence northerly a distance of 78 feet; thence easterly a distance of 629 feet to the westerly right-of-way of Davitt Street; thence southerly a distance of 1,460.38 feet; thence S 45°41'25" W a distance of 1,170.04 feet; thence S 44°18'33" E a distance of 330.56 feet to the centerline of vacated Ryan Street; thence southerly a distance of approximately 450 feet; thence easterly a distance of 260.4 feet; thence southerly a distance of 166.6 feet; thence easterly a distance of 196 feet; thence southerly a distance of 166.6 feet to the centerline of 21st Avenue; thence easterly a distance of approximately 220 feet, thence northerly a distance of 295.3 feet to the southerly right-of-way line of 20th Avenue; thence easterly a distance of 593.2 feet to the westerly right-of-way line of M-129; thence southerly a distance of 1,301.3 feet to the southerly right-of-way line of 24th Avenue; thence westerly a distance of 1,960.5 feet to the westerly right-of-way line of 3rd Street; thence northerly a distance of 697.2 feet; thence westerly a distance of approximately 1,950 feet; thence southerly a distance of approximately 660 feet to the centerline of 24th Avenue West; thence westerly a distance of approximately 1,320 feet to the point of beginning, within the City of Sault Ste. Marie, Chippewa County, Michigan.

3. Economic Development Corporation named as Authority.
Pursuant to the provisions of PA 450 of 1980, the City Commission hereby designates the board of directors of the Sault Ste. Marie Economic Development Corporation as the Board of Directors of the Tax Increment Financing Authority,
4. Powers and Duties of Authority.
The Authority and its Board shall have all powers and duties provided to such Authority and its Board by PA 450 of 1980, as amended, including but not limited to, the origination of a development plan and tax increment financing plan as provided in the Act.

This Resolution is given immediate effect.

I hereby certify that the above is a true and exact copy of a Resolution duly adopted by the City Commission of Sault Ste. Marie, Michigan at a regular meeting on Monday, November 17, 1986.


Audrey J. LeLievre, City Clerk
City of Sault Ste. Marie, Michigan