# CHARTER TOWNSHIP OF TEXAS

# DOWNTOWN DEVELOPMENT

AND

# FINANCING PLAN

May, 2000

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## Downtown Development and Financing Plan

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# PART I. INTRODUCTION

## A. Purpose of Downtown Development Authority Act

This plan has been developed under the provisions of Act 197 of Public Acts of 1975 of the State of Michigan, as amended, also known as the Downtown Development Authority Act (Act). A copy of this Act and the amendments thereto are set forth in Exhibit 1. The Act was developed to assist units of government in their encouragement of historic preservation; in the correction, elimination and prevention of blight and deterioration in the business districts; to encourage and promote economic development, growth and revitalization; to make provision for the acquisition and disposition of personal and real property; to authorize the creation of an authority; to authorize the levy and collection of taxes; to authorize the issuance of bonds and the use of tax increment financing (TIF); to provide for a development plan that sets forth specific Downtown Development Objectives/Activities, as described in a locally adopted development plan for older or traditional central business districts of Michigan municipalities.

The Act was intended to assist municipalities in reversing historic trends which have led to loss of population, jobs and businesses. The Act seeks to improve the quality of urban life by attacking problems of urban decline where they are most apparent, in the downtown districts of our urban communities.

The Act seeks to accomplish its goals by providing our municipalities with the necessary legal, monetary and organizational tools to revitalize downtown districts through publicly initiated projects undertaken cooperatively with privately initiated projects.

The way in which a Downtown Development Authority makes use of the tools made available depends on the problems and priorities of each community. This development plan has been developed within the purposes of the Act; and the problems and priorities as perceived by the Downtown Development Authority (DDA) and as submitted for the approval of the Charter Township of Texas, Township Board.

## B. Creation of the Downtown Development Authority of the Charter Township of Texas and the Texas Corners Downtown Development District

On February 28, 2000, the Township Board held a public hearing regarding the establishment of a DDA and the establishment of a proposed Downtown Development Authority district. Following that hearing on April 28, 2000 the Township Board adopted Ordinance 192 which created the Downtown Development Authority. A copy of Ordinance 192 is inserted as Exhibit 2. The DDA was given all of the powers and duties prescribed for a downtown development authority pursuant to the Act, except the authority to levy or request the levy of taxes. The Township Board also designated the boundaries of the downtown development authority within which the DDA may legally work. These boundaries are shown on Map A and a legal description can be found in Exhibit 2. A copy of Ordinance 192 was filed with the Secretary of State on May 1, 2000 (See Exhibit 3).

On April 29, 2000 the Township Board approved the appointment of the DDA Board of Directors and the By-Laws (Exhibit 4) of the DDA. Upon approval of this preliminary plan by the DDA, the Township Supervisor set a meeting with affected taxing jurisdictions (see Exhibit 11). Following that meeting, the Township Board held a Public Hearing on the DDA Development and Financing Plan. As required by statute, notice of that hearing was properly distributed (see Exhibit 5).

On May 20, 2000 the Township Board approved the DDA Development and Financing Plan. A copy of Ordinance 193 approving this plan is set forth as Exhibit 12.

### C. Activities of the Downtown Development Authority

The first meeting of the DDA was held on April 29, 2000. At that meeting, the DDA established regular meetings and elected officers. It also adopted its bylaws and recommended them to the Township Board.

The DDA Board of Directors approved the following objective statement for this Plan:

> It is the objective of the Downtown Development Authority of the Charter Township of Texas to prepare and implement a long range development and financing plan that will focus on the Texas Corners business area and result in the enhancement of the area's aesthetics, the improvement of community services, improved drainage, traffic and pedestrian circulation, as well as the expansion of development and business opportunities.

The DDA selected its development area as shown on Map A and as described in Exhibit 14 of this plan.

The DDA discussed a number of public projects for the DDA development area. These projects grew out of the sub-area planning exercise undertaken in 1999 by Township. The sub-area plan was adopted by the Zoning Board on February 22, 2000 and ratified by the Township Board on March 27, 2000. That plan includes specific recommendations for land uses, potential public improvements and zoning changes and it has been used as the technical foundation for this Downtown Development and Financing Plan.

Based on that extended planning exercise, on April 29, 2000 the DDA approved the DDA Development and Financing Plan and recommended it to the Township Board (Exhibit 12).

### D. Legal Basis for the Texas Corners Downtown Development Area

The adoption of the Act provides the legal mechanism for local officials to address the need for economic development in their central business district. The Texas Corners Downtown Development Area shown on Map A and described in Section II, is the first area designated by the DDA for implementing development activities and tax increment financing procedures set forth in the Act. For purposes of designating development areas and for establishing a tax increment financing plan, the Act refers to a "downtown district" as being in a business district which is specifically designated by ordinance of the governing body of the municipality and which is zoned and used principally for business.

The Act further defines a "development area" as meaning "an area to which a development plan is applicable." For purposes of financing activities of an authority within a development area, tax increment plans may 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 development area of the downtown district.

The Texas Corners Development Area being located wholly within each of the above defined districts clearly meets this requirement. The legal basis of support for this Development Plan and the Tax Increment Financing Plan are identified in the Act.

### E. Basis of Authority's Determination for the Texas Corners Development Area

The development area as recommended by the Downtown Development Authority was developed after careful study and is based on the belief of the DDA that any successful efforts of the Charter Township of Texas to revitalize the Texas Corners business district will rely heavily on the willingness, capability and timeliness of its governmental structure to encourage, initiate, propose, and participate in the development of new and renovated private and public uses and projects that will bring about physical improvement to businesses; create new jobs; retain businesses; attract new business; and increase the Township's tax base. The DDA has identified certain priority downtown improvement needs that require their attention, participation, support, involvement and encouragement and it is these priorities that this plan will address and toward which it is directed. These needs may include activities to:

| | |
|---|---|
| Improve: | Public facilities such as drainage and storm water management facilities, roads and municipal structures. |
| Install: | Sub-surface utility facilities, landscaping, street surfacing, signage, parking pedestrian areas, trees and other plantings, curbs and gutters, and street improvement. |
| Remove: | Incompatible uses and facilities |
| Redevelop: | Existing commercial facilities |
| Develop: | New facilities |

## F. Purpose of Tax Increment Financing Plan for the Texas Corners Downtown Development Area

The purpose of the Tax Increment Financing and Development Plan for the development area is to provide the legal authority and procedure for the public financial participation necessary to assist the DDA in accomplishing a number of activities.

The Tax Increment Financing Plan outlines financing for a number of activities which may include, as applicable:

1. Costs to develop improved drainage and storm water management facilities;
2. Costs to acquire, construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair and operate other public facilities, utilities and buildings that in the opinion of the Authority's Board, aid in the economic growth of the Downtown District and/or are appropriate to the execution of the Development Plan;
3. Property appraisals, title searches, legal services, purchase negotiations, payment for real and personal property acquisitions;
4. Relocation assistance payments and compensation payments to displaced businesses and individuals;
5. Demolition and clearance of selected properties and buildings;
6. Street vacation and removal work;
7. Street reconstruction and improvement including utility relocation and replacement;
8. Public open space and streetscape improvement work;
9. Administrative costs associated with carrying out the Development and Financing Plan (Exhibit 10).

# PART II. DEVELOPMENT PLAN

## A. Boundaries

The boundaries of the DDA development area are set forth in Map A and a legal description of the area may be found in Exhibit 14.

## B. Development Plan Objectives

It is the objective of the Downtown Development Authority of the Charter Township of Texas to prepare and implement a long range development and financing plan that will focus on the Texas Corners business area and result in the enhancement of the area's aesthetics, the improvement of community services, improved drainage, traffic and pedestrian circulation, as well as the expansion of development and business opportunities. The improvement plan will seek to improve attractiveness, utility, accessibility, and use-ability of this area by addressing certain public improvement needs and encouraging and facilitating private sector improvements. The plan will be directed at physical improvements that will improve and expand community service, facilitate development, improve parking, and enhance the area's visibility and aesthetics.

To accomplish this objective, the DDA expects that it will engage in activities that may:

1. Improve drainage and storm water management;
2. Upgrade the area's visibility and improve aesthetics;
3. Improve traffic flow, increase pedestrian access and safety;
4. Open up areas for development.

## C. Location, Character and Extent of Existing Public and Private Land Uses.

General: The Development Area contains a variety of public and private land uses including commercial, residential, community facility and public street areas. The location of these land uses is shown on Map B. Below is a more detailed description of the character and extent of the public and private land uses within the Development Area.

1. Existing Public Land Uses.

   a. Fire Station/Township – The Texas Township Fire Station and Township Offices is located west of the intersection of West "Q" Avenue and 8th Street. Immediately to the east of the Township offices is a small Township-owned storage building which served as the original fire barn for the Township Fire Department.

b. Public Streets – Within the Development Area, there are approximately 4,700 lineal feet of street rights-of-way, all of which are under the jurisdiction of the Kalamazoo County Road Commission. Including rights-of-way, there are approximately 10.5 acres of land currently in public uses. This represents approximately 12% of the total Development Area.

2. Existing Private Uses.

a. Commercial – There are a total of 19 parcels within the Development Area devoted to commercial purposes such as restaurants, auto service, construction services, credit unions, salons, pharmacies, and various household shops. These 19 parcels represent 59% of all parcels within the Development Area.

b. Residential – There are a total of 6 residential lots within the Development area, representing about 19% of all parcels. These are developed as single-family homes. Immediately north of the Development Area, but not included in the area, is the Country Ridge Apartment complex.

c. Vacant Land – there are 7 privately-owned vacant parcels within the Development Area. These represent 22% of all the parcels in the Area.

In all, there are approximately 75.8 acres of privately-owned land, which comprise about 88% of the total Development Area.

## D. Location, Character and Extent of Proposed Land Uses.

1. **Proposed Public Use.** Several improvements will take place within public land areas including the development of improved storm water management facilities, roadway improvements, new roadways, streetscape improvements and the possible eventual relocation of the Township offices within the Development Area. More detail on these public improvements may be found under paragraph II, G of this Development Plan.

2. **Proposed Private Land Use.** Although this plan is not contingent upon specific private land use changes, it does anticipate further and higher quality private investment as a result of the planned public improvements. In general, this project is intended to encourage private development within the Texas Corners business area. More detail regarding privately-supported improvements may be found under paragraph II, G of this Plan.

## E. Property Acquisition

1. General. The DDA may acquire, either through purchase or donation, properties in the Development Area for public purposes and the Township may aid in the acquisition of right-of-

way for potential new streets illustrated in Map C. However, all such acquisition shall be accomplished by negotiated purchase and no eminent domain proceedings are anticipated. Map C indicates the approximate location lands that may be acquired.

2. Legal Basis for Acquisition of Privately Owned Properties: The legal basis under which the Charter Township of Texas make take and transfer privately owned property to the DDA and the DDA may acquire such property and other private property for use in accordance with an approved Development Plan is provided in Section 7(h) and Section 10 of the Act which state respectively that, the DDA may . . .

   "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."

   "A municipality may take private property . . . 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."

   The DDA has determined that the taking of privately owned properties will not be necessary to accomplish the land use, and economic development objectives of the Plan.

## F. Existing Improvements to be Altered, Removed or Repaired

The proposed improvements will include the redevelopment of the intersection of West "Q" Avenue and 8th Street and attendant curb and gutter and drainage facilities. In addition, it is anticipated that the Township storage building located immediately east of the Township offices will eventually be removed for redevelopment purposes. Eventually, and dependent upon private sector interests, the Plan calls for the development of new roadways.

## G. Location, Extent, Character, Estimated Cost and Estimated Time of Completion and Improvements, Including Rehabilitation Contemplated for the Development Area.

Described below and illustrated on Map C is a summary of the location, extent, and character of the improvements to be undertaken and financed by the DDA pursuant to this Plan. The table on page 9 sets forth the estimated cost of these improvements and the approximate phasing of each element. The proposed improvements include the following:

**Stormwater and Intersection Improvements**. A community detention basin will be undertaken by the DDA, possibly with private sector participation or with Road Commission support. Since some or all of the land on which the detention basin would be constructed is owned by the Township, the cost to develop the system is expected to be modest.

The plan to add dedicated left turn lanes and curb and gutter at the intersection of 8th Street and West "Q" Avenue will necessitate improvements to the drainage. Since the drainage improvements and the intersection widening must be undertaken together, the Township will seek Road Commission support for a specific timetable to undertake this improvement.

**Intersection Improvements.** This component of the Plan entails the widening and improvement of the intersection of West "Q" Avenue and 8th Street to improve traffic safety and to enable the intersection to handle greater traffic volumes. While specific design elements will require further analysis by the Township's Engineer and the Road Commission, this Plan anticipates dedicated left-turn lanes, curb and gutter and eventually a sequential traffic signal.

**Access Management.** This recommendation may be implemented by the Township through the establishment of an overlay district within the Zoning Ordinance. This would give the Township the authority to require cross access easements as a part of site plan approval and to provide some floor area incentive for property owners that will forego their own access. The Township's cost for this activity will be limited to the Zoning Ordinance update and on-going zoning enforcement work.

**Entry Treatment.** This element will include such improvements as street trees, street lighting, pedestrian crossings, landscaped parkways and intersections and pedestrian and bicycle lanes. The initial phase of the effort will involve the preparation of a phased construction schedule which will identify those improvements and locations that may be undertaken in the short term and others that may depend on future development or funding opportunities. Implementation of the improvements will be conducted with a combination of revenues, including tax increment resources generated pursuant to this Development and Financing Plan, private investment, MDOT resources through the TEA-21 program, and other potential sources.

**Non-Motorized Connections.** These facilities will include a combination of traditional sidewalks, pathway connections between developed areas, widened roadway shoulders and walking areas within existing or proposed developments. Map C provides a general indication of the proposed connections, however, the DDA will continue to evaluate potential developments to identify the most appropriate means to connect such developments to one another through non-motorized pathways. Funding to support the implementation of this network of pathways will be derived from a combination of revenues, including tax increment resources generated pursuant to this Development and Financing Plan, private investment, MDOT resources through the TEA-21 program, and other potential sources. This Plan recognizes that implementation of this element will be conducted incrementally as opportunities develop.

**New Roadways.** The Texas Corners Sub-Area Plan illustrated several new roadways serving portions of the development area and opening currently vacant lands for future development. This plan anticipates that such new roadways will be undertaken by the private sector as market forces dictate. It will be important, however, for the DDA to provide public guidance and support in that process. This may include guidance roadway alignments to further the objectives of the Sub-Area Plan and this Development and Financing Plan, as well as possible assistance in coordinating private sector activities and support in securing financing from either public or private sources.

**PROPOSED IMPROVEMENTS AND ACTIVITIES**
**DOWNTOWN DEVELOPMENT AUTHORITY OF**
**THE CHARTER TOWNSHIP OF TEXAS**

| Phase I Project * | Estimated Cost | Completion |
|---|---|---|
| Drainage Basin and Collection System | $37,000 | 2001 |
| Intersection Improvements | $365,000 | 2001-2004 |
| Zoning Ordinance update to include Village Commercial District, updated access management, parking, screening, landscaping, pedestrian access and related standards. | $8,500 | 2000-2001 |
| Entry Treatment Design Study and Schematic Plan | $15,000 | 2001-2002 |
| **Administration and Contingencies** | $50,000 | |
| TOTALS | **475,500** | |

*Note: Future project phases will require an amendment of this Development and Financing Plan in accord with Section 19 of the Act.

## H. Planned New Development

The objectives of this Plan are to encourage new private sector development. However, no private sector development is immediately contemplated as a component of this plan. It is expected that as the proposed projects are implemented, additional private sector interest in the Texas Corners area will be generated ultimately resulting in new private investment.

## I. Existing and Planned Open Space

The projects proposed by the DDA will not create or expand any open space in the Charter Township of Texas. However, as new developments are undertake by the private sector, the DDA will work with the

Planning Commission and the Township Board to encourage the incorporation of attractive landscaped areas and walking paths that will connect uses and provide green areas within The Corners area.

## J. Land Disposition

Under the guidance and the direction of the Township Board, the DDA will assist in the disposal of surplus public property in the Development Area, potentially including the some or all of the Township property on West "Q" Avenue. These lands and buildings will only be disposed of, if and when, the Township has secured a new location for its needs elsewhere in the Development Area. Disposition will occur through either a negotiated sale or through a sealed bid process, as determined at the time by the DDA and the Township Board to be in the best interests of the Township.

## K. Existing Zoning and Proposed Changes

Consistent with the Texas Corners Sub-Area Plan, this Development Plan recommends several changes in the Township's Zoning Ordinance and Map. A special "village commercial" (VC) district will be developed for The Corners, and the Zoning Map will be adjusted to reflect VC zoning in The Corners. The VC district will include the types of low intensity neighborhood commercial uses described in the Sub-Area Plan. In addition, however, the VC district will also include some service commercial uses, including contractor's workshops with special approval standards. Access management and shared parking standards and incentives may be provided in the VC district to promote the development of the area as planned. Map D reflects the areas that may be considered for rezoning.

The Township's parking and site design standards for The Corners will be adjusted to assure that they result in developments that support the intent of the Plan. Specifically, parking standards will be reduced to eliminate excess, unused asphalt. Parking screening requirements will be expanded to provide limited screening of parking areas from roadways, as well as, from surrounding residential areas. Finally, building and site design standards will incorporate dimensional standards, parking, screening, lot coverage, architecture, pedestrian orientation, open space façade treatment, shared parking and related matters. A Design Review Committee will be formed to oversee the architectural and landscape review process.

## L. Proposed Rights-of-way Adjustments and Changes to Street Grades, Intersections and Utilities

The projects described in this Plan will result in roadway changes with the widening of the West "Q" Avenue and 8th Street intersection. In the future, it is anticipated that private development will result in new public roadway. However, the actual design and implementation of these new roads will be uncertain until private development interest materializes.

## M. Development Cost Estimates and Financing

The total cost of completing all activities, projects and improvements proposed by the DDA Development Plan and to be undertaken and financed by the DDA and the Township is estimated to be $500,000. The projects are set forth under Section II, G above. The costs include expenditures for activities associated with the accomplishment of each of the projects described in this plan plus administrative expenses and contingencies.

The DDA expects to finance these activities from one or more of the following sources:

1. Bond Proceeds
2. Future Tax Increment Revenues
3. Interest on Investments
4. Donations received by the DDA
5. Proceeds from any property, building or facility owned, leased or sold by the DDA
6. Moneys obtained through Development Agreements with property owners benefiting from adjacent open space and other public improvements
7. Moneys obtained from other sources approved by the Charter Township of Texas Township Board

The proceeds to be received from tax increment revenues in the Development Area plus the availability of funds from other authorized sources will be sufficient to finance all activities and improvements to be carried out under this plan.

## N. Identification of Private Interests, Parties or Individuals to Whom the Development Will be Sold or is Being Undertaken

At the time of the adoption of this plan, there are no known private interests to whom land acquired hereunder will be conveyed.

## O. Proposed Land Disposition Terms and Bidding Procedures

In the event this plan is amended to provide for the conveyance of property, on terms other than those described under paragraph II.J. above, the terms under which land designated for new development will be sold, leased or otherwise conveyed to private development interests shall be determined by the DDA with the approval by the Township Board.

The procedures by which purchase bids will be received and awarded will be in accordance with existing procedures and practices currently used by the Charter Township of Texas in disposing of other Township-owned property.

The DDA reserves the right to make dispositions without using the bidding process, if such sale is necessary, to bring about the intentions of this Development Plan and providing such sale is in the best interest of the DDA and the Charter Township of Texas.

The DDA and the Township Board will reserve the right to select the development proposal and or the developer whose proposal for purchase best meets the intent of this Development Plan and the best interest of the Township.

## P. Estimates of the Number of Persons Residing in the Development Area and the number of Families and Individuals to be Displaced.

There are fewer than 100 persons in the Development Area. Consequently, in accordance with the Act, no Development Area Citizen's Committee is required. In addition, no displacement of Development Area residents is required in the implementation of this Plan.

## Q. A Plan for Establishing Priority for the Relocation of Persons Displaced by the Development Area.

Since no persons will be displaced from the development area, it is not necessary to prepare a plan to provide priority for displacees.

## R. Provision for the Costs of Relocating Persons and Businesses Displaced by the Development and Financial Assistance and Reimbursement of Expenses.

There will be no persons or businesses displaced by this plan. Therefore, no provision for the cost of relocation is required.

## S. Plan Provisions for Compliance with Act 227 of the Public Acts of 1972.

The relocation provisions described in "Q" and "R" above meet the requirements of Act 227 of the Public Acts of 1972.

# PART III. TAX INCREMENT FINANCING PLAN FOR THE CHARTER TOWNSHIP OF TEXAS TEXAS CORNERS BUSINESS AREA

This tax increment financing plan is established to make possible the financing of all or a portion of the costs associated with the carrying out and completion of those activities and improvements contained in the officially adopted Development Plan for the Development Area as may be amended from time to time.

## A. Tax Increment Financing Procedure

The tax increment financing procedure as outlined in the Act requires the adoption by the Township, by Ordinance, of a development plan and a tax increment financing plan. Following the adoption of that Ordinance, the municipal and county treasurers are required by law to transmit to the DDA that portion of the tax levy of all taxing bodies paid each year on the "Captured Assessed Value of all real and personal property located in the Development Area." The tax amounts to be transmitted are hereinafter referred to as "Tax Increment Revenue". The "Captured Assessed Value" is defined by the Act as "...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 "initial assessed value" is defined by the Act as "...the value, as equalized, of all taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of property tax shall be determined as provided in subdivision (x)..."

When the authority determines that it is necessary for the purposes of the 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 of the Act, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, and shall be in compliance with Section 15 of the Act. 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.

Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 18 of the Act. 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. Presented in Exhibit 6 is a schedule of the current or 'initial' taxable values of all real and personal property in the Development Area.

The original tax increment financing plan was approved in 2000. The most recent assessment of all taxable property in the Development Area at the time of the plan approval in 2000 occurred on December 31, 1998 for the tax year 1999. The tax increment financing plan was approved on May 20, 2000 (Exhibit 13).

### B. Estimates of Captured Assessed Values and Tax Increment Revenues

Provided in Exhibits 7 and 8 are schedules on estimated dollar amounts of captured taxable values and tax increment revenues to be realized from increases in real and personal property values, in the Development Area from 2000 through 2019. These estimates are based on the experience of the Township Assessor, but must be regarded as best estimates. The estimates have taken into account expected changes or adjustments (increases and decreases) in current 1999 base year real and personal ad valorem property assessments, removals and additions of real and personal property. The projections set forth on Exhibits 7 and 8 include new construction during calendar years 1999 and 2000. The other years of the projection are based on appreciation. The total of 11.0874 mills in the northeast quadrant of the development area and 9.5874 mills in the balance of the development area were applied to the captured assessed totals for ad valorem real and personal property.

Under this tax increment financing plan, the entire tax increment amount is to be utilized by the DDA.

### C. Use of Tax Increment Revenue

The tax increment revenue paid to the DDA by the municipal and county treasurers is to be disbursed by the DDA from time to time in such manner as the DDA may deem necessary and appropriate in order to carry out the purposes of the development plan, including but not limited to the following:

- The principal, interest and reserve payments required for any bonded indebtedness to be incurred in its behalf for purposes provided in the Development Plan.
- Cash payments for initiating and completing any improvements or activity called for in the Development Plan.
- Any annual operating deficits, that the DDA may incur from acquired and/or leased property in the Development Area.
- Interest payments on any sums that the DDA should borrow before or during the construction of any improvement or activity to be accomplished by the Development Plan, after approval by the Township Board.
- Payments required to establish and maintain a capital replacement reserve.
- Payments required to establish and maintain a capital expenditure reserve.

- Payments required to establish and maintain any required sinking fund.
- Payments to support the costs of any additional improvements to the development area that are determined necessary by the DDA and approved by the Charter Township of Texas Township Board.
- Any administrative expenditure required to meet the cost of operation of the DDA and to repay any cash advances provided by the Charter Township of Texas. The estimated administrative budget of the DDA is set forth as Exhibit 10.

The DDA may modify the priority of projects and payments at any time if, within its discretion, such modification is necessary to facilitate the development plan then existing and is permitted under the term of any outstanding indebtedness.

**D. Indebtedness to be Incurred**

Revenues to support these costs shall be derived from any of the following sources, or from a combination of these sources:

1. Cash, and/or;
2. The issuance of one or more series of revenue bonds during the period from 2000 to 2019 when development activities are to be initiated and completed; and/or
3. Funds borrowed from the Charter Township of Texas at rates and terms to be agreed upon or as set forth elsewhere in this Development and Financing Plan; and/or
4. Funds borrowed from the State of Michigan at rates and terms to be agreed upon.

Whichever of the financing mechanisms is used, the realized tax collections generated by the "Captured Assessed Value" are adequate to provide for payment of principal and interest on such revenue bonds or funds borrowed from the Township or the State.

For the purpose of this plan, the amounts of bonded indebtedness or indebtedness to be incurred by the DDA and/or the Charter Township of Texas for all bond issues or loans including payments of capitalized interest, principal and required reserve shall be determined by the Township Board upon the recommendations of the DDA. At the time of adoption of this Plan, the DDA estimate of maximum indebtedness, if any, to be incurred by the projects is $500,000, including project costs and any bonding expenses.

### E. Millage Levy

Under Ordinance 192, the DDA is prohibited from levying or requesting the levy of the millage otherwise authorized by the Act.

### F. Annual Surplus of Tax Increment Revenues

To the extent that the tax increment revenues of the DDA in any one year exceed the sum necessary for the DDA to meet the commitments, project requirements and payments as set forth above, said surplus funds shall revert proportionately to the respective taxing bodies as provided in Section 15 (2) of the Act.

### G. Duration of Plan

The tax increment financing plan shall last twenty (20) years except as the same may be amended or modified from time to time by the Township Board upon recommendation of the DDA and upon notice, public hearing and amendment as required by the Act.

### H. Impact on Assessed Values and Tax Revenues

The overall impact of the development plan is expected to generate increased economic activity in the Development Area, the Downtown District, the Charter Township of Texas and Kalamazoo County at large. This increase in activity will, in turn, generate additional amounts of tax revenue to local taxing jurisdictions through increases in assessed valuations or real and personal property and from increases in personal income of new employment within the Development Area, the Downtown District, the Charter Township of Texas, other neighboring communities and throughout Kalamazoo County. The projections set forth on Exhibits 7 and 8 include new construction during calendar years 1999 and 2000. The other years of the projection, are based on appreciation.

The expected increases in assessed valuation for existing property and new construction in the development area have been estimated for the 2000 through 2019 tax years.

For purposes of determining the estimated impact of this tax increment financing plan upon those taxing jurisdictions within the Development Area, estimates of captured assessed values (Exhibits 7 and 8) were used along with current 2000 tax millage allocations to determine tax increment revenue amounts that would be shifted from these jurisdictions to the DDA to finance the project activities called for in this Development Plan. The amounts for the first year are shown in Exhibit 9 for each taxing jurisdiction relating to the Development Area.

### I. Use of the Captured Assessed Values

The development and tax increment financing plan provides for the use of all of the captured assessed value by the DDA for the purpose herein set forth.

### J. Reports

The DDA shall submit annually to the Township Board a report on the status of the tax increment financing account. Such report shall comply with the requirements of Section 15 (3) of the DDA Act, a copy of which is provided under Exhibit 1. Such report shall be prepared as of December 31, and be submitted to the Township Treasurer not later than May 31 each year.

### K. Budget, Fund Handling and Auditing Costs

In addition to any budget set forth in this plan the DDA shall prepare and submit for 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 by the Township Board. Before the budget may be adopted by the DDA, it shall be approved by the Township Board. Funds of the Township shall not be included in the budget of the DDA except those funds authorized in the act or by the Township Board. The Township Board 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.

### L. Expense Publication

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

# MAPS

To illustrate this Development and Financing Plan, the following maps are provided:

| | |
|---|---|
| **Map A:** | Development District and Development Area Boundaries |
| **Map B:** | Existing Land Use |
| **Map C:** | Project Map |
| **Map D:** | Map of Proposed Zoning Changes |

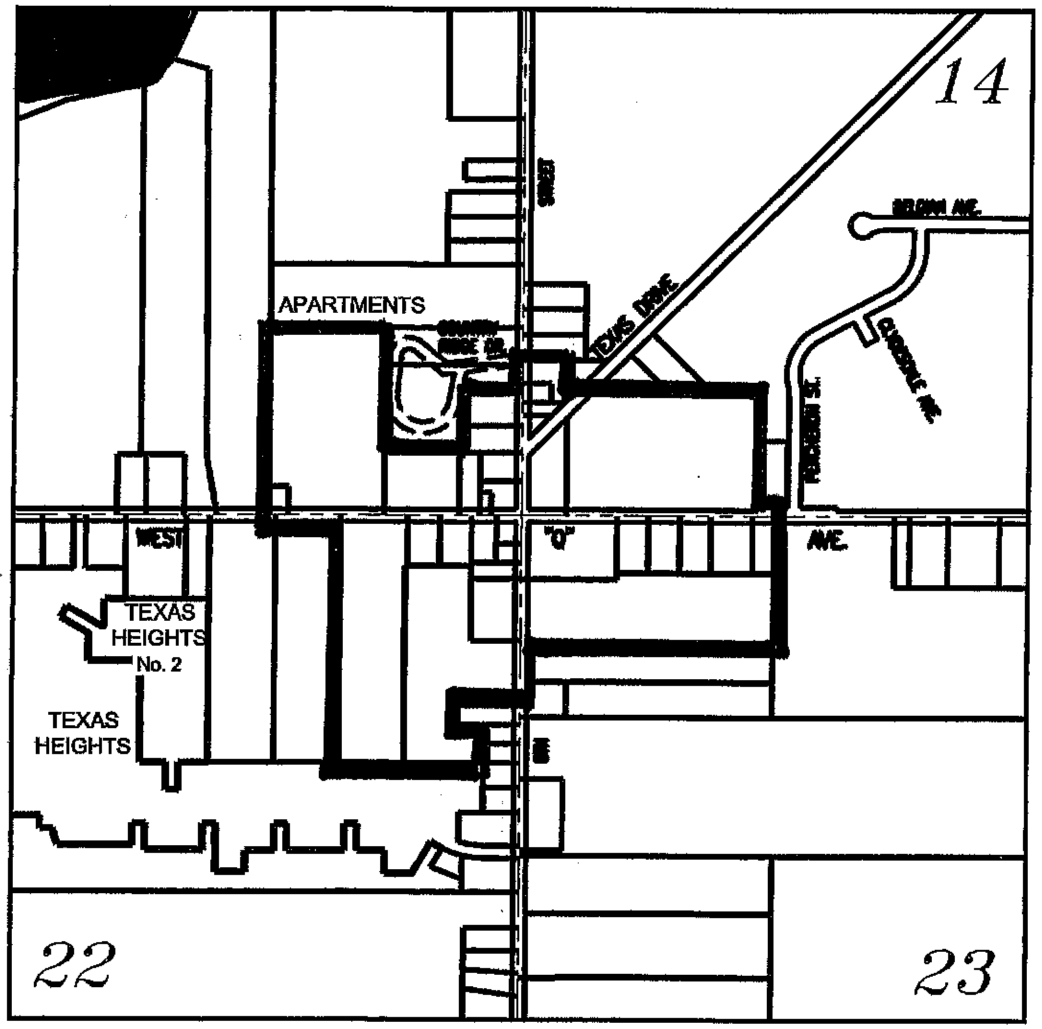
Map A

# TEXAS CORNERS

## EXISTING LAND USES & PROPOSED DDA DISTRICT

### LEGEND

PROPOSED DDA DISTRICT



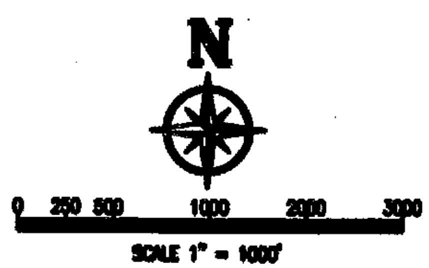

LOCATION MAP

**DDA DISTRICT BOUNDARY DESCRIPTION:**

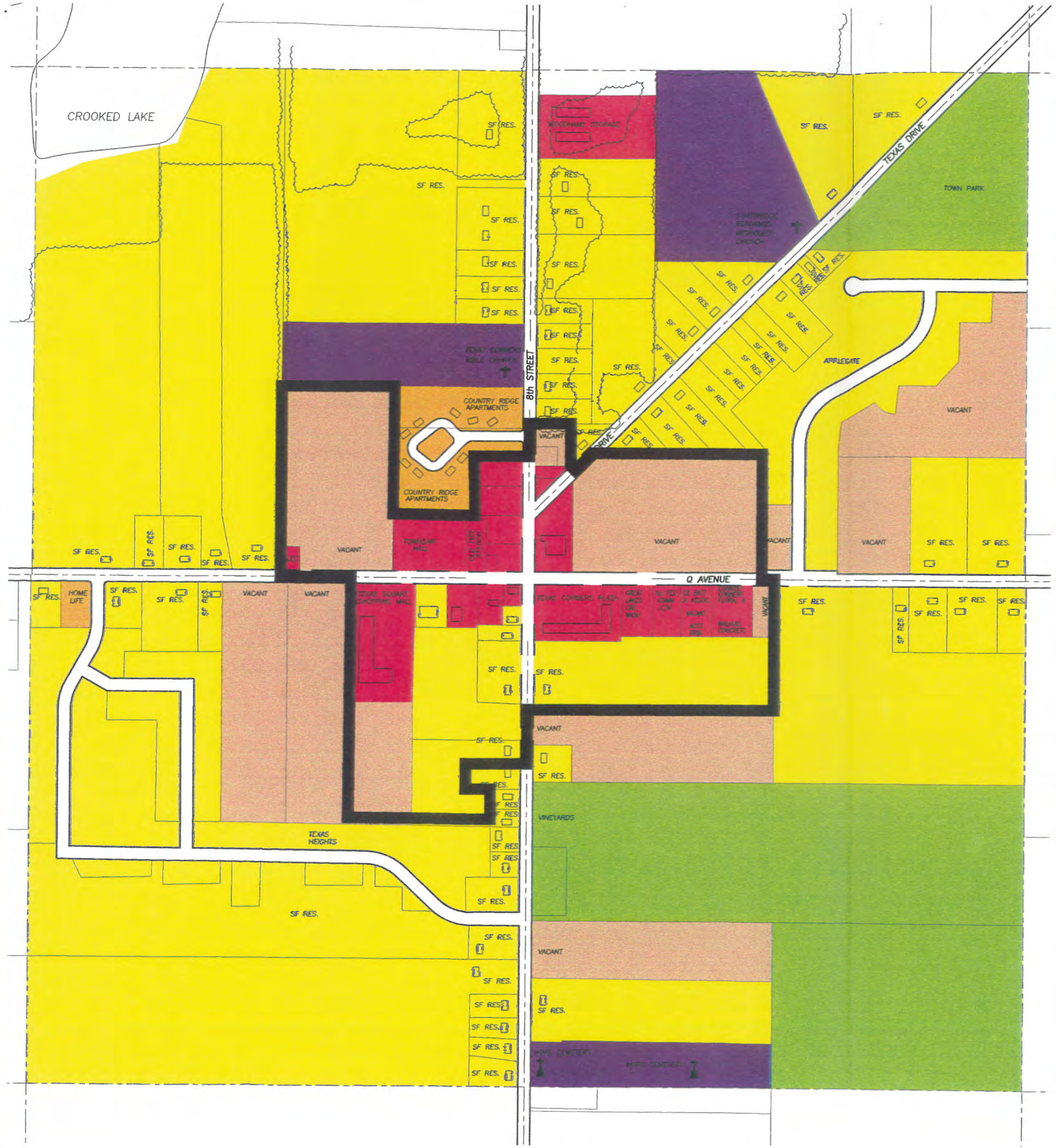
Part of Sections 14, 15, 22 & 23, T. 3 S., R. 12 W., Texas Township, Kalamazoo County, Michigan described as: Commencing at the Northwest corner of said Section 23, said point also being the intersection of "Q" Avenue and 8th Street; thence East along the Section line common to Sections 14 & 23, 1,316.68 feet to the East line of the Northwest 1/4 of the Northwest 1/4 of said Section 23 and the place of beginning of the land hereinafter described; thence South along said East line, 678.00 feet; thence West parallel with the North line of said Section, 1,287.29 feet to the East right-of-way line of 8th Street; thence South along said East right-of-way line to a point 793.32 feet South and 33.00 feet East of the Northwest corner of Section 23 as measured at right angles to the West line of said Section 23; thence West at right angles to the Section line common to Sections 23 & 22, and entering into Section 22, 330.00 feet; thence South parallel with the East line of Section 22, 132.00 feet; thence East, 137.00 feet; thence South parallel with the East line of Section 22, 200.00 feet to the North line of Texas Heights, as recorded in Liber 39 of Plats on Page 3, Kalamazoo County Records; thence West along the North line of said Plat, 751.56 feet; thence North parallel with the East line of Section 22, 1,281.47 feet to the South right-of-way line of "Q" Avenue; thence West along said South right-of-way line to the West line of the Southeast 1/4 of the Southeast 1/4 of said Section 15 extended South to the Southerly right-of-way line of "Q" Avenue; thence North along said West line to a point 330.00 feet South of the North line of the Southeast 1/4 of the Southeast 1/4 of said Section 15; thence East parallel with the North line of the Southeast 1/4 of the Southeast 1/4 of said Section 15 to a point 720.00 feet West of the East line of said Section 15; thence South parallel with the East line of said Section 15 to a point 330.00 feet North of the South line of said Section 15; thence East parallel with the South line of said Section 15 to a point 290.00 feet West of the East line of said Section 15; thence North parallel with said East line, 307.66 feet; thence East parallel with the South line of said Section 15, 257.00 feet to the West right-of-way line of 8th Street; thence North along said West right-of-way line to a point 816.75 feet North and 33.00 feet West of the Southeast corner of said Section 15 as measured at right angles to the East line of said Section 15; thence East at right angles to the Section line common to Sections 15 & 14 and entering into Section 14, 253.00 feet; thence South parallel with the West line of Section 14, 222.75 feet; thence East to the Westerly right-of-way line of Texas Drive; thence Northeasterly along said Westerly right-of-way line to the North line of the South 1/2 of the South 1/2 of the Southwest 1/4 of said Section 14; thence East along said North line to a point 1,397.26 feet Westerly of the North and South 1/4 line of said Section 14; thence South parallel with the West line of said Section 14, 608.73 feet to a point 50.00 feet North of the South line of said Section 14, said point being on the North right-of-way line of "Q" Avenue; thence East along said North right-of-way line to the East line of the Northwest 1/4 of the Northwest 1/4 of Section 23 extended North; thence South along said East line, 50.00 feet to the place of beginning.


Prein&Newhof
Engineers Surveyors Planners Environmental Services
(LOCALLY KNOWN AS WILKINS & WHEATON)
169 PORTAGE STREET
KALAMAZOO, MICHIGAN 49007
PHONE: (616) 345-1158


APRIL 14, 2000
REV: APRIL 20, 2000



# MAP B




# TEXAS CORNERS
## EXISTING LAND USES & DDA DISTRICT

### LEGEND

- UNDEVELOPED LAND
- AGRICULTURAL/PARK
- SINGLE FAMILY RESIDENTIAL
- MULTI–FAMILY RESIDENTIAL
- COMMERCIAL
- INSTITUTIONAL

DDA DISTRICT AND DEVELOPMENT AREA BOUNDARY

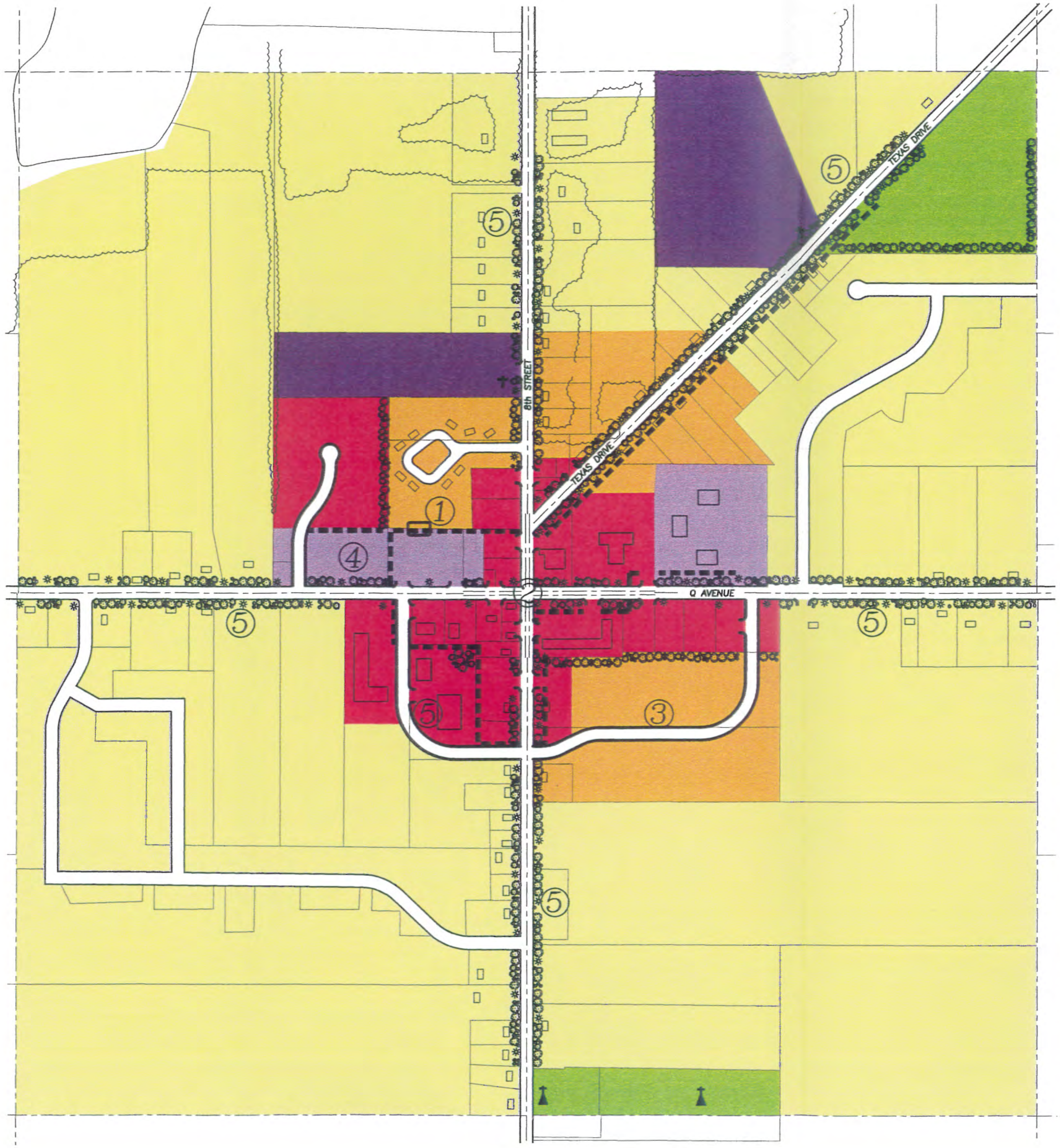
WILLIAMS & WORKS

MAP C

# TEXAS CORNERS

## FUTURE LAND USE

MARCH 27, 2000



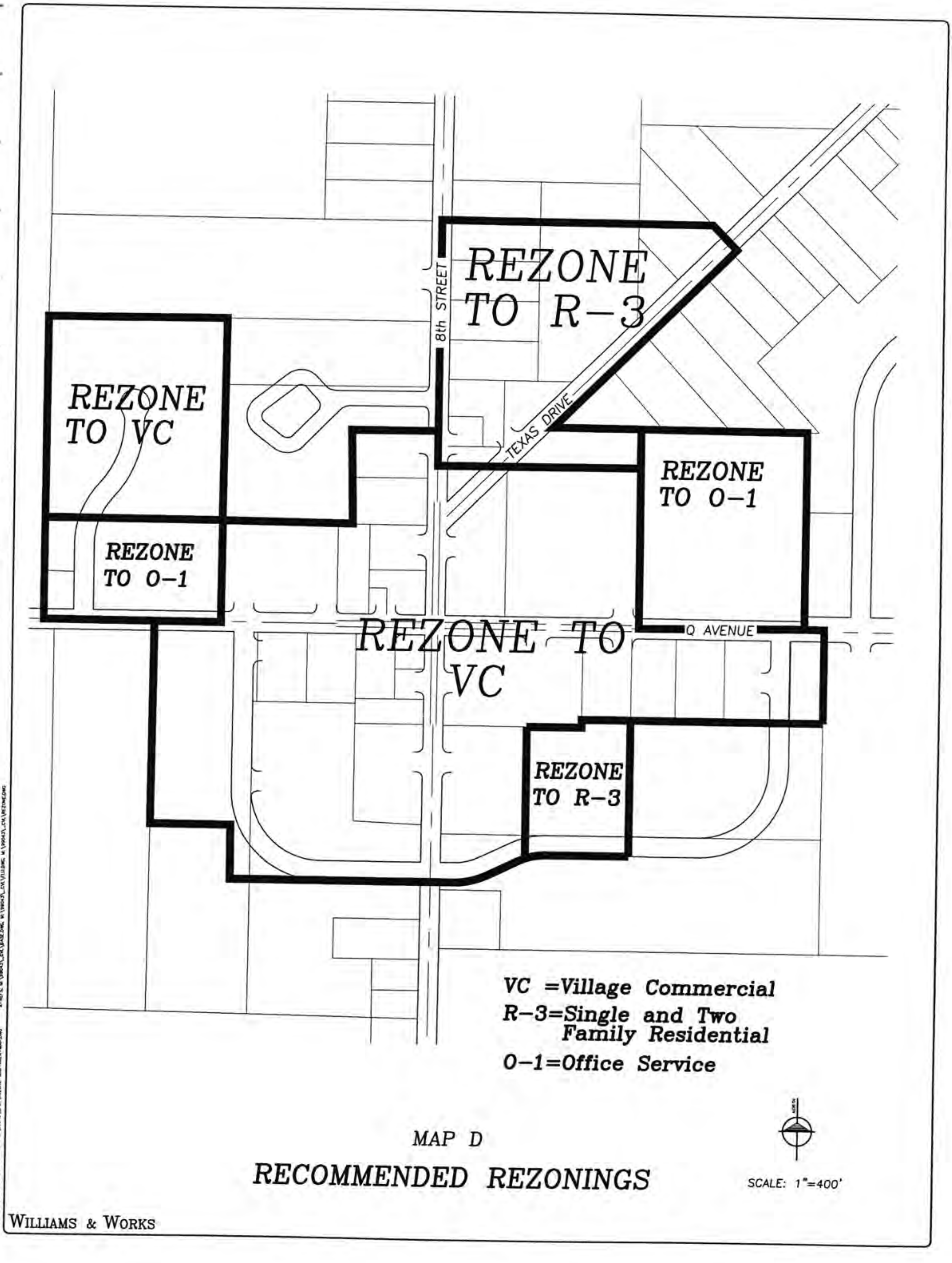

## LEGEND

- PARK & CEMETERY
- SINGLE FAMILY RESIDENTIAL
- MULTI–FAMILY RESIDENTIAL
- COMMERCIAL
- OFFICE
- INSTITUTIONAL

1. DETENTION POND
2. WIDEN ROADWAY TO 3 LANES FOR LEFT TURN LANE & SEQUENTIAL SIGNAL
3. PUBLIC ROAD ACCESSING POTENTIAL MULTI–FAMILY DEVELOPMENT
4. PEDESTRIAN PATHWAY THROUGHOUT TEXAS CORNERS COMMERCIAL DISTRICT AND EXTENDING TO TOWNSHIP PARK
5. LIGHTED & TREE LINED APPROACH TO TEXAS CORNERS INTERSECTION AND THROUGHOUT THE COMMERCIAL DISTRICT

EXISTING EDGE OF TREES

WILLIAMS & WORKS



REZONE TO R-3
8th STREET
TEXAS DRIVE
REZONE TO VC
REZONE TO O-1
REZONE TO O-1
Q AVENUE
REZONE TO VC
REZONE TO R-3
VC =Village Commercial
R-3=Single and Two Family Residential
O-1=Office Service
MAP D
RECOMMENDED REZONINGS
SCALE: 1"=400'
WILLIAMS & WORKS

## EXHIBITS

To illustrate and support this Downtown Development and Financing Plan, the following Exhibits are provided:

1. Public Act 197, of 1975 as amended
2. Charter Township of Texas Ordinance No. 192
3. Documentation of filing with Secretary of State
4. DDA By-laws
5. Notice of Public Hearing on Plan
6. Current Taxable Value in Development Area
7. Captured Value Projection
8. Tax Increment Projection
9. Projection of Impact of Plan on Other Taxing Jurisdictions
10. DDA Administrative Budget
11. Notice of Meeting with Taxing Jurisdictions
12. DDA Resolution Approving Plan
13. Charter Township of Texas Ordinance 193 Adopting Plan

EXHIBIT 1

## DOWNTOWN DEVELOPMENT AUTHORITY

### Act 197 of 1975

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

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

*The People of the State of Michigan enact:*

### 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 .

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

**125.1651a 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 .

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 125.1653 Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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.

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

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

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

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

**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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

**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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

**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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

**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 .

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

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

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 125.1665 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 .

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 125.1666 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

### 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 .

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

**Popular Name:** Downtown Development Authority Act

**Popular Name:** DDA

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EXHIBIT 2

**CHARTER TOWNSHIP OF TEXAS**

**ORDINANCE NO. 192**
**Adopted: April 28, 2000**

**Effective: Immediately upon publication after adoption**

An ordinance to establish a downtown development authority in the Charter Township of Texas pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended; to define terms; to establish the boundaries of the downtown district; to define the powers of the downtown development authority; to provide for its fiscal year; an annual audit; a budget; membership; dissolution; to provide for severability and repeal of conflicting ordinances, and to provide for publication, filing and an effective date.

**THE CHARTER TOWNSHIP OF TEXAS**
**KALAMAZOO COUNTY, MICHIGAN**

**ORDAINS:**

## SECTION I

## TITLE

This ordinance shall be known and may be cited as the "Downtown Development Authority Ordinance.

## SECTION II

## DEFINITIONS

The terms used herein shall have the same meaning as given them in Act 197 or as hereinafter in this section provided, unless the context clearly indicates to the contrary. As used in this ordinance:

(a) "Authority" means the Downtown Development Authority of the Charter Township of Texas created by this ordinance.

(b) "Act 197" means Act No. 197 of the Public Acts of Michigan of 1975 as now in effect or hereafter amended.

(c) "Board" or "Board of Directors" means the Board of Directors of the Authority.

(d) "Downtown District" means the downtown district designated herein or as hereafter amended.

(e) "Supervisor" means the Supervisor of the Charter Township of Texas

(f) "Township" means the Charter Township of Texas

(g) "Township Board" means the Board of Trustees of the Charter Township of Texas.

## SECTION III

## PURPOSE

The Township Board has determined that it is necessary for the best interests of the public to halt property value deterioration and increase property valuation where possible in the business district of the Township, and to eliminate the causes of that deterioration and promote economic growth in the downtown district of the Township, pursuant to Act 197. For those purposes, the Township Board has adopted this ordinance to create and provide for the operation of a Downtown Development Authority, pursuant to the Act.

## SECTION IV

## CREATION OF AUTHORITY

There is hereby created pursuant to Act 197 a Downtown Development Authority for the Township. The Authority shall be a public body corporate and shall be known and exercise its powers under the title of "Downtown Development Authority of the Charter Township of Texas."

## SECTION V

## DESCRIPTION OF DOWNTOWN DISTRICT

The Downtown District within which the Authority shall exercise its powers as provided by Act 197 shall consist of the property in the Township described as: subject to such changes as may hereinafter be made pursuant to this ordinance and Act 197.

Part of Sections 14, 15, 22 & 23, T. 3 S., R. 12 W., Texas Township, Kalamazoo County, Michigan described as: Commencing at the Northwest corner of said Section 23, said point also being the intersection of "Q" Avenue and 8th Street; thence East along the Section line common to Sections 14 & 23, 1,316.66 feet to the East line of the Northwest ¼ of the Northwest ¼ of said Section 23 and the place of beginning of the land hereinafter described: thence South along said East line, 678.00 feet; thence West parallel with the North line of said Section, 1,287.29 feet to the East right-of-way line of 8th Street; thence South along said East right-of-way line to a point 793.32 feet South and 33.00 feet East of the Northwest corner of Section 23 as measured at right angles to the West line of said Section 23; thence West at right angles to the Section line common to Sections 23 & 22, and entering into Section 22, 330.00 feet; thence South parallel with the East line of Section 22, 132.00 feet; thence East, 137.00 feet; thence South parallel with the East line of Section 22, 200.00 feet to the North line of Texas Heights, as recorded in Liber 39 of Plats on Page 3, Kalamazoo County Records, thence West along the North line of said Plat, 751.56 feet; thence North parallel with the East line of Section 22, 1,261.47 feet to the South right-of-way line of "Q" Avenue; thence West along said South right-of-way line to the West line of the Southeast ¼ of the Southeast ¼ of said Section 15 extended South to the Southerly right-of-way line of "Q" Avenue; thence North along said West line to a point 330.00 feet South of the North line of the Southeast ¼ of the Southeast ¼ of said Section 15; thence East parallel with the North line of the Southeast ¼ of the Southeast ¼ of said Section 15 to a point 720.00 feet West of the East line of said Section 15; thence South parallel with the East line of said Section 15 to a point 330.00 feet North of the South line of said Section 15; thence East parallel with the South line of said Section 15 to a point 290.00 feet West of the East line of said Section 15; thence North parallel with said East line, 307.66 feet; thence East parallel with the South line of said Section 15, 257.00 feet to the West right-of-way line of 8th Street; thence North along said West right-of-way line to a point 816.75 feet North and 33.00 feet West of the Southeast corner of said Section 15 as measured at right angles to the East line of said Section 15, thence East at right angles to the Section line common to Sections 15 & 14 and entering into Section 14, 253.00 feet; thence South parallel with the West line of Section 14, 222.75 feet; thence East to the Westerly right-of-way line of Texas Drive; thence Northeasterly along said Westerly right-of-way line to the North line of the South ½ of the South ½ of the Southwest ¼ of said Section 14; thence East along said North line to a point 1,397.26 feet Westerly of the North and South ¼ line of said Section 14; thence South parallel with the West line of said Section 14, 608.73 feet to a point 50.00 feet North of the South line of said Section 14, said point being on the North right-of-way line of "Q" Avenue; thence East along said North right-of-way line to the East line of the Northwest ¼ of the Northwest ¼ of Section 23 extended North; thence South along said East line, 50.00 feet to the place of beginning.

## SECTION VI

## BOARD OF DIRECTORS

The Authority shall be under the supervision and control of a Board consisting of the Supervisor of the Township and eight (8) members. The members shall be appointed by the Supervisor subject to approval by the Township Board. Eligibility for membership on the Board and terms of office shall be as provided in Act 197. A member shall hold office until the member's successor is appointed.

## SECTION VII

## POWERS OF THE AUTHORITY

The Authority shall possess all of the powers necessary to carry out the purposes of its incorporation and shall have all powers provided by Act 197 except that the Authority is prohibited from levying or from requesting the approval of the Township Board for the levy of any ad valorem property tax as set forth in Section 12 of Act 197. The Authority may adopt a seal, sue and be sued in any court of this State. The enumeration of a power herein or in Act 197 shall not be construed as a limitation upon the general powers of the Authority.

## SECTION VIII

## FISCAL YEAR; ADOPTION OF BUDGET; REPORTS; AUDITS

A. The fiscal year of the Authority shall begin on January 1 of each year and end on December 31 of that year, or such other fiscal year as may hereafter be adopted by Resolution of the Township Board.

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

C. The Authority shall be audited annually by the firm that audits the records of the Township and copies of the audit report shall be filed with the Township Board.

## SECTION IX

## TERMINATION

Upon completion of its purposes the Authority may be dissolved by an ordinance duly adopted by the Township Board. The property and assets of the Authority, after dissolution and satisfaction of its obligations, shall revert to the Township.

## SECTION X

## SEVERABILITY AND REPEAL OF CONFLICTING ORDINANCES

If any portion of this ordinance shall be held to be unlawful, the remaining portions shall remain in full force and effect. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

## SECTION XI

## PUBLICATION, RECORDING AND FILING

After its adoption, this ordinance shall be published once in full in a newspaper of general circulation in the Township and the Township Clerk shall file a certified copy of the ordinance with the Michigan Secretary of State promptly after its adoption.

## SECTION XII

## EFFECTIVE DATE

This ordinance shall take effect immediately upon publication after adoption.

## CLERKS CERTIFICATE

I, Linda M. Kerr, Township Clerk of the Charter Township of Texas, Kalamazoo County, Michigan, do hereby certify that in pursuance of law and statute provided, at a regular meeting of the Charter Township of Texas Board held on the 28th day of April, 2000, at 8:00 a.m. at the Charter Township of Texas Hall, located at 7110 West Q Avenue, Kalamazoo, Kalamazoo County, Michigan, at which the following members were present:

Present: Ronald Commissaris
Richard Craven
Donald Boven
Edward Woodhams
Joyce Neubauer
Linda Kerr

Absent: Thomas Dykstra

The Board enacted and passed Ordinance No. 192, hereinbefore recorded, to become effective immediately upon publication after adoptions of same, and that the members of said Board present at said meeting voted on the adoption of said Ordinance as follows:

Ayes: Kerr
Craven
Woodhams
Commissaris
Boven
Neubauer
Nays: None
Absent: Dykstra

I do further certify that all in accordance with Township Board direction, the proposed Ordinance was duly published in the Kalamazoo Gazette, a newspaper printed in Kalamazoo, Michigan, and circulated in the Charter Township of Texas on the 26th of April 2000; and Ordinance No. 192, as adopted, was again published in the Kalamazoo Gazette on the 29th day of April 2000.

Linda M. Kerr, Clerk
Charter Township of Texas
7110 West Q Avenue
Kalamazoo, MI 49009
616-375-1591

Linda M. Kerr

Linda M. Kerr Clerk

STATE OF MICHIGAN

EXHIBIT 3

CANDICE S. MILLER, Secretary of State
MICHIGAN DEPARTMENT OF STATE
LANSING, MICHIGAN 48918

May 4, 2000

RECEIVED
MAY 8 2000
By

Charter Township of Texas
Linda M. Kerr, Clerk
7110 West Q Avenue
Kalamazoo, MI 49009

Dear Ms. Kerr:

This letter acknowledges receipt and filing by the Texas Charter Township Board on May 3, 2000, with the Secretary of State, Ordinance No. 192 establishing the Downtown Development Authority of the Charter Township of Texas in accordance with Act 197 of the Public Acts of 1975.

Sincerely,

Joanie Kollek

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

EXHIBIT 4

# DOWNTOWN DEVELOPMENT AUTHORITY

# OF THE CHARTER TOWNSHIP OF TEXAS

# BY-LAWS

## ARTICLE I - NAME AND PURPOSE

Section 1 – The name of this organization shall be the Downtown Development Authority of the Charter Township of Texas (the "Authority").

Section 2 – The purposes of the Authority are to implement Act 197 of the Public Acts of Michigan of 1975, as amended (the "Act") and include, but are not limited to, the correction and prevention of deterioration in the downtown district, the encouragement of historic preservation, the creation and implementation of development plans in the downtown district, and the promotion of economic growth therein.

## ARTICLE II - REGISTERED OFFICE

Section 1 – The registered office and the principal place of business of the Authority shall be the 7110 West "Q" Avenue, Kalamazoo, Michigan, or such other location as may from time to time be designated by the Board of Directors of the Authority.

## ARTICLE III - BOARD OF DIRECTORS

Section 1 – The Authority shall be under the supervision and control of a Board of Directors (the "Board") consisting of the Township Supervisor and eight (8) other members appointed by the Supervisor, with approval of the Township Board, all in accordance with the Act.

Section 2 – Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

Section 3 – Resignations of Members of the Board shall be effective upon delivery of the resignation in writing to the Supervisor.

Section 4 – Pursuant to notice and an opportunity to be heard, a Member of the Board may be removed from office for neglect of duty, including non-attendance at meetings, misconduct, malfeasance, or any other good cause by a majority vote of the Township Board.

Section 5 – A member of the Board who has a direct interest in any matter before the Authority shall disclose the interest prior to the Authority taking any action with respect to the matter, which disclosure shall become a part of the record of the Authority's official proceedings. Further, any Member making such disclosure may by a majority vote of the Board be permitted to participate in the Authority's decision-making process relative to such matter.

## ARTICLE IV - OFFICERS

Section 1 – The Board of the Authority shall elect from its membership a chairperson, vice chairperson, secretary, and a treasurer. In addition, the Board may appoint an assistant secretary, who need not be a member of the Board, to be charged with such duties as the Board deems appropriate. The election of any officer requires a majority vote of the members of the Board.

Section 2 – All officers shall hold office for one year or until a successor is elected and qualified.

Section 3 – An officer may be removed by a majority vote of the Board whenever in its judgment the best interest of the Authority would be served.

Section 4 – A vacancy in any office shall be filled for its unexpired term by a majority vote of the members of the Board.

Section 5 – Subject to the approval of the Township Board, the Board may authorize any officer, agent, employee or member to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, employee or member shall have any power or authority to bind the Authority by any contract or engagement or to ledge its credit or to render it liable pecuniary for any purpose or in any amount.

Section 6 – The Chairperson shall preside at all meetings of the Board and shall discharge the duties of a presiding officer.

Section 7 – In the absence of the Chairperson or in the event of his inability or refusal to act, the Vice Chairperson shall perform the duties of the Chairperson and when so acting shall have all the power and be subject to all restrictions of the Chairperson.

Section 8 – The Treasurer shall keep the financial records of the Authority and shall approve all vouchers for the expenditure of funds of the Authority which shall be deposited with the Township Treasurer. 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.

Section 9 – The Secretary, 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 or its proceedings, and shall perform such other duties delegated by the Board.

## ARTICLE V - SUBMISSION OF BUDGET

Section 1 – On or before August 15 of each year, the Authority shall prepare a budget and submit it to the Supervisor for transmittal to the Township Board.

## ARTICLE VI - MEETINGS

Section 1 – Each year the Board shall adopt a schedule of regular meetings for that year.

Section 2 – Special meetings of the authority may be called by the Chairperson or by any three members of the Board on notice to each member of the Board. Members of the Board may waive receipt of such notice.

Section 3 – All meetings shall be held in compliance with the Open Meetings Act, Act No. 267, P.A. 1976, as amended.

Section 4 – Each member present at the meeting of the Authority shall be entitled to a single vote, but not member shall vote by proxy, unless his sealed vote is accepted by the majority of those present. A proxy vote shall not be used to make a quorum. A proxy vote shall be used only once on a question.

Section 5 – A majority of the Members of the Board in office shall constitute a quorum for the transaction of business.

ARTICLE VII - AMENDMENTS

Section 1 – These by-laws are subject to the approval for the Township Board.

Section 2 – These by-laws may be altered, amended, or repealed only by the affirmative vote of a majority of the members of the Board of Authority, subject to notice and quorum requirements as set forth in these by-laws, provided, however, that any such alteration, amendment or repeal shall require the approval of the Township Board and shall be consistent with the provisions and requirements of the Act.

Approved by:

BOARD OF DIRECTORS OF THE
DOWNTOWN DEVELOPMENT AUTHORITY

Date: April 29, 2000

Ronald E. Commissaris

Secretary

TOWNSHIP BOARD, TEXAS CHARTER
TOWNSHIP

Date: April 29, 2000

Linda M. Kerr

Township Clerk

**Charter Township of Texas**
**Notice of Adoption of Ordinance**

**To: The Residents and Property owners of the Charter Township of Texas, the public bodies that levy property taxes within the Township, and all other interested persons:** On May 20, 2000, the Township Board of the Charter Township of Texas adopted an Ordinance, follows:

**CHARTER TOWNSHIP OF TEXAS**
**ORDINANCE NO. 193**
**Adopted: May 20, 2000**
**Effective: Immediately upon publication after adoption**

An ordinance to adopt a downtown development and financing plan for the Charter Township of Texas pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended; to define terms; declare the public purpose of the plan; to make findings about the plan; to provide for amendment of the plan; to provide for severability and repeal of conflicting ordinances, and to provide for publication and an effective date.

**THE CHARTER TOWNSHIP OF TEXAS**
**KALAMAZOO COUNTY, MICHIGAN**
**ORDAINS:**

**SECTION I**
**TITLE**

This ordinance shall be known and may be cited as the "Downtown Development and Financing Plan Ordinance."

**SECTION II**
**DEFINITIONS**

The terms used herein shall have the same meaning as given them in Act 197 or as hereinafter in this section provided, unless the context clearly indicates to the contrary. As used in this ordinance:

(a) "Authority" means the Downtown Development Authority of the Charter Township of Texas created by ordinance No. 192.

(b) "Act 197" means Act No. 197 of the Public Acts of Michigan of 1975 as now in effect or hereafter amended.

(c) "Township" means the Charter Township of Texas

(d) "Township Board" means the Board of Trustees of the Charter Township of Texas.

**SECTION III**
**PUBLIC PURPOSE**

The Township Board hereby determines that the downtown development and tax increment financing plan as recommended by the Authority constitutes a public purpose.

**SECTION IV**
**FINDINGS**

The Township Board hereby determines that:

(a) The downtown development and tax increment financing plan as recommended by the Authority meets the requirements of section 17 (2) of Act 197.

(b) The downtown development and tax increment financing plan as recommended by the Authority includes a proposed method of financing the development which is feasible and the Authority has the ability to arrange the financing.

(c) The downtown development plan and tax increment financing plan as recommended by the Authority includes development which is reasonable and necessary to carry out the purposes of Act 197.

(d) Land included within the development area which may be acquired is reasonably necessary to carry out the purposes of the plan and of Act 197 in an efficient and economically satisfactory manner.

(e) The downtown development and tax increment financing plan as recommended by the Authority includes development which is in accord with the master plan of the Township.

(f) Public services are or will be adequate to serve the project area.

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

**SECTION V**

**ADOPTION**

The downtown development and tax increment financing plan as recommended by the Authority is hereby approved and adopted.

**SECTION VI**

**AMENDMENT**

Amendments to the approved development plan or tax increment plan shall be submitted by the Authority to the Township Board for approval or rejection before implementation of any amended provisions.

**SECTION VII**

**SEVERABILITY AND REPEAL OF CONFLICTING ORDINANCES**

If any portion of this ordinance shall be held to be unlawful, the remaining portions shall remain in full force and effect. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

**SECTION VIII**

**PUBLICATION AND EFFECTIVE DATE**

After its adoption, this ordinance shall be published once in full in a newspaper of general circulation in the Township. This ordinance shall take effect immediately upon publication after adoption.

PLEASE TAKE FURTHER NOTICE that the Ordinance and the Plan may be reviewed or a copy may be obtained from the Township Clerk at the address or telephone number set out below.

CHARTER TOWNSHIP OF TEXAS
Linda M. Kerr, Clerk
Texas Charter Township Hall
7110 West "Q" Avenue
Kalamazoo, Michigan 49009
(616) 375-1591

## Summary of Base Year Taxable Values

Exhibit 6

| Permanent Parcel Number | Property Address | | 1999 Base Year Taxable Value |
|---|---|---|---|
| | | $ | |
| 14-351-061 | 7857 S. 8th. Street | | 7,351 |
| 14-351-070 | | | 1,669 |
| 14-351-080 | 6928 Texas Drive | | 30,415 |
| 14-351-090 | 6970 Texas Drive | | 18,770 |
| 14-360-011 | 7965 S. 8th. Street | | 402,118 |
| 15-360-014 | | | 23,983 |
| Subtotal - Parcels within the Northeast Quadrant (Portage Schools) | | $ | 484,306 |
| | | | |
| 15-476-015 | | | 25,226 |
| 15-476-020 | 7248 W. "Q" Avenue | | 1,178 |
| 15-476-030 | 7110 W. "Q" Avenue | | 0 |
| 14-476-040 | 7060 W. "Q" Avenue | | 0 |
| 15-476-050 | 7930 S. 8th. Street | | 36,427 |
| 15-476-060 | 7990 S. 8th. Street | | 163,169 |
| 15-476-070 | 7058 W. "Q" Avenue | | 35,718 |
| 15-476-091 | 7888 S. 8th. Street | | 112,031 |
| 15-476-095 | 7910 S. 8th. Street | | 100,688 |
| 22-226-008 | 7173 W. "Q" Avenue | | 183,100 |
| 22-226-031 | 7047 W. "Q" Avenue | | 44,347 |
| 22-226-042 | 7019 W. "Q" Avenue | | 30,998 |
| 22-226-047 | 8036 S. 8th. Street | | 29,525 |
| 22-226-060 | 8048 S. 8th. Street | | 27,716 |
| 22-226-081 | 8104 S. 8th. Street | | 46,383 |
| 22-226-100 | 8180 S. 8th. Street | | 40,952 |
| 23-101-012 | 6893 W. "Q" Avenue | | 99,699 |
| 23-101-013 | 6915 W. "Q" Avenue | | 217,000 |
| 23-101-018 | 8113 S. 8th. Street | | 54,961 |
| 23-101-022 | 6859 W. "Q" Avenue | | 48,900 |
| 23-101-024 | West "Q" Avenue | | 6,908 |
| 23-101-026 | 6781 W. "Q" Avenue | | 85,504 |
| 23-101-028 | West "Q" Avenue | | 9,256 |
| Subtotal - Parcels within the Northwest, Southwest and Southeast Quadrants (Mattawan Schools) | | $ | 1,399,686 |
| | | | |
| **Total Base Year Taxable Value:** | | $ | 1,883,992 |

## Projected Captured Values

Exhibit 7

Assumed annual rate of growth in Taxable Values: 2.5%

| | Properties in N.E. Quadrant | | | | Properties in the N.W., S.W., S.E. Quadrants | | | |
|---|---|---|---|---|---|---|---|---|
| Year | Projected Growth | Known New Construction | Total Value | Captured Value | Projected Growth | Known New Construction | Total Value | Captured Value |
| 1999 | BASE YEAR TAXABLE VALUE: | | | $ 484,306 | BASE YEAR TAXABLE VALUE: | | | $ 1,399,686 |
| 2000 | $ 6,248 | $ - | $ 490,554 | $ 6,248 | $ 1,169,540 | $ - | $ 2,569,226 | $ 1,169,540 |
| 2001 | 12,264 | - | 502,818 | 18,512 | 64,231 | 867,523 | 3,500,980 | $ 2,101,294 |
| 2002 | 12,570 | - | 515,388 | 31,082 | 87,524 | - | 3,588,504 | $ 2,188,818 |
| 2003 | 12,885 | - | 528,273 | 43,967 | 89,713 | - | 3,678,217 | $ 2,278,531 |
| 2004 | 13,207 | - | 541,480 | 57,174 | 91,955 | - | 3,770,172 | $ 2,370,486 |
| 2005 | 13,537 | - | 555,017 | 70,711 | 94,254 | - | 3,864,426 | $ 2,464,740 |
| 2006 | 13,875 | - | 568,892 | 84,586 | 96,611 | - | 3,961,037 | $ 2,561,351 |
| 2007 | 14,222 | - | 583,115 | 98,809 | 99,026 | - | 4,060,063 | $ 2,660,377 |
| 2008 | 14,578 | - | 597,692 | 113,386 | 101,502 | - | 4,161,565 | $ 2,761,879 |
| 2009 | 14,942 | - | 612,635 | 128,329 | 104,039 | - | 4,265,604 | $ 2,865,918 |
| 2010 | 15,316 | - | 627,951 | 143,645 | 106,640 | - | 4,372,244 | $ 2,972,558 |
| 2011 | 15,699 | - | 643,649 | 159,343 | 109,306 | - | 4,481,550 | $ 3,081,864 |
| 2012 | 16,091 | - | 659,741 | 175,435 | 112,039 | - | 4,593,589 | $ 3,193,903 |
| 2013 | 16,494 | - | 676,234 | 191,928 | 114,840 | - | 4,708,428 | $ 3,308,742 |
| 2014 | 16,906 | - | 693,140 | 208,834 | 117,711 | - | 4,826,139 | $ 3,426,453 |
| 2015 | 17,328 | - | 710,468 | 226,162 | 120,653 | - | 4,946,793 | $ 3,547,107 |
| 2016 | 17,762 | - | 728,230 | 243,924 | 123,670 | - | 5,070,462 | $ 3,670,776 |
| 2017 | 18,206 | - | 746,436 | 262,130 | 126,762 | - | 5,197,224 | $ 3,797,538 |
| 2018 | 18,661 | - | 765,097 | 280,791 | 129,931 | - | 5,327,155 | $ 3,927,469 |
| 2019 | 19,127 | - | 784,224 | 299,918 | 133,179 | - | 5,460,333 | $ 4,060,647 |

# Tax Increment Projection

Exhibit 8

| Year | Northeast Quadrant Captured Value | Northeast Quadrant Tax Increment at: 0.01108740 | Northwest, Southwest, Southeast Quadrant Captured Value | Northwest, Southwest, Southeast Quadrant Tax Increment at: 0.00958740 | Texas Corners DDA Combined Tax Increment |
|---|---|---|---|---|---|
| 2000 | $ 6,248 | $ 69 | $ 1,169,540 | $ 11,213 | $ 11,282 |
| 2001 | 18,512 | 205 | 2,101,294 | 20,146 | 20,351 |
| 2002 | 31,082 | 345 | 2,188,818 | 20,985 | 21,330 |
| 2003 | 43,967 | 487 | 2,278,531 | 21,845 | 22,333 |
| 2004 | 57,174 | 634 | 2,370,486 | 22,727 | 23,361 |
| 2005 | 70,711 | 784 | 2,464,740 | 23,630 | 24,414 |
| 2006 | 84,586 | 938 | 2,561,351 | 24,557 | 25,495 |
| 2007 | 98,809 | 1,096 | 2,660,377 | 25,506 | 26,602 |
| 2008 | 113,386 | 1,257 | 2,761,879 | 26,479 | 27,736 |
| 2009 | 128,329 | 1,423 | 2,865,918 | 27,477 | 28,900 |
| 2010 | 143,645 | 1,593 | 2,972,558 | 28,499 | 30,092 |
| 2011 | 159,343 | 1,767 | 3,081,864 | 29,547 | 31,314 |
| 2012 | 175,435 | 1,945 | 3,193,903 | 30,621 | 32,566 |
| 2013 | 191,928 | 2,128 | 3,308,742 | 31,722 | 33,850 |
| 2014 | 208,834 | 2,315 | 3,426,453 | 32,851 | 35,166 |
| 2015 | 226,162 | 2,508 | 3,547,107 | 34,008 | 36,515 |
| 2016 | 243,924 | 2,704 | 3,670,776 | 35,193 | 37,898 |
| 2017 | 262,130 | 2,906 | 3,797,538 | 36,409 | 39,315 |
| 2018 | 280,791 | 3,113 | 3,927,469 | 37,654 | 40,767 |
| 2019 | 299,918 | 3,325 | 4,060,647 | 38,931 | 42,256 |

Summary of Tax Increment Impact by Jurisdiction

Exhibit 9

| | Northeast Quadrant | | Northwest, Southwest, Southeast Quadrants | | Texas Corners DDA |
|---|---|---|---|---|---|
| 2000 Captured Value | $ 6,248 | | $ 1,169,540 | | $ 1,175,788 |
| Jurisdictions: | | | | | |
| | 2000 Milage Rate | Tax Increment | 2000 Milage Rate | Tax Increment | Total Increment |
| Charter Township of Texas | 0.0009238 | $ 5.77 | 0.0009238 | $ 1,080.42 | $ 1,086.19 |
| Kalamazoo County | 0.0058405 | 36.49 | 0.0058405 | 6,830.70 | 6,867.19 |
| Kalamazoo Valley Community College | 0.0028231 | 17.64 | 0.0028231 | 3,301.73 | 3,319.37 |
| Library | 0.0015 | 9.37 | N/A | - | 9.37 |
| | | | | | $ 11,282.12 |

Note: No tax increment will be derived from the applicable public or intermediate school districts

EXHIBIT 10

# CHARTER TOWNSHIP OF TEXAS
# DOWNTOWN DEVELOPMENT AUTHORITY
# PROJECTED ANNUAL OPERATING BUDGET

On an annual basis, the DDA will present to the Township Board a request for appropriation as a part of the Township's normal budget preparation process. This request shall include both capital and operating expenses for the DDA for the coming year. Capital expenses shall be in accord with the Downtown Development and Tax Increment Financing Plan, as approved by the Township Board and as may be amended from time to time. Operating expenses shall be estimated based on the operating needs of the DDA Board of Directors on an annual basis.

The following estimates the approximate amount of annual operating expenses of the DDA over the life of the Downtown Development and Tax Increment Financing Plan:

| Year | Projected Expenditures |
|---|---|
| 2000 | $7,500 |
| 2001 | 3,000 |
| 2002 | 3,000 |
| 2003 | 3,000 |
| 2004 | 3,000 |
| 2005 | 3,000 |
| 2006 | 3,000 |
| 2007 | 3,000 |
| 2008 | 3,000 |
| 2009 | 3,000 |
| 2010 | 3,000 |
| 2011 | 3,000 |
| 2012 | 3,000 |
| 2013 | 3,000 |
| 2014 | 3,000 |
| 2015 | 3,000 |
| 2016 | 3,000 |
| 2017 | 3,000 |
| 2018 | 3,000 |
| 2019 | 3,000 |

EXHIBIT 11

Charter Township of
TEXAS

7110 West "Q" Avenue
Kalamazoo, Michigan 49009
Phone (616) 375-1591
Fax (616) 375-0791

# MINUTES OF SPECIAL TOWNSHIP BOARD MEETING MAY 20, 2000

**CALL TO ORDER:**

Supervisor Commissaris called the meeting to order at 8:30 a.m. inviting all present to join in the Pledge of Allegiance.

**ROLL CALL:**

The following Board members were present for roll call: Trustee Donald Boven, Trustee Richard Craven, Trustee Thomas Dykstra, Trustee Edward Woodhams, Supervisor Ronald Commissaris, and Clerk Linda Kerr. Also present were Planner Jay Kilpatrick, and six interested persons. Absent Treasurer Joyce Neubauer.

**NEW BUSINESS:**

Downtown Development and Financing Plan

Moved by **Kerr**, seconded by **Boven**, CARRIED unanimously to open the public hearing for to public comment on the Downtown Development and Financing Plan. Supervisor Commissaris opened the public hearing at 8:32 a.m.

Mr. Frank Ryan of 1350 E. Crooked Lake Drive felt that the legal description of the DDA District did not match the DDA map.

Board members commented that township engineer Tom Wheat wrote the legal description. The Board then spent several minutes reviewing the description.

Mr. Ryan then questioned the method of relocating families and individuals that may be displaced from the area, mentioned in the public notice.

Clerk Kerr explained that the statute is very explicit in the items that must be included in setting up a Downtown Development District and Financing Plan and the relocation of families and individuals displaced is one of those items. However, she stated that the actual DDA Financing Plan addresses that particular issue by stating that no displacement of Development Area residents is required in the implementation of the Plan.

Clerk Kerr also reported that letters were sent to KVCC and Kalamazoo County, two of the taxing authorities whose moneys would be captured by the District. She stated that she, Treasurer Neubauer, and Supervisor Commissaris met with KVCC on Friday, and they were supportive of the Plan.

Due to no further public comment it was moved by **Boven**, seconded by **Dykstra**, CARRIED unanimously, to close the public hearing. Roll Call Vote: Ayes: Boven, Craven, Dykstra, Woodhams, Kerr, and Commissaris. Nays – None. Absent – Neubauer. Supervisor Commissaris closed the public hearing at 8:47 a.m.

Moved by **Boven**, seconded by **Dykstra**, CARRIED unanimously, to adopt the Ordinance establishing a Downtown Development and Financing Plan for the Charter Township of Texas. Roll Call Vote: Ayes – Boven, Craven, Dykstra, Woodhams, Commissaris, and Kerr. Nays – None. Absent – Neubauer.

# MINUTES OF SPECIAL TOWNSHIP BOARD MEETING MAY 20, 2000

Council of Governments

Supervisor Commissaris reported that at the April 29 special board meeting the Board decided to address the proposed changes to the COG at today's meeting. Discussion ensued regarding the:

- Service Agreement;
- Full Time Director;
- Make-up of the Executive Committee; and
- Sprawl

Supervisor Commissaris stated he would take the Board's concerns back to the Executive Committee, which has a meeting scheduled for June 6th.

**CITIZENS COMMENTS**

Frank Ryan of E. Crooked Lake Drive in response to the restructuring of the COG stated that in his opinion cooperation and trust between units of government is a great concept; however, he has found the concept usually ceases when money is involved. He then cited examples supporting his opinion.

Larry Loeks of DeLoof Construction felt there were instances when the building inspector acted in an unreasonable and inflexible manner. He questioned if the Board knew how many "red tags" are issued monthly, and asked if that information could become part of the monthly building report, along with the reason for each "red tag" issued. He stated the building inspector is very thorough and does a good job; however, at times personalities interfere in the process, he suggested classes on the intent of the building code might be beneficial, as opposed to a personal interpretation. Discussion ensued on reasons for "red tags" and number of times certain builders are tagged, to determine if a trend is being established.

Clerk Kerr reported that a Monday's Board meeting, the Board is considering a proposal to outsource commercial building plans to the ICBO, which would remove personalities from the equation, and focus on the intent of the code.

**ADJOURNMENT**

There being no further business to come before the Board, the Board adjourned at 10:10 a.m.

Submitted: Approved:

Linda M. Kerr, Clerk

Attested: Ronald Commissaris, Supervisor

EXHIBIT 12

# CHARTER TOWNSHIP OF TEXAS
# DOWNTOWN DEVELOPMENT AUTHORITY

## RESOLUTION APPROVING AND RECOMMENDING THE ADOPTION OF THE TOWNSHIP'S DOWNTOWN DEVELOPMENT AND FINANCING PLAN

Minutes of the Downtown Development Authority of the Charter Township of Texas, County of Kalamazoo, Michigan, held in the Township Offices on the 29th day of April, 2000.

Present: Larry Loeks, Dave Groendyke, Brian Pearson, Joyce Messer, Sue Catherman, Ron Commissaris

Absent Jim Kerwin, Stacy Rinker, Robert Lohrberg

The following resolution was offered by Director Commissaris and supported by Director Groendyke.

WHEREAS, pursuant to Act No. 197 of the Public Acts of Michigan of 1975, as amended (Act), the Downtown Development Authority (DDA) has prepared a development and financing plan to assist in the development and redevelopment of the Development Area; and

WHEREAS, pursuant to the Act, the DDA has prepared a tax increment financing plan to assist in the financial support for all or a part of the costs associated with the activities of the DDA as set forth in the development plan;

NOW, THEREFORE, BE IT RESOLVED, that the DDA hereby determines that:

1. The downtown development and tax increment financing plan constitutes a public purpose;
2. The downtown development and tax increment financing plan meets the requirements of section 17 (2) of the Act;
3. The proposed method of financing the development is feasible and the DDA has the ability to arrange the financing;
4. The development is reasonable and necessary to carry out the purposes of the Act;
5. The land included within the development area which may be acquired is reasonably necessary to carry out the purposes of the plan and of the Act in an efficient and economically satisfactory manner;

6. The development is in accord with the master plan of the Charter Township of Texas;

7. Public services are or will be adequate to service the project area;

8. Changes in zoning, streets, street levels, intersections and utilities are reasonably necessary for the project and for the Charter Township of Texas.

BE IT FURTHER RESOLVED, that the Downtown Development Authority hereby approves said downtown development and tax increment financing plan, and hereby recommends said plan to the Township Board of the Charter Township of Texas for adoption and implementation in accordance with the Act.

BE IT FURTHER RESOLVED, that all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and are hereby rescinded.

AYES: Commissaris, Pearson, Loeks, Groendyke, Catherman, Messer

NAYS: none

ABSENT Kerwin, Rinker, Lohrberg

**RESOLUTION DECLARED ADOPTED**

**CERTIFICATE**

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a meeting of the Charter Township of Texas Downtown Development Authority on the 29th day of April, 2000.

Ronald E. Commissaris

Ron Commissaris, Secretary

EXHIBIT 13

**Charter Township of Texas**
**Notice of Adoption of Ordinance**

**To: The Residents and Property owners of the Charter Township of Texas, the public bodies that levy property taxes within the Township, and all other interested persons:** On May 20, 2000, the Township Board of the Charter Township of Texas adopted an Ordinance, follows:

**CHARTER TOWNSHIP OF TEXAS**
**ORDINANCE NO. 193**
**Adopted: May 20, 2000**
**Effective: Immediately upon publication after adoption**

An ordinance to adopt a downtown development and financing plan for the Charter Township of Texas pursuant to Act 197 of the Public Acts of Michigan of 1975, as amended; to define terms; declare the public purpose of the plan; to make findings about the plan; to provide for amendment of the plan; to provide for severability and repeal of conflicting ordinances, and to provide for publication and an effective date.

**THE CHARTER TOWNSHIP OF TEXAS**
**KALAMAZOO COUNTY, MICHIGAN**
**ORDAINS:**

**SECTION I**
**TITLE**

This ordinance shall be known and may be cited as the "Downtown Development and Financing Plan Ordinance."

**SECTION II**
**DEFINITIONS**

The terms used herein shall have the same meaning as given them in Act 197 or as hereinafter in this section provided, unless the context clearly indicates to the contrary. As used in this ordinance:

(a) "Authority" means the Downtown Development Authority of the Charter Township of Texas created by ordinance No. 192.

(b) "Act 197" means Act No. 197 of the Public Acts of Michigan of 1975 as now in effect or hereafter amended.

(c) "Township" means the Charter Township of Texas

(d) "Township Board" means the Board of Trustees of the Charter Township of Texas.

**SECTION III**
**PUBLIC PURPOSE**

The Township Board hereby determines that the downtown development and tax increment financing plan as recommended by the Authority constitutes a public purpose.

**SECTION IV**
**FINDINGS**

The Township Board hereby determines that:

(a) The downtown development and tax increment financing plan as recommended by the Authority meets the requirements of section 17 (2) of Act 197.

(b) The downtown development and tax increment financing plan as recommended by the Authority includes a proposed method of financing the development which is feasible and the Authority has the ability to arrange the financing.

(c) The downtown development plan and tax increment financing plan as recommended by the Authority includes development which is reasonable and necessary to carry out the purposes of Act 197.

(d) Land included within the development area which may be acquired is reasonably necessary to carry out the purposes of the plan and of Act 197 in an efficient and economically satisfactory manner.

(e) The downtown development and tax increment financing plan as recommended by the Authority includes development which is in accord with the master plan of the Township.

(f) Public services are or will be adequate to serve the project area.

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

**SECTION V**
**ADOPTION**

The downtown development and tax increment financing plan as recommended by the Authority is hereby approved and adopted.

**SECTION VI**
**AMENDMENT**

Amendments to the approved development plan or tax increment plan shall be submitted by the Authority to the Township Board for approval or rejection before implementation of any amended provisions.

**SECTION VII**
**SEVERABILITY AND REPEAL OF CONFLICTING ORDINANCES**

If any portion of this ordinance shall be held to be unlawful, the remaining portions shall remain in full force and effect. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

**SECTION VIII**
**PUBLICATION AND EFFECTIVE DATE**

After its adoption, this ordinance shall be published once in full in a newspaper of general circulation in the Township. This ordinance shall take effect immediately upon publication after adoption.

PLEASE TAKE FURTHER NOTICE that the Ordinance and the Plan may be reviewed or a copy may be obtained from the Township Clerk at the address or telephone number set out below.

CHARTER TOWNSHIP OF TEXAS
Linda M. Kerr, Clerk
Texas Charter Township Hall
7110 West "Q" Avenue
Kalamazoo, Michigan 49009
(616) 375-1591

## CLERKS CERTIFICATE

I, Linda M. Kerr, Township Clerk of the Charter township of Texas, Kalamazoo County, Michigan, do hereby certify that in pursuance of law and stature provided, at a special meeting of the Texas Charter Township Board held on the 20th day of May, 2000, at 8:30 a.m., at the Charter township of Texas Hall, located at 7110 West Q Avenue, Kalamazoo, Kalamazoo County, Michigan, at which the following members were present:

| | |
|---|---|
| PRESENT: | Ronald Commissaris |
| | Richard Craven |
| | Donald Boven |
| | Tom Dykstra |
| | Edward Woodhams |
| | Linda Kerr |

The Board enacted and passed Ordinance No. 193, hereinbefore recorded, to become effective immediately up9on publication after adoption, and that the members of said Board present at said meeting voted on the adoption of said Ordinance as follows:

| | |
|---|---|
| Ayes: | Dykstra |
| | Kerr |
| | Craven |
| | Woodhams |
| | Commissaris |
| | Boven |
| Nays: | None |
| Absent: | Neubauer |

I do further certify that all in accordance with Township Board direction, the proposed Ordinance was duly published in the Kalamazoo Gazette, a newspaper printed in Kalamazoo, Michigan, and circulated in the Charter Township of Texas on the 12th day of May, 2000; that a synopsis of Ordinance No. 193, as adopted, was published in the Kalamazoo Gazette on 21st day of May, 2000 and that said Ordinance No 193 was duly recorded in this Ordinance Book on the 22nd day of May, 2000.

Linda M. Kerr, Clerk
Charter Township of Texas
7110 West Q Avenue
Kalamazoo, MI 49009
(616) 375-1591

Exhibit 14

# DDA DEVELOPMENT DISTRICT AND DEVELOPMENT AREA BOUNDARY DESCRIPTION

Part of Sections 14, 15, 22 & 23, T. 3 S., R. 12 W., Texas Township, Kalamazoo County, Michigan described as: Commencing at the Northwest corner of said Section 23, said point also being the intersection of "Q" Avenue and 8th Street; thence East along the Section line common to Sections 14 & 23, 1,316.66 feet to the East line of the Northwest 1/4 of the Northwest 1/4 of said Section 23 and the place of beginning of the land hereinafter described; thence South along said East line, 678.00 feet; thence West parallel with the North line of said Section, 1,287.29 feet to the East right-of-way line of 8th Street; thence South along said East right-of-way line to a point 793.32 feet South and 33.00 feet East of the Northwest corner of Section 23 as measured at right angles to the West line of said Section 23; thence West at right angles to the Section line common to Sections 23 & 22, and entering into Section 22, 330.00 feet; thence South parallel with the East line of Section 22, 132.00 feet; thence East, 137.00 feet; thence South parallel with the East line of Section 22, 200.00 feet to the North line of Texas Heights, as recorded in Liber 39 of Plats on Page 3, Kalamazoo County Records; thence West along the North line of said Plat, 751.56 feet; thence North parallel with the East line of Section 22, 1,261.47 feet to the South right-of-way line of "Q" Avenue; thence West along said South right-of-way line to the West line of the Southeast 1/4 of the Southeast 1/4 of said Section 15 extended South to the Southerly right-of-way line of "Q" Avenue; thence North along said West line to a point 330.00 feet South of the North line of the Southeast 1/4 of the Southeast 1/4 of said Section 15; thence East parallel with the North line of the Southeast 1/4 of the Southeast 1/4 of said Section 15 to a point 720.00 feet West of the East line of said Section 15; thence South parallel with the East line of said Section 15 to a point 330.00 feet North of the South line of said Section 15; thence East parallel with the South line of said Section 15 to a point 290.00 feet West of the East line of said Section 15; thence North parallel with said East line, 307.66 feet; thence East parallel with the South line of said Section 15, 257.00 feet to the West right-of-way line of 8th Street; thence North along said West right-of-way line to a point 816.75 feet North and 33.00 feet West of the Southeast corner of said Section 15 as measured at right angles to the East line of said Section 15; thence East at right angles to the Section line common to Sections 15 & 14 and entering into Section 14, 253.00 feet; thence South parallel with the West line of Section 14, 222.75 feet; thence East to the Westerly right-of-way line of Texas Drive; thence Northeasterly along said Westerly right-of-way line to the North line of the South 1/2 of the South 1/2 of the Southwest 1/4 of said Section 14; thence East along said North line to a point 1,397.26 feet Westerly of the North and South 1/4 line of said Section 14; thence South parallel with the West line of said Section 14, 608.73 feet to a point 50.00 feet North of the South line of said Section 14, said point being on the North right-of-way line of "Q" Avenue; thence East along said North right-of-way line to the East line of the Northwest 1/4 of the Northwest 1/4 of Section 23 extended North; thence South along said East line, 50.00 feet to the place of beginning.