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City of Albion
Downtown Development Authority

PROPERTY OF
ALBION DOWNTOWN
DEVELOPMENT
AUTHORITY

Downtown Development Plan No. 3
Tax Increment Financing Plan No. 3
February 2001

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Background and Purpose

Act 197 of the Public Acts of 1975 of the State of Michigan, commonly referred to as the Downtown Development Authority Act was created in part to: correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials.

Creation of the Albion Downtown Development Authority

In April of 1988, the City of Albion City Council adopted Ordinance 88-2 that created the Albion Downtown Development Authority (DDA). The Downtown Development Authority District created by this ordinance is illustrated on Map 1 and a copy of this Ordinance is included in Exhibit B.

The Authority was given all the powers and duties prescribed for a downtown development authority pursuant to the Act.

Basis for the Tax Increment Finance Plan and Development Plan

The Downtown Development Authority Act provides the legal mechanism for local officials to address the need for economic development in the business district. In Albion, the Downtown Development Authority District, subject of this Development Plan, can be generally described as incorporating commercial properties along Superior, Clinton and Monroe Streets bounded between Ash, Erie, Porter, Center, Cass, Michigan and Vine Streets. The Development Plan (herein referred to as Development Plan No. 3) amends and clarifies the 1992 Development Plan. It calls for the retention of the "Development Area" established in the 1988 Plan as the area designated by the Downtown Development Authority for implementing certain development initiatives and tax increment financing procedures set forth in the Act.

For purposes of designating a development plan district and for establishing a tax increment financing plan, the Act refers to a "Downtown district" as an area in a business district that is specifically designated by ordinance of the governing body of the municipality for taxing purposes and a "Business district" as an area in the downtown of a municipality that is zoned and used principally for business.

For purposes of financing activities of the Authority within a district, tax increment plans can be established. By definition, a tax increment-financing plan seeks to capitalize on and make use of the increased tax base created by economic development within the boundaries of a downtown district. The legal basis or support for the Tax Increment and Development Plans are identified in Act 197 of the Public Acts of 1975, as amended.

The Relationship Between Development Plan No. 2 and Development Plan No. 3

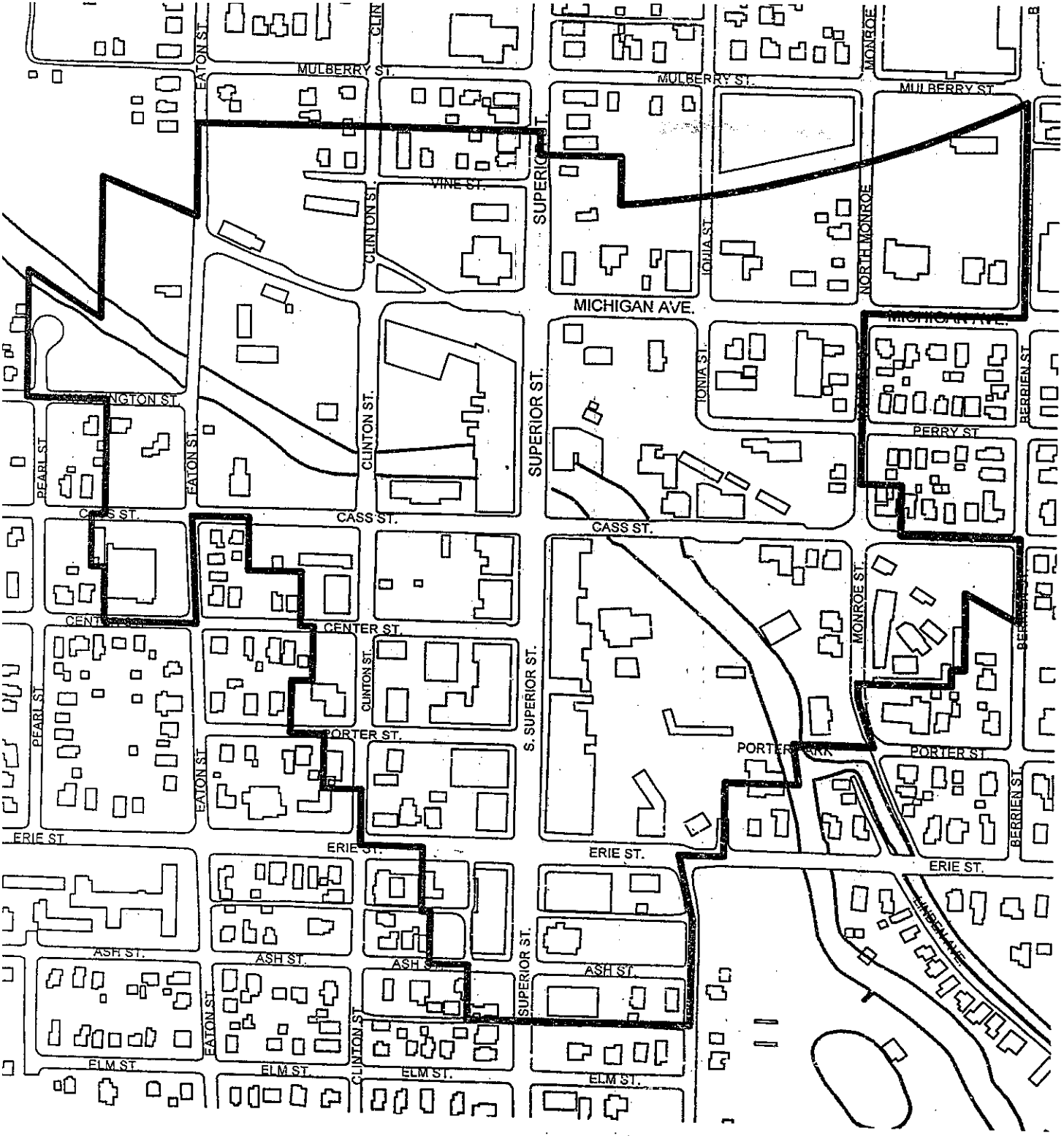
Development Plan No. 3 describes in Section B, page 7 the Development Area as proposed by the Downtown Development Authority for development of specific projects and expenditure of tax increment revenues. The Development Area comprises all the Downtown Development Authority District. Development Plan No.3 amends development Plan No 2, adopted by the City Council in June 15, 1992.

General Development Plan for Albion

The need for establishing the Development District is founded on the basis that the future success of Albion's current effort to revitalize its commercial area will depend, in large measure, on the readiness and ability of its public corporate entity to initiate public improvements that strengthen the commercial area and to encourage and participate where feasible in the development of new private uses that clearly demonstrate the creation of new jobs, the attraction of new business and the generation of additional tax revenues.

City of Albion

DDA District



DDA District

Buildings

Streets

Water

N

W E

S

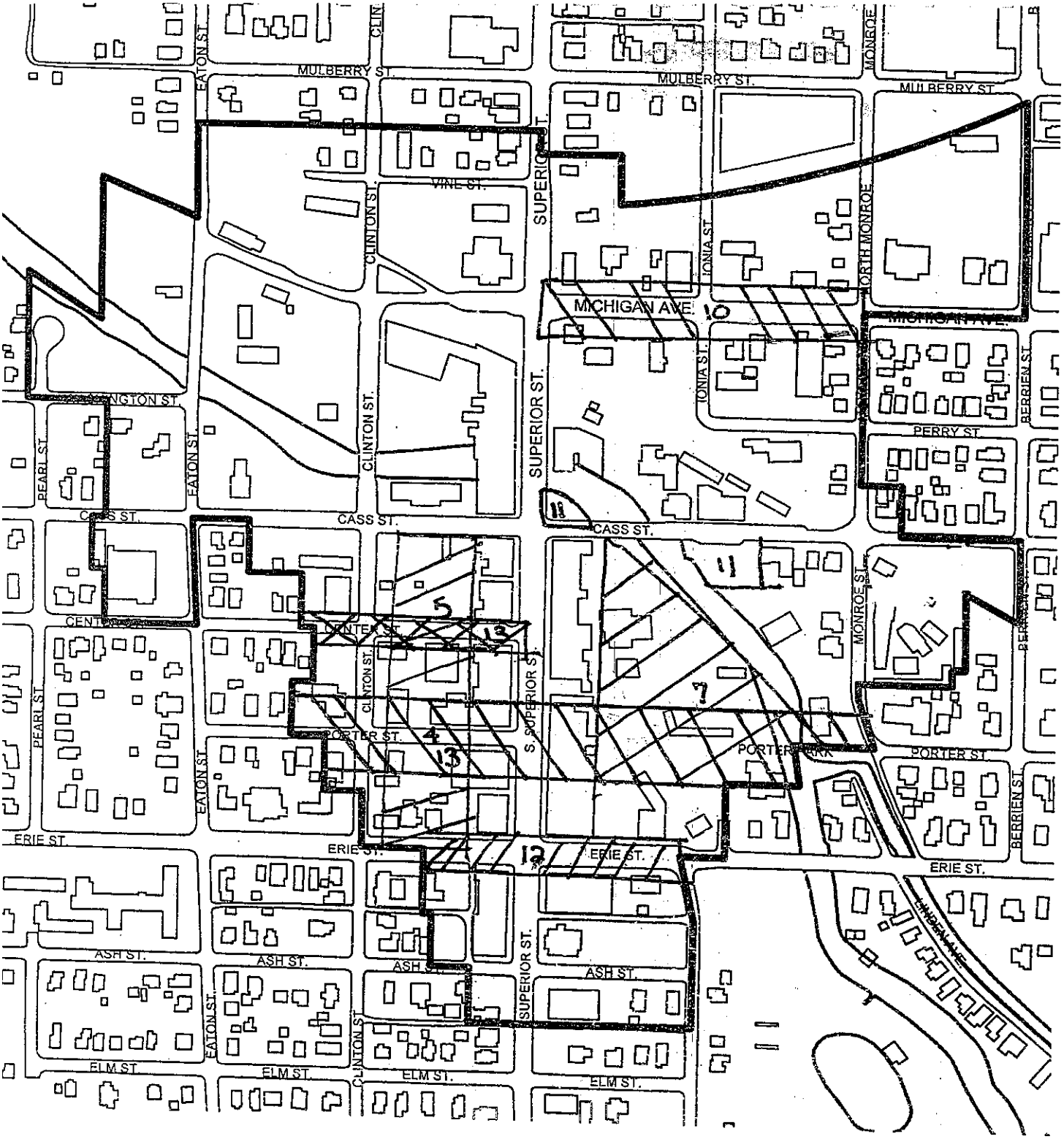
350 0 350 Feet

1 inch = 350 feet

City of Albion

DDA District

PROJECT AREAS



DDA District

Buildings

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Water

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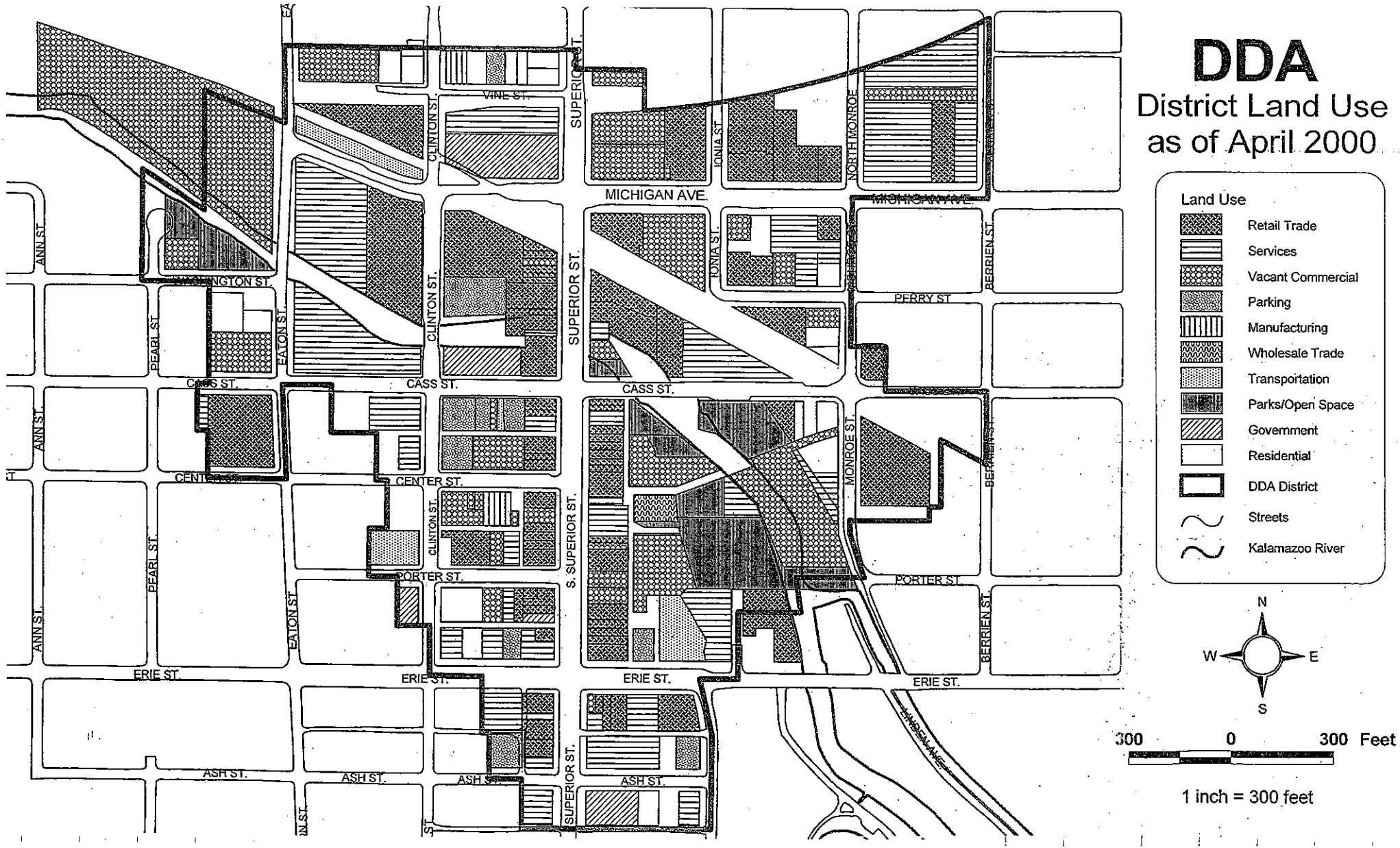
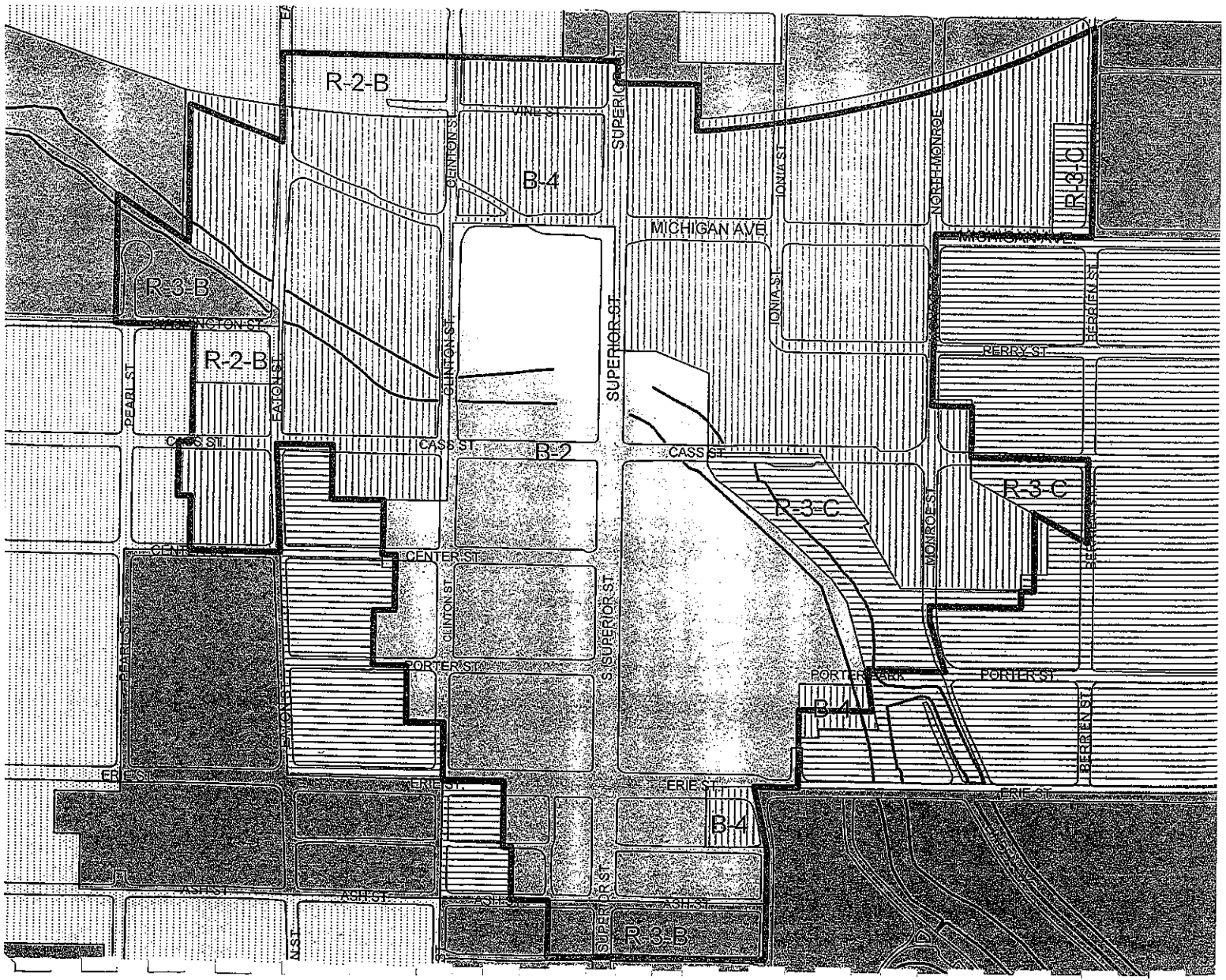

DDA
District Land Use
as of April 2000
Land Use
Retail Trade
Services
Vacant Commercial
Parking
Manufacturing
Wholesale Trade
Transportation
Parks/Open Space
Government
Residential
DDA District
Streets
Kalamazoo River
N
W
E
S
300 0 300 Feet
1 inch = 300 feet
VINE ST.
CLINTON ST.
SUPERIOR ST.
IONIA ST.
NORTH MONROE
MICHIGAN AVE.
WASHINGTON ST.
ANN ST.
PEARL ST.
EATON ST.
PERRY ST.
BERRIEN ST.
CASS ST.
CENTER ST.
MONROE ST.
S. SUPERIOR ST.
PORTER ST.
ERIE ST.
ASH ST.

DDA District Zoning

as of January 2001



DDA District

Streets

Kalamazoo River

Zones

- B-1
- B-2
- B-3
- B-4
- CD
- M-1
- M-1-P
- M-2
- M-2-P
- O-1
- R-1-A
- R-1-B
- R-1-C
- R-2-A
- R-2-B
- R-3-A
- R-3-B
- R-3-C
- R-4

N W E S

300 0 300 Feet

The following refer to specific sections of Section 125.1667 Development plan; preparation; contents; improvements related to qualified facility. [M.S.A. 5.3010(17)] of PA 197 of 1975.

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

The Development Area boundary is located within the jurisdictional limits of the City of Albion and the City of Albion Downtown Development Authority. The City of Albion established the Downtown Development Authority pursuant to Act 197 of the Public Acts of 1975 through adoption and publication of Ordinance 88-2. The Downtown Development Authority Development Area boundary is illustrated on Map 1 and can be generally described as the commercial properties along Superior, Clinton and Monroe Streets bounded between Ash, Erie, Porter, Center, Cass, Michigan and Vine Streets.

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

Existing Land Use
Area: Location, Character and Extent of Existing public and Private Land Uses.

Public Land Uses
Public land uses, within the Development Area, include right-of-ways under the jurisdiction of the City of Albion, County of Calhoun, and the State of Michigan. Included within the Development Area are alleys that run behind the retail and office land uses fronting on major streets.

In addition to the circulation system described, other public land uses including open space, parking and public parks occur within the Development Area. The City of Albion owns Lloyd, Bournellis and Molder Parks; all located within the Development Area.

Private Land Uses

A. Residential - There are 60 detached single-family dwellings and 46 multiple family dwellings within the development area. (As of 1992)

B. Commercial - The majority of property within the development area consists of commercial property. Uses include professional and medical offices, retail and general merchandising, banking, and service.

C. Industrial - There are industrial land uses within the Development Area consisting of light industrial manufacturing facilities.

D. Transportation - The Norfolk and Southern Rail traverses the Development Area along the north side of the Kalamazoo River. Amtrak and Greyhound service the community via the Albion Train Depot.

Recreational Uses - Lloyd and Bournellis Parks flank the Kalamazoo River within the Development Area. Molder Park is located at the junction of North Superior and Michigan. Further west near the Depot is a park area owned by Norfolk and Southern.

Educational Uses - The Albion Public Library, and the Woodlands Library Cooperative are the only educational land use within the Development Area.

Vacant Land - The largest tract of undeveloped property within the Development Area is owned by a single private entity and City of Albion, and is located between Cass and Center Streets east of Clinton Street. Four of the five vacant lots, located along Center Street, are under the ownership of this entity.

Location and Extent of Proposed Public and Private Land Uses

Legal Description of the Development Area

Beginning at the intersection of the centerline of S. Ionia Street and the centerline of the east-west alley in Block 74 of the Original Plat of the Village (now City) of Albion; thence heading west along said alley to the south line (extended) of Lot 6, Block 75 of the Original Plat; thence north to the centerline of W. Ash Street; thence west to a line 38 feet west of the west line of Lot 9, Block 64 of the Original Plat, thence north to the centerline of the vacated alley in said block; thence west to the east line (extended) of Lot 2 in said block; thence north to the centerline of W. Erie Street; thence west to the centerline of S. Clinton Streets thence north to the south line (extended) of Lot 5, Block 62 of the Original Plat; thence west to the west line of said Lot 5; thence north to the center line of W. Porter Street; thence west to a line 19.42 feet west of the west line of Lot 7., Block 51 of the Original Plat; thence north to the centerline of the alley in said block; thence east to the center of Lot 4 (extended) of Said block; thence north to the centerline of W. Center Street; thence west to the west line (extended) of Lot 8, Block 50 of the Original Plat; thence north to the centerline of the alley In said block; thence west along said alley to the west line extended) of Lot 3 in said block: thence north to the centerline of W. Cass Street; thence west to the intersection of Eaton and W. Cass Streets; thence south along S. Eaton Street to the intersection of S. Eaton and W. Center Streets; thence west to the westline (extended) of Lot 2, Block 93 of Warner and Church's Addition; thence north to the northwest corner of said lot; thence west 33 feet: thence north to the centerline of W. Cass Street; thence east to the west line (extended) of Lot 1 of Block 97 of Warner and Church's Addition; thence north along said line to the centerline of Washington Street; thence west to the west line of Pearl Street; thence north along said line to the centerline of the Kalamazoo River; thence southeasterly along the centerline of the Kalamazoo River to a Point which is 200 feet west of the west line of N. Eaton Street; thence north to the centerline thence north to centerline of the Conrail spur tracks; thence easterly to the centerline of N. Eaton Street; thence north to the centerline (extended) of the vacated ally in Block 21 of the Original Plat; thence easterly along centerline of said alley to the centerline of N. Clinton Street thence continuing easterly along the centerline of the east-west alley in Block 20 of the Original Plat to the centerline of N. Superior Street; thence south along N. Superior Street to the north line (extended) of Lot 12, Block 19 of the Original Plat; thence east to the east line of Lot 10 of said block thence south to the centerline of the Conrail spur tracks; thence northeasterly along said line to the centerline of N. Berrien Street; thence south to the intersection of Berrien Street and E. Michigan Avenue; thence west to the intersection of E. Michigan Avenue and Monroe Street; thence south to the centerline extended) of the vacated alley in Block 39 of the Original Plat; thence east along the centerline of said alley to the east line (extended) of Lot 10 of said block. Thence south to the centerline of E. Cass Street; thence east to the intersection of E. Cass and Berrien Streets; thence south to the centerline of the Conrail right-of-way; thence northwesterly to a line which is 100 feet west of the west line of S. Berrien Street; thence south to a line approximately 177 feet north of the north line of porter Street; thence west 32 feet; thence south 41 feet to a line which is 33 feet north of the south line of Lots 1, 2, 3, of Block 53 of the Original Plat; thence west along said line to the centerline of S. Monroe Street; thence southeasterly to the centerline of E. Porter Street; thence west to the centerline of Kalamazoo River; thence southeasterly along said river to a line which is 45.6 feet south of the north line of Lot 24 of the Assessor's Replat of Mill Reserve and Block 48 of the Original plat"; thence westerly to the northwest corner of Lot 35 of said Plat; thence south 22.4 feet; thence west 36 feet; thence south to the centerline of E. Erie Street; thence west to the intersection of E. Erie and S. Ionia; thence southerly to the place of beginning.

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

The proposed development program for the Development Area incorporates the integration of public and private improvements. The overall project descriptions and schedule of phasing for projects in Development Plan No. 3 have been delineated in the next section.

The Downtown Development Authority revitalization concept calls for the rehabilitation of historic properties located within the district and new public improvements, such as riverwalks and public parking lots. As in Development Plan No. 2 the majority of improvements are scheduled for the Superior Street corridor.

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

Estimated costs for several of the improvements are based on an inflationary increase on the 1992 figures and preliminary estimates based on similar projects and programs developed in other communities. As plans are completed we will be able to refine the estimates for individual projects.

Funding for the public improvement projects delineated below is proposed from a variety of sources in addition to tax increment revenues, such as:

- Special Assessment Districts (SAD's)
- National Trust for Historic Preservation Planning Grants
- Department of Natural Resources (DNR) National Trust Fund Grants
- Clean Michigan Initiative (CMI) Recreation Bonds
- Michigan Small Cities Community Development Block Grant program funds (only in relation to new infrastructure, that is necessary for bringing in industry, etc. that will create new jobs).
- Michigan Department of Transportation (MDOT) TEA-21 Enhancement Monies
- USDA Rural Economic Development Grants

Proposed Projects
The following are target activities for a 5-10 year time frame
Business Programs

1. **Comprehensive Marketing Plan** - Develop a public relations and marketing plan for the purpose of business recruitment and tourist expansion for the downtown. The plan would include marketing materials such as recruitment packets, strategic advertising and brochures.

2. **Façade and Signage Program** – Provide assistance with the renovation of building facades or signage according to specific historic preservation guidelines, and by providing façade renovation grants.

3. **Engineering and Planning studies**- A fund to enable the Downtown Development Authority to engage the professional services of City of Albion planner and a consultant to conduct project specific studies.

Capital Improvement Projects

4. **Porter Street Corridor** - Establish a building acquisition, rehabilitation and demolition program for the purpose of providing the necessary infrastructure to support Kids 'N Stuff and the Mary Sheldon Ismon House Projects.

5. **West Side Parking** - Establish a building acquisition and demolition program for the specific purpose of increasing the availability and accessibility of parking on the west side of Superior Street.

6. **Riverfront walkway** - Construction of walkway and associated landscaping, furnishings, decks, pedestrian bridges and river edge stabilization as required along the Kalamazoo River from Erie Street north to Clinton Street and construction of interpretative signage center.

7. **Stoffer Plaza and Marketplace** - Enhancement of existing plaza includes possible expansion or reorientation of Stoffer Plaza and the farmers' market with construction of additional plaza space and overhead canopy, development of green space, landscaping and furnishings. (While this has been done to an extent, there is still available work for us to do)

8. **Rear Entrance Improvements** - Develop a program to improve the appearance and accessibility of rear entrances.

9. **Selective Property Acquisition** - Establish a fund that provides the means for the Downtown Development Authority to acquire selective properties in conformance with the Downtown Master Plan.

10. **Building Demolition Program** - Several downtown buildings are in a gross state of disrepair and can be classified as dilapidated and substandard. Funds would be used to subsidize a portion of the demolition cost.

The following Capital Improvement Projects are target activities for a 10-20 year time frame

11. **Michigan Avenue Streetscape:** Improvement to the Michigan Avenue commercial corridor east of Superior Street, including replacement of sidewalk as necessary, handicap accessible ramps as necessary, pedestrian light fixtures, street furnishings, and trash receptacles.

12. **Lloyd and Bournellis Park Improvements** - Renovations to Lloyd Park to make connections with other project areas. Renovations to Bournellis Park to provide better views of river.

13. **Erie Streetscape and Roadway Improvements** - Install streetscape improvements one block east and west of Superior Street. Scope of work is similar to Phase I Superior Street improvements, plus the planting of additional street trees. This project also includes contribution to the local matching funds of any reconstruction of the road surface area.

14. **Center and Porter Streetscape** - Install streetscape improvements between Superior Street and Clinton Street. Scope of work is similar to Phase I Superior Street improvements, plus the planting of additional trees.

15. **Alley Improvements-** Repave alleys with concrete and concrete pavers, and add landscaping and pedestrian lighting where appropriate.

Table 1

				INVOLVEMENT				
	Project Description	Cost	DDA	Grant	City	S.A.D.	Private	Phasing
1	Comprehensive Marketing Plan	15,000	*	*	*		*	2000-2002
2	Façade and Signage Program	40,000	*				*	Ongoing
3	Engineering and Planning studies	Variable	*	*	*			Ongoing
4	Porter Street Corridor	$3,500,000	*	*	*		*	2001 - 2005
5	West Side Parking	75,000	*	*	*	*	*	2002-2005
6	Riverfront walkway	350,000		*				2001-2010
7	Stoffer Plaza and Marketplace	100,000		*				2001-2005
8	Rear Entrance Improvements	250,000	*	*			*	Ongoing
9	Selective Property Acquisition	Variable	*	*	*		*	Ongoing
10	Building Demolition Program	Variable	*	*	*		*	Ongoing
	THE FOLLOWING CAPITAL IMPROVEMENT PROJECTS ARE TARGET ACTIVITIES FOR A 10-20 YEAR TIME FRAME							
10	Michigan Avenue Streetscape	200,000	*	*	*	*		2010-2020
11	Lloyd and Bournellis Park Improvements	175,000	*	*			*	2010-2020
12	Erie Streetscape and Roadway Improvements	100,000	*	*	*	*		2010-2020
13	Center and Porter Streetscape	100,000	*	*	*	*		2010-2020
14	Alley Improvements	150,000	*		*			2010-2020

S.A.D.: Special Assessment District

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

The time schedule for construction of the public improvement program for projects enumerated in Development Plan No. 3 is outlined in Table 1.

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

Concerning the public improvements outlined, open space within that portion of the Development Area covered by Development Plan No. 3 will be confined to right-of-ways, pedestrian walks along streetscapes developed as linear parks, and walkways along the Kalamazoo River.

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

Currently there are no properties that the Downtown Development Authority owns that it desires to sell, donate, exchange, or lease to or from the City of Albion.

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

The Albion Planning Commission has recently completed a revision of the City's Master Comprehensive Plan. The Planning Commission will also be undertaking the complete revision of the City of Albion zoning ordinance, which will also require a complete revision of the city's land use map. This revision will examine the intent and purpose of each of the districts. In response to this the Downtown Development Authority desires that the B-2 and B-4 zoned districts be combined into one Central Business District zone. In addition to this change the Downtown Development Authority will be working to amend the current restrictions on upper story apartments in the Development Area. In addition the DDA will also study current parking regulations in the district and will either work to increase the availability of parking or make recommendations for adjusting the current regulations.

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

Financing for the public improvement projects outlined in Section D would be provided through funds generated by the Tax Increment Financing Plan induced by annual increases in property valuations from natural growth and new construction within the Development Area. In addition, funds may be sought from special assessment districts (SAD's), Special Assessment Districts (SAD's), National Trust for Historic Preservation Planning Grants, Department of Natural Resources (DNR) National Trust Fund Grants, Clean Michigan Initiative (CMI) Recreation Bonds, Michigan Small Cities Community Development Block Grant program funds (only in relation to new infrastructure, that is necessary for bringing in industry, etc. that will create new jobs), Michigan Department of Transportation (MDOT) TEA-21 Enhancement Moneys, the Core Communities Initiative and USDA Rural Economic Development Grants.

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

The public improvements undertaken pursuant to Development Plan No. 3 will remain in public ownership for the public benefit. Although components of the projects outlined (i.e. streetscape, off-street parking facilities, riverwalks, etc.) benefit adjacent commercial property owners, they are public assets to be managed by the municipality.

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

Currently the DDA has a verbal agreement with the Friends of the Mary Sheldon Ismon House, a non-profit corporation, to convey ownership of the property to the Friends group upon achievement of a level of financial stability that will allow them to continue their preservation efforts. All land acquisitions will be according to the procedures of Act 344 of the Michigan Public Acts of 1945, as amended; Act 87 of the Michigan Public Acts of 1980, as amended, and the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970 as amended; and the regulations promulgated there under by the U.S. Department of Housing and Urban Development.

Any such sale, lease or exchange shall be conducted by the Downtown Development Authority pursuant to requirements specified in Act 197 of Public Acts of 1975, as amended, with the consent of the City Council. If needed, more detailed procedures will be developed before the transaction, according to applicable city policy and Michigan State Law.

(l) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced.

On the basis of a review of the properties within the Downtown Development Authority District and Development Area it is estimated that over 100 individuals reside within the expanded Development Area. This estimate is based on the 1990 U.S. Bureau of Census and individual site checks in the Development Area. Development Plan No. 3 does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within that portion of the Development Area covered by Development Plan No. 3. To ensure that citizen input in the development process is provided, the City and Downtown Development Authority have established a Development Area Citizen Council to review and make recommendations on the Development Plan. The result of this review process can be found in Exhibit D.

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

Development Plan No. 3 does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within that portion of the Development Area covered by Development Plan No. 3. If it becomes necessary to displace individuals and address relocation at some future date, the Downtown Development Authority shall abide by the provisions for relocation outlined in Development Plan No. 1, adopted December 19, 1988, by the City of Albion, and with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Act 227 of Public Acts of 1972.

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

Development Plan No. 3 does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families. As a result, a plan for compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 are not addressed. If it becomes necessary to address relocation at some future date the Downtown Development Authority shall abide by the provisions for relocation outlined in Development Plan No. 1, adopter December 19, 1988, by the City of Albion, and with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Act 227 of Public Acts of 1972.

(o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws. (Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act)

Act 227 of Public Acts of 1972 is an Act to provide financial assistance; advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain right in real property. This Act requires procedures and policies comparable to the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The Development Area covered by Development Plan No. does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within that portion of the Development Area covered by Development Plan No. 3. If it becomes necessary to displace individuals and address relocation at some future date, the Downtown Development Authority shall abide by the provisions for relocation outlined in Development Plan No. 1, adopted December 19, 1988, by the City of Albion, and with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Act 227 of Public Acts of 1972.

Tax Increment Financing Plan No. 3

1. **Definitions as Used in This Plan.**

(A) **"Assessed value"** means (1) of the following:

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

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

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

(C) **"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.

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

(E) **"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.

(F) **"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.

2. Purpose of the Tax Increment Financing Plan

The City of Albion's Downtown Development Area, adopted December 1988, has experienced conditions of property value deterioration detrimental to the city economy and the economic growth of the city. Tax increment financing is a government financing program that contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from economic growth and development to facilities, structures, or improvements within a development area thereby facilitating economic growth and development.

The City of Albion agrees with the following Legislative findings:

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

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

The Authority has determined that a tax increment-financing plan is necessary for the achievement of the purposes of the Downtown Development Authority, as stated under the provisions of Act 197 Public Acts of Michigan, 1975 as amended (the "Act"). The Tax Increment Financing Plan (the "Plan"), set forth herein shall include a development plan, a detailed explanation of the tax

increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located and a statement of the portion of the captured assessed value to be used by the Authority.

3. Explanation of the Tax Increment Procedure

The theory of tax increment financing holds that investment in necessary capital improvements in a designated area within a municipality will result in greater property tax revenues from that area than would otherwise occur if no special development were undertaken. This section is intended to explain the tax increment procedure.

a) In order to provide a downtown development authority with the means of financing development proposals, the Act affords the opportunity to undertake tax increment financing of development programs. These programs must be identified in a tax increment-financing plan, which has been approved by the governing body of a municipality. Tax increment financing permits the Authority to capture incremental tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions or any other factors, which cause growth in value.
b) At the time the ordinance establishing a tax increment-financing plan is approved, the sum of the most recently assessed values, as equalized, of those taxable properties located within the development area is established as the "Initial Assessed Value" (the IAV). Property exempt from taxation at the time of determination of the Initial Assessed Value is included as zero. In each subsequent year, the total real and personal property within the district, including abated property on separate rolls, is established as the "Current Assessed Value."
c) The amount by which the total assessed value exceeds the IAV is the Captured Assessed Value (the "CAV"). During the period in which a tax increment-financing plan is in effect, local taxing jurisdictions continue to receive ad valorem taxes based on the IAV. Property taxes paid on a predetermined portion of the CAV in years subsequent to the adoption of tax increment financing plan, however, are payable to an authority for the purposes established in the tax increment financing plan.

4. Taxing Jurisdiction Agreements.

Tax increment revenues for the Downtown Development Authority result from the application of the general tax rates of the incorporated municipalities and all other political subdivisions, which levy taxes in the development area to the captured assessed value. Since the Plan may provide for the use of all of part of the captured tax increment revenue, the DDA may enter into agreements with any of the taxing units to share a portion of the revenue of the District. Should the Authority find it necessary to use all of the captured revenue, it shall be clearly stated in this plan.

The Authority intends to utilize all captured revenue from the District until the projects addressed in Development Plan No. 3 are completed and until any bonded indebtedness is paid.

5. Property Valuations and Captured

The property valuation on which incremental tax revenues will be captured is the difference between the Initial Assessed Valuation and the Current Assessed Valuation. The purpose of this section is to set forth the Initial Assessed Valuation, the projected Captured Assessed Valuation and the anticipated increment revenues to be received by the Authority from the local taxing jurisdictions including the City of Albion, the Albion Public Schools, the County of Calhoun, Kellogg County Community College, Albion County Intermediate School District, and any other authorities or special tax districts that may be eligible to levy property taxes within the boundaries of the Downtown Development Authority, herein collectively referred to as the "Local Taxing Jurisdictions."

a. The Initial Assessed Valuation is established based on the 1988 state equalized valuation on real and personal property on all non-exempt parcels within that portion of the Development Area covered by Development plan No. 1. The Initial Assessed Valuation of the Authority is $4,965,636 as set forth below.

Initial Assessed Value	
Total Real Property	$3,232,916
Total Personal Property	$1,732,720
Total SEV	$4,965,636

b. The anticipated captured Assessed Value is equivalent to the annual total assessed value within the Authority boundaries less the Initial Assessed Value as described above. The CAV then becomes the basis for the property tax levy on which incremental taxes are collected. The CAV is projected based on a number of factors including historical growth patterns, recent construction trends, economic indicators and the impact f certain development projects anticipated to be undertaken by the Downtown Development Authority. For projection purposes, the growth factor applied to annual valuation is 1.0%, through 2008 and 2.0% thereafter. A more detailed depiction o the Captured Assessed Valuations can be found in Exhibit A.

c. The Authority will receive that portion of the tax levy of all taxing jurisdictions, except that of schools, paid each year on the Captured Assessed Value of the eligible property included in the Development Area. However, the Authority may receive that portion of the tax levy attributed to schools for the repayment of all "Eligible obligations". The Authority may use the revenues for any legal purpose as is established under the Act including the payment of principal and interest on bonds.

6. Maximum Indebtedness.

It is anticipated that the maximum amount of indebtedness to be incurred based on 2000 costs will not exceed $1,500,000 for projects identified in Development Plan No. 3. A description of the various projects and the actual amounts expected to be financed are as set forth in Table 1 of the Development Plan. Revenues captured will be used to accomplish projects in both Development Areas.

7. Use of Captured Revenues

Revenues captured through this Tax Increment Plan will be used to finance those improvements and projects outlined in Table 1 of the Development Plan. Further, captured revenues can be used to finance current financial obligations of the DDA, to pay for costs incurred by the City/DDA in implementing both the Development Plan and the Tax Increment Financing Plan, and to pay for costs associated with the administration and operation of the Development and Tax Increment Plan.

8. Duration of the Program

The duration of the Development Plan shall extend through the life of the bond issues or other debt obligations of the Authority, or the final completions of the financing required to accomplish all projects delineated in the Development Plan, or the collection of taxes levied through December of 2020, whichever is earlier.

9. Plan Impact on Local Taxing Jurisdictions

The Authority recognizes that future development in the City's business district will not be likely in the absence of tax increment financing. The Authority also recognizes that enhancement of the value of nearby property will indirectly benefit all local governmental units included in their plan. It is expected that the affected local taxing jurisdictions will not experience a gain in property tax revenues from the Development Area during the duration of the plan and should realize increased property tax revenues thereafter as a result of activities financed by the plan. Such future benefits cannot be accurately quantified at this time.

10. Release of Captured Revenues

When the Development and Financing Plans have been accomplished, the captured revenue is released and the local taxing jurisdictions receive all the taxes levied on it from that point on.

11. Assumptions of Tax Increment Financing Plan No. 3

The following assumptions were considered in the formulation of the Tax Increment Financing Plan No. 3 for the Albion Downtown Development Authority:

a. Real Property valuations are based on the 1999 actual State Equalized Value (SEV) and increases by 1% each year through 2008, and 2% thereafter. These increases are net of any additions or subtractions due to new construction, property acquisition, relocation, or other factors.

b. Personal property valuations are based on the 1999 actual value and increase a net depreciation 2% each year thereafter. These increases are net of any additions or subtractions due to new construction, property acquisition, relocation, or other factors.

c. The Obsolete Property Rehabilitation Act (PA 146 of 2000) authorizes qualified local governmental units to establish obsolete property rehabilitation districts. Buildings and improvements within these districts are eligible for exemption from ad valorem property taxes from 1 to 12 years. Personal property is not eligible for tax abatement under this Act. The sunset for granting exemptions is December 31, 2010. As a result, tax abatements will be a limited factor in the tax increment revenue forecast.

d. Costs provided for the various DDA projects enumerated in Table 1 are estimated costs in 2000 dollars. Final costs are determined after the acceptance of bids at the time construction. The effects of inflation may also have an undetermined amount of influence on these cost figures.

Exhibit A
Public Finance Documentation

City of Albion Downtown Development Authority

Revised Tax Increment Financing Forecast

Tax Year	Original Projected Values	Annual % Change	Assessed Value	Captured Assessed Value	Total Captured *Revenues	Annual Principal & Interest Bond Payments	Annual Excess Revenues	Accumulated Captured Revenues
1988	4,965,636		4,965,636					
1989	5,107,750	2.78%	5,107,750	142,114	9,494			9,494
1990	5,139,381	0.62%	5,139,381	173,745	11,457		11,457	20,951
1991	5,782,250	11.12%	5,782,250	816,614	54,403		54,403	75,354
1992	5,782,250	0.00%	5,782,250	816,614	53,888		53,888	129,242
1993	5,729,646	-0.92%	5,729,646	764,010	60,744	27,390	33,354	162,596
1994	5,844,239	6.77%	6,145,600	1,179,964	58,479	29,880	28,599	191,195
1995	5,961,124	-3.50%	5,937,657	972,021	54,592	34,781	19,811	211,006
1996	6,080,346	6.78%	6,369,441	1,403,805	73,768	39,470	34,298	245,304
1997	6,201,953	-1.35%	6,284,565	1,318,929	72,320	43,916	28,404	273,708
1998	6,325,992	9.07%	6,911,485	1,945,849	94,533	43,215	51,318	325,026
1999	6,452,512	0.37%	6,937,186	1,971,550	100,734	52,230	48,504	373,530
2000	6,581,562	-0.19%	6,923,907	1,958,271	100,072	50,961	49,111	422,641
2001	6,713,193	0.00%	6,923,907	1,958,271	126,462	69,114	57,348	479,989
2002	6,847,457	-2%	6,785,429	1,819,793	124,827	71,535	53,292	533,281
2003	6,984,407	0%	6,785,429	1,819,793	122,040	68,748	53,292	586,573
2004	7,124,095	0%	6,785,429	1,819,793	119,190	65,898	53,292	639,865
2005	7,266,577	0.5%	6,819,356	1,853,720	126,976	72,690	54,286	694,151
2006	7,411,908	0.5%	6,853,453	1,887,817	124,404	69,120	55,284	749,436
2007	7,560,146	1.0%	6,921,987	1,956,351	122,796	65,505	57,291	806,727
2008	7,711,349	1.0%	6,991,207	2,025,571	121,163	61,845	59,318	866,045
2009	7,865,576	1.0%	7,061,119	2,095,483	61,366		61,366	927,411
2010	8,022,888	1.0%	7,131,730	2,166,094	63,434		63,434	990,845
2011	8,183,345	1.0%	7,203,048	2,237,412	65,522		65,522	1,056,367
2012	8,347,012	1.0%	7,275,078	2,309,442	67,632		67,632	1,123,999
2013	**8,513,953**	**8.0%**	**7,857,084**	**2,891,448**	**84,675**		**84,675**	**1,208,674**
2014	8,684,232	2.0%	8,014,226	3,048,590	89,277		89,277	1,297,951
2015	8,857,916	2.0%	8,174,511	3,208,875	93,971		93,971	1,391,923
2016	9,035,075	2.0%	8,338,001	3,372,365	98,759		98,759	1,490,682
2017	9,215,776	2.0%	8,504,761	3,539,125	103,643		103,643	1,594,324
2018	9,400,092	2.0%	8,674,856	3,709,220	108,624		108,624	1,702,948
2019		2.0%	8,848,353	3,882,717	113,705		113,705	1,816,653
2020		2.0%	9,025,320	4,059,684	118,887		118,887	1,935,540

* Adjusted for overcapture of School Tax Revenues

City of Albion Downtown Development Authority
Captured Revenues with adjustment for Overcapture of School Tax Revenues

Tax Year	Annual % Change	Assessed Value	Captured Assessed Value	Total Captured Revenues	Captured School Revenues	Annual Principal & Interest Bond # 1	Overcapture School Revenues	Available Capture
2001	0.00%	6,923,907	1,958,271	119,731	62,383	69,114	(6,731)	126,462
2002	-2.00%	6,785,429	1,819,793	111,264	57,972	71,535	(13,563)	124,827
2003	0.00%	6,785,429	1,819,793	111,264	57,972	68,748	(10,776)	122,040
2004	0.00%	6,785,429	1,819,793	111,264	57,972	65,898	(7,926)	119,190
2005	0.50%	6,819,356	1,853,720	113,339	59,053	72,690	(13,637)	126,976
2006	0.50%	6,853,453	1,887,817	115,423	60,139	69,120	(8,981)	124,404
2007	1.00%	6,921,987	1,956,351	119,614	62,322	65,505	(3,183)	122,796
2008	1.00%	6,991,207	2,025,571	123,846	64,527	61,845	2,682	121,163
2009	1.00%	7,061,119	2,095,483	61,366			-	61,366
2010	1.00%	7,131,730	2,166,094	63,434			-	63,434
2011	1.00%	7,203,048	2,237,412	65,522			-	65,522
2012	1.00%	7,275,078	2,309,442	67,632			-	67,632
2013	8.00%	7,857,084	2,891,448	84,675			-	84,675
2014	2.00%	8,014,226	3,048,590	89,277			-	89,277
2015	2.00%	8,174,511	3,208,875	93,971			-	93,971
2016	2.00%	8,338,001	3,372,365	98,759			-	98,759
2017	2.00%	8,504,761	3,539,125	103,643			-	103,643
2018	2.00%	8,674,856	3,709,220	108,624			-	108,624
2019	2.00%	8,848,353	3,882,717	113,705			-	113,705
2020	2.00%	9,025,320	4,059,684	118,887			-	118,887

CITY OF ALBION
DOWNTOWN DEVELOPMENT AUTHORITY DEBT

Issue: 1
Type: DDA, LT
Dated: November 1, 1992
Callable: 11/1/99 @ 100.5, '04 @ 100

Calendar Year	PRINCIPAL (4/1)	RATE	INTEREST (4/1 & 10/1)	TOTAL	TOTAL DDA DEBT PRINCIPAL	TOTAL DDA DEBT INTEREST	TOTAL DDA DEBT TOTAL
1998	$15,000	4.80%	$28,575	$43,575	$15,000	$28,575	$43,575
1999	$25,000	5.00%	$27,855	$52,855	$25,000	$27,855	$52,855
2000	***$25,000***	5.15%	$26,605	$51,605	$25,000	$26,605	$51,605
2001	***$45,000***	5.35%	$25,318	$70,318	$45,000	$25,318	$70,318
2002	***$50,000***	5.50%	$22,910	$72,910	$50,000	$22,910	$72,910
2003	***$50,000***	5.65%	$20,160	$70,160	$50,000	$20,160	$70,160
2004	***$50,000***	5.75%	$17,335	$67,335	$50,000	$17,335	$67,335
2005	***$60,000***	5.90%	$14,460	$74,460	$60,000	$14,460	$74,460
2006	***$60,000***	6.00%	$10,920	$70,920	$60,000	$10,920	$70,920
2007	***$60,000***	6.05%	$7,320	$67,320	$60,000	$7,320	$67,320
2008	***$60,000***	6.15%	$3,690	$63,690	$60,000	$3,690	$63,690
	$500,000		$205,148	$705,148	$500,000	$205,148	$705,148

Exhibit B
Organizational Documentation

- Ordinance #92-2 approving Plan amendments in "Albion Downtown Development Plan No. 2 and Tax Increment Financing Plan No. 2."
- Publication of Ordinance #92-2 approving Plan amendments.
- DDA adoption of resolution #01-1 on January 9, 2001 approving Plan amendments entitles "Albion Downtown Development Plan No. 3 and Tax Increment Financing Plan No. 3."
- Minutes to October 19, 2000 DACC meeting with DDA representatives regarding proposed Plan amendments.
- City Council Resolution #**2001-???** establishing public hearing to consider adoption of "Albion Downtown Development Plan No. 3 and Tax Increment Financing Plan No. 3."
- Publication, posting and mailing of public hearing notices regarding City Council adoption of Ordinance #**2001-??** approving "Albion Downtown Development Plan No. 3 and Tax Increment Financing Plan No. 3."
- Documentation on meeting with other taxing jurisdictions.
- Public hearing documentation - minutes to the **February 5, 2001** City Council meeting.
- Ordinance #**2001-??** approving Plan amendments in "Albion Downtown Development Plan No. 3 and Tax Increment Financing Plan No. 3."
- Publication of Ordinance #**2001-??** approving Plan amendments

ORDINANCE NO. 88-2 1988

AN ORDINANCE TO ENLARGE CHAPTER 2 OF THE CODE OF THE CITY OF ALBION BY ADDING ARTICLE VII "DOWNTOWN DEVELOPMENT AUTHORITY" AND TO ESTABLISH A DOWNTOWN DEVELOPMENT AUTHORITY AND DESIGNATE THE BOUNDARIES OF THE DISTRICT IN WHICH THE AUTHORITY SHALL EXERCISE ITS POWERS.

THE CITY OF ALBION ORDAINS:

Section 1: TITLE: An Ordinance to enlarge Chapter 2 of the Code of the City of Albion by adding Article VII "Downtown Development Authority" and to establish a Downtown Development Authority and designate the boundaries of the district in which the Authority shall exercise its powers.

Section 2: Chapter 2 of the Code of the City of Albion is hereby enlarged and amended to read as follows:

ARTICLE VII. DOWNTOWN DEVELOPMENT AUTHORITY

Section 2-180: Pursuant to the authority vested in the council by Act 197 of the Public Acts of 1975 of the State, as amended, a Downtown Development Authority is hereby created.

Section 2-181: Definitions.

(a) The definitions of Act 197 of the Public Acts of 1975 of the State as amended are hereby adopted except that "Chief Executive Officer" means the Mayor of the City of Albion.

Section 2-182: Powers and Duties. Except as otherwise provided herein, the Downtown Development Authority shall exercise such powers and duties as are provided by and in accordance with the provisions of Act 197 of the Public Acts of 1975 of the State, being MCLA 125.651, et seq. and MSA 5.3010(1), et seq., including, but not limited to, the definition of a development area, the origination of a development plan in the implementation of a development program, as provided in such Act.

Section 2-183: Downtown Development District Boundaries. The boundaries of the Downtown District are as follows:

Beginning at the intersection of the centerline of S. Ionia Street and the centerline of the east-west alley in Block 74 of the Original Plat of the Village (now City) of Albion; thence heading west along said alley to the south line (extended) of Lot 6, Block 75 of the Original Plat;

thence north to the centerline of W. Ash Street; thence west to a line 38 feet west of the west line of Lot 9, Block 64 of the Original Plat; thence north to the centerline of the vacated alley in said block; thence west to the east line (extended) of Lot 2 in said block; thence north to the centerline of W. Erie Street; thence west to the centerline of S. Clinton Street; thence north to the south line (extended) of Lot 5, Block 62 of the Original Plat; thence west to the west line of said Lot 5; thence north to the center line of W. Porter Street; thence west to a line 19.42 feet west of the west line of Lot 7, Block 51 of the Original Plat; thence north to the centerline of the alley in said block; thence east to the center of Lot 4 (extended) of said block; thence north to the centerline of W. Center Street; thence west to the west line (extended) of Lot 8, Block 50 of the Original Plat; thence north to the centerline of the alley in said block; thence west along said alley to the west line (extended) of Lot 3 in said block; thence north to the centerline of W. Cass Street; thence west to the intersection of Eaton and W. Cass Streets; thence south along S. Eaton Street to the intersection of S. Eaton and W. Center Streets; thence west to the west line (extended) of Lot 2, Block 93 of Warner and Church's Addition; thence north to the northwest corner of said lot; thence west 33 feet; thence north to the centerline of W. Cass Street; thence east to the west line (extended) of Lot 1 of Block 97 of Warner and Church's Addition; thence north along said line to the centerline of Washington Street; thence west to the west line of Pearl Street; thence north along said line to the centerline of the Kalamazoo River; thence southeasterly along the centerline of the Kalamazoo River to a Point which is 200 feet west of the west line of N. Eaton Street; thence north to centerline of the Conrail spur tracks; thence easterly to the centerline of N. Eaton Street; thence north to the centerline (extended) of the vacated alley in Block 21 of the Original Plat; thence easterly along the centerline of said alley to the centerline of N. Clinton Street; thence continuing easterly along the centerline of the east-west alley in Block 20 of the Original Plat to the centerline of N. Superior Street; thence south along N. SuPerior Street to the north line (extended) of Lot 12, Block 19 of the Original Plat; thence east to the east line of Lot 10 of said block; thence south to the centerline of the Conrail spur tracks; thence northeasterly along said line to the centerline of N. Berrien Street; thence south to the intersection of Berrien Street and E. Michigan Avenue; thence west to the intersection of E. Michigan Avenue and Monroe Street; thence south to the centerline (extended) of the vacated alley in Block 39 of the Original Plat; thence east along the centerline of said alley to the east

line (extended) of Lot 10 of said block; thence south to the centerline of E. Cass Street; thence east to the intersection of E. Cass and Berrien Streets; thence south to the centerline of the Conrail right-of-way; thence northwesterly to a line which is 100 feet west of the west line of S. Berrien Street; thence south to a line approximately 177 feet north of the north line of Porter Street; thence west 32 feet; thence south 41 feet to a line which is 33 feet north of the south line of Lots 1, 2, and 3 of Block 53 of the Original Plat; thence west along said line to the centerline of S. Monroe Street; thence southeasterly to the centerline of E. Porter Street; thence west to the centerline of the Kalamazoo River; thence southeasterly along said river to a line which is 45.6 feet south of the north line of Lot 24 of the "Assessor's Replat of Mill Reserve and Block 48 of the Original Plat"; thence westerly to the northwest corner of Lot 25 of said Plat; thence south 22.4 feet; thence west 36 feet; thence south to the centerline of E. Erie Street; thence west to the intersection of E. Erie and S. Ionia Streets; thence southerly to the place of beginning.

Section 2-184: Budget. No funds of the Downtown Development Authority shall be disbursed, except as provided for in the budget of the Authority. No budget shall be adopted by the Board of the Authority until it has been approved by the City Commission.

Section 2-185: Taxing Power. The Downtown Development Authority is hereby prohibited from levying and collecting all or any part of the tax referred to in Section 12(1) of Act 197 of the Public Acts of 1975 of the State.

Section 2-186: Bond. Before qualifying as the Director of the Downtown Development Authority the person so hired shall take and subscribe to the Constitutional Oath and furnish bond by qualifying as an insured public official under the Albion Blanket Insurance Program.

Section 3: SEPARABILITY: If any section, sub-section, sentence, phrase or portion of this Amendment to the City of Albion Code of Ordinances is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 4: ORDINANCES REPEALED: All sections or parts of sections of this Code, Ordinances and parts of Ordinances in conflict with provisions of this Ordinance are hereby repealed.

Section 5: EFFECTIVE DATE: This Ordinance shall take effect after publication in the Albion Recorder and on May 1, 1988.

First reading
(After Public Hearing):
March 21, 1988.

Marc R. Puckett, Clerk

Second reading and adoption

April 4, 1988.

Durene Brown - Mayor ProTem

ORDINANCE NO. 88-9-1988

AN ORDINANCE TO AMEND CHAPTER 2 OF THE CODE OF THE CITY OF ALBION BY ADDING SECTION 2-190, TO ADOPT DOWNTOWN DEVELOPMENT AND TAX INCREMENT FINANCING PLANS, AS PROPOSED AND ADOPTED BY THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF ALBION.

THE CITY OF ALBION ORDAINS:

Section 1: TITLE: An ordinance to amend Chapter 2 of the Code of the City of Albion by adding Section 2-190, to adopt Downtown Development and Tax Increment Financing Plans, as proposed and adopted by the Downtown Development Authority of the City of Albion.

Section 2: Chapter 2 of the Code of the City of Albion is hereby enlarged and amended to include the following:

Section 2-190: Plans. The Downtown Development and Tax Increment Financing Plans, as adopted by the Downtown Development Authority of the City of Albion on December 16, 1988, and as hereafter amended, in accordance with this code and Public Act 197 of 1975, as amended, are hereby adopted by reference as if set out at length herein for the purpose of promoting downtown development under the above Act and Chapter 2, Article VII of the Code of Ordinances.

Section 3: SEPARABILITY: If any section, sub-section, sentence, phrase or portion of this Amendment to the City of Albion Code of Ordinances is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 4: ORDINANCES REPEALED. All sections or parts of sections of the Code, Ordinances and parts of Ordinances in conflict with provisions of this Ordinance are hereby repealed.

Section 5: EFFECTIVE DATE: This Ordinance shall take affect after publication in the Albion Recorder and on January 15, 1989.

First reading:

December 5, 1988

Marc R. Puckett, Clerk

Second reading and adoption (After Public Hearing):

December 19, 1988

Jack H. McClure, Mayor

ORDINANCE NO. 92-2-1992

AN ORDINANCE TO AMEND CHAPTER 2 OF THE CODE OF THE CITY OF ALBION BY REPEALING EXISTING SECTION 2-190 AND BY ADDING NEW SECTION 2-190, TO ADOPT AN AMENDMENT TO DOWNTOWN DEVELOPMENT AND TAX INCREMENT FINANCING PLANS, AS ADOPTED AND RECOMMENDED BY THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF ALBION.

The City Council, having recognized that there has been deterioration of property value in the Downtown District and in the Downtown Development Area of the City of Albion, and having reviewed the Downtown Development and Tax Increment Financing Plan (Development Plan No. 2 and Tax Increment Plan No. 2), and having held a public hearing regarding these Plans, hereby finds as follows:

(1) The Plan constitutes a public purpose and is in the best interests of the City and the residents of the City of Albion in general.

(2) The Development Plan and Tax Increment Financing Plan meets the mandatory requirements of Section 17(2) of Act 197 of 1975, as amended ("Act 197").

(3) The proposed methods of financing the projects described in the Plans are feasible and the Authority has the ability to arrange the financing necessary to accomplish the projects.

(4) The development described in the Development Plan and Tax Increment Financing Plan is reasonable and necessary to carry out the purposes of Act 197.

(5) Any land to be acquired by the Authority or the City under the Plan is reasonably necessary to carry out the purposes of Act 197 in an efficient and economically satisfactory manner.

(6) The Plan is in reasonable accord with the master plan of the City.

(7) Services such as fire and police protection and utilities will be adequate to serve the Downtown Development Area after development as provided in the Development Plan and Tax Increment Financing Plan.

(8) Any changes in zoning, streets, street levels, intersections and utilities contemplated in the Plan are reasonably necessary for the development of the Downtown District and for the City.

THE CITY OF ALBION ORDAINS:

Section 1: **TITLE**: An ordinance to amend Chapter 2 of the Code of the City of Albion by repealing existing Section 2-190 and by adding new Section 2-190, to adopt an amendment to Downtown Development and Tax Increment Financing Plans, as adopted and recommended by the Downtown Development Authority of the City of Albion.

Section 2: Chapter 2 of the Code of the City of Albion is hereby amended as follows:

Existing Section 2-190 is hereby repealed in its entirety.

New Section 2-190 is hereby adopted as follows:

Section 2-190: Plans. The Downtown Development and Tax Increment Financing Plans, as adopted by the Downtown Development Authority of the City of Albion on December 16, 1988 and as amended by the Downtown Development Authority of the City of Albion on May 1, 1992, in accordance with this code and Public Act 197 of 1975, as amended, are hereby adopted by reference as if set out at length herein for the purpose of promoting downtown development under the above act and Chapter 2, Article VII of the Code of Ordinances.

Section 3: **SEPARABILITY**: If any section, sub-section, sentence, phrase or portion of this amendment to the City of Albion Code of Ordinances is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions hereof.

Section 4: **ORDINANCES REPEALED**. All sections or parts of sections of the code, ordinances and parts of ordinances in conflict with provisions of this ordinance are hereby repealed.

Section 5: **EFFECTIVE DATE**: This ordinance shall take affect immediately and after publication in the Albion Recorder.

First reading and adoption
as an emergency ordinance:
June 15, 1992

James P. Bonamy, Clerk

Nicholas J. Jacobs, Mayor

EXHIBIT B
ORGANIZATIONAL DOCUMENTATION

The following additional documentation is on file at the City Clerk's office, City of Albion, 112 W. Cass Street, Albion, MI.

- Resolution #88-6 declaring the City's intent to establish a Downtown Development Authority.
- Publication, posting and mailing of public hearing notices regarding establishment of DDA
- Public hearing documentation - minutes to the March 21, 1988 City Council meeting.
- Ordinance #88-2 establishing DDA.
- Publication of Ordinance #88-2 establishing DDA
- Delivery of Ordinance establishing DDA to Secretary of State.
- Appointment of DDA Members - minutes to City Council meetings.
- DDA By-laws.
- City Council Resolution #88-34 establishing the Development Area Citizens Council and establishing a public hearing to consider adoption of the "Downtown Development and Tax Increment Financing Plan."
- Appointment of Development Area Citizen's Council - City Council minutes.
- Publication, posting and mailing of public hearing notices regarding City Council adoption of Ordinance #88-9 approving Downtown Development and Tax Increment Financing Plan.
- Public notice of Development Area Citizens Council Meeting with DDA Representatives.
- Minutes of December 7, 10888 DACC meeting with DDA Representatives.
- Minutes of December 16, 1988 DDA meeting adopting the "Downtown Development and Tax Increment Financing Plan."
- Documentation on meeting with other taxing jurisdictions.
- Public hearing documentation - minutes to the December 19, 1988 City Council meeting.
- Ordinance #88-9 approving Downtown Development and Tax Increment Financing Plan.
- DDA adoption of resolution on May 1, 1992 approving Plan amendments entitles "Albion Downtown Development Plan No. 2 and Tax Increment Financing Plan No. 2."
- Minutes to March 23, 1992 DACC meeting with DDA representatives regarding proposed Plan amendments.
- City Council Resolution #92-20 establishing public hearing to consider adoption of "Albion Downtown Development Plan No. 2 and Tax Increment Financing Plan No. 2."
- Publication, posting and mailing of public hearing notices regarding City Council adoption of Ordinance #92-92 approving "Albion Downtown Development Plan No. 2 and Tax Increment Financing Plan No. 2."
- Documentation on meeting with other taxing jurisdictions.
- Public hearing documentation - minutes to the June 15, 1992 City Council meeting.

Exhibit C
Development Area District Property Information

DDA/LDFA SUMMARY REPORT FOR CITY OF ALBION
ALL RECORDS
SPEC. POPULATION: ALL ACTIVE RECORDS
SUMMER, REAL & PERSONAL PROPERTY
DDA/LDFA CHOSEN: DDA, ADJUSTED VALUES (ALL ADJUSTMENTS INCLUDED)

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-000-270-00 PRIME EDM INC	13010	201	35,666	10,650	25,016	
13-51-000-332-00 ALFORD WILLIAM	13010	201	14,931	13,015	1,916	
13-51-000-347-00 RICE RONALD & ELAINE	13010	401	28,778	11,750	17,028	
13-51-000-348-00	13010	401	0	12,072	-12,072	DDA Reference Only
13-51-000-348-01 GANO DARYL L	13010	401	7,245	0	7,245	
13-51-000-348-02 GANO DARYL L	13010	401	14,665	0	14,665	
13-51-000-349-00 LEWIS WILLIE & NANCY	13010	401	11,466	5,400	6,066	
13-51-000-350-00 CHEMICAL BANK ALBION	13010	201	3,977	3,348	629	
13-51-000-351-00 TRINE DONALD C	13010	401	9,016	8,750	266	
13-51-000-352-00 RUMLER JOHN E & TERRY D	13010	201	13,736	10,547	3,189	
13-51-000-367-00 MOYE HENRY	13010	401	5,646	3,600	2,046	
13-51-000-368-00 GRANT MELVIN & GINGER	13010	401	11,526	7,900	3,626	
13-51-000-369-00 ARK WILLIE & RUBY	13010	401	8,754	4,750	4,004	
13-51-000-370-00 ENNSYLVANIA LINES LLC	13010	201	6,270	0	6,270	
3-51-000-375-00 ONSOLIDATED RAIL CORP	13010	201	0	6,100	-6,100	DDA Reference Only
3-51-000-375-01 RITCHARD GINA & TROY SWOPE	13010	201	41,654	0	41,654	
3-51-000-375-02 ENNSYLVANIA LINES LLC	13010	201	5,038	0	5,038	
3-51-000-380-00 S POST OFFICE	13010	701	0	0	0	
3-51-000-382-00 IEMICAL BANK ALBION	13010	201	68,014	55,335	12,679	
-51-000-407-00 EY JOHN	13010	201	38,766	13,733	25,033	
-51-000-408-00 GODA	13010	201	3,293	2,424	869	
-51-000-409-00 LK OIL CO INC	13010	201	0	11,668	-11,668	DDA Reference Only
-51-000-411-00 LK OIL CO INC	13010	201	0	17,586	-17,586	DDA Reference Only
-51-000-411-01 K OIL CO INC	13010	201	154,820	0	154,820	

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-000-412-00	13010	401	0	10,682	-10,682	DDA Reference Only
13-51-000-413-00	13010	401	0	7,898	-7,898	DDA Reference Only
13-51-000-414-00 CONSOLIDATED RAIL CORP	13010	701	0	12,144	-12,144	
13-51-000-414-01 FOLK OIL CO INC	13010	201	37,978	0	37,978	
13-51-000-420-00 PUTNAM MICHAEL & ELIZABETH	13010	201	18,847	13,195	5,652	
13-51-000-420-01 PUTNAM MICHAEL J & ELIZABETH	13010	201	20,291	16,605	3,686	
13-51-000-423-00 LITTLE CAESAR'S STORE #706	13010	201	40,819	35,185	5,634	
13-51-000-425-00 GEYER JOHN W	13010	401	31,786	15,300	16,486	
13-51-000-426-00 CLARK OIL & REFINING CO	13010	201	25,130	21,432	3,698	
13-51-000-445-00 MUNGER RICHARD	13010	201	30,580	0	30,580	
13-51-000-447-00 PLASSMAN VERNE C & MARLENE	13010	201	35,346	24,164	11,182	
13-51-000-448-00	13010	401	0	10,367	-10,367	DDA Reference Only
13-51-000-449-00 MUNGER RICHARD	13010	201	266,699	164,900	101,799	
13-51-000-449-01 MICHNER WALTER	13010	201	7,880	1,360	6,520	
13-51-000-540-00 SPEARS MATTHEW C & MARY LOU	13010	201	13,182	10,142	3,040	
13-51-000-544-00 DOBBINS JAMES SANDRA WILLIAM	13010	201	114,405	101,550	12,855	
13-51-000-545-00 BILICKE KENT & JOAN	13010	201	12,616	8,976	3,640	
13-51-000-546-00 DOBBINS WILLIAM & KAREN	13010	401	18,520	11,800	6,720	
13-51-000-547-00 RICE RONALD C & ELAINE H	13010	201	6,681	5,385	1,296	
13-51-000-548-00 REYNOLDS PAUL	13010	201	1,634	6,950	-5,316	
13-51-000-550-00 REYNOLDS GAETANA MARIE TRUST	13010	201	26,428	18,221	8,207	
13-51-000-560-00 WDS VENTURES, LLC	13010	201	72,070	32,896	39,174	
13-51-000-563-00 LAM HIU WING & CHUN WA	13010	201	96,871	17,298	79,573	
13-51-000-565-00	13010	401	0	1,900	-1,900	DDA Reference Only

DDA/LDFA SUMMARY REPORT FOR CITY OF ALBION
ALL RECORDS
SPEC. POPULATION: ALL ACTIVE RECORDS
SUMMER, REAL & PERSONAL PROPERTY
DDA/LDFA CHOSEN: DDA, ADJUSTED VALUES (ALL ADJUSTMENTS INCLUDED)

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-000-566-00	13010	401	0	6,727	-6,727	DDA Reference Only
13-51-000-567-00	13010	401	0	3,750	-3,750	DDA Reference Only
13-51-000-580-00 BURSTEIN VICTOR	13010	098	0	63,186	-63,186	DDA Reference Only
13-51-000-580-02 CITY OF ALBION	13010	701	0	0	0	
13-51-000-580-03 RUMSEY ENTERPRISES, LLC	13010	201	21,491	0	21,491	
13-51-000-580-04 PLASSMAN PROPERTIES FAMILY	13010	201	47,700	0	47,700	
13-51-000-581-00 NORTON JACQUELYN K	13010	201	25,888	8,527	17,361	
13-51-000-582-00 LOPEZ MANUEL & MARIA	13010	201	9,859	7,540	2,319	
13-51-000-583-00 CAGE PEGGY & EDWARDS DORA	13010	201	8,202	5,475	2,727	
13-51-000-584-00 DICKERSON MUSIC CO	13010	201	9,227	7,675	1,552	
13-51-000-585-00 BRADFIELD DAVID	13010	201	6,891	5,879	1,012	
13-51-000-587-00 ALLEN JOSEPHINE	13010	201	8,753	7,989	764	
13-51-000-588-00 DICKERSON GAR & DOROTHY	13010	201	35,456	25,467	9,989	
13-51-000-589-00 PEPPER LLOYD & BARBARA	13010	201	6,314	6,006	308	
13-51-000-590-00 MERRILD LAWRENCE MR & MRS	13010	201	22,270	17,728	4,542	
13-51-000-590-01 SILER DOROTHA BELLE REVOKABLE	13010	201	3,748	4,128	-380	
13-51-000-601-00 SE MICHIGAN GAS CO	13010	201	62,489	45,218	17,271	
3-51-000-604-00 ANTHEI, JAMES, MICHAEL, JOHN	13010	201	23,694	14,655	9,039	
3-51-000-626-00 HEMICAL BANK ALBION	13010	201	82,467	57,085	25,382	
3-51-000-640-00 ITY OF ALBION	13010	701	0	0	0	
3-51-000-645-00 HEETS DAVID W	13010	201	44,191	40,974	3,217	
3-51-000-661-00 OLLINS MICHAEL J & DORA E	13010	201	43,279	8,707	34,572	
3-51-000-664-00 OLLINS JOHN	13010	201	3,281	500	2,781	
3-51-000-665-00 ISNEROS PASCUAL & ROSA	13010	401	10,141	5,500	4,641	

DDA/LDFA SUMMARY REPORT FOR CITY OF ALBION
ALL RECORDS
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SUMMER, REAL & PERSONAL PROPERTY
DDA/LDFA CHOSEN: DDA, ADJUSTED VALUES (ALL ADJUSTMENTS INCLUDED)

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-000-666-00 TRINE BROS INC	13010	401	8,067	4,800	3,267	
13-51-000-669-00 PENNSYLVANIA LINES LLC	13010	201	2,820	2,024	796	
13-51-000-670-00 GEYER JOHN W	13010	201	87,520	53,316	34,204	
13-51-000-692-00 HAYWOOD MR & MRS ARVILL	13010	201	9,132	7,315	1,817	
13-51-000-780-00 BRANCH PROPERTIES LIMITED	13010	201	63,097	49,367	13,730	
13-51-000-785-00 ALBION COLLEGE	13010	401	1,669	0	1,669	
13-51-000-800-00 CITY OF ALBION	13010	701	0	0	0	
13-51-000-802-00 CITY OF ALBION	13010	701	0	9,110	-9,110	
13-51-000-803-00 PLASSMAN VERNE C & MARLENE	13010	201	2,353	4,937	-2,584	
13-51-000-804-00 PLASSMAN PROPERTIES FAMILY	13010	201	8,523	4,847	3,676	
13-51-000-804-01 CITY OF ALBION	13010	701	0	0	0	
13-51-000-805-00 JONTER PROPERTIES, LLC	13010	201	22,238	20,550	1,688	
13-51-000-806-00 MULKEY BETTY & COLE BETTY	13010	201	8,068	7,001	1,067	
13-51-000-807-00 MURRAY DAVID & JANICE	13010	201	14,878	12,013	2,865	
13-51-000-808-00 ASCARELLI JAMES	13010	201	23,047	19,029	4,018	
3-51-000-810-00 ASCARELLI JAMES	13010	201	14,735	10,519	4,216	
3-51-000-811-00 ASCARELLI LOUIS	13010	201	17,948	11,714	6,234	
3-51-000-812-00 ASCARELLI JAMES	13010	201	8,058	10,026	-1,968	
3-51-000-817-00 ASCARELLI LOUIS ET AL	13010	201	4,406	8,123	-3,717	
3-51-000-834-00 HEMICAL BANK OF ALBION	13010	401	434	750	-316	
3-51-000-835-00 ASSMAN LAVERNE	13010	201	3,236	600	2,636	
3-51-000-836-00 ASSMAN PROPERTIES FAMILY	13010	201	49,460	36,755	12,705	
-51-000-842-00 SONIC LODGE	13010	201	46;210	21,362	24,848	
-51-000-843-00 SONIC BUILDING ASSOC	13010	201	2,522	3,590	-1,068	

DDA/LDFA SUMMARY REPORT FOR CITY OF ALBION
ALL RECORDS
SPEC. POPULATION: ALL ACTIVE RECORDS
SUMMER, REAL & PERSONAL PROPERTY
DDA/LDFA CHOSEN: DDA, ADJUSTED VALUES (ALL ADJUSTMENTS INCLUDED)

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-000-865-00 CLOY ANTHONY	13010	401	256	0	256	
13-51-000-866-00 CITY OF ALBION	13010	701	0	0	0	
13-51-000-867-00 MICHIGAN BELL TELEPHONE	13010	701	0	0	0	
13-51-000-881-00 MILLIMAN DONNA	13010	201	14,183	13,060	1,123	
13-51-000-883-00 MILLIMAN DONNA	13010	201	773	3,474	-2,701	
13-51-000-884-00 MILLIMAN DONNA	13010	201	884	2,962	-2,078	
13-51-000-885-00 MILLIMAN DONNA	13010	201	30,465	19,881	10,584	
13-51-000-886-00 MILLIMAN DONNA	13010	201	844	2,451	-1,607	
13-51-000-888-00 WILLIAMSON SHIRLEY	13010	201	20,233	18,849	1,384	
13-51-000-890-00 RIIA SAM TRUST	13010	201	26,145	20,555	5,590	
13-51-000-891-00 PAWN PLUS	13010	201	8,316	6,732	1,584	
3-51-000-892-00 LASSMAN PROPERTIES	13010	201	16,189	11,893	4,296	
3-51-000-893-00 AINES GEORGE	13010	201	8,638	9,065	-427	
3-51-000-894-00 AINES GEORGE	13010	201	15,914	17,637	-1,723	
3-51-000-895-00 LBION LODGE 406 (LOOM)	13010	201	15,230	13,240	1,990	
3-51-000-896-00 AKER MARTHA	13010	201	7,605	9,335	-1,730	
3-51-000-897-00 LBION INTERFAITH MINISTRIES	13010	701	0	14,137	-14,137	
3-51-000-898-00 LBION INTERFAITH MINISTRIES	13010	701	0	2,070	-2,070	
3-51-001-021-00 YANT RENTAL	13010	401	14,677	15,000	-323	
3-51-001-023-00 HARLIES OF ALBION INC	13010	201	3,293	5,924	-2,631	
3-51-001-024-00 IIA SAM TRUST	13010	201	9,083	9,841	-758	
3-51-001-025-00 YNOLDS JOSEPH P & CAROL A	13010	201	14,304	9,335	4,969	
-51-001-026-00 ITCHARD GINA M	13010	201	6,868	5,655	1,213	
-51-001-027-00 TZPATRICK FRANK	13010	201	21,009	16,740	4,269	

DDA/LDFA SUMMARY REPORT FOR CITY OF ALBION
ALL RECORDS
SPEC. POPULATION: ALL ACTIVE RECORDS
SUMMER, REAL & PERSONAL PROPERTY
DDA/LDFA CHOSEN: DDA, ADJUSTED VALUES (ALL ADJUSTMENTS INCLUDED)

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-001-028-00 BISCHOFF KENNETH & JOYCE	13010	201	7,810	6,912	898	
13-51-001-029-00 FISHER RANDY & ROSE MARY	13010	201	20,783	17,234	3,549	
13-51-001-030-00 PARKS DRUG INC	13010	201	18,435	13,935	4,500	
13-51-001-031-00 SHEDD JOHN	13010	201	23,759	20,869	2,890	
13-51-001-032-00 PARKS DRUG STORE	13010	201	6,004	3,900	2,104	
13-51-001-034-00 DAVIS ARTHUR	13010	401	29,202	14,000	15,202	
13-51-001-035-00 HILL HILL BEDIENT & HIBLER	13010	201	32,855	21,721	11,134	
13-51-001-045-00 CITY OF ALBION	13010	701	0	17,951	-17,951	
13-51-001-083-00 RICHARDS JON M DDS	13010	201	25,010	19,972	5,038	
13-51-001-085-00 LIPSEY ROBERT & CHARLOTTE	13010	201	14,796	18,715	-3,919	
13-51-001-087-00 CASCARELLI LOUIS & HELEN	13010	201	6,202	6,732	-530	
13-51-001-088-00 CASCARELLI LOUIS & HELEN	13010	201	19,116	12,746	6,370	
13-51-001-090-00 CASCARELLI LOUIS & HELEN	13010	201	18,464	14,496	3,968	
13-51-001-092-00 SHARP JOHN C & SHIRLEY	13010	201	16,710	11,200	5,510	
13-51-001-093-00 CITY OF ALBION	13010	701	0	0	0	
13-51-001-110-00 HARVEY RICHARD & SHARON	13010	201	13,276	7,854	5,422	
13-51-001-111-00 TUCK ROBERT & GARRISON MARK	13010	201	26,953	23,965	2,988	
3-51-001-112-00 HARVEY RICHARD A & SHARON M	13010	201	6,263	4,757	1,506	
3-51-001-115-00 BROWN WANDA	13010	201	6,314	8,661	-2,347	
3-51-001-116-00 ANDERS FURNITURE	13010	201	15,347	21,273	-5,926	
3-51-001-117-00	13010	401	0	14,765	-14,765	DDA Reference Only
3-51-001-117-01 TO J DEVELOPMENT INC	13010	201	49,907	0	49,907	
3-51-001-118-00 CITY OF ALBION	13010	701	0	0	0	
3-51-001-118-01 OLF JAMES R & NIDIA G	13010	201	42,314	0	42,314	

DDA/LDFA SUMMARY REPORT FOR CITY OF ALBION
ALL RECORDS
SPEC. POPULATION: ALL ACTIVE RECORDS
SUMMER, REAL & PERSONAL PROPERTY
DDA/LDFA CHOSEN: DDA, ADJUSTED VALUES (ALL ADJUSTMENTS INCLUDED)

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-001-118-10	13010	401	0	9,559	-9,559	DDA Reference Only
13-51-001-122-00 CITY OF ALBION	13010	701	0	0	0	
13-51-001-123-00	13010	401	0	6,866	-6,866	DDA Reference Only
13-51-001-124-00	13010	401	0	7,665	-7,665	DDA Reference Only
13-51-001-125-00	13010	401	0	4,488	-4,488	DDA Reference Only
13-51-001-126-00	13010	401	0	321,331	-321,331	DDA Reference Only
13-51-001-126-01 HOMESTEAD SAVINGS & LOAN	13010	201	290,848	0	290,848	
13-51-001-221-00 CITY OF ALBION	13010	701	0	0	0	
13-51-001-224-00 MCCULLOUGH GEORGE J & GERALDINE M	13010	401	783	1,000	-217	
13-51-001-225-00 MCCULLOUGH GEORGE J & GERALDINE M	13010	401	36,029	13,700	22,329	
13-51-001-226-00 JASKIW ANDRY P	13010	201	53,545	3,844	49,701	
13-51-001-246-00 DAVID BRIGHAM	13010	201	28,989	15,079	13,910	
13-51-001-569-00	13010	401	0	5,000	-5,000	DDA Reference Only
13-51-001-569-01 CARRIER KENT & ROLAINE	13010	201	12,836	0	12,836	
13-51-001-920-00 PENNSYLVANIA LINES LLC	13010	201	1,932	4,182	-2,250	
3-51-002-051-00 ALBION PAINT SPOT INC	13010	201	9,116	0	9,116	
3-51-002-052-00 ERR JOHN G	13010	201	519	450	69	
3-51-002-053-00 ITY OF ALBION	13010	701	0	0	0	
3-51-002-055-00 ERRILD LARRY	13010	201	32,428	23,741	8,687	
3-51-002-056-00 ERRILD LARRY	13010	201	11,670	8,976	2,694	
3-51-002-057-00 ERRILD LARRY	13010	201	11,026	9,110	1,916	
3-51-002-101-00 ELLOGG GEORGE F & MARY J	13010	201	9,031	7,270	1,761	
3-51-002-102-00 HILLING DONALD ESTATE	13010	401	427	4,000	-3,573	
3-51-002-102-01 KES, ROY W AND LOU ANN	13010	201	3,246	3,700	-454	

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Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-002-103-00 SHILLING DONALD ESTATE	13010	401	21,126	4,500	16,626	
13-51-002-104-00 WILLIMSON MARK	13010	401	23,964	12,750	11,214	
13-51-002-106-00 MARSH DAVID & MOORE MARY	13010	201	17,616	8,937	8,679	
13-51-002-107-00 MARSH DAVID & MOORE MARY	13010	201	553	500	53	
13-51-002-108-00 MUNGER RICHARD	13010	201	226,372	105,824	120,548	
13-51-002-108-12	13010	401	0	13,000	-13,000	DDA Reference Only
13-51-002-108-16	13010	401	0	14,000	-14,000	DDA Reference Only
13-51-002-108-17	13010	401	0	5,000	-5,000	DDA Reference Only
13-51-002-108-18	13010	401	0	14,000	-14,000	DDA Reference Only
13-51-002-108-24 HAWKINS QUEENESTER	13010	401	15,295	13,000	2,295	
13-51-002-110-00 ALBION CIVIC FOUNDATION	13010	701	0	0	0	
13-51-002-112-00 CITY OF ALBION	13010	701	0	0	0	
13-51-002-114-00 ITY OF ALBION	13010	701	0	0	0	
13-51-002-114-01 COUSINS HARRY & ANGELA	13010	201	14,123	6,777	7,346	
3-51-002-115-00 ITY OF ALBION	13010	701	0	0	0	
3-51-002-116-00 HOMPSONS BRAKE SERVICE	13010	201	56,154	26,645	29,509	
3-51-002-127-00 ONSUMERS POWER CO	13010	301	17,304	97,417	-80,113	
3-51-002-128-00 ELDPAUSCH PARKER T	13010	201	52,804	0	52,804	
3-51-002-128-01 ITY OF ALBION	13010	701	0	0	0	
3-51-002-129-00 ITY OF ALBION	13010	701	0	0	0	
-51-002-133-00 TY OF ALBION	13010	701	0	21,623	-21,623	
-51-002-136-00 TZPATRICK FRANK	13010	201	13,266	9,065	4,201	
-51-002-138-00 BION ELEVATOR CO	13010	201	30,465	23,517	6,948	
-51-002-140-00 TY OF ALBION	13010	701	0	0	0	

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Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-002-140-01 CITY OF ALBION	13010	701	0	0	0	
13-51-002-141-00 WILLIAMSON SHIRLEY	13010	201	0	15,348	-15,348	DDA Reference Only
13-51-002-141-01 WILLIAMSON SHIRLEY	13010	201	27,889	0	27,889	
13-51-002-141-02 PLASSMAN PROPERTIES FAMILY	13010	201	15,386	0	15,386	
13-51-002-142-00 ALBION MEDICAL SPECIALITS BLD	13010	201	73,215	15,259	57,956	
13-51-002-143-00 MOORE MARY M	13010	201	8,500	9,065	-565	
13-51-002-144-00 YOUNG CHARLES H	13010	201	8,182	9,335	-1,153	
13-51-002-145-00 YOUNG CHARLES H	13010	201	9,194	9,335	-141	
13-51-002-146-00 PLASSMAN PROPERTIES FAMILY	13010	201	9,971	8,976	995	
13-51-002-147-00 PLASSMAN PROPERTIES FAMILY	13010	201	12,743	6,508	6,235	
13-51-002-148-00 CASCARELLI LOUIS	13010	201	9,971	9,694	277	
13-51-002-149-00 BOHM THEATER LLC	13010	201	44,532	29,845	14,687	
13-51-002-150-00 ALBION CIVIC FOUNDATION	13010	701	0	10,233	-10,233	
13-51-002-151-00 CITIZENS BANK	13010	201	92,387	85,046	7,341	
13-51-002-154-00 RICHARDSON PATRICIA	13010	201	12,047	8,707	3,340	
13-51-002-155-00 STAHL RETA V	13010	201	7,304	5,969	1,335	
13-51-002-156-00	13010	401	0	10,142	-10,142	DDA Reference Only
13-51-002-156-01 GREENSPAN HAROLD	13010	201	33,407	0	33,407	
13-51-002-157-00	13010	401	0	12,162	-12,162	DDA Reference Only
13-51-002-158-00	13010	401	0	8,649	-8,649	DDA Reference Only
13-51-002-159-00 WARREN OWEN & JUDY	13010	201	42,649	18,760	23,889	
13-51-002-160-00 FELDPAUSCH PARKER & DONNA	13010	201	23,047	12,342	10,705	
13-51-002-161-00 FELDPAUSCH PARKER & DONNA	13010	201	23,321	13,015	10,306	
3-51-002-162-00 ERFORMANCE AUTOMOTIVE	13010	201	12,851	8,527	4,324	

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Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-002-163-00 PERFORMANCE AUTOMOTIVE	13010	201	12,438	8,347	4,091	
13-51-002-164-00 DAVIS R BUD	13010	201	16,255	12,835	3,420	
13-51-002-165-00 SANDERS FURNITURE & APPLIANCE	13010	201	21,973	18,311	3,662	
13-51-003-332-01	13010	401	0	16,000	-16,000	DDA Reference Only
13-51-012-961-00 KEHOE FAMILY LIVING TRUST	13010	201	116,082	101,695	14,387	
13-51-012-966-01 LOCAL UNION # 474	13010	201	14,895	10,502	4,393	
13-51-013-001-00 KEHOE FAMILY LIVING TRUST	13010	201	9,594	8,509	1,085	
13-51-013-003-00 HUMPHRIES OLLIE B & MARY	13010	401	13,057	8,500	4,557	
13-51-013-004-00 JONES AUDRA	13010	401	13,600	6,250	7,350	
13-51-013-004-01 CITY OF ALBION	13010	701	0	0	0	
13-51-013-060-00 CITY OF ALBION	13010	701	0	0	0	
13-51-013-061-00 CITY OF ALBION	13010	701	0	0	0	
13-51-013-062-00 CITY OF ALBION	13010	701	0	0	0	
13-51-013-063-00 CITY OF ALBION	13010	701	0	5,000	-5,000	
13-51-013-064-00 CITY OF ALBION	13010	701	0	0	0	
13-51-100-237-00 PERFORMANCE AUTOMOTIVE	13010	251	1,050	0	1,050	
13-51-100-267-00 MORNING STAR	13010	251	1,154	600	554	
13-51-100-268-00 GEYER JOHN W	13010	251	3,226	3,000	226	
13-51-100-268-01 GEYER JOHN W	13010	251	5,743	0	5,743	
13-51-100-269-00 WALSH ADD-N-TYPE	13010	251	234	400	-166	
13-51-100-272-00 FRIIA SAM	13010	251	2,809	3,450	-641	
13-51-100-275-00 MACKINAW GLASS CO	13010	251	297	210	87	
13-51-100-327-00 CALHOUN COMMUNICATIONS	13010	251	14,167	29,460	-15,293	
13-51-100-334-00 MASONIC BUILDING ASSOC	13010	251	600	0	600	

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Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-100-384-00 LEISURE HOUR CLUB	13010	251	3,237	6,050	-2,813	
13-51-200-412-00	13010	251	0	36,350	-36,350	DDA Reference Only
13-51-200-412-02 SAVE-A-LOT	13010	251	23,484	0	23,484	
13-51-200-420-00	13010	251	0	5,500	-5,500	DDA Reference Only
13-51-200-420-02 DOWNTOWN DELI & GRILL	13010	251	2,485	0	2,485	
13-51-200-429-00	13010	251	0	1,000	-1,000	DDA Reference Only
13-51-200-431-00	13010	251	0	3,070	-3,070	DDA Reference Only
13-51-200-431-01 CASE ALICE K	13010	251	4,977	0	4,977	
13-51-200-465-00	13010	251	0	7,060	-7,060	DDA Reference Only
13-51-200-465-01 SOURCE OPTICAL SUPPLY, INC	13010	099	0	0	0	
13-51-200-465-02 KENT OPTICAL COMPANY #20	13010	251	3,300	0	3,300	
3-51-200-512-00 WARREN JUDY DDS	13010	251	9,903	0	9,903	
3-51-200-558-00 LBION ELEVATOR CO	13010	251	10,289	30,800	-20,511	
13-51-200-562-00 ALBION FROZEN FOOD MARKET	13010	251	0	4,340	-4,340	DDA Reference Only
3-51-200-562-01 ALBION MEAT LOCKER	13010	251	3,950	0	3,950	
3-51-200-573-00 LBION SHELL	13010	251	7,039	5,550	1,489	
3-51-200-574-00 OLK OIL CO INC	13010	251	43,504	7,250	36,254	
3-51-200-582-00 IM'S AUTO SERVICE	13010	251	0	1,250	-1,250	DDA Reference Only
3-51-200-584-00 RISCOLL JOAN	13010	251	1,500	1,100	400	
3-51-200-589-00 LBION AUTO MART	13010	251	1,071	140	931	
3-51-200-598-00 LEANER WORLD	13010	251	7,503	7,630	-127	
3-51-200-608-00	13010	251	0	1,340	-1,340	DDA Reference Only
3-51-200-669-00 ITIZENS LUMBERTOWN	13010	251	4,394	5,710	-1,316	
3-51-200-680-00	13010	251	0	740	-740	DDA Reference Only

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-200-703-00 SNACK SHOP	13010	251	5,280	3,290	1,990	
13-51-200-718-00 THOMPSONS BRAKE SERVICE	13010	251	21,285	4,210	17,075	
13-51-200-723-01 POWER'S SNUG BARBER SHOP	13010	251	277	0	277	
13-51-200-732-00 ART CRAFT PRESS	13010	251	3,989	5,800	-1,811	
13-51-200-734-00 MOOSE LODGE	13010	251	1,951	460	1,491	
13-51-200-737-00 CHARLIES OF ALBION INC	13010	251	13,728	9,520	4,208	
13-51-200-740-00	13010	251	0	5,970	-5,970	DDA Reference Only
13-51-200-746-01	13010	251	0	350	-350	DDA Reference Only
13-51-300-762-00 DAVID BRIGHAM	13010	251	430	420	10	
13-51-300-773-00	13010	251	0	600	-600	DDA Reference Only
13-51-300-783-00 SILER M. DAN	13010	251	0	0	0	
13-51-300-785-00 SEELYE'S MEN'S & WOMEN'S WEAR	13010	251	2,554	2,250	304	
13-51-300-823-00 DICKERSON MUSIC CO	13010	251	422	600	-178	
13-51-300-831-00 LOPEZ TACO HOUSE	13010	251	2,559	2,070	489	
13-51-300-835-00	13010	251	0	14,310	-14,310	DDA Reference Only
13-51-300-835-01 J & J NORTON CORPORATION	13010	251	9,896	0	9,896	
13-51-300-844-00 ALBION FLOOR COVERING INC	13010	251	2,120	1,260	860	
13-51-300-860-00 KENTUCKY FRIED CHICKEN	13010	251	0	14,820	-14,820	DDA Reference Only
13-51-300-863-00 RILEY ROWLEY WEEKS AGENCY	13010	251	2,367	0	2,367	
13-51-300-873-00	13010	251	0	3,750	-3,750	DDA Reference Only
13-51-300-880-01	13010	251	0	12,790	-12,790	DDA Reference Only
13-51-300-882-00 BETTY'S BEAUTY NOOK	13010	251	1,246	950	296	
13-51-300-892-00	13010	251	0	2,660	-2,660	DDA Reference Only
3-51-300-892-02 MURRAY TYMKEW & ASSOCIATES	13010	251	4,048	0	4,048	

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Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-300-906-00 ONE HOUR MARTINIZING	13010	251	3,124	4,680	-1,556	
13-51-300-909-00 YOUNGS APPAREL CORPORATION	13010	251	845	1,240	-395	
13-51-300-918-00 CASCARELLI'S TAVERN INC	13010	251	18,644	29,000	-10,356	
13-51-300-921-00 ALBION PAINT SPOT INC	13010	251	9,136	1,370	7,766	
13-51-300-929-00	13010	251	0	11,100	-11,100	DDA Reference Only
13-51-300-949-00 RICHARDS JON M DDS	13010	251	5,701	3,150	2,551	
13-51-300-952-00	13010	251	0	320	-320	DDA Reference Only
13-51-300-954-00 WILKING OFFICE SUPPLY	13010	251	719	1,770	-1,051	
13-51-300-954-01 TOSHIBA AMERICA INFORMATION	13010	099	0	0	0	
13-51-300-954-02 BRITANNIA, INC	13010	251	975	0	975	
13-51-300-960-00	13010	251	0	520	-520	DDA Reference Only
3-51-300-963-00	13010	251	0	7,380	-7,380	DDA Reference Only
3-51-300-967-00 PAHL JEWELLER LTD	13010	251	1,808	4,500	-2,692	
3-51-300-967-01 PAHL PHOTOGRAPHER	13010	251	8,632	0	8,632	
3-51-300-982-00 SUPERIOR BARBER SHOP	13010	251	898	0	898	
3-51-300-987-00	13010	251	0	780	-780	DDA Reference Only
3-51-300-992-00 EMCO ENERGY	13010	551	1,194,195	1,219,000	-24,805	
3-51-301-004-00	13010	251	0	5,550	-5,550	DDA Reference Only
3-51-301-007-00 ALBION HARDWARE	13010	251	1,645	2,300	-655	
3-51-301-012-00 ARKS DRUG INC	13010	251	9,414	24,830	-15,416	
3-51-301-021-00 JCK GARRISON & MOORE	13010	251	11,190	11,550	-360	
3-51-301-029-00 AUTENSLAGER - LIPSEY INC	13010	251	398	0	398	
3-51-301-034-01	13010	251	0	1,000	-1,000	DDA Reference Only
3-51-301-059-00 UMPOS LANE DDS	13010	251	16,936	0	16,936	

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Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-301-134-00 CLARK RETAIL ENTERPRISES, INC	13010	251	8,703	2,070	6,633	
13-51-301-149-01 WDS VENTURES LLC	13010	251	19,363	0	19,363	
13-51-301-166-00 FITTS PHILLIP W CPA	13010	251	2,934	3,350	-416	
13-51-301-167-00 RIVERFRONT CAFE	13010	251	0	1,000	-1,000	
13-51-301-189-00 GERRY'S BEAUTY SHOP	13010	251	342	680	-338	
13-51-301-198-00 HARRY GARDENER & ASSOCIATES	13010	251	6,241	4,290	1,951	
13-51-301-209-00 DOVE & HICKEY	13010	251	80	0	80	
13-51-301-215-00 PERSONS LINDA L	13010	251	10,984	0	10,984	
13-51-301-216-00	13010	251	0	2,500	-2,500	DDA Reference Only
13-51-301-217-00 ALBION BARBELL CLUB	13010	251	4,210	6,400	-2,190	
13-51-301-224-00 STATE FARM INSURANCE	13010	251	2,258	1,100	1,158	
13-51-301-237-00 WOLFS AUTO REPAIR	13010	251	10,041	7,340	2,701	
13-51-301-237-01 CCI TRIAD	13010	251	2,638	0	2,638	
13-51-301-242-00 BROWN'S UPHOLSTERY	13010	251	317	990	-673	
13-51-301-250-00	13010	251	0	1,180	-1,180	DDA Reference Only
13-51-301-258-00 UNSATIONS SUN SALON	13010	251	0	4,190	-4,190	DDA Reference Only
13-51-301-261-00 & L VARIETY STORE	13010	251	0	140	-140	DDA Reference Only
3-51-301-262-00 ANDERS FURNITURE	13010	251	327	230	97	
3-51-301-263-00 AN'S HAIR DESIGN	13010	251	2,106	4,420	-2,314	
3-51-301-268-01 LBION INSURANCE AGENCY	13010	251	8,555	0	8,555	
3-51-301-271-00 AYWOOD'S BIKE SHOP	13010	251	0	0	0	
3-51-301-272-00 LBION APPLIANCE SERVICE	13010	251	61	870	-809	
3-51-301-273-00 ITTLE CASEAR'S PIZZA	13010	251	0	5,300	-5,300	DDA Reference Only
3-51-301-273-01 ITTLE CAESAR'S ENT INC	13010	251	29,383	0	29,383	

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Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-301-274-01 HAIR AFFAIR	13010	099	0	0	0	
13-51-301-289-00	13010	251	0	17,120	-17,120	DDA Reference Only
13-51-301-290-00	13010	251	0	1,230	-1,230	DDA Reference Only
13-51-301-291-00	13010	251	0	17,120	-17,120	DDA Reference Only
13-51-301-292-00 LAWRENCE'S USED & NEW	13010	251	225	0	225	
13-51-301-296-00 ANNA'S HOUSE OF FLOWERS	13010	251	5,718	7,230	-1,512	
13-51-301-297-00	13010	251	0	17,800	-17,800	DDA Reference Only
13-51-301-319-00	13010	251	0	150	-150	DDA Reference Only
13-51-301-327-00 FANTASTIC TANS	13010	251	18,152	0	18,152	
13-51-301-331-01	13010	251	0	1,710	-1,710	DDA Reference Only
13-51-301-343-00 PALMER W C	13010	099	0	0	0	
13-51-301-344-00 CROSSROADS FAMILY RESTAURANT	13010	251	0	1,040	-1,040	DDA Reference Only
13-51-301-349-00 STAHL RITA V	13010	251	4,687	600	4,087	
13-51-301-352-00	13010	251	0	650	-650	DDA Reference Only
13-51-301-355-00	13010	251	0	70	-70	DDA Reference Only
13-51-301-359-00 ALBION MEDICAL CLINIC	13010	251	57,022	26,270	30,752	
13-51-301-365-00 GINA'S PIZZA & DELI	13010	251	1,433	3,010	-1,577	
13-51-301-368-00 STATE FARM MUTUAL	13010	251	1,917	9,920	-8,003	
13-51-301-376-00 MOWRER AGENCY	13010	251	1,652	0	1,652	
13-51-301-380-00 CAUDIL ALLAN D	13010	251	5,894	0	5,894	
13-51-301-395-00 CHA RON ASSOCIATES	13010	251	500	0	500	
13-51-301-400-00 MCFERRAN MARK DR	13010	251	30,425	0	30,425	
13-51-301-411-00 ILLUSIONS HAIR DESIGN	13010	251	4,853	0	4,853	
13-51-301-417-01 DJS ROLLER WORLD	13010	251	6,715	0	6,715	

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-301-525-00 FEDCO STORES	13010	251	6,800	0	6,800	
13-51-301-534-00 JMS PROFESSIONAL INTERIORS	13010	251	13,617	0	13,617	
13-51-301-542-00 UAW LOCAL 474	13010	251	603	0	603	
13-51-301-577-00 PLASSMAN & CO	13010	251	3,134	0	3,134	
13-51-301-585-00 PRIME EDM	13010	351	67,818	0	67,818	
13-51-301-619-00 RJS ENTERPRISES OF LANSING,	13010	251	3,289	0	3,289	
13-51-301-650-00 MOORE & MARSH	13010	251	3,468	0	3,468	
13-51-301-712-00 FOLK OIL CO INC	13010	251	18,868	0	18,868	
13-51-301-717-00 COMTRONICS	13010	251	82	0	82	
13-51-301-719-00 ALBION CERAMIC & VARIETY	13010	099	0	0	0	
13-51-301-719-01 T & V CERAMICS & VARIETY	13010	251	453	0	453	
13-51-301-720-00 ADVANTA LEASING	13010	099	0	0	0	
13-51-301-726-00 BUY-RITE RENT OR SELL	13010	251	9,604	0	9,604	
13-51-301-736-00 NORWEST FINANCIAL LEASING,	13010	251	3,895	0	3,895	
3-51-301-738-00 BANK ONE LEASING CORP	13010	251	56,667	0	56,667	
3-51-301-745-00 & J MACHINE & TOOL	13010	099	0	0	0	
3-51-301-746-01 STITCH-N-STUFF	13010	251	673	0	673	
3-51-301-800-01 OHM THEATRE, LLC	13010	251	31,689	0	31,689	
3-51-301-801-00 OCAL FOCUS/MIDWESTERN GUIDES	13010	251	1,859	0	1,859	
3-51-301-806-00 IVERSIDE SMALL ENGINE	13010	099	0	0	0	
3-51-301-808-01 LBION MUFFLER & BRAKES	13010	251	6,361	0	6,361	
3-51-301-810-00 INISHLINE AUTOBODY	13010	251	14,424	0	14,424	
3-51-301-817-00 AWN PLUS	13010	251	100	0	100	
3-51-301-821-00 MERICA BANK MC3205	13010	099	0	0	0	

DDA/LDFA SUMMARY REPORT FOR CITY OF ALBION
ALL RECORDS
SPEC. POPULATION: ALL ACTIVE RECORDS
SUMMER, REAL & PERSONAL PROPERTY
DDA/LDFA CHOSEN: DDA, ADJUSTED VALUES (ALL ADJUSTMENTS INCLUDED)

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-301-821-01 GINA'S BY THE TRAX	13010	251	550	0	550	
13-51-301-836-00 COMMUNICATIONS CENTRAL OF GA,	13010	251	175	0	175	
13-51-301-839-00 SHILLING DONALD ESTATE	13010	251	4,401	0	4,401	
13-51-301-840-00 BRICK ALLEY	13010	251	637	0	637	
13-51-301-841-00 SHUTTER BUG STUDIO	13010	251	500	0	500	
13-51-301-861-00 WATERVIEW RESOLUTION CORP	13010	099	0	0	0	
13-51-301-872-00 GREEN TREE VENDOR SERV CORP	13010	099	0	0	0	
13-51-301-876-00 FOXY NAILS	13010	251	534	0	534	
13-51-301-878-00 PICADILLY CAFE & BAKERY	13010	251	1,463	0	1,463	
13-51-301-879-00 DOMINOS PIZZA	13010	251	17,271	0	17,271	
13-51-301-880-00 EDWARD JONES INVESTMENTS	13010	251	10,547	0	10,547	
13-51-301-881-00 MACQUEEN & SONS	13010	251	9,641	0	9,641	
13-51-301-884-00 MICHIGAN AVENUE AUTO SALES	13010	251	2,079	0	2,079	
13-51-301-909-01 TOBACCO AVENUE	13010	251	88	0	88	
13-51-301-914-00 B & B VENDING	13010	251	2,075	0	2,075	
13-51-301-932-00 ALBION COMMUNICATION CENTER	13010	099	0	0	0	
13-51-301-933-00 HIDDEN TREASURES	13010	099	0	0	0	
13-51-301-934-00 SCALES & TALES	13010	099	0	0	0	
13-51-301-935-00 IMAGES UNLIMITED	13010	099	0	0	0	
13-51-301-944-00 HUNGER RICHARD	13010	251	4,139	0	4,139	
13-51-301-965-00 GREAT LAKES HOME HEALTH SERV	13010	251	1,000	0	1,000	
13-51-301-968-00 TRIFONE FINANCE, INC	13010	251	207	0	207	
13-51-301-969-00 OS CAPITAL	13010	251	13,337	0	13,337	
13-51-301-973-00 TRIAD SYSTEMS FINANCIAL CORP	13010	251	1,451	0	1,451	

DDA/LDFA SUMMARY REPORT FOR CITY OF ALBION
ALL RECORDS
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DDA/LDFA CHOSEN: DDA, ADJUSTED VALUES (ALL ADJUSTMENTS INCLUDED)

Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
13-51-301-975-00 FNF CAPITAL, INC	13010	251	1,847	0	1,847	
13-51-302-001-00 RICK'S USED FURNITURE & VARIETY	13010	251	0	0	0	
13-51-302-002-00 HOT SOUNDS	13010	251	1,500	0	1,500	
13-51-302-004-00 DENA'S INSPIRATIONAL HAIR DESIGNS	13010	251	4,510	0	4,510	
13-51-302-005-00 G & G GEAR	13010	251	500	0	500	
13-51-302-006-00 THE MACHINE CENTER	13010	351	80,096	0	80,096	
13-51-302-024-00 RESOURCE LEASING CORP	13010	251	54	0	54	
13-51-500-002-00 MOWRER INSURANCE	13010	201	11,942	0	11,942	
13-51-825-001-84	13010	802	0	11,200	-11,200	DDA Reference Only
13-51-900-639-98 PRIME EDM	13010	901	1,126	0	1,126	
13-51-950-321-93 PRIME EDM INC	13010	951	22,766	0	22,766	
13-51-950-639-98 PRIME EDM	13010	951	86,514	0	86,514	
13-51-001-033-00 MARVIN SCOTT	13010	401	37,491	14,300	23,191	
13-51-000-541-00 SPEARS MATTHEW & MARY LOU	13010	401	26,465	14,000	12,465	
13-51-002-108-21 STARK ESTHER L	13010	401	16,560	13,000	3,560	
13-51-002-108-23 LAURENCE DONALD R	13010	401	13,801	13,000	801	

DDA/LDFA SUMMARY REPORT FOR CITY OF ALBION
ALL RECORDS
SPEC. POPULATION: ALL ACTIVE RECORDS
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Parcel # / Owner Name	School	Class	Taxable Value	Base Value	Captured Value	Other Info
			-----GRAND TOTALS-----			
TOTAL PARCELS:	424		6,923,907	5,019,908	1,903,999	
TOT HOMESTEAD TAXABLE:	129,047					
TOT NON-HOMESTEAD TAXABLE	6,794,860					
TOT HOMESTEAD CAPTURED:	51,198					
TOT NON-HOMESTEAD CAPTURE	1,852,801					

Exhibit D
Development Area Citizen Council Comments

DOWNTOWN DEVELOPMENT AREA CITIZENS COUNCIL

Minutes - December 7, 1988

Present: Gus Dickerson, Bob Geyer, Trena Harris, Dick Hoeth, Mary Jennings

Absent: Julie Busch, Ramzi El Gharib, Tim Nolan, Jeff Wireman

Staff present: Bill Rieske

The meeting was called to order at 7:05 p.m. Rieske began by discussing the history of the Downtown Development Authority, and the role of the Development Area Citizens Council in the DDA Plan approval process. Essentially, under the DDA Act, the DACC is an advisory body to the DDA and City Council.

Discussion of the Plan started with tax increment financing. Reiske discussed the concept of tax increment financing as it related to the Development Plan and other funding issues. The DACC recommended that the assumption of constant millage rates be more explicity mentioned in the list of assumptions for the Table 2 spreadsheet. The importance of this is that both City and School millage changes are under consideration at this time and may not be constant throughout the first five year period.

The discussion then turned to the Development Plan. The DACC mentioned that some commercial buildings are in poor shape, and it may not be feasible to renovate. Given the excessive capacity, and depending upon location, buildings should be demolished not exclusively for parking, but also for open space. Preservation of retail frontage along main street should remain a priority, but walkways to rear parking areas and open space may also be appropriate.

The DACC commented that offices and retail should be mixed in the downtown area, especially given the trend towards office and service centers. Offices, or any viable businesses, should be encouraged to locate downtown.

Regarding housing in the Central Business District, the DACC commented that upscale housing above commercial space will be unlikely unless other problems such as noise, code enforcement issues, and the low incomes of some downtown residents are addressed. The DACC recommended:

1. Property owners should have the option of developing second story residential space.

2. Any new housing in the downtown area should probably be located on the periphery.

3. That the feasibility of a commercial homesteading program be explored, to encourage quality apartment development and owner occupancy.

By consensus, the DACC concluded that no further DACC meetings will be necessary prior to the adoption of the Downtown Development and Tax Increment Financing Plan. The DACC requested a copy of these comments, and indicated a continuing interest in the implementation of the Plan.

The meeting was adjourned at 8:30 p.m.

Respectfully submitted,

Bill Rieske, Recording Secretary

M I N U T E S

DEVELOPMENT AREA CITIZENS COUNCIL

Monday, March 23, 1992 - 7:30 P.M. - Second Story Conference Room

Members Present: Gus Dickerson, Joyce Face, Cynthia Hagerty, Frederick Koon, Anna Merritt, and Emmanuel Yewah

Members Absent: Neil Haack, Ralph Ilgenfritz, and Tim Nolan

Staff Present: Bill Rieske, Planning and Community Development Director

The meeting was called to order at 7:35 P.M. Joyce Face mentioned from the outset that she would need to leave the meeting at 8:00 P.M.

Rieske began by describing the packets that were sent to DACC members, and added a sample table of contents for a DDA Plan amendment, plus a table of projects and estimated cost furnished to the Albion DDA by the design firm Beckett and Raeder, Inc. He added that the DDA was looking into the basis for the estimates.

Purpose and Role of the DACC. Rieske discussed the history of downtown development, from the Commercial Revitalization Committee to Albion Downtown, Inc., to the establishment of the Downtown Development Authority, the DDA Plan approval process, and the role of the Development Area Citizens Council in this process. Essentially, under the DDA Act, the DACC is an advisory body to the DDA and City Council. He also explained that DACC is made up solely of residents of the DDA district.

Background and discussion of current DDA Plan. Rieske reported that the DDA had been established in order to take advantage of tax increment financing. He went through the projects listed in the original DDA Plan, and mentioned that the Plan would need to be amended in order take advantage of the DDA's statutory power to issue bonds.

A discussion of the causes of downtown decline ensued, and DACC members comments included:

Competition from other retail area has increased.

Leaders in Industry are no longer residents of the Albion area.

Albion College students no longer shop downtown, primarily due to the price and selection of goods and the overall product mix. (The DACC consensus was that students need to be taken into consideration when conducting downtown planning activities.)

Small businesses in Albion are best able to compete on the basis of service and convenience, not price. Albion has always been a blue collar community, so the price of goods will remain important.

Albion should be included in Channel 3's "Our Town" television feature.

Going "back to the roots" of Albion (the name of which arrived from a town in Great Britain), with a possible British theme and/or "sister city" program with the various Albions throughout the United States and the United Kingdom.

Background/discussion of proposed Plan amendment. Rieske referred to the preliminary spreadsheets that were mailed with the Agenda, and pointed out the benefits of bond financing - that there are too many projects chasing after too few dollars, and many projects need to be completed sooner rather than later, as would happen on a pay-as-you-go basis. He also noted that interest rates were down, indicating a more favorable climate for using debt financing.

He showed design concept diagrams by Beckett and Raeder, Inc., the Design Committee compilations by Rick Walkenspaw, plus Beckett and Raeder's Streetscape Design.

The discussion on the streetscape led to an update by Rieske of the Superior Street repaving project proposed by the Michigan Department of Transportation. He noted that the existing bricks would be retained by the City of Albion, and DACC members indicated their interest that these bricks be either sold for fund raising purposes or put to good use on another public improvements project.

For the Streetscape, the DACC had the following additional comments: (1) Planters should be maintained by adjacent property owners (who would have an interest in keeping them maintained), not by service groups, which tend to go tired of maintaining over time. (2) That the proposed benches, to provide seating for downtown users, be deleted, due to the noise generated at all hours by people loitering in those locations. DACC members felt that this is not conducive to quality residential or commercial development.

Regarding the overall design, cleanliness in the rear parking lots and alleys was a consideration. The grain elevator was mentioned as generating a lot of dust, which settles on and in cars as well as building interiors. Another concern was that

leaves from deciduous trees collect in alleys and parking lots due to the wind.

By consensus, DACC members supported the creation and enhancement of off-street parking near rear building entrances. They also said that property owners need the option of developing the upper levels, for apartments, retail, or office uses; and that especially for apartments, convenient parking and high-quality building improvements are a must.

Discussion of off-street parking lots led to comments on the Cass Street parking lot. It was suggested that this lot be used for public parking (no City employees). Rieske explained the policy being considered for City employee and vehicle parking. He reported that City use of the Wiener parking lot was being encouraged whenever possible.

Additional meeting dates. The DACC members mentioned that no additional meetings would be necessary as long as the DACC comments are given due consideration. DACC members expressed an interest in a continued involvement in the project planning stages (after the completion of the DDA Plan amendment). Accordingly, no additional meeting was scheduled prior to the adoption of the Downtown Development/Tax Increment Financing Plan.

Rieske said that he would write up meeting notes and send them to DACC members, as well as to the DDA Board and ultimately to City Council. He asked all members present to contact him with comments if they find that these minutes are in error.

The meeting was adjourned at 9:35 P.M.

Respectfully Submitted,

Bill Rieske
Planning and Community
Development Director

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The meeting was adjourned at 9:35 P.M.

Respectfully Submitted,

Bill Rieske
Planning and Community
Development Director

ALBION DOWNTOWN DEVELOPMENT AUTHORITY
Citizen's Advisory Committee Meeting
Thursday, October 19, 2000, 7:00 PM

ROLL CALL (WOLF)

	Present	Absent
Scott Marvin	x	
Matt Okraszewski		x
Steve Lathom		x
Anna Merritt		x
Mark Deschaine		x
Francine Watts		x
Evelyn Hill		x
Nanette Walker	x	
Linda Geyer	x	
Mohamed Alwosabi	x	

ALSO PRESENT: ELIZABETH PORTER, DDA DIRECTOR; MIKE HERMAN, CITY MANAGER; NIDIA WOLF, DDA CHAIR; BILL WHEATON, MAYOR/DDA BOARD MEMBER, BECKY MITCHELL, DDA BOARD; DAVE WEEKS, DDA BOARD; AND SHAWNA HUDSON, DDA STAFF

I. Porter introduced everyone, and made brief comments regarding the purpose of the meeting. The purpose is for the DDA Plan to reflect the concerns, needs and wants of the community it serves, in particular the residents of the development area.

II. Each member of the citizen's advisory committee was called upon to discuss his or her major concerns.
   A. The following is a list of those concerns
      I. Clean and Safe appearance of the downtown. The lack of this appearance detracts from our potential.
      II. Lack of business stability - high turn over is a major concern
      III. Skateboarding/bicycles on sidewalks in the downtown area are a safety hazard
         1. Safety should be taught in the schools
      IV. A downtown/community happenings column should be included in the free papers
         1. About businesses, what's new, what's happening
      V. We need to work to attract new investment
         1. Possible business that would work include a bakery, Fashion Bug - moderate pricing is a must in Albion.
         2. No more used stores, lets start seeking out quality
      VI. We need to work with the realtors to market Albion as a good place to live, start a business, etc.
      VII. Rear entrances and Alley ways have been neglected for too long
      VIII. Parking is always an issue, quality, quantity, etc.
      IX. We need to offer more things for Families and Youth to do i.e. a recreation center/YMCA.
      X. Downtown is too dark at night, we should work with businesses to keep their lights on at night.
      XI. We need to work with the schools to make our future happen. We need community buy-in from our youth.

While the conversation was not solely based on the plan, many valuable insights were gained into what some of Albion's problems as a whole are and that we must look at the community in its entirety, if we are to ever succeed.

DOWNTOWN DEVELOPMENT AUTHORITY

Act 197 of 1975

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

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

The People Of The State Of Michigan Enact

Document	Type	Description
125.1651	section	Definitions.
125.1651a	section	Legislative findings.
125.1652	section	Authority; establishment; restriction; public body corporate; powers generally.
125.1653	section	Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown district; notice; exemption of taxes from capture; adoption, filing, and publication of ordinance; altering or amending boundaries.
125.1653a	section	Authority of annexing or consolidated municipality; obligations, agreements, and bonds.
125.1653b	section	Ratification and validation of ordinance and actions; applicability of section.
125.1653c	section	Proceedings or findings; validity.
125.1654	section	Board; appointment, terms, and qualifications of members; vacancy; compensation and expenses; election of chairperson; oath; conducting business at public meeting; public notice; special meetings; removal of members; review; expense items and financial records; availability of writings to public; single board governing all authorities; member as resident or having interest in property; planning commission serving as board in certain municipalities.
125.1655	section	Director, acting director, treasurer, secretary, legal counsel, and other personnel.
125.1656	section	Participation of employees in municipal retirement and insurance programs.
125.1657	section	Powers of board.
125.1658	section	Board serving as planning commission; agenda.
125.1659	section	Authority as instrumentality of political subdivision.
125.1660	section	Taking, transfer, and use of private property.
125.1661	section	Financing activities of authority; disposition of money received by authority; municipal obligations.
125.1662	section	Ad valorem tax; borrowing in anticipation of collection.
125.1663	section	Revenue bonds.
125.1663a	section	Borrowing money; issuing revenue bonds or notes; purpose; costs; security; pledge and lien of pledge valid and binding; filing or recordation not required; tax exemption; bonds or notes neither liability nor debt of municipality; statement; investment and deposit of bonds and notes.
125.1663b	section	Insufficient tax increment revenues to repay advance or pay obligation; contents, time, and payment of claim; appropriation and distribution of aggregate amount; limitations; distribution subject to lien; obligation as debt or liability; certification of distribution amount; basis for calculation of distributions and claim reports.
125.1664	section	Tax increment financing plan; preparation and contents; limitation; definition;

		public hearing; fiscal and economic implications; recommendations; agreements; modification of plan.
125.1665	section	Transmitting and expending tax increments revenues; reversion of surplus funds; abolition of tax increment financing plan; conditions; annual report on status of tax increment financing account; contents; publication.
125.1666	section	General obligation bonds and tax increment bonds; qualified refunding obligation.
125.1667	section	Development plan; preparation; contents; improvements related to qualified facility.
125.1668	section	Ordinance approving development plan or tax increment financing plan; public hearing; notice; record.
125.1669	section	Development plan or tax increment financing plan as constituting public purpose; determination; ordinance; considerations.
125.1670	section	Notice to vacate.
125.1671	section	Development area citizens council; establishment; appointment and qualifications of members; representative of development area.
125.1672	section	Development area citizens council; advisory body.
125.1673	section	Consultation.
125.1674	section	Development area citizens council; meetings; notice; record; information and technical assistance; failure to organize, consult, or advise.
125.1675	section	Citizens district council as development area citizens council.
125.1676	section	Notice of findings and recommendations.
125.1677	section	Development area citizens council; dissolution.
125.1678	section	Budget; cost of handling and auditing funds.
125.1679	section	Historic sites.
125.1680	section	Dissolution of authority; disposition of property and assets; reinstatement of authority; contesting validity of proceedings, findings, and determinations.
125.1681	section	Proceedings to compel enforcement of act; rules.

125.1651 Definitions. [M.S.A. 5.3010(1)]

Sec. 1.
As used in this act:
(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.
(b) "Assessed value" means 1 of the following:
(i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.
(ii)
For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.
(c) "Authority" means a downtown development authority created pursuant to this act.
(d) "Board" means the governing body of an authority.
(e) "Business district" means an area in the downtown of a municipality zoned and used principally for business.
(f) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (x), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.
(g) "Chief executive officer" means the mayor or city manager of a city, the president or village manager of a village, or the supervisor of a township or, if designated by the township board for purposes of this act, the township superintendent or township manager of a township.
(h) "Development area" means that area to which a development plan is applicable.
(i) "Development plan" means that information and those requirements for a development set forth in section 17.
(j) "Development program" means the implementation of the development plan.

(k) "Downtown district" means an area in a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to this act.
(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 of a municipality" 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 ordinance establishing the tax increment financing plan is approved, as shown by the most re cent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision (x). In the case of a municipality having a population of less than 35,000 which established an authority prior to 1985, created a district or districts, and approved a development plan or tax increment financing plan or amendments to a plan, and which plan or tax increment financing plan or amendments to a plan, and which plan expired by its terms December 31, 1991, the initial assessed value for the purpose of any plan or plan amendment adopted as an extension of the expired plan shall be determined as if the plan had not expired December 31, 1991. For a development area designated before 1997 in which a renaissance zone has subsequently been designated pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, the initial assessed value of the development area otherwise determined under this subdivision shall be reduced by the amount by which the current assessed value of the development area was reduced in 1997 due to the exemption of property under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, but in no case shall the initial assessed value be less than zero.
(q) "Municipality" means a city, village, or township.
(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 the municipality, or eligible obligation or other protected obligation issued or incurred by the municipality, if the anticipation of the transfer or receipt of tax increment revenues from the authority is pursuant to or evidenced by 1 or more of the following:
(i) A reimbursement agreement between the municipality and an authority it established.
(ii)
A requirement imposed by law that the authority transfer tax increment revenues to the municipality.

(iii)
A resolution of the authority agreeing to make payments to the incorporating unit.
(iv)
Provisions in a tax increment financing plan describing the project for which the obligation was incurred.
(t) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.
(u) "Other protected obligation" means:
(i) A qualified refunding obligation issued to refund an obligation described in subparagraph (ii), (iii), or (iv), an obligation that is not a qualified refunding obligation that is issued to refund an eligible obligation, or a qualified refunding obligation issued to refund an obligation described in this subparagraph.
(ii)
An obligation issued or incurred by an authority or by a municipality on behalf of an authority after August 19, 1993, but before December 31, 1994, to finance a project described in a tax increment finance plan approved by the municipality in accordance with this act before December 31, 1993, for which a contract for final design is entered into by or on behalf of the municipality or authority before March 1, 1994.
(iii) An obligation incurred by an authority or municipality after August 19, 1993, to reimburse a party to a development agreement entered into by a municipality or authority before August 19, 1993, for a project described in a tax increment financing plan approved in accordance with this act before August 19, 1993, and undertaken and installed by that party in accordance with the development agreement.
(iv) An obligation incurred by the authority evidenced by or to finance a contract to purchase real property within a development area or a contract to develop that property within the development area, or both, if all of the following requirements are met:
(A) The authority purchased the real property in 1993.
(B) Before June 30, 1995, the authority enters a contract for the development of the real property located within the development area.
(C) In 1993, the authority or municipality on behalf of the authority received approval for a grant from both of the following:
(I) The department of natural resources for site reclamation of the real property.
(II) The department of consumer and industry services for development of the real property.
(v) An ongoing management or professional services contract with the governing body of a county which was entered into before March 1, 1994 and which was preceded by a series of limited term management or professional services contracts with the governing body of the county, the last of which was entered into before August 19, 1993.
(vi) A loan from a municipality to an authority if the loan was approved by the legislative body of the municipality on April 18, 1994.
(vii) Funds expended to match a grant received by a municipality on behalf of an authority for sidewalk improvements from the Michigan department of transportation if the legislative body of the municipality approved the grant application on April 5, 1993 and the grant was received by the municipality in June 1993.
(viii) For taxes captured in 1994, an obligation described in this subparagraph issued or incurred to finance a project. An obligation is considered issued or incurred to finance a project described in this subparagraph only if all of the following are met:
(A) The obligation requires raising capital for the project or paying for the project, whether or not a borrowing is involved.
(B) The obligation was part of a development plan and the tax increment financing plan was approved by a municipality on May 6, 1991.
(C) The obligation is in the form of a written memorandum of understanding between a municipality and a public utility dated October 27, 1994.
(D) The authority or municipality captured school taxes during 1994.
(v) "Public facility" means a street, plaza, pedestrian mall, and any improvements to a street, plaza, or pedestrian mall including street furniture and beautification, park, parking facility, recreational facility, right of way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, building, and access routes to any of the foregoing, designed and dedicated to use by the public generally, or used by a public agency. Public facility includes an improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, 1972 PA 230, MCL 125.1501 to 125.1531.

(w) "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 (z)(ii) and the distributions under section 13b to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (z)(ii) and the distributions under section 13 b to repay the obligation being refunded, as calculated using a method approved by the department of treasury.
(x) "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.
(y) "State fiscal year" means the annual period commencing October 1 of each year.
(z) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:
(i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.
(ii)
Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.
(iii)
Tax increment revenues do not include any of the following:
(A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.
(B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.
(C) Ad valorem property taxes exempted from capture under section 3(3) or specific local taxes attributable to such ad valorem property taxes.
(iv) The amount of tax increment revenues authorized to be included under subparagraph (ii), 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, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.
(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii).
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1985, Act 221, Imd. Eff. Jan. 10, 1986;--Am. 1993, Act 323, Eff. Mar. 15, 1994;--Am. 1994, Act 280, Imd. Eff. July 11, 1994;--Am. 1994, Act 330, Imd. Eff. Oct. 14, 1994;--Am. 1994, Act 381, Imd. Eff. Dec. 28, 1994;--Am. 1996, Act 269, Imd. Eff. June 12, 1996;--Am. 1996, Act

454, Imd. Eff. Dec. 19, 1996;--Am. 1997, Act 202, Imd. Eff. Jan. 13, 1998

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

125.1651a Legislative findings. [M.S.A. 5.3010(1a)]

Sec. 1a.
The legislature finds all of the following:
(a) That there exists in this state conditions of property value deterioration detrimental to the state economy and the economic growth of the state and its local units of government.
(b) That government programs are desirable and necessary to eliminate the causes of property value deterioration thereby benefiting the economic growth of the state.
(c) That it is appropriate to finance these government programs by means available to the state and local units of government in the state, including tax increment financing.
(d) That tax increment financing is a government financing program that contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from economic growth and development to facilities, structures, or improvements within a development area thereby facilitating economic growth and development.
(e) That it is necessary for the legislature to exercise its power to legislate tax increment financing as authorized in this act and in the exercise of this power to mandate the transfer of tax increment revenues by city, village, township, school district, and county treasurers to authorities created under this act in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.
(f) That halting property value deterioration and promoting economic growth in the state are essential governmental functions and constitute essential public purposes.
(g) That economic development strengthens the tax base upon which local units of government rely and that government programs to eliminate property value deterioration benefit local units of government and are for the use of the local units of government.
(h) That the provisions of this act are enacted to provide a means for local units of government to eliminate property value deterioration and to promote economic growth in the communities served by those local units of government.
History: Add. 1988, Act 425, Imd. Eff. Dec. 27, 1988

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

125.1652 Authority; establishment; restriction; public body corporate; powers generally. [M.S.A. 5.3010(2)]

Sec. 2. (1) Except as otherwise provided in this subsection, a municipality may establish 1 authority. If, before November 1, 1985, a municipality establishes more than 1 authority, those authorities may continue to exist as separate authorities. Under the conditions described in section 3a, a municipality may have more than 1 authority within that municipality's boundaries. A parcel of property shall not be included in more than 1 authority created by this act.
(2) An authority shall be a public body corporate which may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this act shall not be construed as a limitation upon the general powers of an authority.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985
125.1653 Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown district; notice; exemption of taxes from capture; adoption, filing, and publication of ordinance; altering or amending boundaries. [M.S.A.

5.3010(3)]

Sec. 3. (1) When the governing body of a municipality determines that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority.
(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the downtown district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed district and for a public hearing to be held after February 15, 1994 to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure of a property taxpayer to receive the notice shall not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed downtown district. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district. The governing body of the municipality shall not incorporate land into the downtown district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the downtown district in the final determination of the boundaries.
(3) Not more than 60 days after a public hearing held after February 15, 1994, the governing body of a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. The resolution takes effect when filed with that clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk.
(4) Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the downtown district within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.
(5) The governing body of the municipality may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district pursuant to the same requirements for adopting the ordinance creating the authority.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1993, Act 323, Eff. Mar. 15, 1994

125.1653a Authority of annexing or consolidated municipality; obligations, agreements, and bonds. [M.S.A. 5.3010(3a)]

Sec. 3a.
If a downtown district is part of an area annexed to or consolidated with another municipality, the authority managing that district shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this act shall remain in effect following the annexation or consolidation.
History: Add. 1985, Act 159, Imd. Eff. Nov. 15, 1985

125.1653b Ratification and validation of ordinance and actions; applicability of section. [M.S.A. 5.3010(3b)]

Sec. 3b. (1)
An ordinance enacted by a municipality that has a population of less than 50,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken under that ordinance, including the issuance of bonds, are ratified and

validated notwithstanding that notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, if the notice was published or posted at least 15 days before the hearing or the authority was established in 1984 by a village that filed the ordinance with the secretary of state not later than March, 1986. This section applies only to an ordinance adopted by a municipality before February 1, 1991, and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority, the incorporating municipality, or a county on behalf of the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 3(4) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before October 1, 1991. As used in this section, "notice was published" means publication of the notice occurred at least once.
(2) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 3,000 before June 15, 1988 rather than by adoption of an ordinance is ratified and validated, if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.
History: Add. 1989, Act 242, Imd. Eff. Dec. 21, 1989;--Am. 1991, Act 66, Imd. Eff. July 3, 1991;--Am. 1993, Act 42, Imd. Eff. May 27, 1993;--Am. 1993, Act 323, Eff. Mar. 15, 1994

125.1653c Proceedings or findings; validity. [M.S.A. 5.3010(3c)]

Sec. 3c.
The validity of the proceedings or findings establishing an authority, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan is conclusive with respect to the capture of tax increment revenues for an other protected obligation that is a bond issued after October 1, 1994.
History: Add. 1994, Act 381, Imd. Eff. Dec. 28, 1994

125.1654 Board; appointment, terms, and qualifications of members; vacancy; compensation and expenses; election of chairperson; oath; conducting business at public meeting; public notice; special meetings; removal of members; review; expense items and financial records; availability of writings to public; single board governing all authorities; member as resident or having interest in property; planning commission serving as board in certain municipalities. [M.S.A. 5.3010(4)]

Sec. 4. (1) Except as provided in subsections (7) and (8), an authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality and not less than 8 or more than 12 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an interest in property located in the downtown district. Not less than 1 of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.
(2) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.
(3) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. The board shall adopt rules consistent with Act No. 267 of the Public Acts of 1976 governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(4) Pursuant to notice and after having been given an opportunity to be heard, a member of the board may be removed for cause by the governing body. Removal of a member is subject to review by the circuit court.
(5) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.
(6) In addition to the items and records prescribed in subsection (5), a writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.
(7) By resolution of its governing body, a municipality having more than 1 authority may establish a single board to govern all authorities in the municipality. The governing body may designate the board of an existing authority as the board for all authorities or may establish by resolution a new board in the same manner as provided in subsection (1). A member of a board governing more than 1 authority may be a resident of or have an interest in property in any of the downtown districts controlled by the board in order to meet the requirements of this section.
(8) By ordinance, the governing body of a municipality that has a population of less than 5,000 may have the municipality's planning commission created pursuant to Act No. 285 of the Public Acts of 1931, being sections 125.31 to 125.45 of the Michigan Compiled Laws, serve as the board provided for in subsection (1).
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1978, Act 521, Imd. Eff. Dec. 20, 1978;--Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;--Am. 1987, Act 66, Imd. Eff. June 25, 1987

125.1655 Director, acting director, treasurer, secretary, legal counsel, and other personnel. [M.S.A. 5.3010(5)]

Sec. 5. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of his office, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the penal sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be deemed an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise, and be responsible for, the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the board, and shall render to the board and to the governing body of the municipality a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.
(2) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the authority and who, together with the director, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated to him by the board and shall furnish bond in an amount as prescribed by the board.
(3) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings, and shall perform such other duties delegated by the board.
(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.
(5) The board may employ other personnel deemed necessary by the board.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1656 Participation of employees in municipal retirement and insurance programs. [M.S.A. 5.3010(6)]

Sec. 6.
The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1657 Powers of board. [M.S.A. 5.3010(7)]

Sec. 7.
The board may:
(a) Prepare an analysis of economic changes taking place in the downtown district.
(b) Study and analyze the impact of metropolitan growth upon the downtown district.
(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.
(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.
(e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.
(f) Implement any plan of development in the downtown district necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.
(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.
(i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances thereto, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.
(j) Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.
(k) Lease any building or property under its control, or any part thereof.
(l)
Accept grants and donations of property, labor, or other things of value from a public or private source.
(m) Acquire and construct public facilities.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1985, Act 221, Imd. Eff. Jan. 10, 1986

125.1658 Board serving as planning commission; agenda. [M.S.A. 5.3010(8)]

Sec. 8.
If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include planning commission business in its agenda.
History: Add. 1987, Act 66, Imd. Eff. June 25, 1987

125.1659 Authority as instrumentality of political subdivision. [M.S.A. 5.3010(9)]

Sec. 9.
The authority shall be deemed an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1660 Taking, transfer, and use of private property. [M.S.A. 5.3010(10)]

Sec. 10.
A municipality may take private property under Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41 of the Michigan Compiled Laws, for the purpose of transfer to the authority, and may transfer the property to the authority for use in an approved development, on terms and conditions it deems appropriate, and the taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1661 Financing activities of authority; disposition of money received by authority; municipal obligations. [M.S.A. 5.3010(11)]

Sec. 11. (1)
The activities of the authority shall be financed from 1 or more of the following sources:
(a) Donations to the authority for the performance of its functions.
(b) Proceeds of a tax imposed pursuant to section 12.
(c) Money borrowed and to be repaid as authorized by sections 13 and 13a.
(d) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.
(e) Proceeds of a tax increment financing plan, established under sections 14 to 16.
(f) Proceeds from a special assessment district created as provided by law.
(g) Money obtained from other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.
(h) Money obtained pursuant to section 13b.
(i) Revenue from the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11a of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611a of the Michigan Compiled Laws.
(j) Revenue from the federal data facility act, Act No. 126 of the Public Acts of 1993, being sections 3.951 to 3.961 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11b of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611b of the Michigan Compiled Laws.
(2) Money received by the authority and not covered under subsection (1) shall immediately be deposited to the credit of the authority, subject to disbursement pursuant to this act. Except as provided in this act, the municipality shall not obligate itself, nor shall it ever be obligated to pay any sums from public funds, other than money received by the municipality pursuant to this section, for or on account of the activities of the authority.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1981, Act 34, Imd. Eff. May 11, 1981;--Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;--Am. 1993, Act 122, Imd. Eff. July 20, 1993;--Am. 1993, Act 323, Eff. Mar. 15, 1994

125.1662 Ad valorem tax; borrowing in anticipation of collection. [M.S.A. 5.3010(12)]

Sec. 12. (1) An authority with the approval of the municipal governing body may levy an ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the downtown district. The tax shall not be more than 1 mill if the downtown district is in a municipality having a population of 1,000,000 or more, or not more than 2 mills if the downtown district is in a municipality having a population of less than 1,000,000. The tax shall be collected by the municipality creating the authority levying the tax. The municipality shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes. The tax shall be paid to the treasurer of the authority and credited to the general fund of the authority for purposes of the authority.
(2) The municipality may at the request of the authority borrow money and issue its notes therefor pursuant to the municipal finance act, Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 138.2 of the Michigan Compiled Laws, in anticipation of collection of the ad valorem tax authorized in this section.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1983, Act 86, Imd. Eff. June 16, 1983

125.1663 Revenue bonds. [M.S.A. 5.3010(13)]

Sec. 13.
The authority may borrow money and issue its negotiable revenue bonds therefor pursuant to Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the authority shall not except as hereinafter provided be deemed a debt of the municipality or the state. The municipality by majority vote of the members of its governing body may pledge its full faith and credit to support the authority's revenue bonds.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1663a Borrowing money; issuing revenue bonds or notes; purpose; costs; security; pledge and lien of pledge valid and binding; filing or recordation not required; tax exemption; bonds or notes neither liability nor debt of municipality; statement; investment and deposit of bonds and notes. [M.S.A. 5.3010(13a)]

Sec. 13a. (1)
The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of acquiring or constructing property in connection with the implementation of a development plan in the downtown district or to refund or refund in advance bonds or notes issued pursuant to this section. The costs which may be financed by the issuance of revenue bonds or notes may include the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the downtown district; any engineering, architectural, legal, accounting, or financial expenses; the costs necessary or incidental to the borrowing of money; interest on the bonds or notes during the period of construction; a reserve for payment of principal and interest on the bonds or notes; and a reserve for operation and maintenance until sufficient revenues have developed. The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and any money, revenues, or income received in connection therewith.
(2) A pledge made by the authority shall be valid and binding from the time the pledge is made. The money or property pledged by the authority immediately shall be subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of such a pledge shall be valid and binding as against parties having claims of any kind in tort, contract, or otherwise, against the authority, irrespective of whether the parties have notice of the lien. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created need be filed or recorded.
(3) Bonds or notes issued pursuant to this section shall be exempt from all taxation in this state except inheritance and transfer taxes, and the interest on the bonds or notes shall be exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.
(4) The municipality shall not be liable on bonds or notes of the authority issued pursuant to this section and the bonds or notes shall not be a debt of the municipality. The bonds or notes shall contain on their face a statement to that effect.
(5) The bonds and notes of the authority may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.
History: Add. 1981, Act 151, Imd. Eff. Nov. 19, 1981

125.1663b Insufficient tax increment revenues to repay advance or pay obligation; contents, time, and payment of claim; appropriation and distribution of aggregate amount; limitations; distribution subject to lien; obligation as debt or liability; certification of distribution amount; basis for calculation of distributions and claim reports. [M.S.A. 5.3010(13b)]

Sec. 13b. (1)
If the amount of tax increment revenues lost as a result of the reduction of taxes levied by local school districts for school operating purposes required by the millage limitations under section 1211 of the school code of 1976, 1976 PA 451, MCL 380.1211, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause the tax

increment revenues received in a fiscal year by an authority under section 15 to be insufficient to repay an eligible advance or to pay an eligible obligation, the legislature shall appropriate and distribute to the authority the amount described in subsection (5).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) If, based upon the tax increment financing plan in effect on August 19, 1993, the payment due on eligible obligations or eligible advances anticipates the use of excess prior year tax increment revenues permitted by law to be retained by the authority, and if the sum of the amounts described in subsection (2)(c) and (f) plus the amount to be distributed under subsections (5) and (6) is less than the amount described in subsection (2)(e), the amount to be distributed under subsections (5) and (6) shall be increased by the amount of the shortfall. However, the amount

authorized to be distributed pursuant to this section shall not exceed that portion of the cumulative difference, for each preceding fiscal year, between the amount that could have been distributed pursuant to subsection (5) and the amount actually distributed pursuant to subsections (5) and (6) and this subsection.
(8) A distribution under this section replacing tax increment revenues pledged by an authority or a municipality is subject to the lien of the pledge, whether or not there has been physical delivery of the distribution.
(9) Obligations for which distributions are made pursuant to this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.
(10) Not later than July 1 of each year, the authority shall certify to the local tax collecting treasurer the amount of the distribution required under subsection (5), calculated without regard to the receipt of tax increment revenues attributable to local or intermediate school district taxes or attributable to taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.
(11) Calculations of distributions under this section and claims reports required to be made under subsection (2) shall be made on the basis of each development area of the authority.
(12) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.
History: Add. 1993, Act 323, Eff. Mar. 15, 1994;--Am. 1994, Act 280, Imd. Eff. July 11, 1994;--Am. 1996, Act 269, Imd. Eff. June 12, 1996;--Am. 1996, Act 454, Imd. Eff. Dec. 19, 1996;--Am. 1997, Act 202, Imd. Eff. Jan. 13, 1998

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

125.1664 Tax increment financing plan; preparation and contents; limitation; definition; public hearing; fiscal and economic implications; recommendations; agreements; modification of plan. [M.S.A. 5.3010(14)]

Sec. 14. (1)
When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 17, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 15. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.
(2) The percentage of taxes levied for school operating purposes that is captured and used by the tax increment financing plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws. For purposes of this subsection, tax increment revenues used to pay bonds issued by a municipality under section 16(1) shall be considered to be used by the tax increment financing plan rather than shared with the municipality. The limitation of this subsection does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, Act No. 224 of the Public Acts of 1985, being section 125.2113 of the Michigan Compiled Laws.
(3) Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 18. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.
(4) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to meet with the governing body. The

authority shall fully inform the taxing jurisdictions of the fiscal and economic implications of the proposed development area. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the district.
(5) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearings and agreements as are required for approval of the original plan.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1979, Act 26, Imd. Eff. June 6, 1979;--Am. 1981, Act 34, Imd. Eff. May 11, 1981;--Am. 1986, Act 229, Imd. Eff. Oct. 1, 1986;--Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;--Am. 1989, Act 108, Imd. Eff. June 23, 1989;--Am. 1993, Act 323, Eff. Mar. 15, 1994

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

125.1665 Transmitting and expending tax increments revenues; reversion of surplus funds; abolition of tax increment financing plan; conditions; annual report on status of tax increment financing account; contents; publication. [M.S.A. 5.3010(15)]

Sec. 15. (1)
The municipal and county treasurers shall transmit to the authority tax increment revenues.
(2) The authority shall expend the tax increment revenues received for the development program only pursuant to the tax increment financing plan. Surplus funds shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan when it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished until the principal of, and interest on, bonds issued pursuant to section 16 have been paid or funds sufficient to make the payment have been segregated.
(3) Annually the authority shall submit to the governing body of the municipality and the state tax commission a report on the status of the tax increment financing account. The report shall be published in a newspaper of general circulation in the municipality and shall include the following:
(a) The amount and source of revenue in the account.
(b) The amount in any bond reserve account.
(c) The amount and purpose of expenditures from the account.
(d) The amount of principal and interest on any outstanding bonded indebtedness.
(e) The initial assessed value of the project area.
(f) The captured assessed value retained by the authority.
(g) The tax increment revenues received.
(h) The number of jobs created as a result of the implementation of the tax increment financing plan.
(i) Any additional information the governing body or the state tax commission considers necessary.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1979, Act 26, Imd. Eff. June 6, 1979;--Am. 1981, Act 34, Imd. Eff. May 11, 1981;--Am. 1986, Act 229, Imd. Eff. Oct. 1, 1986;--Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;--Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;--Am. 1993, Act 323, Eff. Mar. 15, 1994

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

125.1666 General obligation bonds and tax increment bonds; qualified refunding obligation. [M.S.A. 5.3010(16)]

Sec. 16. (1)
The municipality may by resolution of its governing body authorize, issue, and sell general obligation bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan or to refund bonds issued under this section and shall pledge its full faith and credit for the payment of the bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 11. The bonds shall mature in not more than 30 years and shall be subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws. Before the municipality may authorize the borrowing, the authority shall submit an estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds, to the governing body of the municipality. This estimate shall be approved by the governing body of the municipality by resolution adopted by majority vote of the members of the governing body in the resolution authorizing the bonds. If the bonds are approved by the department of treasury in those instances in which an exception to prior approval is not available under section 11 of chapter III of Act No. 202 of the Public Acts of 1943, being section 133.11 of the Michigan Compiled Laws, or if the governing body of the municipality adopts the resolution authorizing the bonds and prior approval of the department of treasury is not required pursuant to section 11 of chapter III of Act No. 202 of the Public Acts of 1943, the estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds shall be conclusive for purposes of this section. The bonds issued under this subsection shall be considered a single series for the purposes of Act No. 202 of the Public Acts of 1943.
(2) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan or to refund or refund in advance obligations issued under this act. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increment revenues of a development area in which the project is located or a development area from which tax increment revenues may be used for this project, or both. In addition or in the alternative, the bonds issued by the authority pursuant to this subsection may be secured by any other revenues identified in section 11 as sources of financing for activities of the authority that the authority shall specifically pledge in the resolution. However, the full faith and credit of the municipality shall not be pledged to secure bonds issued pursuant to this subsection. The bonds shall mature in not more than 30 years and shall bear interest and be payable upon the terms and conditions determined by the authority in the resolution approving the bonds and shall be sold at public or private sale by the authority. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increment revenues from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution. Except for the requirement of Act No. 202 of the Public Acts of 1943 that the authority receive the approval or an exception from approval from the department of treasury prior to the issuance of bonds under this subsection, the terms of Act No. 202 of the Public Acts of 1943 shall not apply to bonds issued pursuant to this subsection that pledge revenue received pursuant to section 11 for repayment of the bonds.
(3) Notwithstanding any other provision of this act, if the state treasurer determines that an authority or municipality can issue a qualified refunding obligation and the authority or municipality does not make a good faith effort to issue the qualified refunding obligation as determined by the state treasurer, the state treasurer may reduce the amount claimed by the authority or municipality under section 13b by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation or the state treasurer may require a reduction in the capture of tax increment revenues from taxes levied by a local or intermediate school district or this state by an amount equal to the net present value savings that would have been realized had the authority or municipality refunded the obligation. This subsection does not authorize the state treasurer to require the authority or municipality to pledge security greater than the security pledged for the obligation being refunded.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1981, Act 34, Imd. Eff. May 11, 1981;--Am. 1983, Act 34, Imd. Eff. May 10, 1983;--Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;--Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;--Am. 1993, Act 122, Imd. Eff. July 20, 1993;--Am. 1993, Act 323, Eff. Mar. 15, 1994;--Am. 1996, Act 269, Imd. Eff. June 12, 1996

125.1667 Development plan; preparation; contents; improvements related to qualified facility. [M.S.A. 5.3010(17)]

Sec. 17. (1)
When a board decides to finance a project in the downtown district by the use of revenue bonds as authorized in section 13 or tax increment financing as authorized in sections 14, 15, and 16, it shall prepare a development plan.
(2) The development plan shall contain all of the following:
(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.
(b) The location and extent of existing streets and other public facilities within the development area, shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and shall include a legal description of the development area.
(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.
(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.
(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.
(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.
(g) A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.
(h) A description of desired zoning changes and changes in streets, street levels, intersections, or utilities.
(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.
(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.
(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.
(l)
Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.
(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.
(n) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, being Public Law 91-646, 42 U.S.C. sections 4601, et seq.
(o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.
(p) Other material that the authority, local public agency, or governing body considers pertinent.
(3) A development plan may provide for improvements related to a qualified facility, as defined in the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, that is located outside of the boundaries of the development area but within the district, including

the cost of construction, renovation, rehabilitation, or acquisition of that qualified facility or of public facilities and improvements related to that qualified facility.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;--Am. 1993, Act 122, Imd. Eff. July 20, 1993

125.1668 Ordinance approving development plan or tax increment financing plan; public hearing; notice; record. [M.S.A. 5.3010(18)]

Sec. 18. (1)
The governing body, before adoption of an ordinance approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the downtown district not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the downtown district not less than 20 days before the hearing.
(2) Notice of the time and place of hearing on a development plan shall contain: a description of the proposed development area in relation to highways, streets, streams, or otherwise; a statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing; and other information that the governing body deems appropriate. At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference 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 thereat.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1669 Development plan or tax increment financing plan as constituting public purpose; determination; ordinance; considerations. [M.S.A. 5.3010(19)]

Sec. 19. (1)
The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice thereof given in accordance with section 18, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall then approve or reject the plan, or approve it with modification, by ordinance based on the following considerations:
(a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.
(b) The plan meets the requirements set forth in section 17 (2).
(c) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.
(d) The development is reasonable and necessary to carry out the purposes of this act.
(e) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this act in an efficient and economically satisfactory manner.
(f) The development plan is in reasonable accord with the master plan of the municipality.
(g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.
(h) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.
(2) Amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1670 Notice to vacate. [M.S.A. 5.3010(20)]

Sec. 20.
A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1671 Development area citizens council; establishment; appointment and qualifications of members; representative of development area. [M.S.A. 5.3010(21)]

Sec. 21. (1)
If a proposed development area has residing within it 100 or more residents, a development area citizens council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The development area citizens council shall be established by the governing body and shall consist of not less than 9 members. The members of the development area citizens council shall be residents of the development area and shall be appointed by the governing body. A member of a development area citizens council shall be at least 18 years of age.
(2) A development area citizens council shall be representative of the development area.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1672 Development area citizens council; advisory body. [M.S.A. 5.3010(22)]

Sec. 22.
A development area citizens council established pursuant to this act shall act an advisory body to the authority and the governing body in the adoption of the development or tax increment financing plans.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1673 Consultation. [M.S.A. 5.3010(23)]

Sec. 23.
Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1674 Development area citizens council; meetings; notice; record; information and technical assistance; failure to organize, consult, or advise. [M.S.A. 5.3010(24)]

Sec. 24. (1)
Meetings of the development area citizens council shall be open to the public. Notice of the time and place of the meetings shall be given by publication in a newspaper of general circulation not less than 5 days before the dates set for meetings of the development area citizens council. A person present at those meetings shall have reasonable opportunity to be heard.
(2) A record of the meetings of a development area citizens council, including information and data presented, shall be maintained by the council.
(3) A development area citizens council may request of and receive from the authority information and technical assistance relevant to the preparation of the development plan for the development area.
(4) Failure of a development area citizens council to organize or to consult with and be advised by the authority, or failure to advise the governing body, as provided in this act, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this act.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1675 Citizens district council as development area citizens council. [M.S.A. 5.3010(25)]

Sec. 25.
In a development area where a citizens district council established according to Act No. 344 of the Public Acts of 1945, as amended, being sections 125.71 to 125.84 of the Michigan Compiled Laws, already exists the governing body may designate it as the development area citizens council authorized by this act.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1676 Notice of findings and recommendations. [M.S.A. 5.3010(26)]

Sec. 26.
Within 20 days after the public hearing on a development or tax increment financing plan, the development area citizens council shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1677 Development area citizens council; dissolution. [M.S.A. 5.3010(27)]

Sec. 27.
A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:
(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice thereof given in accordance with section 18 and by a 2/3 vote, may adopt an ordinance for the development area to eliminate the necessity of a development area citizens council.
(b) When there are less than 18 residents, real property owners, or representatives of establishments located in the development area eligible to serve on the development area citizens council.
(c) Upon termination of the authority by ordinance of the governing body.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1678 Budget; cost of handling and auditing funds. [M.S.A. 5.3010(28)]

Sec. 28. (1)
The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body of the municipality. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this act or by the governing body of the municipality.
(2) The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975

125.1679 Historic sites. [M.S.A. 5.3010(29)]

Sec. 29. (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 deemed 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 Public Act No. 169 of the Public Acts of 1970, being sections 399.201 to 399.212 of the Michigan Compiled Laws, or the secretary of state for review.

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

125.1680 Dissolution of authority; disposition of property and assets; reinstatement of authority; contesting validity of proceedings, findings, and determinations. [M.S.A. 5.3010(30)]

Sec. 30. (1)
An authority that has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.
(2) An authority established under this act before December 31, 1988, that is dissolved by ordinance of the governing body before September 30, 1990 and that is reinstated by ordinance of the governing body after notice and public hearing as provided in section 3(2) shall not be invalidated pursuant to a claim that, based upon the standards set forth in section 3(1), a governing body improperly determined that the necessary conditions existed for the reinstatement of an authority under the act if at the time the governing body established the authority the governing body determined or could have determined that the necessary conditions existed for the establishment of an authority under this act or could have determined that establishment of an authority under this act would serve to promote economic growth and notwithstanding that the boundaries of the downtown district are altered at the time of reinstatement of the authority.
(3) In the resolution of intent, the municipality shall set a date for the holding of a public hearing on the adoption of a proposed ordinance reinstating the authority. The procedure for publishing the notice of hearing, holding the hearing, and adopting the ordinance reinstating the authority shall be as provided in section 3(2), (4), and (5).
(4) The validity of the proceedings, findings, and determinations reinstating an authority shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the last of the following occurs:
(a) Publication of the ordinance reinstating the authority as adopted.
(b) Filing of the ordinance reinstating the authority with the secretary of state.
(c) May 27, 1993.
History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;--Am. 1993, Act 42, Imd. Eff. May 27, 1993;--Am. 1993, Act 323, Eff. Mar. 15, 1994

125.1681 Proceedings to compel enforcement of act; rules. [M.S.A. 5.3010(31)]

Sec. 31. (1)
The state tax commission may institute proceedings to compel enforcement of this act.
(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.
History: Add. 1988, Act 425, Imd. Eff. Dec. 27, 1988

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

THE TAX INCREMENT FINANCE AUTHORITY ACT

Act 450 of 1980

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

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

The People Of The State Of Michigan Enact

Document	Type	Description
125.1801	section	Definitions.
125.1801a	section	Short title.
125.1802	section	Authority; establishment; public body corporate; powers generally.
125.1803	section	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.
125.1804	section	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.
125.1805	section	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.
125.1807	section	Board; powers generally.
125.1808	section	Board serving as planning commission; agenda.
125.1809	section	Authority as instrumentality of political subdivision.
125.1810	section	Taking, transfer, and use of private property by municipality.
125.1811	section	Financing activities of authority; sources.
125.1812	section	Borrowing money; issuing negotiable revenue bonds; full faith and credit.
125.1812a	section	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.
125.1813	section	Preparation and submission of tax increment financing plan; contents and approval of plan; public hearing; taxing jurisdictions.
125.1814	section	Transmitting and expending tax increment revenues; disposition of surplus funds; abolition of tax increment financing plan; financial report.
125.1815	section	Tax increment bonds; qualified refunding obligation.
125.1816	section	Development plan; preparation; contents.
125.1817	section	Public hearing on development plan; publication, mailing, and contents of notice; presentation of data; record.
125.1818	section	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.
125.1819	section	Notice to vacate.
125.1820	section	Development area citizens council; establishment; advisory body; appointment and qualifications of members.
125.1821	section	Consultation representative of authority and council.
125.1822	section	Meetings of council; open to public; notice; hearing persons present at meeting; record; information and technical assistance; failures not precluding adoption of development plan.
125.1823	section	Development plan; notice of findings and recommendations.
125.1824	section	Development area citizens council; dissolution.
125.1825	section	Budget; cost of handling and auditing funds.
125.1826	section	Preservation of public facility, building, or structure having significant historical interest; review of proposed changes to exterior of historic site.
125.1827	section	Dissolution of authority; resolution; disposition of property and assets.
125.1828	section	Authority district part of area annexed to or consolidated with another municipality; authority of annexing or consolidated municipality; status of obligations, agreements, and bonds.
125.1829	section	New authority or authority district and boundaries of authority district; prohibitions; validity of tax increment finance authority, authority district, development area, development plan, or tax increment financing plan established before December 30, 1986; development area created or expanded after December 29, 1986.
125.1830	section	Proceedings to compel enforcement of act; rules.

125.1801 Definitions. [M.S.A. 3.540(201)]

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 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 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)(ii) and the distributions under section 12a to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (aa)(ii) and the distributions under section 12a to repay the obligation being refunded, as calculated using a method approved by the department of treasury.
(w) "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.
(x) "State fiscal year" means the annual period commencing October 1 of each year.
(y) "Tax increment district" or "district" means that area to which the tax increment finance plan pertains.
(z) "Tax increment financing plan" means that information and those requirements set forth in sections 13 to 15.

(aa) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:
(i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.
(ii) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.
(iii) Tax increment revenues do not include any of the following:
(A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.
(B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.
(iv) The amount of tax increment revenues authorized to be included under subparagraph (ii), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):
(A) The percentage which the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bear to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.
(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii).
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

Compilers Notes:
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."

125.1801a Short title. [M.S.A. 3.540(201a)]

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

125.1802 Authority; establishment; public body corporate; powers generally. [M.S.A. 3.540(202)]

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

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. [M.S.A. 3.540(203)]

Sec. 3. (1) If the governing body of a municipality determines that it is in the best interests of the public to halt a decline in property values, increase property tax valuation, eliminate the causes of the decline in property values, and to promote growth in an area in the municipality, the governing body of that municipality may declare by resolution its intention to create and provide for the operation of an authority.
(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed resolution creating the authority and designating the boundaries of the authority district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 nor more than 40 days before the date of the hearing. Notice shall also be mailed to the property taxpayers of record in the proposed authority district not less than 20 days before the hearing. Failure to receive the notice shall not invalidate these proceedings. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed authority district. At that hearing, a citizen, taxpayer, or property owner of the municipality has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed authority district. The governing body of the municipality shall not incorporate land into the authority district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the authority district in the final determination of the boundaries.
(3) After the public hearing, if the governing body intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, a resolution establishing the authority and designating the boundaries of the authority district within which the authority shall exercise its powers. The adoption of the resolution is subject to any applicable statutory or charter provisions with respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of a resolution over his or her veto. This resolution shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.
(4) The governing body may alter or amend the boundaries of the authority district to include or exclude lands from the authority district in accordance with the same requirements prescribed for adopting the resolution creating the authority.
(5) The validity of the proceedings establishing an authority shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the last of the following takes place:
(a) Publication of the resolution as adopted.
(b) Filing of the resolution with the secretary of state.
(c) The effective date of this subsection.
History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;--Am. 1983, Act 148, Imd. Eff. July 18, 1983

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. [M.S.A. 3.540(204)]

Sec. 4. (1) The authority shall be under the supervision and control of a board chosen by the governing body which may by majority vote designate any 1 of the following to constitute the board:
(a) The board of directors of the economic development corporation of the municipality established pursuant to the economic development corporations act, Act No. 338 of the Public Acts of 1974, as amended, being sections 125.1601 to 125.1636 of the Michigan Compiled Laws.
(b) The trustees of the board of a downtown development authority established pursuant to Act No. 197 of the Public Acts of 1975, as amended, being sections 125.1651 to 125.1680 of the Michigan Compiled Laws.
(c) The trustees of the board of an urban redevelopment corporation established pursuant to the urban redevelopment corporations law, Act No. 250 of the Public Acts of 1941, as amended, being sections 125.901 to 125.922 of the Michigan Compiled Laws.

(d) The members of the commission established pursuant to Act No. 344 of the Public Acts of 1945, being sections 125.71 to 125.84 of the Michigan Compiled Laws.
(e) In a municipality that has a population of less than 5,000, the planning commission of the municipality established pursuant to Act No. 285 of the Public Acts of 1931, being sections 125.31 to 125.45 of the Michigan Compiled Laws.
(f) Not less than 7 nor more than 13 persons appointed by the chief executive officer of the municipality subject to the approval of the governing body. Of the members appointed, an equal number, as near as practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.
(2) The chairperson of the board shall be elected by the board.
(3) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.
(4) The board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held when called in the manner provided in the rules of the board. Meetings of the board shall be open to the public, in accordance with the open meetings act, Act No. 267 of the Public Acts of 1976, as amended, being sections 15.261 to 15.275 of the Michigan Compiled Laws.
(5) Pursuant to notice and an opportunity to be heard, a member of the board appointed pursuant to subsection (1)(f) may be removed before the expiration of his or her term for cause by the governing body. Removal of a member is subject to the review by the circuit court.
(6) All expense items of the authority shall be publicized annually and the financial records shall be open to the public pursuant to the freedom of information act, Act No. 442 of the Public Acts of 1976, as amended, being sections 15.231 to 15.246 of the Michigan Compiled Laws.
History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;--Am. 1987, Act 68, Imd. Eff. June 25, 1987

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. [M.S.A. 3.540(205)]

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

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

125.1807 Board; powers generally. [M.S.A. 3.540(207)]

Sec. 7.
The board may:
(a) Prepare an analysis of economic changes taking place in the municipality and its environs as those changes relate to urban deterioration in the development areas.
(b) Study and analyze the impact of growth upon development areas.
(c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the revitalization and growth of the development area.
(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.
(e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the decline of property values and to promote the growth of the development area, and take such steps as may be necessary to implement the plans to the fullest extent possible.
(f) Implement any plan of development in a development area necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.
(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper, own, convey, demolish, relocate, rehabilitate, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.
(i) Improve land, prepare sites for buildings, including the demolition of existing structures and construct, reconstruct, rehabilitate, restore, and preserve, equip, improve, maintain, repair, and operate any building, including any type of housing, and any necessary or desirable appurtenances thereto, within the development area for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.
(j) Fix, charge, and collect fees, rents, and charges for the use of any building or property or any part of a building or property under its control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.
(k) Lease any building or property or part of a building or property under its control.
(l)
Accept grants and donations of property, labor, or other things of value from a public or private source.
(m) Acquire and construct public facilities.
(n) Incur costs in connection with the performance of its authorized functions, including but not limited to, administrative costs, and architects, engineers, legal, and accounting fees.
History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;--Am. 1985, Act 193, Imd. Eff. Dec. 20, 1985

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

125.1808 Board serving as planning commission; agenda. [M.S.A. 3.540(208)]

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

125.1809 Authority as instrumentality of political subdivision. [M.S.A. 3.540(209)]

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

125.1810 Taking, transfer, and use of private property by municipality. [M.S.A. 3.540(210)]

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

125.1811 Financing activities of authority; sources. [M.S.A. 3.540(211)]

Sec. 11.
The activities of the authority shall be financed from 1 or more of the following sources:
(a) Contributions to the authority for the performance of its functions.
(b) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.
(c) Tax increment revenues received pursuant to a tax increment financing plan established under sections 13 to 15.
(d) Proceeds of tax increment bonds issued pursuant to section 15.
(e) Proceeds of revenue bonds issued pursuant to section 12.
(f) Money obtained from any other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.
(g) Money obtained pursuant to section 12a.
History: 1980, Act 450, Imd. Eff. Jan. 15, 1981;--Am. 1993, Act 322, Eff. Mar. 15, 1994

125.1812 Borrowing money; issuing negotiable revenue bonds; full faith and credit. [M.S.A. 3.540(212)]

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

(a) The amount by which the tax increment revenues the authority would have received for the fiscal year, if property taxes were levied by local school districts on property, including property that is exempt from taxation pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's taxable value at the time the zone is designated, for school operating purposes at the millage rates described in subsection (2)(a) and if no property taxes were levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, exceed the sum of tax increment revenues the authority actually received for the fiscal year plus any tax increment revenues the authority would have received for the fiscal year from property that is exempt from taxation pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, based on the property's taxable value at the time the zone is designated.
(b) A shortfall required to be reported pursuant to subsection (2)(g) that had not previously increased a distribution.
(c) An excess amount required to be reported pursuant to subsection (2)(g) that had not previously decreased a distribution.
(6) The amount distributed under subsection (5) shall not exceed the difference between the amount described in subsection (2)(e) and the sum of the amounts described in subsection (2)(c) and (f).
(7) If, based upon the tax increment financing plan in effect on August 19, 1993, the payment due on eligible obligations or eligible advances anticipates the use of excess prior year tax increment revenues permitted by law to be retained by the authority, and if the sum of the amounts described in subsection (2)(c) and (f) plus the amount to be distributed under subsections (5) and (6) is less than the amount described in subsection (2)(e), the amount to be distributed under subsections (5) and (6) shall be increased by the amount of the shortfall. However, the amount authorized to be distributed pursuant to this section shall not exceed that portion of the cumulative difference, for each preceding fiscal year, between the amount that could have been distributed pursuant to subsection (5) and the amount actually distributed pursuant to subsections (5) and (6) and this subsection.
(8) A distribution under this section replacing tax increment revenues pledged by an authority or a municipality is subject to the lien of the pledge, whether or not there has been physical delivery of the distribution.
(9) Obligations for which distributions are made pursuant to this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.
(10) Not later than July 1 of each year, the authority shall certify to the local tax collecting treasurer the amount of the distribution required under subsection (5), calculated without regard to the receipt of tax increment revenues attributable to local or intermediate school district taxes or attributable to taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.
(11) Calculations of distributions under this section and claims reports required to be made under subsection (2) shall be made on the basis of each development area of the authority.
(12) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.
History: 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

Compilers Notes:
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."

125.1813 Preparation and submission of tax increment financing plan; contents and approval of plan; public hearing; taxing jurisdictions. [M.S.A. 3.540(213)]

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

Compilers Notes:
Section 2 of Act 420 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989."

125.1814 Transmitting and expending tax increment revenues; disposition of surplus funds; abolition of tax increment financing plan; financial report. [M.S.A. 3.540(214)]

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

Compilers Notes:
Section 2 of Act 420 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989."

125.1815 Tax increment bonds; qualified refunding obligation. [M.S.A. 3.540(215)]

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 or to refund or refund in advance obligations issued under this act. The bonds shall mature in not more than 30 years and are subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws. The bonds issued under this section shall be considered a single series for the purposes of section 4 of chapter V of Act No. 202 of the Public Acts of 1943, being section 135.4 of the Michigan Compiled Laws.
(2) The municipality by majority vote of the members of its governing body may pledge its full faith and credit for the payment of the principal of and interest on the authority's tax increment bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 11.
(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

125.1816 Development plan; preparation; contents. [M.S.A. 3.540(216)]

Sec. 16. (1)
When a board decides to finance a project in a development area pursuant to this act, it shall prepare a development plan.
(2) To the extent necessary to accomplish the proposed development program the development plan shall contain:
(a) The designation of boundaries of the development area in relation to the boundaries of the authority district and any other development areas within the authority district.
(b) The designation of boundaries of the development area in relation to highways, streets, or otherwise.
(c) The location and extent of existing streets and other public facilities within the development area and the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses and shall include a legal description of the development area.
(d) A description of improvements to be made in the development area, a description of any repairs and alterations necessary to make those improvements, and an estimate of the time required for completion of the improvements.
(e) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.
(f) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(g) A description of any parts of the development area to be left as open space and the use contemplated for the space.
(h) A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.
(i) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.
(j) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.
(k) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed and for whose benefit the project is being undertaken, if that information is available to the authority.
(l)
The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.
(m) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.
(n) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.
(o) Provision for the costs of relocating persons displaced by the development, and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, 42 U.S.C. 4601 to 4655.
(p) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.
(q) Other material which the authority, local public agency, or governing body considers pertinent.
(3) It shall not be necessary for the board to prepare a development plan pursuant to this section where a development plan that adequately provides for accomplishing the proposed development program has already been prepared by any of the organizations described in section 4(1)(a) to (d) and where the development plan has been approved by the board and governing body pursuant to sections 17 and 18.
History: 1980, Act 450, Imd. Eff. Jan. 15, 1981

125.1817 Public hearing on development plan; publication, mailing, and contents of notice; presentation of data; record. [M.S.A. 3.540(217)]

Sec. 17. (1)
The governing body, before adoption of a resolution approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall not be less than 20 days before the date set for the hearing. Notice shall also be mailed to all property taxpayers of record in the development area not less than 20 days before the hearing.
(2) Notice of the time and place of hearing on a development plan shall contain the following:
(a) A description of the proposed development area in relation to highways, streets, streams, or otherwise.
(b) A statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing.
(c) Other information that the governing body considers appropriate.
(3) At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference thereto. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary

evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented at that time.
History: 1980, Act 450, Imd. Eff. Jan. 15, 1981

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. [M.S.A. 3.540(218)]

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

125.1819 Notice to vacate. [M.S.A. 3.540(219)]

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

125.1820 Development area citizens council; establishment; advisory body; appointment and qualifications of members. [M.S.A. 3.540(220)]

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

125.1821 Consultation representative of authority and council. [M.S.A. 3.540(221)]

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

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. [M.S.A. 3.540(222)]

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

125.1823 Development plan; notice of findings and recommendations. [M.S.A. 3.540(223)]

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

125.1824 Development area citizens council; dissolution. [M.S.A. 3.540(224)]

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

125.1825 Budget; cost of handling and auditing funds. [M.S.A. 3.540(225)]

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

125.1826 Preservation of public facility, building, or structure having significant historical interest; review of proposed changes to exterior of historic site. [M.S.A. 3.540(226)]

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

125.1827 Dissolution of authority; resolution; disposition of property and assets. [M.S.A. 3.540(227)]

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

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. [M.S.A. 3.540(228)]

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

125.1829 New authority or authority district and boundaries of authority district; prohibitions; validity of tax increment finance authority, authority district, development area, development plan, or tax increment financing plan established before December 30, 1986; development area created or expanded after December 29, 1986. [M.S.A. 3.540(229)]

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

125.1830 Proceedings to compel enforcement of act; rules. [M.S.A. 3.540(230)]

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

Compilers Notes:
Section 2 of Act 420 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989."

BLIGHTED AREA REHABILITATION

Act 344 of 1945

AN ACT to authorize counties, cities, villages and townships of this state to adopt plans to prevent blight and to adopt plans for the rehabilitation of blighted areas; to authorize assistance in carrying out such plans by the acquisition of real property, the improvement of such real property and the disposal of real property in such areas; to prescribe the methods of financing the exercise of these powers; and to declare the effect of this act.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986 .

The People of the State of Michigan enact:

Document	Type	Description
125.71	Section	Legislative findings and declaration.
125.72	Section	Definitions.
125.73	Section	Powers of municipality.
125.74	Section	Plans, statements, and actions as requirements and conditions for exercise of powers; plans to be adopted by local legislative body; designation of district areas; provisions governing citizens' district councils; consultation between local official and citizens' district council; record; notice of zoning change, hearing, or condemnation proceedings; public hearing; information; coordinating council on community redevelopment; adoption of development plan; compliance; information on housing available to displaced families and individuals; conditions to determination of blighted area; notice of approval or disapproval of development plan.
125.74a	Section	Racial segregation in housing; consultation and assistance of state civil rights commission.
125.75	Section	Rehabilitation of blighted areas; acquisition of property, condemnation; dispossession.
125.75a	Section	Rehabilitation of blighted areas; urban renewal plat.
125.76	Section	Acquisition of property; jurisdiction of public agencies.
125.77	Section	Repealed. 1957, Act 296, Eff. Sept. 27, 1957.
125.77a	Section	Municipal bonds or notes.
125.77b	Section	General obligation bonds of municipality; purpose; resolution; pledge of full faith and credit; "cost of any project" and "net project cost" defined; issuance and sale of bonds; maximum amount; designation and approval of bonds; legislative

		determination; assessed value of real and personal property; validation of actions and bonds; limitation on time of sale; provisions governing bonds; estimating period of usefulness of planned improvements; use of proceeds from bonds.
125.77c	Section	Tax revenues.
125.78	Section	Loans and grants; acceptance, federal assistance, conditions; labor wages and standards.
125.79	Section	Modification of plan; hearing.
125.80	Section	Work done in accordance with plan.
125.81	Section	Designation of administrative agency.
125.82	Section	Action by ordinance or resolution; validation of prior actions.
125.83	Section	Powers deemed additional.
125.84	Section	Urban renewal projects.

125.71 Legislative findings and declaration. [M.S.A. 5.3501]

Sec. 1. The legislature finds and declares that large areas in the municipalities of the state have become blighted and significant areas in the municipalities of the state are deteriorating in a manner which leads to severe blight, with the consequent impairment of taxable values upon which, in large part, municipal revenues depend; that those blighted areas are detrimental or inimical to the health, safety, morals, and general welfare of the citizens, and to the economic welfare of the municipality; that in order to improve and maintain the general character of the municipality, it is necessary to rehabilitate those blighted areas; that the conditions found in blighted areas cannot be remedied by the ordinary operations of private enterprise, with due regard to the general welfare of the public, without public participation in the planning, property acquisition or disposition, and related implementation and financing of the remedies; that the purposes of this act are to rehabilitate those areas by improving or acquiring and developing properties within the areas for the protection of the health, safety, morals and general welfare of the municipality, to preserve existing values of other properties within or adjacent to the areas, and to preserve the taxable value of the property within the areas; and that the necessity in the public interest for provisions enacted in this act is hereby declared as a matter of legislative determination to be a public purpose and a public use.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--CL 1948, 125.71 ;--Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986 .

125.72 Definitions. [M.S.A. 5.3502]

Sec. 2. As used in this act: (a) "Blighted area" means a portion of a municipality, developed or undeveloped, improved or unimproved, with business or residential uses, marked by a demonstrated pattern of deterioration in physical, economic, or social conditions, and characterized by such conditions as functional or economic obsolescense of buildings or the area as a whole, physical deterioration of structures, substandard building or facility conditions, improper or inefficient division or arrangement of lots and ownerships and streets and other open spaces, inappropriate mixed character and uses of the structures, deterioration in the condition of public facilities or services, or any other similar characteristics which endanger the health, safety, morals, or general welfare of the municipality, and which may include any buildings or improvements not in themselves obsolescent, and any real property, residential or nonresidential, whether improved or unimproved, the acquisition of which is considered necessary for rehabilitation of the area. It is expressly recognized that blight is observable at different stages of severity, and that moderate blight unremedied creates a strong probability that severe blight will follow. Therefore, the conditions that constitute blight are to be broadly construed to permit a municipality to make an early identification of problems and to take early remedial action to correct a demonstrated pattern of deterioration and to prevent worsening of blight conditions.

(b) "Municipality" means a county, city, village, or township in the state.

(c) "Development plan" means a plan for the rehabilitation of all or any part of a blighted area.

(d) "Development area" means that portion of a blighted area to which a development plan is applicable.

(e) "Real property" means land, buildings, improvements, land under water, waterfront property, and any and all easements, franchises and hereditaments, corporeal or incorporeal, and every estate, interest, privilege, easement, franchise and right therein, or appurtenant thereto, legal or equitable, including rights of way, terms for years, and liens, charges, or incumbrances by mortgage, judgment, or otherwise.

(f) "Local taxes" means state, county, city, village, township and school taxes, any special district taxes, and any other tax on real property, but does not include special assessment for local benefit improvements.

(g) "Public use" when used with reference to land reserved for public use means only such uses as are for the general use and benefit of the public as a whole, such as schools, libraries, public institutions, administration buildings, parks, boulevards, playgrounds, streets, alleys, or easements for sewers, public lighting, water, gas, or other similar utilities.

(h) "Project" means all of the undertakings authorized in this act for the rehabilitation of a blighted area.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--Am. 1947, Act 237, Eff. Oct. 11, 1947 ;--CL 1948, 125.72 ;--Am. 1952, Act 222, Imd. Eff. May 2, 1952 ;--Am. 1957, Act 296, Eff. Sept. 27, 1957 ;--Am. 1965, Act 227, Imd. Eff. July 16, 1965 ;--Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986 .

Compiler's Note: In subdivision (a) of this section, the word "obsolescense" evidently should read "obsolescence".

125.73 Powers of municipality. [M.S.A. 5.3503]

Sec. 3. A municipality may bring about the rehabilitation of blighted areas and the prevention, reduction, or elimination of blight, blighting factors, or causes of blight, and for that purpose may acquire real property by purchase, gift, exchange, or condemnation, and may lease, sell, renovate, improve, or exchange such real property in accordance with the provisions of this act.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--CL 1948, 125.73 ;--Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986 .

125.74 Plans, statements, and actions as requirements and conditions for exercise of powers; plans to be adopted by local legislative body; designation of district areas; provisions governing citizens' district councils; consultation between local official and citizens' district council; record; notice of zoning change, hearing, or condemnation proceedings; public hearing; information; coordinating council on community redevelopment; adoption of development plan; compliance; information on housing available to displaced families and individuals; conditions to determination of blighted area; notice of approval or disapproval of development plan. [M.S.A. 5.3504]

Sec. 4. (1) As used in this section: (a) "District area" means a portion of a municipality consisting of 1 or more adjacent or nearby development areas and any surrounding territory that will be significantly affected by the plan for the development area or areas, where a majority of residents in the district area reside in the development area or areas.

(b) "Development plan" and "development area" mean those terms as defined in section 2.

(c) "Citizens' district council" means a citizens' district council established under this act.

(d) "Coordinating council on community redevelopment" means any coordinating council on community redevelopment established under this act.

(2) Except as provided in subsection (7), the plans, statements, and actions prescribed in subsections (3) to (11) are requirements and conditions for the exercise of the powers granted by this act for the acquisition, sale, or lease of real property for the carrying out of a development plan in a development area.

(3) The following plans shall be adopted by the local legislative body of the municipality in which the development area is located: (a) A master plan of the municipality or a master plan which is sufficiently advanced to designate areas in need of rehabilitation or in need of measures to prevent blight.

(b) A plan of the general features of development of the district within which the development area lies and of other districts adjacent to the development area, of such extent, content, and particularity as is necessary to the coordination of the development area plan with the future development of the territory surrounding the development area, or, if no future development is planned, then in coordination with the present development.

(4) District areas shall be designated for all development areas that have been approved by a local legislative body and subject to the terms of this act as of January 1, 1968, and all subsequent development areas that are so approved. A district area shall not be designated unless the local legislative body first holds a public hearing on the designation. The legislative body shall give notice of the public hearing not less than 20 nor more than 30 days before the date for the public hearing.

(5) Citizens' district councils are governed by the following: (a) Except as otherwise provided in this subdivision, for each district area, a citizens' district council of not less than 12 nor more than 25 members shall be selected in a manner that ensures that the citizens' district council is to the maximum extent possible representative of the residents of the area and of other persons with a demonstrable and substantial interest in the area. The majority of the citizens' district council shall be composed of citizens living in the development area.

(b) The term of office on the councils shall be 3 years. If terms of council members are not staggered, then, upon the expiration of the terms of the members of the citizens' district council, 1/3 shall be elected or appointed for 3 years, 1/3 for 2 years and 1/3 for 1 year.

(c) Members of the council may be selected by direct election by the residents of the area and other persons with a demonstrable and substantial interest in the area, or may be appointed by the chief executive officer of the municipality after consultation with local community groups and residents of the area, or by a combination of appointment and election. The method of selection of the citizens' district council, and any appointments to the council by the chief executive officer, shall be determined with the approval of the local legislative body after a public hearing has been held, with public notice of such hearing distributed throughout the district area at least 20 days before the date of the hearing. Citizens' district councils shall be established within 45 days of any initial designation of a development area by any local planning agency or local legislative body.

(d) In a city of over 1,000,000, the local legislative body shall adopt an ordinance governing the composition and method of selecting the members of the citizens' district councils, with the limitation that such an ordinance shall provide for a majority of the citizens' district council to be composed of citizens living in a development area or areas.

(6) The local official responsible for preparation of the development plan within the district area shall periodically consult with and advise the citizens' district council regarding all aspects of the 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 any local planning agency or local legislative body regarding the development plan other than the designation of the development area. The consultation shall continue throughout the various stages of the development plan, including the final implementation of the plan. The local officials responsible for the development of the plan shall incorporate into the development plan the desires and suggestions of the citizens' district council to the extent feasible. A local commission, public agency, or local legislative body of any municipality shall not approve any development plan for a development area unless there has previously been consultation between the citizens' district council and the local officials responsible for the development plan. A record of the meetings, including information and data presented, shall be maintained and included in official presentation of the proposed development plan to the local legislative body.

(7) The chief executive officer of the municipality shall give the citizens' district council written notice of any contemplated zoning change, hearing, or condemnation proceedings within the district area. The notice shall be given at least 20 days before the effective date of the change or the date of the hearing or proceedings. Upon receiving a request from the citizens' district council, the local legislative body shall hold a public hearing on the proposed zoning change or condemnation proceedings. Each citizens' district council may call upon any city department for information.

(8) In a municipality with 2 or more district areas, each citizens' district council shall elect 4 of its members who shall compose the entire membership of the coordinating council on community redevelopment. The committee shall advise local units of government on proposed policy on urban renewal, make recommendations for new projects, and promote better relations between local units of government and residents of urban renewal areas. Notwithstanding any other provisions of this act, the formation of a coordinating council on community redevelopment shall not be a requisite for or

condition of the exercise of the powers granted by this act for the acquisition, sale, or lease of real property, or the carrying out of a development plan in a development area.

(9) The local legislative body shall adopt a development plan after consultation with a citizens' district council, if required, and a public hearing on the development plan as provided in subsection (11), for the development area in which the land proposed to be acquired is located or for the effectuation or protection of which development the proposed land acquisition is deemed necessary. A development plan shall comply with the following: (a) The plan shall designate the location and extent of streets and other public facilities within the area and shall designate the location, character, and extent of the categories of public and private land uses proposed for and within the area, such as residential, recreation, business, industry, schools, open spaces, and others, and shall also include a feasible method for the relocation of families who will be displaced from the area in decent, safe, and sanitary dwelling accommodations and without undue hardship to those families, and such other general features of the proposed rehabilitation as may be determined by the local legislative body. A feasible method for relocation of displaced families shall demonstrate that standard housing units are or will be available to the displaced families and individuals at rents or prices within their financial means, in reasonably convenient locations not less desirable than the development area with respect to utilities and facilities.

(b) The plan shall designate the location, extent, character, and estimated cost of the improvements contemplated for the area and may include any or all of the following improvements: (i) Partial or total vacation of plats, or replatting.

(ii) Opening, widening, straightening, extending, vacating, or closing streets, alleys, or walkways.

(iii) Locating or relocating water mains, sewers, or other public or private utilities.

(iv) Paving of streets, alleys, or sidewalks in special situations.

(v) Acquiring parks, playgrounds, or other recreational areas or facilities.

(vi) Street tree planting, green belts, or buffer strips.

(vii) Property renovation in accordance with this act.

(viii) Parking facilities.

(ix) Commercial area promotion.

(x) Economic restructuring of commercial areas.

(xi) Recruiting of new businesses.

(xii) Other appropriate public improvements and activities which address rehabilitation or blight prevention in accordance with this act.

(c) The plan shall include estimates of the number of persons residing in the development area and the number of families and individuals to be displaced; a survey of 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 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.

(10) A local administrative agency shall be designated to provide information concerning private and public housing available to displaced families and individuals and to advise and assist in their relocation.

(11) Before the determination of a blighted area and a determination that there is a feasible method for relocation of families and individuals who will be displaced from the area, and before adoption of a development plan, the local legislative body shall hold a public hearing, which hearing shall comply with the following: (a) Notice of the time and place of the hearing shall be given by publication in a newspaper of general circulation not less than 30 days before the date set for the hearing. Notice of the hearing shall be distributed in the blighted area at least 25 days before the hearing. Notice of the hearing shall be mailed at least 25 days before the hearing to the last known owner of each parcel of land in the blighted area at the last known address of that owner as shown by the records of the assessor. The notice shall contain a description of the development area. For purposes of this notice it shall be sufficient to describe the boundaries of the development area by its location in relation to highways, streets, streams, or otherwise. The notice shall further contain a statement that maps, plats, and a particular description of the development plan, including the method of relocating families and individuals who will be displaced from the area, are available for public inspection at a place to be designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing.

(b) At the time set for hearing the local legislative body shall provide an opportunity for all persons interested to be heard and shall receive and consider communications in writing with reference to the development plan. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits of the development plan, and for introduction of documentary evidence pertinent to the development plan.

(c) The local legislative body shall make and preserve a record of the public hearing, including specific findings of fact with respect to its determination of the blighted area and its determination that there is a feasible method for relocation of families and individuals who will be displaced from the area, all data presented at the public hearing and all other data which the legislative body considered in making its determinations. If no individuals reside in the development area, the legislative body is not required to determine a feasible method for relocating residents.

(12) Within 10 days after the completion of the public hearing as provided in subsection (11), the citizens' district council for the district within which the proposed development area is located shall notify the local legislative body in writing of its approval or disapproval of the development plan. If the citizens' district council approves the plan or

fails to notify the local legislative body of its approval or disapproval of the plan, the local legislative body is free to act on the plan. If the citizens' district council disapproves the plan and so notifies in writing the local legislative body, the local legislative body shall not adopt the plan for at least 30 days after receipt of the notice and during that period shall consult with the citizens' district council concerning its objections.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--Am. 1947, Act 237, Eff. Oct. 11, 1947 ;--CL 1948, 125.74 ;--Am. 1957, Act 296, Eff. Sept. 27, 1957 ;--Am. 1968, Act 189, Imd. Eff. June 22, 1968 ;--Am. 1969, Act 173, Imd. Eff. Aug. 5, 1969 ;--Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986 .

125.74a Racial segregation in housing; consultation and assistance of state civil rights commission. [M.S.A. 5.3504(1)]

Sec. 4a. No action taken under this act shall have the effect of promoting or perpetuating racial segregation in housing. To secure this objective, the local legislative body, municipal officials and agencies, citizens' district councils, and the coordinating council on urban redevelopment may consult with and seek the assistance of the state civil rights commission.

History: Add. 1968, Act 189, Imd. Eff. June 22, 1968 .

125.75 Rehabilitation of blighted areas; acquisition of property, condemnation; dispossession. [M.S.A. 5.3505]

Sec. 5. For the accomplishment of the purposes of this act, the municipality shall acquire fee simple title in real property by purchase, gift, exchange, condemnation or otherwise, and shall apply such real property thereafter to the expressed purposes of this act.

The local legislative body may institute and prosecute proceedings under the power of eminent domain in accordance with the laws of the state or provisions of any local charter relative to condemnation. The purposes contemplated by this act are hereby declared to be public purposes within the meaning of the constitution, state laws and charters relative to the power of eminent domain. No resident owner in a development area may be dispossessed after condemnation under the provisions of this act until other adequate housing accommodations are available, to the people displaced.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--Am. 1947, Act 237, Eff. Oct. 11, 1947 ;--CL 1948, 125.75 ;--Am. 1957, Act 296, Eff. Sept. 27, 1957 .

125.75a Rehabilitation of blighted areas; urban renewal plat. [M.S.A. 5.3505(1)]

Sec. 5a. Where, pursuant to the development of a project, disposition of acquired lands in accordance with the development plan is hampered by reason of the size or character of the lots or tracts of land within the development area, and where diversification of ownership within the development area prohibits redesign by means of a proprietor's plat, the municipality, by action of its governing body, may authorize a plat or replat of the area or any part thereof to be made by a registered civil engineer or a registered land surveyor.

The plat shall be prepared, approved and recorded as provided in Act No. 172 of the Public Acts of 1929, as amended, being sections 560.1 to 560.80 of the Compiled Laws of 1948, except that the certificate of the county and city treasurer relating to tax titles and tax liens shall not be required, and in lieu of the signature of the proprietor of the land the dedication shall be signed by the director of urban renewal or by the administrative officer of the municipality and shall refer to this act as the authority for certification. There shall be set forth in the title of the plat the words "urban renewal plat" or "urban renewal replat". Unplatted and previously platted lands may be included in the same plat, and such plat shall supersede all previously recorded plats in the area covered by the urban renewal plat or urban renewal replat.

All lands within the development area, whether publicly or privately owned, may be included in the urban renewal plat or urban renewal replat, and all land so platted shall be divided into lots and be numbered in accordance with the development plan, except that no lot shall include property in both public and private ownership, nor in 2 or more individual private ownerships, unless such division is of a lot in a recorded subdivision which was so divided prior to the making of the urban renewal plat or urban renewal replat.

The plat or replat shall state in the dedication that necessary rights to all highways, streets, alleys and public places, including parks, green belts and buffer strips, have been acquired by the municipality by purchase, dedication, condemnation or adverse possession for public use, prior to the making of the urban renewal plat or urban renewal replat.

All easements retained by the municipality for the development of the project shall be designated on the urban renewal plat or urban renewal replat and become a part thereof.

An urban renewal plat or urban renewal replat shall conform in all respects to the urban renewal project plan for the area in which said plat or replat may be located. An urban renewal plat or urban renewal replat, when approved by the governing body where the lands are located, shall not be rejected for the reason that any lot shown thereon fails to meet minimum requirements as to width as prescribed by Act No. 172 of the Public Acts of 1929, as amended.

An urban renewal plat or urban renewal replat, when recorded and filed, shall be treated in respect to assessment, return of taxes and sale of lands for delinquent taxes and for all other purposes, the same as if made by the proprietor under the general provisions of Act No. 172 of the Public Acts of 1929, as amended.

History: Add. 1959, Act 244, Imd. Eff. Aug. 13, 1959 .

125.76 Acquisition of property; jurisdiction of public agencies. [M.S.A. 5.3506]

Sec. 6. After the acquisition of the real property, such property as will be used by public agencies shall be transferred to or placed under the jurisdiction of the appropriate public agencies for public use as defined in this act. The remainder of the land which, in accordance with the development plan, is to be devoted to private uses shall be sold, leased or exchanged to corporations, companies or individuals, or to urban

redevelopment corporations whose use of such property shall be in accordance with the limitations and conditions provided in the development plan.

Any such sale, lease or exchange may be made without public bidding but only after public hearing by the local legislative body upon the proposed sale, lease or exchange and the provisions thereof. The sale, lease or exchange shall be under terms and conditions fixed by the local legislative body and shall contain provisions that the development plan for the property shall be carried out.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--CL 1948, 125.76 .

125.77 Repealed. 1957, Act 296, Eff. Sept. 27, 1957. [M.S.A. 5.3507]

Compiler's Note: The repealed sections authorized municipalities to finance rehabilitation of blighted areas by taxation, bonds, or assessment to a special district.

125.77a Municipal bonds or notes. [M.S.A. 5.3507(1)]

Sec. 7a. A municipality may issue bonds or notes from time to time in its discretion to finance the undertaking of any project authorized by this act including, without limiting the generality thereof, the payment of principal and interest on advances or loans made for surveys and plans for projects authorized by this act, and may issue refunding bonds or notes for the payment or retirement of bonds or notes previously issued by it either before or after the effective date of this section. The bonds or notes shall be made payable, as to both principal and interest, solely from the income, proceeds, revenues, and funds of the municipality derived from or held in connection with its undertaking and carrying out of projects under this act. Payment of the bonds or notes both as to principal and interest, may be further secured by a pledge of any loan, grant or contribution due or to become due from the federal government or other source, in aid of projects of the municipality under this act. Bonds or notes issued under this section shall not constitute an indebtedness within the meaning of constitutional, statutory, or charter debt limitations or restrictions, and shall not be subject to other laws or charters relating to the authorization, issuance, or sale of bonds or notes and may be issued without vote of the electors of the municipality. Bonds or notes issued under this section are declared to be issued for an essential public and governmental purpose, and, together with interest thereon and income therefrom, shall be exempted from all taxes. Bonds or notes issued under this section shall not require as a condition precedent to their issuance approval of the municipal finance commission or its successor agency. Bonds or notes issued under this section shall be authorized by resolution or ordinance of the legislative body of the municipality and may be issued in 1 or more series and shall bear such dates, be payable at such times, bear interest at such rates, not exceeding the maximum rate permitted by the municipal finance act, Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 139.3 of the Michigan Compiled Laws, be in such denominations, be in such form either with or without coupons, carry such registration privileges, have such rank or priority, be executed in such manner, be payable in such medium of payment, at such places, and be subject to such terms of redemption, with or without premium, be

secured in such manner, and have such other characteristics as may be provided by the resolution or ordinance. The bonds or notes may be sold at not less than par at public sale held after notice published prior to the sale in a newspaper having a general circulation in the municipality and in such other medium of publication as the municipality may determine or may be exchanged for other bonds or notes on the basis of par. The bonds or notes may be sold to the federal government at private sale at not less than par, and, if less than all of the authorized principal amount of the bonds or notes is sold to the federal government, the balance may be sold at private sale at not less than par at an interest cost to the municipality of not to exceed the interest cost to the municipality of the portion of the bonds or notes sold to the federal government.

History: Add. 1957, Act 296, Eff. Sept. 27, 1957 ;--Am. 1974, Act 65, Imd. Eff. Apr. 1, 1974 ;--Am. 1983, Act 32, Imd. Eff. May 6, 1983 .

125.77b General obligation bonds of municipality; purpose; resolution; pledge of full faith and credit; "cost of any project" and "net project cost" defined; issuance and sale of bonds; maximum amount; designation and approval of bonds; legislative determination; assessed value of real and personal property; validation of actions and bonds; limitation on time of sale; provisions governing bonds; estimating period of usefulness of planned improvements; use of proceeds from bonds. [M.S.A. 5.3507(2)]

Sec. 7b. (1) For the purpose of providing funds to pay all or part of the cost of any project undertaken under this act or the net project cost of any project undertaken under this act with federal financial assistance, a municipality may provide by resolution duly adopted by its legislative body and without vote of the electors of the municipality for borrowing money and issuing general obligation bonds of the municipality, which bonds shall pledge the full faith and credit of the municipality.

(2) As used in this section: (a) "Cost of any project" means any or all of the following items: Cost of land acquisition, demolition of buildings, land and site improvements, plans, surveys, appraisals, and all other costs relating to the acquisition, rehabilitation, financing, and disposal of any project or any part of a project under the terms of this act.

(b) "Net project cost" means that term as defined in section 110 of the housing act of 1949, 42 U.S.C. 1460.

(3) The bonds may be issued and sold from time to time during the progress of any project undertaken under this act, in which event the maximum amount of bonds so issued shall not exceed the estimated cost of any project undertaken under this act or the estimated net cost of any project undertaken under this act with federal assistance. The legislative body in the resolution authorizing issuance of the bonds shall set forth the estimate or the bonds may be issued when any project has been completed. Bonds issued under this section shall be designated "rehabilitation bonds". All bonds issued under this section shall be subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 139.3 of the Michigan Compiled Laws. It being the determination of this legislature that urban blight constitutes a serious menace to public health, welfare, and safety of municipalities and their inhabitants and that the

financing of projects designed to prevent or eliminate urban blight is necessary for the public health, welfare, and safety, the bonds authorized to be issued under this section are declared to be issued for an essential public and governmental purpose. The maximum principal amount of bonds that may be authorized pursuant to this section in any year shall not exceed an amount equal to 5% of the assessed value of the real and personal property in the municipality less the taxes actually levied for the year exclusive of debt service tax levies and taxes levied pursuant to other laws, and less budget bonds authorized for the year issued or authorized to be issued and less any bonds authorized in such year to be issued pursuant to sections 6a and 6b of Act No. 208 of the Public Acts of 1949, as amended, being sections 125.946a and 125.946b of the Michigan Compiled Laws. For the purposes of this section the assessed value of real and personal property in such a municipality shall include the assessed value equivalent of money received during the municipality's fiscal year from the department of treasury pursuant to sections 134, 136(1), 136(2), and 136(3) of the single business tax act, Act No. 228 of the Public Acts of 1975, being sections 208.134 and 208.136 of the Michigan Compiled Laws. The assessed value equivalent shall be calculated by dividing the money received by the municipality's millage rate for the fiscal year. All actions heretofore taken by a municipality authorizing the issuance of bonds and all bonds heretofore issued by a municipality are hereby validated. Any bonds authorized to be issued pursuant to this section shall be sold not later than 3 full fiscal years from the end of the fiscal year in which the bonds are authorized to be issued. The maximum amount of bonds issued pursuant to this section that may be outstanding at any one time shall not, together with other outstanding indebtedness of the municipality, exceed the maximum limitations on bonded indebtedness of the municipality imposed by law.

(4) Except as otherwise provided in this act, the bonds shall not be subject to the provisions of any other law or charter provision relating to their issuance or sale.

(5) The legislative body of any municipality issuing bonds pursuant to this section in the resolution authorizing issuance of the bonds shall estimate the period of usefulness of the planned improvements to be installed in the development area after the project is completed and the estimate shall constitute the estimate of the period of usefulness required by section 3 of chapter V of the municipal finance act, Act No. 202 of the Public Acts of 1943, as amended, being section 135.3 of the Michigan Compiled Laws. The proceeds of sale of any bonds issued pursuant to this section may be used to pay part or all of the principal and interest on any notes or bonds issued pursuant to this act.

History: Add. 1957, Act 296, Eff. Sept. 27, 1957 ;--Am. 1958, Act 60, Imd. Eff. Apr. 8, 1958 ;--Am. 1970, Act 223, Eff. Apr. 1, 1971 ;--Am. 1972, Act 119, Imd. Eff. Apr. 18, 1972 ;--Am. 1973, Act 76, Imd. Eff. July 31, 1973 ;--Am. 1978, Act 346, Imd. Eff. July 12, 1978 ;--Am. 1983, Act 32, Imd. Eff. May 6, 1983 ;--Am. 1986, Act 320, Imd. Eff. Dec. 26, 1986 .

125.77c Tax revenues. [M.S.A. 5.3507(3)]

Sec. 7c. As an additional and alternative method of financing part or all of the costs of any project undertaken under this act, any municipality may use general tax revenues levied for the purpose or not otherwise earmarked.

History: Add. 1957, Act 296, Eff. Sept. 27, 1957 .

125.78 Loans and grants; acceptance, federal assistance, conditions; labor wages and standards. [M.S.A. 5.3508]

Sec. 8. Municipalities are authorized and permitted to accept loans and grants from other government agencies to finance the purposes of this act, to borrow money and may issue bonds or notes therefor, to apply for and accept advances, loans, grants, contributions, and any other form of financial assistance from the federal government, the state, county, municipality or other public body or from any sources, public or private, for the purposes of this act, to give such security as may be required and to enter into and carry out contracts in connection therewith. A municipality, notwithstanding the provisions of any other law, may include in any contract for financial assistance with the federal government for a project as defined in this act such conditions imposed pursuant to federal law, to agree to any conditions that it may deem reasonable and appropriate attached to federal financial assistance and imposed pursuant to federal law, in the undertaking or carrying out of a project as defined in this act as the municipality may deem reasonable and appropriate and which are not inconsistent with the purposes of this act, and to include in any contract let in connection with such a project provisions to fulfill such of said conditions as it may deem reasonable and appropriate, including the payment of prevailing salaries and wages and compliance with federal labor standards.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--CL 1948, 125.78 ;--Am. 1952, Act 222, Imd. Eff. May 2, 1952 ;--Am. 1957, Act 296, Eff. Sept. 27, 1957 .

125.79 Modification of plan; hearing. [M.S.A. 5.3509]

Sec. 9. If previous to the lease, sale or exchange of any real property in the development area, the local legislative body desires to modify the development plan, it shall hold a public hearing thereon, notice of such hearing to be given as provided in section 4 of this act. If the modification be approved by the local legislative body, it shall become a part of the approved development plan.

The part of a development plan which directly applies to a parcel of real property in the area, may be modified by the local legislative body at any time or times after the transfer or lease or sale of the parcel of real property in the area provided that the modification be consented to by the lessee or purchaser.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--CL 1948, 125.79 .

125.80 Work done in accordance with plan. [M.S.A. 5.3510]

Sec. 10. On and after the date when a plan has been approved for the rehabilitation of an area by the local legislative body, no permit shall be issued for work or work done in the area which is not in accordance with the plan officially adopted and made effective by the local legislative body: Provided, however, That the local legislative body shall provide by ordinance that the zoning board of appeals, if the municipality has such a board, or if not,

then a board of appeals created for the purpose, shall have the power on appeal filed with it by the owner of real property in the area to approve a minor deviation from the plan for the area in any case in which such board finds upon the evidence presented to it, that the application of the plan results in unnecessary hardship or practical difficulties and a minor deviation from the development plan is required by considerations of justice and equity. Before taking any such action, the board shall hold a public hearing thereon, at least 10 days' notice of the time and place of which shall be given by public notice in a newspaper published or circulated generally in the municipality and by notice to all property owners within 200 feet of the property in question, such notice to be by mail addressed to the respective owners at the address given in the last assessment roll.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--CL 1948, 125.80 .

125.81 Designation of administrative agency. [M.S.A. 5.3511]

Sec. 11. The local legislative body may designate an administrative agency to be responsible for the administration of this act or by ordinance may create a commission for that purpose consisting of not more than 7 members, the majority of whom shall be residents of the municipality, and by suitable action shall establish regulations for the guidance of the agency or commission in the effectuation of the purposes of this act.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--CL 1948, 125.81 ;--Am. 1961, Act 147, Imd. Eff. May 31, 1961 .

125.82 Action by ordinance or resolution; validation of prior actions. [M.S.A. 5.3512]

Sec. 12. All actions of local legislative bodies under the provisions of this act shall be by ordinance or resolution and such ordinance or resolution shall be subject to the same provisions regarding procedure and executive veto as are applicable to other ordinances or resolutions of the legislative body. Any provision in this or any other act or in the charter of any municipality to the contrary notwithstanding, any action of local legislative bodies relating to the approval or modification of a development plan heretofore taken under the provisions of this act by resolution and all actions subsequent thereto dependent on such earlier actions are validated. Any development plan heretofore approved by resolution may thereafter be modified by resolution.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--CL 1948, 125.82 ;--Am. 1968, Act 189, Imd. Eff. June 22, 1968 .

125.83 Powers deemed additional. [M.S.A. 5.3513]

Sec. 13. The powers granted in this act shall be in addition to powers granted to municipalities, the local legislative bodies thereof and other officials and bodies thereof under the statutes and local charters. Nothing herein contained shall be construed to amend or repeal any of the provisions of Act No. 18 of the Public Acts of 1933 as amended.

History: 1945, Act 344, Imd. Eff. May 31, 1945 ;--CL 1948, 125.83 .

Compiler's Note: "Act No. 18 of the Public Acts of 1933" should read "Act No. 18 of the Public Acts of 1933, Ex. Sess." See § 125.651 et seq.

125.84 Urban renewal projects. [M.S.A. 5.3513(14)]

Sec. 14. For any urban renewal project initiated under this act: (a) Where the project was initiated prior to June 22, 1968, the local legislative body by resolution may exempt the project from the provisions of section 4, as amended, relating to district areas, citizens' district councils and coordinating councils on community redevelopment if on that date, of the persons residing in the project area at the time of project initiation and requiring relocation, 50% of such persons had relocated in accordance with law, or if on June 22, 1968, there were fewer than 100 such persons remaining to be relocated. The provisions of this subsection do not apply to a city of over 500,000 population.

(b) Where the number of business establishments in the project area exceeds the number of occupied dwelling units in the area, the majority of the citizens' district council need not be composed of citizens living in the development area.

(c) Where a citizens' district council is established pursuant to this act, it shall serve in lieu of and shall be deemed to satisfy all requirements relating to an urban renewal neighborhood advisory council required to be appointed pursuant to section 3 of Act No. 323 of the Public Acts of 1966, being section 125.963 of the Compiled Laws of 1948.

(d) Where a hearing is required to be held prior to the adoption of a development plan, in the case of a neighborhood development program to be carried out under applicable regulations and guidelines of the United States department of housing and urban development, notwithstanding the notice requirements of section 4, notice of the hearing shall be deemed sufficient if such notice is distributed door-to-door and mailed to known property owners only in the specific area or areas where property is to be acquired or rehabilitated and mailed to all community organizations known to be interested in the project and posted in appropriate public buildings and appropriate other places of public gathering.

(e) The boundaries of the district area may be revised by the local legislative body if the existing citizens' district council is notified in writing by the local legislative body at least 10 days prior to final action on the revised boundaries. If new area is included in the revised district area, persons residing in or having a demonstrable and substantial interest in the newly included area may be elected or appointed to the revised citizens' district council in the same manner of selection as the original citizens' district council. Notwithstanding the maximum size prescribed for citizens' district councils, the number of persons to be selected to represent the newly included area shall be determined by the local legislative body. If the existing citizens' district council disapproves the revised boundaries or number of persons to be elected or appointed to the revised citizens' district council and so notifies the local legislative body in writing within the 10-day period, final action on the revised boundaries or the number of persons to be elected or appointed to the revised citizens' district council shall not be taken by the local legislative body for at least 30 days after receipt of the disapproval notice, during which time the local

legislative body shall consult with the citizens' district council concerning its objections. Where a district area is revised persons serving on the citizens' district council as residents of the district area who no longer reside in the revised district area shall not thereafter serve on the citizens' district council for the revised area unless they are reappointed or reelected as persons with a demonstrable and substantial interest in the revised area.

(f) Vacancies on the citizens' district council may be filled by appointment of the chief executive officer of the municipality.

(g) The time provisions of section 4 are directory and not mandatory and any development plan adopted after consultation with a citizens' district council as provided in section 4 shall not be invalid because such time provisions were not strictly complied with.

(h) All citizens' district councils established as of the effective date of this section are validated notwithstanding noncompliance with the provisions of section 4 and all development plans heretofore adopted and all other actions heretofore taken by a municipality after consultation as required in section 4 with a citizens' district council shall not be invalid for any irregularities in the establishment, appointment or selection of such citizens' district council.

History: Add. 1969, Act 336, Imd. Eff. Nov. 28, 1969 .

Compiler's Note: Former § 125.84, a severability provision, was repealed by Act 129 of 1947.

RELOCATION ASSISTANCE

Act 227 of 1972

AN ACT to provide financial assistance, advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain rights in real property; and to repeal certain acts and parts of act.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

The People of the State of Michigan enact:

Document	Type	Description
213.321	Section	Definitions.
213.322	Section	Relocation assistance advisory services for displaced persons and certain occupants of real property.
213.323	Section	Functions of relocation assistance advisory services program.
213.324	Section	Matching federal funds; financial assistance; expenses.
213.325	Section	Payments where federal funds not available or used.
213.326	Section	Displaced person defined; persons entitled to financial assistance.
213.327	Section	Ordinances and rules.
213.328	Section	Other compensation not excluded; payments not deemed income.
213.329	Section	Judicial review.
213.330	Section	Contracts.
213.331	Section	Repeal.
213.332	Section	Effective date.

RELOCATION ASSISTANCE (EXCERPT)

Act 227 of 1972

213.321 Definitions. [M.S.A. 8.215(61)]

Sec. 1. As used in this act: (a) "Business" means a lawful activity, except farming operations, conducted primarily for the purchase, sale, lease or rental of real or personal property, for the manufacture, processing or marketing of products, commodities or other personal property, the sale of services to the public or outdoor advertising and includes nonprofit organizations.

(b) "Displaced person" means a person who vacates real property or removes his personal property therefrom pursuant to a program undertaken by a state agency which results in the acquisition of the real property in whole or in part, or in an order to vacate the real property.

(c) "Farming operations" means a lawful activity conducted primarily for the production of an agricultural product or commodity, including timber, for sale or home use, in customarily sufficient quantities as to be capable of contributing materially to the income of the owner or operator.

(d) "State agency" means any department, agency or instrumentality of the state or of a political subdivision of the state; a combination thereof or a corporation within the state which has the power of eminent domain. No state agency shall supersede any already established boards, commissions or agencies created by the state statute or federal rules that remove citizens' participation in any city of 1,000,000 or more.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

213.322 Relocation assistance advisory services for displaced persons and certain occupants of real property. [M.S.A. 8.215(62)]

Sec. 2. When a program is undertaken by a state agency which will require the acquisition of real property or its vacation by its occupants, the state agency shall provide a relocation assistance advisory services program for displaced persons offering the assistance provided by this act. If the state agency determines that a person occupying real property immediately adjacent to real property acquired under such program is caused substantial economic injury because of the acquisition, the person may be offered relocation assistance advisory services under this act.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

213.323 Functions of relocation assistance advisory services program. [M.S.A. 8.215(63)]

Sec. 3. (1) A relocation assistance advisory services program shall: (a) Determine the needs of displaced persons for relocation assistance.

(b) Assist owners of displaced businesses and farming operations in obtaining and becoming established in comparable facilities.

(c) Supply information on federal, state and local programs offering assistance to displaced persons.

(d) Assist in minimizing hardships to displaced persons in adjusting to relocation.

(e) Coordinate the relocation activities with the plans and programs of other state agencies which may affect the carrying out of the relocation program.

(f) Assure that there will be available, within a reasonable time prior to displacement, decent, safe and sanitary dwellings in areas not less desirable with regard to public utilities and public and commercial facilities, within the geographical unit of government acquiring the property, at rents or prices within the financial means of the families and individuals displaced, equal in number to the number of and available to the displaced persons requiring them and reasonably accessible to their places of employment, free from discrimination of any kind.

(2) A person lawfully occupying a dwelling shall not be required to relocate until a replacement dwelling is available as provided in subdivision (f) of subsection (1). A person shall be given at least 90 days' written notice to vacate unless modified by court order for good cause.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

213.324 Matching federal funds; financial assistance; expenses. [M.S.A. 8.215(64)]

Sec. 4. When a program is undertaken by a state agency for which federal financial assistance will be available to pay all or a part of the cost, and which will require the acquisition of real property or its vacation by its occupants, the state agency may match the federal funds to the extent provided by federal law and rules and may provide financial assistance and reimbursement of expenses including but not limited to litigation expenses and expenses incident to the transfer of title as provided by the federal uniform relocation assistance and real property acquisition policies act of 1970, being Public Law 91-646.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

213.325 Payments where federal funds not available or used. [M.S.A. 8.215(65)]

Sec. 5. When federal funds are not available or used in a program which will require the acquisition of real property or its vacation by its occupants, the state agency may provide payments, assistance and reimbursement as contemplated by this act but not in excess of the provisions of this act.

History: 1972, Act 227, Imd. Eff. July 25, 1972

213.326 Displaced person defined; persons entitled to financial assistance. [M.S.A. 8.215(66)]

Sec. 6. (1) A person who moves or discontinues his business or moves other personal property, or moves from his dwelling on or after the effective date of this act as the direct result of code enforcement activities, or a program of rehabilitation of buildings conducted pursuant to a governmental program is deemed to be a displaced person for the purposes of this act.

(2) Where the person is displaced by any project or program which receives federal financial assistance under title 1 of the housing act of 1949, as amended, or as a result of carrying out a comprehensive city demonstration program under title 1 of the demonstration cities and metropolitan development act of 1966, shall be entitled to the financial assistance provided in section 4.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

213.327 Ordinances and rules. [M.S.A. 8.215(67)]

Sec. 7. The state agency shall adopt ordinances or promulgate rules to assure: (a) That the payments and assistance authorized by this act shall be administered fairly and reasonably.

(b) That a displaced person who makes application for a payment authorized by this act shall be paid promptly after a move or in hardship cases, be paid in advance.

(c) Such other provisions as are reasonably necessary to carry out this act.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

Admin Rule: R 299.951 et seq. of the Michigan Administrative Code.

213.328 Other compensation not excluded; payments not deemed income. [M.S.A. 8.215(68)]

Sec. 8. (1) Financial assistance and reimbursement allowed under this act is independent of and in addition to compensation for land, buildings or property rights and shall not be considered in condemnation proceedings.

(2) Payments to a displaced person under this act shall not be deemed income or resources of the displaced person under any other state or local law, nor shall such payments be subject to state or local tax.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

213.329 Judicial review. [M.S.A. 8.215(69)]

Sec. 9. A person aggrieved by a determination made pursuant to this act shall be entitled to judicial review by the circuit court.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

213.330 Contracts. [M.S.A. 8.215(70)]

Sec. 10. A state agency may enter into contracts with any state or federal agency, or individual, firm or corporation, for the purpose of carrying out the provisions of this act.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

213.331 Repeal. [M.S.A. 8.215(71)]

Sec. 11. Act No. 95 of the Public Acts of 1971, being sections 213.341 to 213.344 of the Compiled Laws of 1948, is repealed.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

213.332 Effective date. [M.S.A. 8.215(72)]

Sec. 12. This act shall take effect June 30, 1972.

History: 1972, Act 227, Imd. Eff. July 25, 1972 .

THE UNIFORM CONDEMNATION PROCEDURES ACT

Act 87 of 1980

AN ACT to provide procedures for the condemnation, acquisition, or exercise of eminent domain of real or personal property by public agencies or private agencies; to provide for an agency's entry upon land for certain purposes; to provide for damages; to prescribe remedies; and to repeal certain acts and parts of acts.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1988, Act 189, Eff. July 1, 1988 .

The People of the State of Michigan enact:

Document	Type	Description
213.51	Section	Definitions.
213.51a	Section	Short title.
213.52	Section	Standards provided; limitations; applicable laws and court rules; commencement of condemnation action; proof of taking of property; certificate of public necessity as condition of instituting judicial proceedings.
213.53	Section	Fluid mineral and gas rights.
213.54	Section	Payment of just compensation for property if practical value or utility of remainder destroyed; zoning variance; entry upon property; purpose; notice; restitution for actual damages; "actual damage" defined; civil action for order permitting entry; contents of complaint; granting limited license for entry; terms; manner of entry under subsection (3); "environmental inspection" defined.
213.55	Section	Just compensation; amount; offer; review of appraisal; filing complaint for acquisition; resubmitted offers; documents; claim for additional items of compensable property or damage; contents of complaint; deposit.
213.56	Section	Challenge by owner; motion to review necessity; hearing; determination by public agency binding on court; judicial determination of public necessity in acquisition by private agency; certificate by public service commission or federal agency as prima facie case; decision of court; final judgment; appeal; conclusive presumption of necessity.
213.56a	Section	Reversal of agency's election of reservation of rights; revised good faith offer; stipulation to reverse agency election and waive cost recovery claim against owner.
213.57	Section	Vesting of title in agency; vesting of right to just compensation; delay or denial.
213.58	Section	Payment by escrowee of money deposited; funds remaining in escrow as security for remediation costs; court order; released funds; circumstances; reversal of agency's election under § 213.56a.

213.59	Section	Surrender of possession of property to agency; time and terms; enforcement; granting interim possession to private agency; indemnity bond; appeal; liability for damages; repayment as condition of order setting aside determination of public necessity; delay or denial.
213.60	Section	Order fixing date for hearing.
213.61	Section	Scheduling order; exchange of appraisal reports; opportunity for discovery; appraisal report; testimony relating to value of real property; orders to facilitate compliance.
213.62	Section	Just compensation; trial by jury.
213.63	Section	Just compensation; verdict; division of award.
213.63a	Section	Duplicative payment prohibited.
213.64	Section	Notes and exhibits to assist jury.
213.65	Section	Interest on judgment amount.
213.66	Section	Witness fees and compensation; reimbursement of owner's attorney fees and other expenses.
213.67	Section	Discontinuance.
213.68	Section	Reimbursement of expenses in evaluating agency's offer, preparing for trial, or negotiating settlement; enforcement of rights; filing claim.
213.69	Section	Agreement on compensation or method of determining compensation.
213.70	Section	Determination of fair market value.
213.71	Section	Counterclaim.
213.72	Section	Lease, sale, or conveyance of property; terms; record.
213.73	Section	Enhancement in value as consideration in determining compensation; complaint; compensation; requiring agency to acquire portion claimed to be enhanced; burden of proof.
213.74	Section	Coercive actions prohibited.
213.75	Section	Commencement of actions for acquisition of property.
213.76,213.77	Section	Repealed. 1996, Act 474, Imd. Eff. Dec. 26, 1996.

213.51 Definitions.

Sec. 1. As used in this act: (a) "Acquire" or "take" means to secure transfer of ownership of property to an agency by involuntary expropriation.

(b) "Acquisition" or "taking" means the transfer of ownership of property to an agency by involuntary expropriation.

(c) "Agency" means a public agency or private agency.

(d) "Appraisal" means an expert opinion of the value of property taken or damaged, or other expert opinion pertaining to the amount of just compensation.

(e) "Constructive taking" or "de facto taking" means conduct, other than regularly established judicial proceedings, sufficient to constitute a taking of property within the meaning of section 2 of article X of the state constitution of 1963.

(f) "Owner" means a person, fiduciary, partnership, association, corporation, or a governmental unit or agency having an estate, title, or interest, including beneficial, possessory, and security interest, in a property sought to be condemned.

(g) "Parcel" means an identifiable unit of land, whether physically contiguous or not, having substantially common beneficial ownership, all or part of which is being acquired, and treated as separate for valuation purposes.

(h) "Private agency" means a person, partnership, association, corporation, or entity, other than a public agency, authorized by law to condemn property.

(i) "Property" means land, buildings, structures, tenements, hereditaments, easements, tangible and intangible property, and property rights whether real, personal, or mixed, including fluid mineral and gas rights.

(j) "Public agency" means a governmental unit, officer, or subdivision authorized by law to condemn property.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.51a Short title. [M.S.A. 8.265(1a)]

Sec. 1a. This act shall be known and may be cited as "the uniform condemnation procedures act".

History: Add. 1980, Act 309, Imd. Eff. Dec. 4, 1980 .

213.52 Standards provided; limitations; applicable laws and court rules; commencement of condemnation action; proof of taking of property; certificate of public necessity as condition of instituting judicial proceedings. [M.S.A. 8.265(2)]

Sec. 2. (1) This act provides standards for the acquisition of property by an agency, the conduct of condemnation actions, and the determination of just compensation. It does not confer the power of eminent domain, and does not prescribe or restrict the purposes for which or the persons by whom that power may be exercised. All laws and court rules applicable to civil actions shall apply to condemnation proceedings except as otherwise provided in this act.

(2) If property is to be acquired by an agency through the exercise of its power of eminent domain, the agency shall commence a condemnation action for that purpose. An agency shall not intentionally make it necessary for an owner of property to commence an action, including an action for constructive taking or de facto taking, to prove the fact of the taking of the property.

(3) If a private agency is required by law to secure a certificate of public necessity from the public service commission or other public agency before it may acquire property, the private agency shall not institute judicial proceedings to acquire the property until it has secured the required certificate.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

213.53 Fluid mineral and gas rights. [M.S.A. 8.265(3)]

Sec. 3. Fluid mineral and gas rights shall be considered excluded from an instrument by which an agency acquires an interest in land unless specifically included in the instrument. The exercise of the fluid mineral and gas rights, as permitted by law, shall not interfere with the use of the property acquired for a public purpose.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

213.54 Payment of just compensation for property if practical value or utility of remainder destroyed; zoning variance; entry upon property; purpose; notice; restitution for actual damages; "actual damage" defined; civil action for order permitting entry; contents of complaint; granting limited license for entry; terms; manner of entry under subsection (3); "environmental inspection" defined.

Sec. 4. (1) If the acquisition of a portion of a parcel of property actually needed by an agency would destroy the practical value or utility of the remainder of that parcel, the agency shall pay just compensation for the whole parcel. The agency may elect whether to receive title and possession of the remainder of the parcel. The question as to whether the practical value or utility of the remainder of the parcel of property is in fact destroyed shall be determined by the court or jury and incorporated in its verdict.

(2) If the acquisition of a portion of a parcel of property actually needed by an agency would leave the remainder of the parcel in nonconformity with a zoning ordinance, the agency, before or after acquisition, may apply for a zoning variance for the remainder of the parcel. In determining whether to grant the zoning variance, the governmental entity having jurisdiction to grant the variance shall consider the potential benefits of the public use for which the property would be acquired, in addition to those criteria applicable under the relevant zoning statute, ordinance, or regulation. The agency must actually acquire the portion of the parcel of property for the proposed public use for the zoning variance to become effective for the remainder. If a variance is granted under this subsection, the property shall be considered by the governmental entity to be in conformity with the zoning ordinance for all future uses with respect to the nonconformity for which that variance was granted. However, if the property was also nonconforming for other reasons, the grant of that variance has no effect on the status of those other preexisting nonconformities. An owner shall not increase the nonconformity for which a variance is granted under this section without the consent of the governmental entity. An agency has the same right to appeal action on a zoning variance as would a property owner seeking a zoning variance. This section does not deprive a governmental entity of its discretion to grant or deny a variance.

(3) An agency or an agent or employee of an agency may enter upon property before filing an action for the purpose of making surveys, measurements, examinations, tests, soundings, and borings; taking photographs or samplings; appraising the property; conducting an environmental inspection; conducting archaeological studies pursuant to section 106 of title I of the national historic preservation act, Public Law 89-665, 16 U.S.C. 470f; or determining whether the property is suitable to take for public purposes. The entry may be made upon reasonable notice to the owner and at reasonable hours. An entry made pursuant to this subsection shall not be construed as a taking. The owner or his or her representative shall be given a reasonable opportunity to accompany the agency's agent or employee during the entry upon the property. The agency shall make restitution for actual damage resulting from the entry, which may be recovered by special motion before the court or by separate action if an action for condemnation has not been filed. The term "actual damage" as used in this subsection does not include, and an agency shall not make restitution for, response activity, as defined in section 20101 of part 201 (environmental remediation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.20101 of the Michigan Compiled Laws, or diminution in the value or utility of a parcel that is caused by the discovery of information as the result of a survey, an appraisal, a measurement, photography, or an environmental inspection made pursuant to this section.

(4) If reasonable efforts to enter under subsection (3) have been obstructed or denied, the agency may commence a civil action in the circuit court in the county in which the property or any part of the property is located for an order permitting entry. The complaint shall state the facts making the entry necessary, the date on which entry is sought, and the duration and the method proposed for protecting the defendant against damage. The court may grant a limited license for entry upon such terms as justice and equity require, including the following: (a) A description of the purpose of the entry.

(b) The scope of activities that are permitted.

(c) The terms and conditions of the entry with respect to the time, place, and manner of the entry.

(5) An entry made under subsection (3) or (4) shall be made in a manner that minimizes any damage to the property and any hardship, burden, or damage to a person in lawful possession of the property.

(6) As used in this section, "environmental inspection" means the testing or inspection including the taking of samples of the soil, groundwater, structures, or other materials or substances in, on, or under the property for the purpose of determining whether chemical, bacteriological, radioactive, or other environmental contamination exists and, if it exists, the nature and extent of the contamination.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1988, Act 189, Eff. July 1, 1988 ;--Am. 1996, Act 58, Imd. Eff. Feb. 26, 1996 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.55 Just compensation; amount; offer; review of appraisal; filing complaint for acquisition; resubmitted offers; documents; claim for additional items of compensable property or damage; contents of complaint; deposit.

Sec. 5. (1) Before initiating negotiations for the purchase of property, the agency shall establish an amount that it believes to be just compensation for the property and promptly shall submit to the owner a good faith written offer to acquire the property for the full amount so established. If there is more than 1 owner of a parcel, the agency may make a single, unitary good faith written

offer. The good faith offer shall state whether the agency reserves or waives its rights to bring federal or state cost recovery actions against the present owner of the property arising out of a release of hazardous substances at the property and the agency's appraisal of just compensation for the property shall reflect such reservation or waiver. The amount shall not be less than the agency's appraisal of just compensation for the property. If the owner fails to provide documents or information as required by subsection (2), the agency may base its good faith written offer on the information otherwise known to the agency whether or not the agency has sought a court order under subsection (2). The agency shall provide the owner of the property and the owner's attorney with an opportunity to review the written appraisal, if an appraisal has been prepared, or if an appraisal has not been prepared, the agency shall provide the owner or the owner's attorney with a written statement and summary, showing the basis for the amount the agency established as just compensation for the property. If an agency is unable to agree with the owner for the purchase of the property, after making a good faith written offer to purchase the property, the agency may file a complaint for the acquisition of the property in the circuit court in the county in which the property is located. If a parcel of property is situated in 2 or more counties and an owner resides in 1 of the counties, the complaint shall be filed in the county in which the owner is a resident. If a parcel of property is situated in 2 or more counties and an owner does not reside in 1 of the counties, the complaint may be filed in any of the counties in which the property is situated. The complaint shall ask that the court ascertain and determine just compensation to be made for the acquisition of the described property. If an agency made a good faith written offer pursuant to this section before January 28, 1994 but has not filed a complaint for acquisition of the property, the agency may withdraw the good faith written offer and resubmit a good faith written offer that complies with this act as amended. If a good faith offer is resubmitted pursuant to this subsection, attorney fees under section 16 shall be based on the resubmitted good faith offer.

(2) During the period in which the agency is establishing just compensation for the owner's parcel, the agency has the right to secure tax returns, financial statements, and other relevant financial information for a period not to exceed 5 years before the agency's request. The owner shall produce the information within 21 business days after receipt of a written request from the agency. The agency shall reimburse the owner for actual, reasonable costs incurred in reproducing any requested documents, plus other actual, reasonable costs of not more than $1,000.00 incurred to produce the requested information. Within 45 days after production of the requested documents and other information, the owner shall provide to the agency a detailed invoice for the costs of reproduction and other costs sought. The owner is not entitled to a reimbursement of costs under this subsection if the reimbursement would be duplicative of any other reimbursement to the owner. If the owner fails to provide all documents and other information requested by the agency under this section, the agency may file a complaint and proposed order to show cause in the circuit court in the county specified in subsection (1). The court shall immediately hold a hearing on the agency's proposed order to show cause. The court shall order the owner to provide documents and other information requested by the agency that the court finds to be relevant to a determination of just compensation. An agency shall keep documents and other information that an owner provides to the agency under this section confidential. However, the agency and its experts and representatives may utilize the documents and other information to determine just compensation, may utilize the documents and other information in legal proceedings under this act, and may utilize the documents and other information as provided by court order. If the owner unreasonably fails to timely produce the documents and other information, the owner shall be responsible for all expenses incurred by the agency in obtaining the documents and other information. This section does not affect any right a party may otherwise have to discovery or to require the production of documents and other

information upon commencement of an action under this act. A copy of this section shall be provided to the owner with the agency's request.

(3) If an owner believes that the good faith written offer made under subsection (1) did not include or fully include 1 or more items of compensable property or damage for which the owner intends to claim a right to just compensation, the owner shall, for each item, file a written claim with the agency. The owner's written claim shall provide sufficient information and detail to enable the agency to evaluate the validity of the claim and to determine its value. The owner shall file all such claims within 90 days after the good faith written offer is made pursuant to section 5(1) or 60 days after the complaint is filed, whichever is later. Within 60 days after the date the owner files a written claim with the agency, the agency may ask the court to compel the owner to provide additional information to enable the agency to evaluate the validity of the claim and to determine its value. For good cause shown, the court shall, upon motion filed by the owner, extend the time in which claims may be made, if the rights of the agency are not prejudiced by the delay. Only 1 such extension may be granted. After receiving a written claim from an owner, the agency may provide written notice that it contests the compensability of the claim, establish an amount that it believes to be just compensation for the item of property or damage, or reject the claim. If the agency establishes an amount it believes to be just compensation for the item of property or damage, the agency shall submit a good faith written offer for the item of property or damage. The sum of the good faith written offer for all such items of property or damage plus the original good faith written offer constitutes the good faith written offer for purposes of determining the maximum reimbursable attorney fees under section 16. If an owner fails to file a timely written claim under this subsection, the claim is barred. If the owner files a claim that is frivolous or in bad faith, the agency is entitled to recover from the owner its actual and reasonable expenses incurred to evaluate the validity and to determine the value of the claim.

(4) In addition to other allegations required or permitted by law, the complaint shall contain or have annexed to it all of the following: (a) A plan showing the property to be taken.

(b) A statement of purpose for which the property is being acquired, and a request for other relief to which the agency is entitled by law.

(c) The name of each known owner of the property being taken.

(d) A statement setting forth the time within which motions for review under section 6 shall be filed; the amount that will be awarded and the persons to whom the amount will be paid in the event of a default; and the deposit and escrow arrangements made under subsection (5).

(e) A declaration signed by an authorized official of the agency declaring that the property is being taken by the agency. The declaration shall be recorded with the register of deeds of each county within which the property is situated. The declaration shall include all of the following: i) A description of the property to be acquired sufficient for its identification and the name of each known owner.

(ii) A statement of the estate or interest in the property being taken. Fluid mineral and gas rights and rights of access to and over the highway are excluded from the rights acquired unless the rights are specifically included.

(iii) A statement of the sum of money estimated by the agency to be just compensation for each parcel of property being acquired.

(iv) Whether the agency reserves or waives its rights to bring federal or state cost recovery actions against the present owner of the property.

(5) When the complaint is filed, the agency shall deposit the amount estimated to be just compensation with a bank, trust company, or title company in the business of handling real estate escrows, or with the state treasurer, municipal treasurer, or county treasurer. The deposit shall be set aside and held for the benefit of the owners, to be disbursed upon order of the court under section 8.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1985, Act 68, Imd. Eff. July 1, 1985 ;--Am. 1993, Act 308, Eff. Jan. 28, 1994 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.56 Challenge by owner; motion to review necessity; hearing; determination by public agency binding on court; judicial determination of public necessity in acquisition by private agency; certificate by public service commission or federal agency as prima facie case; decision of court; final judgment; appeal; conclusive presumption of necessity.

Sec. 6. (1) Within the time prescribed to responsively plead after service of a complaint, an owner of the property desiring to challenge the necessity of acquisition of all or part of the property for the purposes stated in the complaint may file a motion in the pending action asking that the necessity be reviewed. The hearing shall be held within 30 days after the filing of the motion.

(2) With respect to an acquisition by a public agency, the determination of public necessity by that agency is binding on the court in the absence of a showing of fraud, error of law, or abuse of discretion.

(3) Except as otherwise provided in this section, with respect to an acquisition by a private agency, the court at the hearing shall determine the public necessity of the acquisition of the particular parcel. The granting of a permanent or temporary certificate by the public service commission or by a federal agency authorized by federal law to make determinations of public convenience and necessity as to condemnation constitutes a prima facie case that the project in furtherance of which the particular parcel would be acquired is required by the public convenience and necessity. The granting of a certificate of public convenience and necessity by the public service commission pursuant to the electric transmission line certification act, Act No. 30 of the Public Acts of 1995, being sections 460.561 to 460.575 of the Michigan Compiled Laws, is binding on the court.

(4) The court shall render a decision within 60 days after the date on which the hearing is first scheduled.

(5) The court's determination of a motion to review necessity is a final judgment.

(6) Notwithstanding section 309 of the revised judicature act of 1961, Act No. 236 of the Public Acts of 1961, being section 600.309 of the Michigan Compiled Laws, an order of the court upholding or determining public necessity or upholding the validity of the condemnation proceeding is appealable to the court of appeals only by leave of that court pursuant to the general court rules. In the absence of a timely filed appeal of the order, an appeal shall not be granted and the order is not appealable as part of an appeal from a judgment as to just compensation.

(7) If a motion to review necessity is not filed as provided in this section, necessity shall be conclusively presumed to exist and the right to have necessity reviewed or further considered is waived.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1995, Act 31, Imd. Eff. May 17, 1995 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.56a Reversal of agency's election of reservation of rights; revised good faith offer; stipulation to reverse agency election and waive cost recovery claim against owner. [M.S.A. 8.265(6a)]

Sec. 6a. (1) If an agency elects to reserve its rights to bring a state or federal cost recovery claim against an owner, the court upon motion of the owner, which must be filed within the time prescribed to responsively plead after service of a complaint, may reverse that election and order the agency to waive its claims, if the owner establishes by affidavit, and after an evidentiary hearing if requested by the agency in the time prescribed to provide an answer to a motion, 1 or more of the following circumstances exist with respect to the property: (a) The property is a single family residence and has been used solely for residential purposes.

(b) The property is "agricultural property" as defined in section 20101 of part 201 (environmental remediation) of the natural resources and environmental protection act, Act No. 451 of the Public Acts of 1994, being section 324.20101 of the Michigan Compiled Laws, and the reservation of rights arises out of a release of hazardous substances caused by the application of a fertilizer, soil conditioner, agronomically applied manure, or a pesticide or a combination of these substances according to label directions and according to generally accepted agricultural and management practices, as defined by the Michigan right to farm act, Act No. 93 of the Public Acts of 1981, being sections 286.471 to 286.474 of the Michigan Compiled Laws.

(c) The owner is the only identified potentially responsible party, the extent of contamination and cost of remediation has been reasonably quantified, and the estimated cost of remediation does not exceed the agency's appraised value of the property.

(2) If the court reverses the agency's election of reservation of rights under subsection (1), the agency shall submit to the owner a revised good faith offer. The revised good faith offer shall be considered the good faith offer for purposes of sections 5 and 16.

(3) An agency and an owner may stipulate that the agency will reverse its election and waive its rights to bring a state or federal cost recovery claim against an owner.

History: Add. 1993, Act 308, Eff. Jan. 28, 1994 ;--Am. 1996, Act 58, Imd. Eff. Feb. 26, 1996 .

213.57 Vesting of title in agency; vesting of right to just compensation; delay or denial.

Sec. 7. (1) If a motion to review necessity is not filed under section 6, the title to the property described in the petition shall vest in the agency as of the date on which the complaint was filed. The right to just compensation shall then vest in the persons entitled to the compensation and be secured as provided in this act. If the motion to review necessity is denied after a hearing and after any further right to appeal has terminated, title to the property shall also vest in the agency as of the date on which the complaint was filed or such other date as the court may set upon motion of the agency.

(2) Vesting of title in the agency shall not be delayed or denied because of any of the following: (a) A motion filed under section 6a, challenging the agency's election to reserve its rights to bring federal or state cost recovery actions.

(b) A motion challenging the agency's escrow under section 8.

(c) An allegation that the agency should have offered a higher amount for the property.

(d) An allegation that the agency should have included additional property in its good faith written offer.

(e) Any other reason except a challenge to the necessity of the acquisition filed under section 6.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1993, Act 308, Eff. Jan. 28, 1994 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.58 Payment by escrowee of money deposited; funds remaining in escrow as security for remediation costs; court order; released funds; circumstances; reversal of agency's election under § 213.56a.

Sec. 8. (1) Except as provided in subsections (2) and (3), if a motion for review under section 6 is not filed or is denied and the right to appeal has terminated or if interim possession is granted under section 9, the court shall order the escrowee to pay the money deposited under section 5 for or on account of the just compensation that may be awarded under section 13. Except as provided in subsections (2) and (3), if a motion for review under section 6 is not filed, the court shall, within 30 days, order the escrowee to pay the money deposited under section 5 for or on account of the just compensation that may be awarded under section 13. Upon the motion of any party, the court shall apportion the estimated compensation among the claimants to the compensation.

(2) If the agency reserves its rights to bring a state or federal cost recovery claim against an owner, under circumstances that the court considers just, the court may allow any portion of the money deposited under section 5 to remain in escrow as security for remediation costs of environmental contamination on the condemned parcel. An agency shall present an affidavit and environmental report establishing that the funds placed on deposit under section 5 are likely to be required to remediate the property. The amount in escrow shall not exceed the likely costs of remediation if the property were used for its highest and best use. This subsection does not limit or expand an owner's or agency's rights to bring federal or state cost recovery claims.

(3) Notwithstanding any order entered by the court requiring money deposited pursuant to section 5 to remain in escrow for the payment of estimated remediation costs of contaminated property, the funds in escrow, plus interest subject to section 15, shall be released among the claimants to the just compensation under circumstances that the court considers just, including any of the following circumstances: (a) The court finds that the applicable statutory requirements for remediation have changed and the amount remaining in escrow is no longer required in full or in part to remediate the alleged environmental contamination.

(b) The court finds that the anticipated need for the remediation of the alleged environmental contamination is not required or is not required to the extent of the funds remaining on deposit.

(c) If the remediation of the property is not initiated by the agency within 2 years of surrender of possession pursuant to section 9 and the agency is unable to show good cause for delay.

(d) The costs actually expended for remediation are less than the estimated costs of remediation or less than the amount of money remaining in escrow.

(e) A court issues an order of apportionment of remediation responsibility.

(4) If the court orders the agency to reverse its election under section 6a(1), the court shall order the escrowee to pay the amount of the revised good faith written offer for or on account of the just compensation that may be awarded pursuant to section 13, and to pay the balance of the escrow to the agency. If the agency seeks possession before the court decides whether to reverse the agency's election or before submitting a revised good faith offer, the agency may request that the court order a portion of the escrow withheld in anticipation of a reduction in the revised good faith offer, with the balance to be paid by the escrowee for or on account of the just compensation that may be awarded pursuant to section 13. If the court denies the request to reverse the agency's election or when the revised good faith offer is submitted, the court shall order the escrowee to pay any unpaid portion of it for or on account of the owner and to pay any balance to the agency.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1

213.59 Surrender of possession of property to agency; time and terms; enforcement; granting interim possession to private agency; indemnity bond; appeal; liability for damages; repayment as condition of order setting aside determination of public necessity; delay or denial.

Sec. 9. (1) If a motion for review under section 6 is not filed, upon expiration of the time for filing the motion for review, or, if a motion for review is filed, upon final determination of the motion, the court shall fix the time and terms for surrender of possession of the property to the agency and enforce surrender by appropriate order or other process. The court also may require surrender of possession of the property after the motion for review filed under section 6 has been heard, determined and denied by the circuit court, but before a final determination on appeal, if the agency demonstrates a reasonable need.

(2) If interim possession is granted to a private agency, the court, upon motion of the owner, may order the private agency to file an indemnity bond in an amount determined by the court as necessary to adequately secure just compensation to the owner for the property taken.

(3) If an order granting interim possession is entered, an appeal from the order or any other part of the proceedings shall not act as a stay of the possession order. An agency is liable for damages caused by the possession if its right to possession is denied by the trial court or on appeal.

(4) Repayment of all sums advanced shall be a condition precedent to entry of a final order setting aside a determination of public necessity.

(5) Although the court shall not order possession to be surrendered to the agency before it orders that the escrow be distributed under section 8(1) or (4) or retained under section 8(2), the court shall not delay or deny surrender of possession because of any of the following: (a) A motion filed pursuant to section 6a, challenging the agency's decision to reserve its rights to bring federal or state cost recovery actions.

(b) A motion challenging the agency's escrow under section 8.

(c) An allegation that the agency should have offered a higher amount for the property.

(d) An allegation that the agency should have included additional property in its good faith written offer.

(e) Any other reason except a challenge to the necessity of the acquisition filed under section 6.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1993, Act 308, Eff. Jan. 28, 1994 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.60 Order fixing date for hearing. [M.S.A. 8.265(10)]

Sec. 10. Upon filing the complaint, the court shall enter an order fixing a day for a hearing which shall not be less than 21 days after the complaint is served. The order shall recite or have annexed to the order the names of the persons mentioned in the complaint as owners, reasonably describe the property to be taken, state the purpose of the complaint, and order the persons to appear before the court at the time fixed in the order for the hearing on the complaint.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

213.61 Scheduling order; exchange of appraisal reports; opportunity for discovery; appraisal report; testimony relating to value of real property; orders to facilitate compliance.

Sec. 11. (1) Upon motion of either party, the court shall issue a scheduling order to assure that the appraisal reports are exchanged and the parties are afforded a reasonable opportunity for discovery before a case is submitted to mediation, alternative dispute resolution, or trial.

(2) An appraisal report provided pursuant to this section shall fairly and reasonably describe the methodology and basis for the amount of the appraisal. If the testimony or opinion of a person relating to the value of real property would require a license under article 26 of the occupational code, Act No. 299 of the Public Acts of 1980, being sections 339.2601 to 339.2637 of the Michigan Compiled Laws, the appraisal shall comply with section 2609 of Act No. 299 of the Public Acts of 1980, being section 339.2609 of the Michigan Compiled Laws, and the standards adopted under section 2609 of Act No. 299 of the Public Acts of 1980 and the person shall not be permitted to testify or otherwise render an opinion relating to the value of real property unless the person is licensed under that article. An owner is not required to be licensed or to comply with professional appraisal standards to testify to the value of the owner's property.

(3) The court may issue orders to facilitate compliance with this section, including but not limited to orders to require mutual simultaneous exchange of the agency's updated appraisal report, if any, and the owner's appraisal report. If an appraisal report has not been provided pursuant to this section, the appraisal report shall not be considered in mediation or alternative dispute resolution proceedings unless specifically authorized by court order. If an appraisal report has not been provided pursuant to this section, the court may bar the taking of appraisal testimony from the appraisal expert, unless the court finds good cause for the failure and finds that the interests and opportunity of the other party to prepare have not been prejudiced.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.62 Just compensation; trial by jury. [M.S.A. 8.265(12)]

Sec. 12. (1) A plaintiff or defendant may demand a trial by jury as to the issue of just compensation pursuant to applicable law and court rules. The jury shall consist of 6 qualified

electors selected pursuant to chapter 13 of Act No. 236 of the Public Acts of 1961, as amended, being sections 600.1301 to 600.1376 of the Michigan Compiled Laws, and shall be governed by court rules applicable to juries in civil cases in circuit court.

(2) Unless there is good cause shown to the contrary, there shall be a separate trial as to just compensation with respect to each parcel.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

213.63 Just compensation; verdict; division of award. [M.S.A. 8.265(13)]

Sec. 13. The jury or the court shall award in its verdict just compensation for each parcel. After awarding the verdict, on request of any party, the court shall divide the award among the respective parties in interest, whether the interest is that of mortgagee, lessee, lienor, or otherwise, in accordance with proper evidence submitted by the parties in interest.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

213.63a Duplicative payment prohibited.

Sec. 13a. A person is not entitled to a payment in connection with the acquisition of all or part of that person's property under this act if that payment would be duplicative of any grant or other payment received under any state or federal statute or regulation.

History: Add. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.64 Notes and exhibits to assist jury. [M.S.A. 8.265(14)]

Sec. 14. To assist the jury in arriving at its verdict the court may allow the jury when it retires to take with it notes and any map, plan, or other exhibit admitted in the case as an exhibit.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

213.65 Interest on judgment amount.

Sec. 15. (1) The court shall award interest on the judgment amount or part of the amount from the date of the filing of the complaint to the date that payment of the amount or part of the amount is tendered. However, if a portion of the judgment is attributable to damages incurred after the date of surrender of possession, the court shall award interest on that portion of the judgment from the date the damage is incurred.

(2) Interest shall be computed at the interest rate applicable to a federal income tax deficiency or penalty. However, an owner remaining in possession after the date that the complaint is filed waives the interest for the period of the possession.

(3) If it is determined that a de facto acquisition occurred at a date earlier than the date of filing the complaint, interest awarded under this section shall be calculated from the earlier date.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.66 Witness fees and compensation; reimbursement of owner's attorney fees and other expenses.

Sec. 16. (1) Except as provided in this section, an ordinary or expert witness in a proceeding under this act shall receive from the agency the reasonable fees and compensation provided by law for similar services in ordinary civil actions in circuit court, including the reasonable expenses for preparation and trial.

(2) If the property owner, by motion to review necessity or otherwise, successfully challenges the agency's right to acquire the property, or the legal sufficiency of the proceedings, and the court finds the proposed acquisition improper, the court shall order the agency to reimburse the owner for actual reasonable attorney fees and other expenses incurred in defending against the improper acquisition.

(3) If the amount finally determined to be just compensation for the property acquired exceeds the amount of the good faith written offer under section 5, the court shall order reimbursement in whole or in part to the owner by the agency of the owner's reasonable attorney's fees, but not in excess of 1/3 of the amount by which the ultimate award exceeds the agency's written offer as defined by section 5. The reasonableness of the owner's attorney fees shall be determined by the court. If the agency or owner is ordered to pay attorney fees as sanctions under Michigan court rule 2.403 or 2.405, those attorney fee sanctions shall be paid to the court as court costs and shall not be paid to the opposing party unless the parties agree otherwise.

(4) If the agency settles a case before entry of a verdict or judgment, it may stipulate to pay reasonable attorney and expert witness fees.

(5) Expert witness fees provided for in subsection (1) and this subsection shall be allowed with respect to an expert whose services were reasonably necessary to allow the owner to prepare for trial. For the purpose of subsection (1) and this subsection, for each element of compensation, each party is limited to 1 expert witness to testify on that element of compensation unless, upon showing of good cause, the court permits additional experts. The agency's liability for expert witness fees shall not be diminished or affected by the failure of the owner to call an expert as a witness if the failure is caused by settlement or other disposition of the case or issue with which the expert is concerned.

(6) An agency shall not be required to reimburse attorney or expert witness fees that are attributable to an unsuccessful challenge to necessity or to the validity of the proceedings.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.67 Discontinuance. [M.S.A. 8.265(17)]

Sec. 17. The agency shall not discontinue the action after the granting of possession or vesting of title to the property taken. In case of a discontinuance, the agency, as a condition of discontinuance, shall pay the actual expenses, reasonable attorney fees, and actual damages to all the parties affected by the discontinuance as determined by the court.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980

213.68 Reimbursement of expenses in evaluating agency's offer, preparing for trial, or negotiating settlement; enforcement of rights; filing claim.

Sec. 18. (1) If any agency acquires property without commencement of an action or abandons its efforts to acquire property after making the jurisdictional good faith written offer required by

section 5 to the owners of the property and if the owners of the property reasonably relied upon the agency's action, the owners shall be reimbursed by the agency for the reasonable expenses incurred in evaluating the agency's good faith written offer, in preparing for trial, or in negotiating a settlement, if those expenses would have been taxable as costs under section 16. For the purpose of this section, the jurisdictional written offer includes only written offers made under threat of institution of judicial proceedings to acquire the property.

(2) The rights created by this section may be enforced in a court having jurisdiction over claims for damages against the agency, or in a court in which an action under this act for the acquisition of the property could have been filed.

(3) The claim for reimbursement of expenses shall be filed within 1 year after the date on which the property is acquired or after the date on which notice of abandonment of the intention to acquire the property is mailed to the owner.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.69 Agreement on compensation or method of determining compensation. [M.S.A. 8.265(19)]

Sec. 19. At any stage of the proceedings, the agency and the owner may agree upon all or part of the compensation, or upon a method for determining all or a part of the compensation, and may proceed to have those parts not agreed upon determined as provided in this act. The agency may make payment of a part of the compensation agreed upon, or enter into a contract to pay in the future based upon an agreed method of determining the compensation.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

213.70 Determination of fair market value.

Sec. 20. (1) A change in the fair market value before the date of the filing of the complaint which the agency or the owner establishes was substantially due to the general knowledge of the imminence of the acquiring by the agency, other than that due to physical deterioration of the property within the reasonable control of the owner, shall be disregarded in determining fair market value. Except as provided in section 23, the property shall be valued in all cases as though the acquisition had not been contemplated.

(2) The general effects of a project for which property is taken, whether actual or anticipated, that in varying degrees are experienced by the general public or by property owners from whom no property is taken, shall not be considered in determining just compensation. A special effect of the project on the owner's property that, standing alone, would constitute a taking of private property under section 2 of article X of the state constitution of 1963 shall be considered in determining just compensation. To the extent that the detrimental effects of a project are considered to determine just compensation, they may be offset by consideration of the beneficial effects of the project.

(3) The date of acquiring and of valuation in a proceeding pursuant to this act shall be the date of filing unless the parties agree to a different date, or unless a different date is determined by a counterclaim filed under section 21. The value of each parcel, and of a part of a parcel remaining after the acquisition of a part of the parcel, shall be determined with respect to the condition of the property and the state of the market on the date of valuation. However, if anticipated damages are avoided because of changes in the taking or project or changes in the actual effect

of the taking or project on the remaining property, the property shall be valued as if those damages had not been anticipated.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

213.71 Counterclaim. [M.S.A. 8.265(21)]

Sec. 21. A defendant may assert as a counterclaim, any claim for damages based on conduct by an agency which constitutes a constructive or de facto taking of property.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

Compiler's Note: Former §§ 213.71 to 213.94, deriving from Act 124 of 1883 and pertaining to the taking of property by cities, villages, and counties, were repealed by Act 120 of 1967.

213.72 Lease, sale, or conveyance of property; terms; record. [M.S.A. 8.265(22)]

Sec. 22. If property is acquired by an agency, the agency may lease, sell, or convey any portion not needed, on whatever terms the agency considers proper. A record of the leases and sales, showing the appraised value, the sale price, and other pertinent information, shall be kept in the office of the agency.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

Compiler's Note: Former §§ 213.71 to 213.94, deriving from Act 124 of 1883 and pertaining to the taking of property by cities, villages, and counties, were repealed by Act 120 of 1967.

213.73 Enhancement in value as consideration in determining compensation; complaint; compensation; requiring agency to acquire portion claimed to be enhanced; burden of proof. [M.S.A. 8.265(23)]

Sec. 23. (1) Enhancement in value of the remainder of a parcel, by laying out, altering, widening, or other types of improvement; by changing the scope or location of the improvement; or by either action in combination with discontinuing an improvement, shall be considered in determining compensation for the taking.

(2) When enhancement in value is to be considered in determining compensation, the agency shall set forth in the complaint the fact that enhancement benefits are claimed and describe the construction proposed to be made which will create the enhancement. If the construction is not completed in substantial compliance with the plan upon which the agency based its claim of enhancement benefits, the owner may reopen the question of compensation within 1 year after the termination of construction. If the construction is not in substantial compliance, the owner is entitled to the difference between the value of the property as affected by the actual construction and the value of the property as it would have been, had construction been completed according to plan. The owner shall not recover more compensation than would have been payable if there was not a claim of enhancement benefits.

(3) Upon demand of the owner before trial, the court may require the agency to acquire that portion of the remainder of the tract which the agency claims to be enhanced if the agency claims enhancement. This subsection shall not apply if the agency withdraws its claim of enhancement benefits before trial.

(4) The agency has the burden of proof with respect to the existence of enhancement benefits.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

Compiler's Note: Former §§ 213.71 to 213.94, deriving from Act 124 of 1883 and pertaining to the taking of property by cities, villages, and counties, were repealed by Act 120 of 1967.

213.74 Coercive actions prohibited. [M.S.A. 8.265(24)]

Sec. 24. In order to compel an agreement on the price to be paid for the property, an agency may not advance the time of condemnation, defer negotiations or condemnation, defer the deposit of funds for the use of the owner, nor take any other action coercive in nature.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 .

Compiler's Note: Former §§ 213.71 to 213.94, deriving from Act 124 of 1883 and pertaining to the taking of property by cities, villages, and counties, were repealed by Act 120 of 1967.

213.75 Commencement of actions for acquisition of property.

Sec. 25. All actions for the acquisition of property by an agency under the power of eminent domain shall be commenced pursuant to and be governed by this act. Amendments made to this act by the amendatory act that added this sentence shall apply to all good faith written offers made after the effective date of the amendatory act that added this sentence.

History: 1980, Act 87, Imd. Eff. Apr. 8, 1980 ;--Am. 1980, Act 309, Imd. Eff. Dec. 4, 1980 ;--Am. 1985, Act 68, Imd. Eff. July 1, 1985 ;--Am. 1996, Act 474, Imd. Eff. Dec. 26, 1996 .

Compiler's Note: Former §§ 213.71 to 213.94, deriving from Act 124 of 1883 and pertaining to the taking of property by cities, villages, and counties, were repealed by Act 120 of 1967.

213.76, 213.77 Repealed. 1996, Act 474, Imd. Eff. Dec. 26, 1996.

Compiler's Note: The repealed sections pertained to repeal of §§ 213.26 to 213.41, 213.366 to 213.390, and 486.252a to 486.252j.