

City of Jackson, Michigan

DOWNTOWN DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

Prepared by the

Downtown Development Authority

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September 2000

City of Jackson, Michigan

**Downtown Development and
Tax Increment Financing Plan
Amended and Restated**

Approved by the Jackson Downtown Development Authority Board of Directors

September 6, 2000

City Ordinance 2000.7 Adopted by Jackson City Council

September 26, 2000

Adoptions, Amendments and Restatements

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I. INTRODUCTION AND BACKGROUND

The Downtown Development Authority (DDA) was created by the Jackson City Council (then Commission) under state Public Act 197 of 1975 (Appendix I). The purpose of the DDA is to correct and prevent deterioration in the central business district, to encourage historic preservation, to create and implement development plans, and to promote economic growth.

City Ordinance 308, which established the DDA in 1977, also established the boundaries of the Downtown Development District (Appendix II). Amended by City Ordinance 320 in 1987, 1988, 1992, 1996, 1998 and 2000 the current boundaries of the district are detailed in Appendix III.

The DDA consists of a thirteen-member board of directors appointed by the City Council. The board of directors includes the mayor and representatives of a broad base of downtown interests. The DDA board meets monthly and serves without compensation. It strives to bring public and private sector interests and resources together to solve problems and to recommend and undertake action to improve conditions and the business climate in the downtown district. The DDA employs professional staff to implement its goals and objectives.

A fundamental resource for revitalizing downtowns' which is provided to DDAs under state legislation is tax increment financing (TIF). This process works by theoretically freezing property assessments within a designated area of a Downtown Development District. Any subsequent increase in taxes due to rising property values within that district, whether enhanced by new development, property improvements, or inflation, can then be diverted as TIF revenue. This "incremental" tax money is then used for public improvements designed to attract additional development within the district.

Tax increment financing is not additional taxation on property owners. Nor is TIF tax abatement. It does not change the total amount of a property owner's tax, but it may change the way that portions of future taxes are spent. Only that portion of taxes levied on the increased tax base for TIF district properties can be diverted for use in funding public improvement projects within the same designated district from which they are generated.

On December 1, 1987, the City of Jackson adopted Ordinance 87-28 which established a development plan and tax increment financing plan (please see Appendix IV). The development plan and TIF plan were subsequently amended by City Ordinance 88-17 on April 12, 1988 (Appendix V), City Ordinance 88-21 on June 21, 1988 (Appendix VI), City Ordinance 92-16 on October 20, 1992 (Appendix VII), City Ordinance 98-09 on May 19, 1998 (Appendix VIII).

Jackson's original development plan and TIF plan, as amended, were implemented over the next several years and resulted in the completion of several significant projects and the accomplishment of some major goals within the TIF district. Using the proceeds of a \$600,000 limited tax general obligation (LTGO) bond issued in 1988 and financed by TIF revenue; the following projects were completed:

- 1.) Jackson Community College downtown center - \$125,000 in TIF funds appropriated as match for \$875,000 in college funds used to renovate a previously vacant, 100-year-old building; \$28,800 in TIF funds appropriated to match an equal amount of college funds to weatherize and decoratively finish the building's exposed, east wall. Following completion of this project in 1992, The JCC downtown center employed 20 staff and had an enrollment of more than 700 students. By 1997, the center retained an enrollment of 700 plus and

employed 29 staff and instructors. In 1999, the center had an enrollment of more than 650 plus students, and 50 (center staff and instructional) employees.

2) Demolition of Stillman Building - \$214,000 in TIF funds were appropriated to level a condemned five-story structure on Michigan Avenue and replace with a new alleyway, sidewalk, decorative lighting, greenspace and off-street parking. Completion of this project served as a direct incentive for private restoration of the adjacent Downtowner Building for development as a restaurant, bakery, banquet facility and upper-floor residences. Twenty jobs were created as a result of this project.

3.) Streetscaping near Rose City Professional Plaza - TIF funds in the amount of \$130,000 were appropriated for sidewalk improvements with brick inlays, tree planting, decorative lighting, pedestrian crosswalks and other improvements at the request of the developers of this \$4.5 million office facility, which, by 1992, was over 90-percent-occupied by tenants, with more than 80 employees. By 1997, employment had risen to 88 persons and the building was 97% occupied

4.) Cortland Street - The Cortland Street beautification project targeted the west side of the 200 block of the street utilizing \$260,000 of TIF revenue and residual bond proceeds. The project involved street reconstruction, sidewalk improvements, tree planting, decorative lighting and other safety and aesthetic improvements to a key commercial and pedestrian corridor in the downtown.

5.) Parking lot 8 - \$400,000 in TIF funds are committed to purchase the downtown lot known as City of Jackson parking lot 8. An additional \$37,500 in TIF funds supplemented city funds with a complete reconstruction of the lot, thereby enhancing motorist accessibility to nearby businesses. The attractive landscaping and efficient parking design create a more pedestrian friendly environment.

In 1994, specific alleyway improvement projects were begun and completed in 1996. The downtown lighting conversion was completed in 1998 at a cost of \$25,000. In addition, over \$271,000 has been spent through 1999 on a Building Façade Loan Improvement program.

This Downtown Development Plan and TIF plan carries forward an extended and expanded effort to accomplish specific improvement projects in the city's downtown business district. It also lays the groundwork for establishing a long-term source of adequate funding to accomplish a comprehensive program of public improvements to shore up the downtown's infrastructure, to stabilize its tax base, and to attract new development and investment in the Downtown Development District.

City Ordinance 2000.7, adopted September 26, 2000, approved this Downtown Development Plan and TIF plan (Appendix IX). The ordinance and plan provide the legal authority and procedure for public financial participation necessary to assist the DDA in accomplishing the projects and objectives identified specifically in this document and possible under the broad scope of the development plan.

The original geographic district established for the development plan and TIF district was limited in size (Exhibit I) and relatively brief in its intended duration. The development Plan and TIF Plan was extended in Ordinance 98-09 to expand the district boundaries to encompass the entire Downtown Development District (see Exhibit III and legal description Appendix III). This plan extends the duration of the extended and expanded development plan and TIF plan for 30 years.

II. DOWNTOWN DEVELOPMENT PLAN

A. Overall Goals

1. Primary Goal

The primary goal of the Downtown Development Plan (hereafter referred to as the "development plan") is to undertake public improvement projects and related activities which will have the greatest impact in revitalizing and strengthening Jackson's central business district by halting the decline of business activity and property value and by attracting new investment and economic growth. Achievement of this goal will benefit the entire Jackson community with increased tax base, new employment, a better business climate and an improved image.

Certain specific projects and activities are contained in the development plan which are designed to accomplish this primary goal. The development plan is designed to be completed over a 30-year period, ending in 2030.

Considerable public input was involved in the formulation of the development plan. When the plan was amended in 1992, 1998 and 2000, a survey of all development district property owners was conducted to determine priorities of needs for downtown improvement projects. In 1992, 1998 and 2000, Development Area Citizens Council were appointed and met on several occasions to review the existing plans and provide input regarding the needs of downtown residents.

The Downtown Development Authority Board of Directors has thoroughly reviewed a wide range of needs and has made recommendations which have formed the core and substance of the development plan. Many of the board's recommendations were based on the findings of the DDA's Downtown Property and Physical Improvements Committee. Numerous project ideas were extracted from official planning documents prepared for the city of Jackson over the past 20 years. Several proposed projects with lingering relevance, which appeared consistently in these planning documents, were incorporated into the development plan. In addition, the development of the Consumer Energy relocation of its downtown headquarters requires the involvement of the DDA and its resources in order to bring the project to fruition.

2. Secondary Goal

A secondary goal of the development plan is to provide supplemental funding for infrastructure maintenance projects supported primarily by the City of Jackson capital improvement fund. Such infrastructure maintenance projects include street reconstruction and resurfacing and other projects routinely funded in locations throughout the city by the capital improvement fund.

B. The Development Plan contains the following elements, not necessarily in order, and resources permitting:

Phase I: (2000 – 2014)

--Street-level improvements: Sidewalk upgrading; tree and planter installation; pedestrian safety improvements, including crosswalks; decorative lighting and brickwork; benches; and other special or unique elements such as public restrooms, public information signing, informational kiosks, sculptures, fountains, or display cases. The project will be undertaken in areas identified within the Downtown Development District as necessary to achieve the overall goal of the development plan.

--Public parking lot improvements: Resurface or reconstruct surface public parking facilities throughout the Downtown Development District; beautify lots with the installation of trees, shrubs and planters; construct perimeter walls or plating screens to the extent possible around lots; remove overhead wiring and relocate underground; replace lighting fixtures as needed; and install attractive, uniform signage identifying public parking facilities and related information.

--Greenspace development: Support open space construction in appropriate locations and landscaping improvements of open spaces for aesthetic purposes and to enhance public and private development efforts.

--Property acquisition: Purchase land and/or buildings for new development projects and relocate occupants as necessary.

--Financing for improvement of land and buildings: Establish financing sources and mechanisms for building improvements, building signage, landscaping, public and private parking lots, residential development, and handicap accessibility.

--Promotional fund for downtown Jackson: Establish a fund for the general promotion of the downtown as a comfortable and secure place to live, work, shop, dine, learn, do business and be entertained.

--Equipment acquisition: Purchase equipment necessary to fulfill the goals of beautification and promotion of downtown Jackson as a viable location for working, living and being entertained.

--Grand River site improvements: Supplement City funds and other resources, as needed; for riverbank beautification, including possible installation of architectural concrete; install pedestrian walkways and bicycle paths and/or create a landscaped riverfront promenade; plant trees and shrubs, install benches, picnic tables and other amenities; and make other improvements to be determined through a detail planning process.

--Supplemental funding for street reconstruction, resurfacing or street relocation: Supplement City funds, if required, to improve or relocate streets throughout the Downtown Development District, when the improvement is related to a new or expanding development project

--Environmental Remediation - Use funds for environmental studies, laboratory testing and analysis, remediation plans including the removal of contaminated soils.

--Site preparation: Supplement City and other resources, as needed to demolish vacant buildings, grade, and prepare site for future development.

--Utility improvements: Supplement City of Jackson funds, if required to improve or relocate existing utility lines to support new development projects.

--Additional public parking: Reserve or borrow funds for the acquisition of land and/or construction of additional public parking facilities should circumstances and parking demand warrant such a project. This includes both structured and surface parking facilities. Funds may be used for the operation/maintenance and /or replacement of parking facilities.

--Public facilities: Reserve or borrow funds for the acquisition of land and/or construction/acquisition of public facilities. This may include a civic center, museum, open air performing arts plaza or other public gathering space/facility.

--Facilitate downtown access: Reserve or borrow funds for the construction of a street segment or traffic circle to link East and West Michigan Avenue commercial districts and connect downtown to a North/South through route.

--Additional lighting: Install additional street and alleyway lighting as needed for aesthetics or public safety.

--Lighting conversion: As necessary to create a distinct, uniform appearance throughout the Downtown Development District

--Continuation of earlier projects: The development plan will also retain the flexibility of providing for the continuation of projects which may prove successful and for which there remains a continuing need.

--Completion of earlier projects: The development plan will retain the flexibility of undertaking improvement projects which, due to resource restrictions, were not completed when undertaken.

--Administration of development plan and tax increment financing plan: Provide a supplemental source for DDA operational revenues for administrative tasks and duties associated with the implementation of the development plan and tax increment financing plan.

Projects undertaken during the development plan will be primarily funded by tax increment financing revenue accumulated annually in a project fund and allocated on a "pay-as-you-go" basis.

Phase II: 2015-2030

--Continuation of earlier projects: The development plan will also retain the flexibility of providing for the continuation of projects which may prove successful and for which there remains a continuing need.

--Completion of earlier projects: The development plan will retain the flexibility of undertaking improvement projects which, due to resource restrictions, were not completed when undertaken.

--Administration of development plan and tax increment financing plan: Provide a supplemental source for DDA operational revenues for administrative tasks and duties associated with the implementation of the development plan and tax increment financing plan.

Projects undertaken during the development plan will be primarily funded by tax increment financing revenue accumulated annually in a project fund and allocated on a "pay-as-you-go" basis.

As the development plan is implemented, it is anticipated that it will be possible to finance major projects through debt instruments serviced by an adequate stream of TIF revenue generated by a stabilized and increasing tax base within the Downtown Development District. Should the issuance of TIF bonds prove impractical during Phase II, the development plan will proceed on a "pay-as-you-go" basis, relying on the annual accumulation of TIF revenue in a project fund.

C. District Boundaries and Streets / Existing and Proposed Land Use

The Downtown Development District encompasses approximately a 56-block area in what has traditionally been identified as Jackson's central business district, including the location where the settlement of Jacksonburg was first established in the 1830's. As shown in Exhibit III, the district is bounded, roughly, by Ganson St. on the northwest one-half, by Pearl St. on the northeast one-half, Franklin St. and Wesley St. on the south, Summit Ave. on the east, and First St. on the west. Michigan Avenue is a major east/west thoroughfare traversing through the downtown district. Also, the Grand River runs through the central area of the district and is currently being redeveloped to enhance the natural features of the river.

Several buildings in the location of Liberty St., Airline Drive, Washington St and Francis Street are targeted for demolition to accommodate the Consumers Energy campus slated for construction beginning in the spring of 2001 with a completion date of 2003. Renovation is occurring in several other deteriorating or underutilized properties. Most of these projects are of a much smaller scale than the Consumer Energy project.

Several parking structures are slated to be constructed in the downtown area to accommodate the additional employees from the Consumers Energy project. These will be located within the downtown core area. There may also be need for the addition of several surface parking lots.

A wide variety of land uses are found in the Downtown Development District: corporate and utility headquarters and many government, non-profit, and private office buildings; financial institutions; large and small retail establishments; churches; a 160-room hotel; a parking garage and numerous public and private surface parking lots; a farmers market; a train station; a bus terminal; educational institutions; a 1,500-seat theater and numerous other historical buildings; park space; a stretch of the Grand River; a light manufacturing facility; congregate housing sites; restaurants and nightclubs; vacant buildings; vacant lots; a post office; a library; a police station; a newspaper office and printing facility; a gas station; several auto repair shops, a funeral parlor; and a few single-family dwellings. In addition, the buildings and land parcels in the district are connected with a system of streets, sidewalks and alleyways.

The development plan anticipates no major deviation from the future land use proposed in the original 1983 document. However, it is imperative that the plan remain sufficiently flexible over a 30-year period to accommodate new development and land uses unanticipated at the outset of the plan which serve to help achieve the overall goal of the plan: revitalization and enhancement of the Downtown Development District. For example, a project to connect East and West Michigan Avenue may alter conceptual plans for a "green area" extending eastward from the Grand River site.

D. Demolition, Alteration, Rehabilitation and Repair of Existing Property

The development plan calls for considerable repair of existing infrastructure within the Downtown Development District. Repair of sidewalks, streets, parking facilities, and alleyways in the public domain will be comprehensive projects throughout the district.

Alterations of property will include buildings and land, both public and private. For aesthetic and safety purposes, pedestrian routes will be improved with the installation of crosswalks, decorative lighting and brickwork, tree planting, and other features described earlier as "street-level improvements."

The location and configuration of existing public parking facilities will be altered to meet changing needs and demands throughout the district. This ongoing project may include facility repair or rehabilitation, the elimination and/or addition of surface parking facilities or the construction of one or more parking structures.

Alteration of the Grand River, its riverbanks, and adjoining land is anticipated. The construction of an East/West Michigan Avenue connector route will alter a major traffic artery and existing land use within the district and may result in the displacement of some businesses currently located on yet-to-be-decided connector path. However, any connector route will be designed to minimize sure displacement.

Publicly and privately owned buildings in the district will be targeted for alteration, rehabilitation or repair by financing programs established with TIF revenue to encourage the upgrading of building interiors and exteriors. Consistent with Section 29 of P.A. 197 of 1975, any public facility, building or structure located within the Downtown Development District and found to have historical significance by the City of Jackson Historic District Commission shall be preserved in accordance with historic preservation laws.

The construction of public facilities, anticipated in general terms by the development plan, as well as the implementation of other projects specified or allowed in the plan, may require the acquisition of land and buildings, demolition of existing structures and the alteration of current land use. Detailed project planning will be undertaken in a timely manner throughout the life of the development plan in order to determine specific targets of acquisition, demolition and future land use.

Table I provides a summary of the projects identified in the development plan. This table includes cost and time estimates for the projects and their location, if known.

E. Construction Stages and Timeframes

As with the acquisition of property and possible demolition of structures in the district, the construction staging and timing associated with projects identified or allowed by the development plan will require detailed planning. Such planning will also be conducted in a timely manner throughout the life of the development plan.

F. Open Space Development

Wherever appropriate and feasible, the development plan will support the landscaping and linear park development of open space with the intent of enhancing public and private development projects, which add to the tax base and/or vitality of the district. The City of Jackson shall exercise the authority to evaluate the need for open space development during the life of the development plan. Future open space development may

occur within public rights-of-way or require easement agreements or land acquisition.

G. Land Disposition Involving the City of Jackson and the DDA

In conjunction with the implementation of the development plan, it may be desirable for the DDA to sell, donate, exchange, or lease to or from the City of Jackson, land within the Downtown Development District. At the outset of the plan, the DDA neither owns nor leases any land within the district. Therefore, the terms and conditions of any possible future land transactions will be specified by the DDA and the city at later dates. Any such land disposition will be conducted in full compliance with applicable laws.

H. Description of Zoning Changes and Alterations of Streets, Utilities, Intersections, etc.

Land in the Downtown Development District is zoned "C-3" (Central Commercial District designation); "C-4" (General Commercial designation); "C-2" (Community Commercial designation); "I-1" (Light Industrial designation); "I-2" (General Industrial designation); "R-3" (Multiple Family Residential designation); and "R-4" (High Density Apartment and Office). No rezoning is anticipated in order to implement the development plan.

The anticipated changes with streets, street levels, intersections and utilities in connection with the development plan are incidental to those projects except for construction to link East and West Michigan Avenue, and engineer a more direct north/south route through the city. By nature, this project would involve substantial change to existing streets, intersections and utilities. Specific changes and project design for the improved route will be determined at a later date when comprehensive project planning is undertaken.

The relocation of the Consumers Energy campus headquarters in addition to the above mentioned projects will involve considerable modification to existing streets, intersections and utilities including closing and relocation of streets to accommodate the development needs of the district.

I. Cost of Development and Method of Financing

The total cost of completing all projects, improvements and activities identified or allowable during all phases of the development plan is estimated in current year (2000) dollars. The range of costs is estimated at between \$3,500,000 - and \$41,000,000 over the entire 30-year period.

As previously stated, activities in the TIF plan will generally be funded on a "pay-as-you-go" approach to the financing of projects, improvements, and other costs associated with the implementation of the development plan. This "pay-as-you-go" financing approach may continue throughout the life of the plan and may be supplemented or replaced by the full range of financing mechanisms authorized under P.A. 197 of 1975.

- (1) donations received by the DDA;
- (2) funds borrowed through the issuance of revenue bonds under Public Act 94 of 1993, as amended
- (3) proceeds of a tax imposed under Section 12 of the Act;
- (4) revenues from any property, building, or facility owned, leased, licensed or operated by the DDA or under its control;

- (5) proceeds of a special assessment district created as provided by Public Act 120 of 1961; subsequent legislation evolving as Senate Bill 582 of 1992; and related law; and
- (6) funds obtained from other sources approved by the City of Jackson

Certain costs of the development plan will be covered directly throughout the duration of the plan by tax increment financing revenues. These costs include, but are not limited to, plan administration, engineering and legal expenses, surveys and planning expenses, and costs of producing the annual report and financial audit required by P.A. 197. In addition, the costs of agent fees and other expenses associated with the issuance of revenue bonds will be covered by TIF revenues.

In order to finance the remaining costs of the development plan, the City of Jackson or the City of Jackson Building Authority may issue limited tax general obligation bonds pursuant to Section 16 of P.A. 197 of 1975 and subject to P.A. 202 of 1943, as amended, being Sections 131.1 and 138.2 of the Michigan Compiled Laws. Utilizing this financing mechanism, the city would pledge primarily the tax increments received by the DDA and paid to the city for payment of debt service on the bonds, and secured secondarily by a pledge of the full faith and credit of the city, subject to tax rate limitations.

In addition, the DDA may finance the remaining project costs of this development plan, by accumulating in a project fund, tax increments not already pledged to pay debt service on bond issues. The sufficient funds have been accumulated or "pay-as-you-go" projects, or sufficient tax increments have been identified to support debt service on bonds issued to finance improvement projects, the DDA will provide more detailed project analyses and project financing plans.

At any time under this plan, so long as anticipated TIF revenues are sufficient to support debt service, the City of Jackson may issue tax increment bonds payable solely from tax increment revenue received on captured assessed valuation in the Downtown Development District. It is the intention of the DDA to use TIF revenues from the district to pay, directly or indirectly, the debt service on bonds issued during the life of the plan as financing needs arise and as resources allow. Therefore, it is anticipated that some of the public improvement projects identified and allowable under this plan will be financed primarily with the proceeds or revenue bonds.

The public improvements identified and allowable under the development plan are intended to contribute to the revitalization of the city's downtown business district. Some of the improvement projects are intended to leverage private investment in the downtown and to stabilize or increase declining property values. Improvement projects, in turn, are intended to serve as catalysts for further private investment and developments in the district.

It is anticipated that the full amount of TIF revenues will be used annually for the purposes of implementing the development plan. In the event that annual revenues exceed the annual financing requirements for the plan, such excess revenues will be returned to each taxing unit in accordance with the provision of P.A. 197.

J. Portion of Development to be Leased, Sold or Conveyed

At the outset of the development plan, information is not available to the DDA regarding parties to whom city property will be leased, sold or conveyed as a result of the implementation of the plan.

Further, it is not known at the outset of the plan, what person or persons, natural or corporate, for whose benefit specifically any improvement project will be undertaken by the plan. It is anticipated that nearly all improvement projects described or allowable under the development plan will remain under public ownership.

K. Proposed Land Disposition Terms and Bidding Procedures

The terms under which any land designated for new development will be sold, leased or otherwise conveyed to private development interests shall be determined by the DDA upon approval by the Jackson City Council. The procedures by which purchase bids will be received and awarded will be in accordance with existing procedures and practices used by the City of Jackson in the disposition of other city-owned property.

L. Displacement of Residents

There are approximately 150 residents living in the Downtown Development District, primarily in two congregate sites, the Elaine and Otsego apartments, and a few single family dwellings. It is anticipated that none of the improvement projects identified in the development plan require the displacement of district residents. In fact, previous and proposed projects financed by TIF have, instead, created additional housing stock and have brought additional residents to the development district.

If, after further project planning is undertaken, any families, individuals or businesses may be displaced as a result of property acquisition and land clearance activities, such parties will be identified and relocated in accordance with city relocation standards.

M. Priority for Relocation of Persons

If a need is determined that any families, individuals or businesses residing or located in the Downtown Development District must be displaced as a result of implementing the development plan, then a plan will be developed for establishing priority for the relocation of persons displaced into any new housing developed in the district.

N. Provision for Cost of Relocating Persons

If required, the relocation plan described above will contain provisions for financial assistance and reimbursement of expenses incurred by those families, individuals or businesses displaced by implementation of the development plan. The amounts and types of financial assistance and reimbursement expense payments to be provided, including litigation expenses and expenses incident to the transfer of title, shall be 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. or other related state statutes.

O. Plan for Compliance with Act 227 of the Public Acts of 1972

The relocation of any families, individuals or businesses resulting from implementation of the development plan shall also be carried out in accordance with the statutory requirements and provision of Act 227 of the Public Acts of 1972, being Sections 213.321 to 213.332 of the Michigan Compiled Laws.

III. TAX INCREMENT FINANCING PLAN

A. Purpose

The purpose of the Tax Increment Financing Plan (TIF plan) is to make possible the financing of all or a portion of the costs associated with the implementation of projects, improvements and activities identified or allowable in the development plan officially adopted for the Downtown Development District. The Downtown Development Plan as described in Section II of this document is hereby incorporated by reference and made part of this TIF plan.

B. Explanation of the Tax Increment Financing Procedure

The concept of tax increment financing allows a local government to finance public improvements in a designated district by capturing the property taxes levied on any increase in property values within that district. Under a TIF plan, a base year is established for the development district, resulting in an "initial assessed value" for the district.

In subsequent years, any increase in assessments above the base year level is referred to as the "captured assessed value." Property taxes levied on the state equalized value of all real and personal property within the designated area by all taxing units (less any debt service millage) is diverted, or "captured" for use in carrying out the adopted development plan for the district.

For the purposes of this TIF plan, three areas exist within the development district with distinct base years and initial assessed values. City Ordinances 88-17 and 88-21 amended City Ordinance 87-28 which earlier established the original development area with a tax base year of 1987 and an initial assessed value of \$5,557,321. Ordinance 92-16 added the remainder of the Downtown District to the overall development area covered by the plan, in the tax base year of 1991 with an assessed value of \$24,770,304. Additional development area was again included in Ordinance 98-09 with a tax base year of 1997 and an initial assessed value of \$15,450,300. This value includes all commercial facilities exemption certificates and excludes tax exempt properties. See Appendix X for a full listing of properties and assessed values included in the original development area. See Appendix XI for a summary of properties and assessed values included in Ordinance 92-16. See Appendix XII for a summary of properties and assessed values included in Ordinance 98-09. See Appendix XIII for a legal description of the Expanded Development Area.

Increases in assessed values of properties within a development district which result in the generation of tax increment revenue, can be attributable to any of the following sources:

- (1) new construction occurring after the date established as the tax base year;
- (2) improvements to existing properties occurring after the date established as the tax base year; and
- (3) increases in property values which occur for any other reason.

Following adoption of an ordinance establishing or amending a development plan and TIF plan, the city and county treasurers are required by law to transmit taxes collected from all taxing units on captured assessed value of all real and personal property located in the development district to the DDA. The taxes transmitted to

the DDA, known as tax increment revenue, must be deposited by the DDA in the project fund established under the development plan and TIF plan.

Public Act 197 of 1975 also authorizes the issuance of bonds in anticipation of the collection tax increment revenue as a means of financing improvements identified or allowable under an adopted development plan. The bonds shall have a maturity of not more than 30 years. The bonds may be issued by the DDA, secured solely by tax increment revenue, or by the city, secured by both a pledge of tax increments and a pledge of the limited or unlimited full faith and credit of the city.

The DDA shall expend tax increment revenue only in accordance with the TIF plan. Surplus revenue shall revert proportionately to the respective taxing units.

The TIF plan may be modified upon approval of the City Council subsequent to the full process of notifications and hearings as require by P.A. 197. When the City Council finds that the purpose for which the TIF plan was established has been achieved, it may abolish the plan.

The DDA shall submit annual reports to the City of Jackson on the status of the TIF account. The contents of the reports shall conform with the requirements of P.A. 197 and be published in a newspaper of general circulation in the city.

C. Amount of Bonded Indebtedness to be Incurred

The estimated maximum amount of bonded indebtedness to be incurred under the TIF plan is \$20,000,000, an amount sufficient to cover the estimated costs of the largest of the projects anticipated by the development plan. This estimated amount includes capitalized interest and other costs associated with the issuance of the bonds, plus costs for engineering, architectural and planning services, legal services, and all other costs associated with the implementation of the project.

However, the precise amounts of bonded indebtedness to be incurred by the DDA and/or the City of Jackson for all bonds or any single bond issued under the TIF plan shall be determined at later dates by the city, upon the recommendations under this plan to analyze the evolving status of tax increment revenue at various stages of the plan to determine the most advantageous approach for financing projects: i.e., "pay-as-you-go," bonded indebtedness, or a combination of these or other available financing mechanisms.

D. Duration of the Plan

The duration of the TIF plan shall extend until 2030, or until the all the projects identified in the development have been completed or eliminated from consideration, or until all bonds issued or amounts owing have been paid in full.

E. Estimated Impact on All Taxing Jurisdictions

If successful, the development plan and TIF plan will generate increased economic activity in the Downtown Development District, the City of Jackson and Jackson County. Increased economic activity is expected to lead to stabilized and increased property values and increased personal income resulting from new

employment. Increases in assessed valuations throughout the community will lead to increases in tax revenue to local taxing units.

Specifically, Consumers Energy redevelopment of approximately seven acres in the downtown area will cost approximately \$101 million. Due to this singular project additional tax revenues will be generated both in real property taxes and income taxes. These revenues are expected to realize an increase of \$1.3 million dollars within the first full year of operation and an anticipated 1% increase yearly. This addresses only the Consumers Energy project; other business will also generate additional unanticipated revenues in real property taxes, income taxes and personal property taxes.

Since tax increment revenue is derived as explained in Section III (B), the assessed valuation of real and personal property at the time that the initial assessed valuation is calculated will not be affected. Therefore, the taxing units continue to collect taxes based upon the initial assessed valuations, or tax base years.

In addition, tax increment revenue is derived only from property located in the development district. The TIF plan has no direct impact on assessed valuations outside the development district. All taxing units will continue to collect taxes annually based upon the state-equalized valuation (SEV) of property located outside the development district without regard to this plan.

For the purpose of further stating the estimated impact of the TIF plan on all taxing units, Tables III, IV, and V estimate the captured assessed values within the development district over a 30-year period, using two possible scenarios for property value trends. Extrapolated in these tables are estimated amounts of taxes on captured assessed values which would be diverted from taxing units under these scenarios. Obviously, many key assumptions on which these scenarios are built are merely conjectures with respect to inflationary growth in property values, the development of certain downtown properties, and millage rate stability.

F. Portion of Captured Assessed Value to be Used for the Plan

It is the intention of the DDA to use all tax increment revenues derived from increases in assessed value of real and personal property within the development district for the purposes of implementing the development plan. As described in previous sections of the development plan and the TIF plan, tax increment revenues will be used to establish a "pay-as-you-go" project fund, to cover general administrative and project-associated expenses, and also to pay debt service on bonds issued to cover the cost of major projects identified or allowable under the plan. Should tax increment revenue be generated over and above a level required to cover these expenses, surplus revenue will be returned to the taxing units as prescribed by law.

APPENDIX I
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.

DOWNTOWN DEVELOPMENT 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 recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision (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

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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,

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

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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

DOWNTOWN DEVELOPMENT AUTHORITY

board and shall furnish bond in an amount as prescribed by the board.

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

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

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

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

Popular name: 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

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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.

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(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

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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

125.1656 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

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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

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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

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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

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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

ORDINANCE NO. 308

AN ORDINANCE OF THE CITY OF JACKSON, MICHIGAN
PROVIDING FOR THE CREATION OF A JACKSON DOWNTOWN
DEVELOPMENT AUTHORITY PURSUANT TO ACT
NO. 197 OF THE PUBLIC ACTS OF 1975.

WHEREAS, Act No. 197 of the Public Acts of 1975 provides that a municipality may create a downtown development authority; and

WHEREAS, the City Commission has determined it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in the business district, to eliminate the causes of that deterioration and to promote economic growth; and

WHEREAS, the City Commission has held a public hearing on the adoption of a proposed ordinance creating a downtown development authority and designating the boundaries of a downtown district; and

WHEREAS, pursuant to the authority of said statute, the City Commission desires to adopt an ordinance establishing a downtown development authority,

THE CITY OF JACKSON ORDAINS:

Section 1. Downtown Development Authority -- Created. Pursuant to the authority of Act No. 197 of the Public Acts of 1975, as it may be amended from time to time, the Jackson Downtown Development Authority shall be and hereby is created.

Section 2. Downtown Development Authority -- Powers and Duties. The Jackson Downtown Development Authority shall exercise such powers and duties as provided and in accordance with the terms of 197 PA 1975, being MCLA 125.1651 et seq; MSA 5.3010(1) et seq., including but not limited to the definition of a development area; the origination of a development plan; and, the implementation of a development program as provided in this Act.

Section 3. Downtown District -- Boundaries Designated. Pursuant to the requirements of 197 PA 1975, the boundaries of the Downtown District are generally described as follows:

Commencing at the South $1\frac{1}{2}$ post of Section 34, Town 2 South, Range 1 West, County of Jackson, State of Michigan;

Thence Westerly along the South section line of Section 34 to the point of intersection with the centerline of First Street right-of-way, said point being the point of beginning of this description;

Thence Northerly along said centerline to the point of intersection with the centerline of Glick Memorial Highway right-of-way;

Thence Easterly along said centerline to the point of intersection with the centerline of East Michigan Avenue right-of-way;

Thence Northeasterly along said centerline to the point of intersection with the centerline of the Park Avenue right-of-way;

Thence Southeasterly along said centerline to the point of intersection with the centerline of the Elizabeth Street right-of-way;

Thence Northeasterly along said centerline to the point of intersection with the centerline of the Van Dorn Avenue right-of-way;

Thence Southeasterly along said centerline to the point of intersection with the Plymouth Street right-of-way;

Thence Southerly to the Northeast corner of Lot 18, Block 53, Elm Grove Amended Addition to the City of Jackson;

Thence Southerly along the West lot lines of Lot 18 and Lot 16 of Block 53 of Elm Grove Amended Addition to the City of Jackson, to the point of intersection with the centerline of Liberty Street right-of-way;

Thence Westerly along the centerline of Liberty Street right-of-way to the point of intersection with the centerline of the Grand River Conduit;

Thence Southeasterly along said centerline of the Grand River Conduit to the extended North lot line of Lot 5, Block 4, Grand River Addition;

Thence Southwesterly along said lot line, extended, to the point of intersection with the centerline of Water Street right-of-way;

Thence Northwesterly along said centerline to the point of intersection with the centerline of Airline Drive right-of-way.

Thence Southerly along said centerline to the point of intersection with the centerline of Washington Avenue right-of-way;

Thence Westerly along said centerline to the point of intersection with the centerline of the Northwest Washington right-of-way;

Thence Northwesterly along said centerline to the point of intersection with the centerline of First Street right-of-way;

Thence Northerly along said centerline to the point of beginning of this description.

Section 4. All ordinances or parts of ordinances which are inconsistent with the provisions hereof are hereby repealed.

Section 5. This ordinance shall be reviewed by the City Commission on or before three (3) years from its effective date.

Section 6. This ordinance shall take effect thirty (30) days from the date of adoption.

Adopted: March 22, 1977

AN ORDINANCE TO AMEND SECTION 3 OF ORDINANCE NO. 308 BY CREATING NEW BOUNDARIES OF THE DOWNTOWN DISTRICT.

WHEREAS, the City Commission, by action of March 22, 1977, created the Downtown Development Authority pursuant to Act 197 of the Public Acts of 1975; and

WHEREAS, Section 3 of said ordinance designates the boundaries of the Downtown District; and

WHEREAS, to best protect the interests of the public to halt property value deterioration and increase property tax valuation where possible in the Business District, to eliminate the causes of that deterioration and to promote economic growth, the City Commission has determined it is necessary to expand those boundaries of the Downtown Business District; and

WHEREAS, notice of the proposed expansion of Downtown District boundaries has been posted pursuant to provisions of Act 197 of the Public Acts of 1975; and

WHEREAS, pursuant to said Act a public hearing has been held by the City Commission,

THE CITY OF JACKSON ORDAINS:

Section 1. That Section 3 of Ordinance No. 308 be, and the same hereby is, amended to read as follows:

SEC. 3. Downtown District -- Boundaries Designated.
Pursuant to the requirements of Act 197 of the Public Acts of 1975, the boundaries of the Downtown District are described as follows:

Commencing at the South 1/4 post of Section 34, Town 2 South, Range 1 West, County of Jackson, State of Michigan;

Thence Westerly along the South section line of Section 34 to the point of intersection with the centerline of the First Street right-of-way, said point being the point of beginning of this description;

Thence Northerly along the centerline of the First Street right-of-way to the point of intersection with the centerline of the Glick Memorial Highway right-of-way;

Thence Easterly along the centerline of Glick Memorial Highway to the point of intersection with the centerline of the East Michigan Avenue right-of-way;

Thence Northeasterly along said centerline to the point of intersection with the centerline of the Park Avenue right-of-way;

Thence Southeasterly along said centerline to the point of intersection with the centerline of the Elizabeth Street right-of-way;

Thence Northeasterly along said centerline to the point of intersection with the centerline of the Van Dorn Avenue right-of-way;

Thence Southeasterly along said centerline to the point of intersection with the centerline of the Plymouth Street right-of-way;

Thence Southerly to the Northeast corner of Lot 18, Block 53, Elm Grove Amended Addition to the City of Jackson;

Thence Southerly along the West lot lines of Lot 18 and Lot 16 of Block 53 of the Elm Grove Amended Addition to the City of Jackson to the point of intersection with the centerline of the Liberty Street right-of-way;

Thence Westerly along the centerline of the Liberty Street right-of-way to the point of intersection with the centerline of the Grand River Conduit;

Thence Southeasterly along said centerline of the Grand River Conduit to the extended North lot line of Lot 5, Block 4, Grand River Addition;

Thence Southwesterly along said lot line, extended, to the point of intersection with the centerline of the Water Street right-of-way;

Thence Northwesterly along said centerline to the point of intersection with the centerline of the Airline Drive right-of-way;

Thence Southerly along said centerline to the point of intersection with the centerline of the East Franklin Street right-of-way;

Thence Westerly along said centerline to the point of intersection with the centerline of the Francis Street right-of-way;

Thence Northerly along said centerline to the point of intersection with the centerline of the Wesley Street right-of-way;

Thence Westerly along said centerline to the point of intersection with the extended West lot line of Lots 5 and 6, Block 3 South, Range 1 West, City of Jackson;

Thence Northerly along said lot line extended to the point of intersection with the centerline of the West Washington Avenue right-of-way;

Thence Westerly along said centerline to the point of intersection with the centerline of the Northwest Washington Avenue right-of-way;

Thence Northwesterly along said centerline to the point of intersection with the centerline of the First Street right-of-way;

Thence Northerly along said centerline to the point of beginning of this description.

Section 2. This ordinance shall take effect thirty (30) days from the date of adoption.

Adopted: April 11, 1978

APPENDIX IV
ORDINANCE NO. 87-28

AN ORDINANCE TO APPROVE DEVELOPMENT PLAN AND TAX
INCREMENT FINANCING PLAN #1 OF THE CITY OF JACKSON.

WHEREAS, under the authority of Act 197 of 1975 as last amended (hereinafter "the Act"), the City staff has prepared a development plan and tax increment financing plan for the redevelopment of several areas within the downtown; and

WHEREAS, a public hearing has been held on such plan in full compliance with the notice requirements of Section 18 of the Act; and

WHEREAS, the City Commission has determined, and hereby finds that the development plan and tax increment financing plan constitute a public purpose as contemplated by Section 19 of the Act, and that the plans meet all of the requirements of said section; now, therefore,

THE CITY OF JACKSON ORDAINS:

Section 1. That the Development Plan and Tax Increment Financing Plan #1 are hereby approved in their entirety.

Section 2. This ordinance shall take effect thirty (30) days from the date of final adoption.

* * * * *

Adopted: December 1, 1987

ORDINANCE NO. 88- 17

AN ORDINANCE TO APPROVE AMENDED DEVELOPMENT PLAN AND
AMENDED TAX INCREMENT FINANCING PLAN #1 OF THE CITY OF
JACKSON.

WHEREAS, on December 1, 1987, the City approved Ordinance #87-28
which implemented a Tax Increment Financing Plan under the
authority of Act 197 of 1975 as last amended; and

~~WHEREAS, since that time the City has determined that it is in~~
the best interests of the community to amend such plan; and

WHEREAS, City staff has prepared an amended development plan and
amended tax increment financing plan for the redevelopment of
several additional areas within the downtown; and

WHEREAS, a public hearing has been held on such amended plans in
full compliance with the notice requirements of Section 18 of
the Act; and

~~WHEREAS, the City Commission has determined, and hereby finds~~
~~that the amended development plan and amended tax increment~~
financing plan constitute a public purpose as contemplated by
Section 19 of the Act, and that the amended plans meet all of
the requirements of said section; now, therefore,

THE CITY OF JACKSON ORDAINS:

Section 1. That the amended Development Plan and amended Tax
Increment Financing Plan #1 are hereby approved in their
entirety.

Section 2. This ordinance shall take effect thirty (30) days
from the date of final adoption.

* * * * *

Adopted: April 12, 1988

APPENDIX VII

ORDINANCE NO. 92-16

AN ORDINANCE APPROVING THE AMENDED AND RESTATED DEVELOPMENT AND TAX INCREMENT FINANCING PLAN OF THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF JACKSON, AND PROVIDING FOR OTHER MATTERS RELATED THERETO.

WHEREAS, pursuant to the provision of Act 197, Michigan Public Acts of 1975 ("Act 197") and Ordinances Nos. 308 and 320, the City Commission of the City of Jackson has established the Downtown Development Authority of the City of Jackson (the "Authority"); and

WHEREAS, in 1987 the Authority prepared and the City Commission approved a Development and Tax Increment Financing Plan (the "Original Plan") relating to a development area within the Authority's jurisdiction (the "Original Development Area") as described in the Original Plan; and

WHEREAS, the Authority has determined that it is in the best interests of the Downtown District of the City to expand the Original Development Area and to add development projects to be carried out under a development plan for the expanded development area within the Downtown District; and

WHEREAS, the Authority has submitted to the City Commission an Amended and Restated Development and Tax Increment Financing Plan for approval by the City Commission (the "Amended Plan") with respect to the expanded development area (the "Amended Development Area"); and

WHEREAS, on October 6, 1992, the City Commission held a public hearing on the Amended Plan following appropriate notice as required by Act 197; and

WHEREAS, the Downtown Development Authority Board of Directors has given the taxing jurisdictions in which the Amended Development Area is located an opportunity to meet with the Downtown Development Authority Board and to express their views and recommendations regarding the Amended Plan, as required by Act 197; and

WHEREAS, after consideration of the Amended Plan and discussion with representatives of the various taxing jurisdictions, the Downtown Development Authority board has recommended and the City Commission has determined that it is necessary and in the best interests of the City to approve the Amended Plan.

NOW THEREFORE, THE CITY OF JACKSON ORDAINS:

Section 1. Findings.

(a) The Amended Plan and the carrying out of the projects described therein each constitutes a public purpose, and is in the best interests of the City and the Citizens of the City.

roll for each portion of the Amended Development Area. Each tax increment assessment roll shall show the information required in the applicable base year assessment roll, and in addition shall show the amount by which the current assessed value as finally equalized for all taxable property in the applicable portion of the Amended Development Area exceeds the assessed value of the property as shown on the base year assessment roll (the "captured assessed value") for that same portion. Copies of the annual tax increment assessment roll shall be transmitted by the City Assessor to the City Treasurer, the County Treasurer, the Authority and to each taxing jurisdiction, together with a notice that it has been prepared in accordance with this Ordinance and the Amended Plan.

Section 5. Establishment of Project Fund; Approval of Depositary.

The treasurer of the Authority shall establish a separate fund which shall be kept in a depositary bank account or accounts in a bank or banks approved by the Treasurer of the City, to be designated Downtown Development Authority Project Fund. All moneys received by the Authority pursuant to the Amended Plan shall be deposited in the Project Fund. All moneys in the Project Fund and earnings thereon shall be used only in accordance with the Amended Plan.

Section 6. Payment of Tax Increments to Authority.

The City Treasurer and the County Treasurer shall, as ad valorem taxes are collected on the property in the Amended Development Area, pay that portion of the taxes, except for penalties and collection fees, that the captured assessed value bears to the initial assessed value to the treasurer of the Authority for deposit in the Project Fund. The payments shall be made on the date or dates on which the City Treasurer and the County Treasurer are required to remit taxes to each of the taxing jurisdictions.

Section 7. Use of Moneys in the Project Fund.

The moneys credited to the Project Fund and on hand therein from time to time shall be used annually in the manner provided in the Tax Increment Financing Plan portion of the Amended Plan.

Section 8. Responsibility for Expenditures That Exceed Project Fund.

In the event the City or any agency of the City issues obligations on behalf of the Authority, and the City is required in any fiscal year to pay out of its general fund any portion of the debt service on such an obligation, the Authority shall be required to fully reimburse the City from its available funds (but only after the set aside for debt service for any fiscal year has been met).

Section 9. Annual Report.

Within 90 days after the end of each fiscal year, the Authority shall submit to the City Commission, with copies to each taxing jurisdiction, a report on the status of the Project Fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the indebtedness, the amount in any bond reserve account, the initial assessed value of each portion of the Amended Development Area, the captured assessed value of the development Area and the amount of captured assessed value retained by the Authority, the tax increments received and the amount of any surplus from the prior year, and any additional informational requested by the City Commission or deemed appropriate by the Authority. The secretary of the Authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the City.

ORDINANCE NO. 98-9

AN ORDINANCE APPROVING THE TAX INCREMENT FINANCING PLAN
AMENDMENT OF THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE
CITY OF JACKSON, AND PROVIDING FOR OTHER MATTERS RELATED
THERETO.

WHEREAS, pursuant to the provision of Act 197, Michigan Public Acts of 1975 ("Act 197") and Ordinances Nos. 308 and 320, the City Commission of the City of Jackson has established the Downtown Development Authority of the City of Jackson (the "Authority"); and

WHEREAS, in 1987 the Authority prepared and the City Commission approved a Development and Tax Increment Financing Plan (the "Original Plan") relating to a development area within the Authority's jurisdiction (the "Original Development Area") as described in the Original Plan; and

WHEREAS, the Authority has determined that it is in the best interests of the Downtown District of the City to expand the Original Development Area and to add development projects to be carried out under a development plan for the expanded development area within the Downtown District; and

WHEREAS, the Authority has submitted to the City Council a Tax Increment Financing Plan Amendment for approval by the City Council (the "Amended Plan") with respect to the expanded development area (the "Amended Development Area"); and

WHEREAS, on May 5, 1998, the City Council held a public hearing on the Amended Plan following appropriate notice as required by Act 197; and

WHEREAS, the Downtown Development Authority Board of Directors has given the taxing jurisdictions, in which the Amended Development Area is located, an opportunity to meet with the Downtown Development Authority Board and to express their views and recommendations regarding the Amended Plan, as required by Act 197; and

WHEREAS, after consideration of the Amended Plan and discussion with representatives of the various taxing jurisdictions, the Downtown Development Authority board has recommended and the City Council has determined that it is necessary and in the best interest of the City to approve the Amended Plan.

NOW THEREFORE, THE CITY OF JACKSON ORDAINS:

Section 1. Findings.

- (a) The Amended Plan and the carrying out of the projects described therein; each constitutes a public purpose, and is in the best interests of the City and the Citizens of the City.

- (b) There being more than 100 residents residing within the Amended Development Area, a Development Area Citizens Council has been established pursuant to Act 197 and has provided review and recommendations in the preparation of the Development Plan.
- (c) The Development Plan portion of the Amended Plan meets the mandatory requirements of section 17(2) of Act 197.
- (d) The Tax Increment Financing Plan portion of the Amended Plan meets the mandatory requirements of Section 14(2) and 15 of Act 197.
- (e) The proposed method of financing described in the Amended Plan is feasible, and the Authority has the ability to arrange the financing described in the Amended Plan.
- (f) The development described in the Amended Plan is reasonable and necessary to carry out the purpose of Act 197.
- (g) The Amended Plan is in reasonable accord with the Master Plan of the City.
- (h) The services such as fire, police and utilities will be adequate to serve the Amended Development Area.
- (i) Any changes in zoning, streets, street levels, intersections and utilities contemplated in the Amended Plan are reasonably necessary for the proposed development and for the City.

Section 2. Approval and Adoption of the Amended Plan.

The Amended Plan is hereby approved and adopted. A copy of the Amended Plan shall be maintained on file in the City Clerk's office.

Section 3. Preparation of Base Year Assessment Roll.

- (a) Within 60 days of the publication of this Ordinance, the City Assessor shall prepare the initial base year assessment roll. The base year assessment roll shall list each taxing jurisdiction in the newly added portion of the Amended Development Area on the effective date of the Ordinance, the initial assessed value of each parcel of property within the newly added portion of the Amended Development Area, and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on the property in that portion of the Amended Development Area. The City Assessor shall continue to maintain on the assessment roll of the Amended Development Area the initial assessed value of the property located within the Original Development Area.
- (b) The City Assessor shall transmit copies of the base year assessment roll of the newly added portion of the Amended Development Area to the City Treasurer, County Treasurer, the Authority, and each taxing jurisdiction, together with a notice that the base year assessment roll for that portion of the amended Development Area has been prepared in accordance with

this Ordinance and the Tax Increment Financing Plan portion of the Amended Plan approved by this Ordinance.

Section 4. Preparation of Annual Tax Increment Assessment Roll.

Each year within 15 days following the final equalization of property in the Development Area, the City Assessor shall prepare the tax increment assessment roll for each portion of the Amended Development Area. Each tax increment assessment roll shall show the information required in the applicable base year assessment roll, and in addition shall show the amount by which the current assessed value as finally equalized for all taxable property in the applicable portion of the Amended Development Area exceeds the assessed value of the property as shown on the base year assessment roll (the "captured assessed value") for that same portion. Copies of the annual tax increment assessment roll shall be transmitted by the City Assessor to the City Treasurer, the County Treasurer, the Authority and to each taxing jurisdiction, together with a notice that it has been prepared in accordance with this Ordinance and the Amended Plan.

Section 5. Establishment of Project Fund: Approval of Depositary.

The treasurer of the Authority shall establish a separate fund which shall be kept in a depositary bank account or accounts in a bank or banks approved by the Treasurer of the City, to be designated Downtown Development Authority Project Fund. All monies received by the Authority pursuant to the Amended Plan shall be deposited in the Project Fund. All monies in the Project Fund and earnings thereon shall be used only in accordance with the Amended Plan.

Section 6. Payment of Tax Increments to Authority.

The City Treasurer and the County Treasurer shall, as ad valorem taxes are collected on the property in the Amended Development Area, pay that portion of the taxes, except for penalties and collection fees, that the captured assessed value bears to the initial assessed value to the treasurer of the Authority for deposit in the Project Fund. The payments shall be made on the date or dates on which the City Treasurer and the County Treasurer are required to remit taxes to each of the taxing jurisdictions.

Section 7. Use of Monies in the Project Fund.

The moneys credited to the Project Fund and on hand therein from time to time shall be used annually in the manner provided in the Tax Increment Financing Plan portion of the Amended Plan.

Section 8. Responsibility for Expenditures that Exceed Project Fund.

In the event the City or any agency of the City issues obligations on behalf of the Authority, and the City is required in any fiscal year to pay out of its general fund any portion of the debts service on such an obligation, the Authority shall be required to fully reimburse the City from its available funds (but only after the set aside for debt service for any fiscal year has been met).

Section 9. Annual Report.

Within 90 days after the end of each fiscal year, the Authority shall submit to the City Council, with copies to each taxing jurisdiction, a report on the status of the Project Fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the indebtedness, the amount in any bond reserve account, the initial assessed value of each portion of the Amended Development Area, the captured assessed value of the development Area and the amount of captured assessed value retained by the Authority, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the City Council or deemed appropriate by the Authority. The secretary of Authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the City.

Section 10. Refund of Surplus Tax Increments.

Any surplus money in the Project Fund at the end of a year not held for payments required to be made on outstanding obligations of the Authority or the City or otherwise held as required pursuant to the Amended Plan, as shown by the annual report of the Authority, shall be paid by the Authority to the City Treasurer or the County Treasurer, as the case may be, and rebated by each to the appropriate taxing jurisdiction pro rata.

Section 11. Section Headings: Severability: Repealer.

Section headings are provided for convenience only and are not intended to be part of this ordinance. If any portion of this ordinance shall be held to be unlawful, the remaining portion shall remain in full force and effect. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 12. Publication and Recording.

This ordinance shall be published once after its adoption in the Jackson Citizen Patriot, a newspaper of general circulation in the City, qualified under state law to publish legal notices, and shall be recorded in the Ordinance Book of the City, which recording shall be authenticated by the signature of the City Clerk.

Section 13. Effective Date.

This Ordinance shall take effect immediately upon its publication.

Passed and adopted by the City Council of the City of Jackson, County of Jackson, State of Michigan, on May 19, 1998.

AYES: Members _____

NAYS: Members _____

ORDINANCE DECLARED ADOPTED

Mayor

City Clerk

dac\neal\ordinanc

APPENDIX IX

ORDINANCE NO. 2000.7

AN ORDINANCE TO AMEND THE CITY OF JACKSON DOWNTOWN DEVELOPMENT AUTHORITY TAX INCREMENT FINANCING (TIF) PLAN, TO INCORPORATE CHANGES NEEDED TO INCLUDE THE SITE TO BE USED BY CONSUMERS ENERGY COMPANY FOR ITS NEW CORPORATE HEADQUARTERS IN SAID PLAN.

THE CITY OF JACKSON ORDAINS:

Section 1. After holding a public hearing on the 12th day of September, 2000, and after considering all comments received thereat, the attached proposed amendment to the Jackson Downtown Development Authority Tax Increment Financing Plan (Attachment A) is hereby approved, pursuant to the requirements of Section 19 of Act 197 of 1975, as last amended.

Section 2. This ordinance shall take effect thirty (30) days from the date of final adoption.

Ord. TIF Plan

Adopted: September 26, 2000

OCT 6 2000

APPENDIX X

Summary of Properties and Assessed Values in Original Development Area (1987 State Equalized Value)

<u>Block # (See Attached Map)</u>	<u>Taxable Properties</u>	<u>Tax Exempt Properties</u>	<u>1987 SEV (Real)</u>	<u>Highest Taxable Property</u>
11 (portion)	11	4	\$ 420,374	City Bank Branch
6 (portion)	7	3	2,067,515	Comerica Bank
5	12	0	840,741	Booth Newspapers
4	19	0	591,955	Rose City Plaza
<u>TOTALS</u>	<u>49</u>	<u>7</u>	<u>\$3,920,585</u>	<u>ALL REAL PROPERTY</u>

Ad Valorem Personal Property in Original Development Area	\$1,315,080
Industrial Facilities Tax	\$ 266,278
Commercial Facilities Tax (Restored)	\$ 12,878
Commercial Facilities Tax (New)	\$ 42,500
<u>GRAND TOTAL FOR ORIGINAL AREA</u>	<u>\$5,557,321</u>

APP.VII

APPENDIX XI

Summary of Properties and Assessed Values in Additional Development Area (1992 Assessed Value)

Block # (See Attached Map)	Taxable Properties	Tax Exempt Properties	1992 Assessed Value: Real Property*	Highest Taxable Property
10	45	4	\$ 768,440	Harris-McBurney Bldg.
9	16	0	308,600	Kuhl's Ball Tower Mkt.
7	3	3	5,872,400	Consumers Power Co.
8	6	0	264,950	Consumers Power Co.
2	9	3	689,450	Premier Bancorp.
1	8	0	464,750	Desnoyer Funeral Home
11 (portion)	12	2	226,950	Uptown Designs
12	9	3	336,750	Standard Federal Bank
26	6	0	238,650	Camp Building
6 (portion)	4	0	333,850	Comerica Building
3	7	0	595,000	Security Savings Bank
14	19	2	642,500	Furman's
13	11	0	270,100	Louis Service Center
17	3	1	256,950	Francort Building
25	4	4	55,000	T. Musky Sports Bar
24	8	0	219,350	Commonwealth Center
28	15	2	93,800	Commonwealth Center
18	4	3	131,900	Jackson Glass Works
23	3	0	64,550	Bahlau lot
20	9	1	137,450	The Big Apple
21	4	3	129,200	K. Weatherwax
15	4	0	2,864,100	Jackson Realty Co.
16	0	10	EXEMPT	(State of Mich.)
27	1	5	22,300	Booth Newspapers
19	0	5	EXEMPT	(State of Mich.)
22	1	0	36,450	W. & T. Niecko
TOTALS	211	51	\$15,023,440	ALL REAL PROPERTY

Ad Valorem Personal Property
in Additional Development Area \$ 9,289,350

Industrial Facilities Tax \$ 0

Commercial Facilities Tax (Restored) \$ 399,239

Commercial Facilities Tax (New) \$ 58,275

GRAND TOTAL FOR ADDITIONAL AREA \$24,770,304

* Assessed value as of 12-31-91

APPENDIX XII

Summary of Property Values in Original and Additional Development Areas

	<u># of Taxable Properties</u>	<u># of Exempt Properties</u>	<u>1987 Frozen SEV</u>	<u>1997 Taxable Value</u>	<u>Captured Differences</u>
<u>A. Original Area ('87)</u>					
Ad Valorem Real	42	11	3,920,585	5,109,188	1,188,603
Ad Valorem Personal	54		1,315,080	2,513,300	1,198,220
IFT Rehab			266,278	0	266,278
CFT Restored			12,878	0	-12,878
CFT New			<u>42,500</u>	<u>30,788</u>	<u>-11,712</u>
Subtotal	<u>96</u>	<u>11</u>	<u>5,557,321</u>	<u>7,653,276</u>	<u>2,095,955</u>
<u>B. Additional Area ('92)</u>					
Ad Valorem Real	191	72	15,023,190	17,154,028	2,130,838
Ad Valorem Personal	217		9,305,150	9,467,100	161,950
CFT New	1		146,500	75,301	-71,199
CFT Restored			<u>399,239</u>	<u>0</u>	<u>399,239</u>
Subtotal	<u>409</u>	<u>72</u>	<u>24,874,079</u>	<u>26,696,429</u>	<u>1,822,350</u>
<u>C. Additional Area ('97)</u>					
Ad Valorem Real	367		10,935,760	10,935,760	0
Ad Valorem Personal	133		3,641,400	3,641,400	0
CFT New	1		353,940	353,940	0
IFT New	<u>2</u>		<u>519,200</u>	<u>519,200</u>	<u>0</u>
	<u>503</u>	<u>66</u>	<u>15,450,300</u>	<u>15,450,300</u>	<u>0</u>
Subtotal	<u>1,008</u>	<u>149</u>	<u>45,881,700</u>	<u>49,800,005</u>	<u>3,918,305</u>

APPENDIX XIII

ARTICLE X. DISTRICT BOUNDARIES

The Authority shall exercise its powers within the following area of the downtown district of the City of Jackson:

Adopted on April 11, 1978, the boundaries of the Downtown Development Authority district of the City of Jackson are hereby described as follows:

Commencing at the South $\frac{1}{4}$ post of Section 34, Town 2 South, Range 1 West, County of Jackson, State of Michigan;

Thence Westerly along the South section line of Section 34 to the point of intersection with the centerline of the First Street right-of-way, said point being the point of beginning of this description;

Thence Northerly along the centerline of the First Street right-of-way to the point of intersection with the centerline of the Glick Memorial Highway right-of-way;

Thence Easterly along the centerline of Glick Memorial Highway to the point of intersection with the centerline of the East Michigan Avenue right-of-way;

Thence Northeasterly along said centerline to the point of intersection with the centerline of the Park Avenue right-of-way;

Thence Southeasterly along said centerline to the point of intersection with the centerline of the Elizabeth Street right-of-way;

Thence Northeasterly along said centerline to the point of intersection with the centerline of the VanDorn Avenue right-of-way;

Thence Southeasterly along said centerline to the point of intersection with the centerline of the Plymouth Street right-of-way;

Thence Southerly to the Northeast corner of Lot 18, Block 53, Elm Grove Amended Addition to the City of Jackson;

Thence Southerly along the West lot lines of Lot 18 and Lot 16 of Block 53 of the Elm Grove Amended Addition to the City of Jackson to the point of intersection with the centerline of the Liberty Street right-of-way;

Thence Westerly along the centerline of the Liberty Street right-of-way to the point of intersection with the centerline of the Grand River Conduit;

Thence Southeasterly along said centerline of the Grand River Conduit to the extended North lot line of Lot 5, Block 4, Grand River Addition;

Thence Southwesterly along said lot line, extended, to the point of intersection with the centerline of the Water Street right-of-way;

Thence Northwesterly along said centerline to the point of intersection with the centerline of the Airline Drive right-of-way;

Thence Southerly along said centerline to the point of intersection with the centerline of the East Franklin Street right-of-way;

Thence Westerly along said centerline to the point of intersection with the centerline of the Francis Street right-of-way;

Thence Northerly along said centerline to the point of intersection with the centerline of the Wesley Street right-of-way;

Thence Westerly along said centerline to the point of intersection with the extended West lot line of Lots 5 and 6, Block 3 South, Range 1 West, City of Jackson;

Thence Northerly along said lot line extended to the point of intersection with the centerline of the West Washington Avenue right-of-way;

Thence Westerly along said centerline to the point of intersection with the centerline of the Northwest Washington Avenue right-of-way;

Thence Northwesternly along said centerline to the point of intersection with the centerline of the First Street right-of-way;

Thence Northerly along said centerline to the point of beginning of this description.

SEE ATTACHMENT "A" for expanded district boundaries, adopted July 30, 1996.

SEE ATTACHMENT "B" for expanded district boundaries, adopted April 22, 1997.

ATTACHMENT A

Commencing at the south 1/4 post of Section 34, Town 2 South, Range 1 West, County of Jackson, State of Michigan:

Thence Westerly along the South Section line of Section 34 to the point of intersection with the center line of W. Michigan Avenue, Steward Street, and Glick Highway, said point being the point of beginning of this description.

Thence Northeasterly and Easterly along said center line of Glick Highway to a point of intersection with the center line of North Blackstone Street right of way

Thence North along said center line to the point of intersection of the center line of the Michigan Central Railroad right of way

Thence Northwesterly along said center line to a point where the west line of Lot 3, Block 8, Steward's Addition would intersect with said center line of the Michigan Central Railroad right of way if extended southerly.

Thence Northerly along the West line of Lot 3, Block 8, of Steward's Addition to center line of Trail Street right of way

Thence Northwesterly along said center line to a point directly south of the southeast corner of Lot 4, Block 3, Steward's Addition

Thence North along the East line of Lots 4, 3, 2, 1, of Block 3, Steward's Addition and 7 of Block 5, Steward's Addition to the center line of Woodruff Place right of way

Thence East and North along said center line to the point of intersection of the center line of West Ganson Street right of way

Thence East along said center line to a point of intersection of the center line of Lansing Avenue right of way

Thence Southeasterly along said center line to a point of intersection of the center line of North Blackstone Street right of way

Thence South along said center line to the point of intersection of the center line of Trail Street right of way

Thence East along said center line to a point of intersection with the center line of Jay Street right of way.

Thence North along said center line to a point of intersection of the center line of West Ganson Street right of way

Thence east along said center line to a point of intersection of the center line of Cooper Street right of way;

Thence south along said center line to the point of intersection with the centerline of Glick Memorial Highway;

Thence southeasterly along said center line to the point of intersection with the center line of East Michigan Avenue;

Thence northeasterly along said center line to the point of intersection with the centerline of the Park Avenue right of way;

Thence southeasterly along said center line to the point of intersection with the center line of the Elizabeth Street right of way;

Thence northeasterly along said center line to the point of intersection with the center line of the Van Dorn Avenue right of way;

Thence southeasterly along said center line to the point of intersection with the center line of the Plymouth Street right of way;

Thence southerly to the northeast corner of Lot 18, Block 53, Elm Grove Amended Addition to the City of Jackson;

Thence southerly along the west lot lines of Lot 18 and Lot 16 of Block 53 of the Elm Grove Amended Addition to the City of Jackson to the point of intersection with the center line of the Liberty Street right of way;

Thence westerly along the center line of the Liberty Street right of way to the point of intersection with the center line of the Grand River Conduit;


Thence southeasterly along said center line of the Grand River Conduit to the extended north lot line Lot 5, Block 4, Grand River Addition;

Thence southwesterly along said lot line, extended, to the point of intersection with the center line of the Water Street right of way;

Thence northwesterly along said center line to the point of intersection with the center line of the Airline Drive right of way;

Thence southerly along said center line to the point of intersection with the center line of the East Franklin Street right of way;

Thence westerly along said center line to the point of intersection with the center line of the North Jackson Street right of way;



Thence North along said center line to the point of intersection of the center line of the West Wesley Street right of way;

Thence West along said center line to the point of intersection of the center line of the South Blackstone Street right of way

Thence North along said center line to the point of intersection of the center line of the Washing Avenue right of way.

Thence West and Northwesterly along said center line to the point of intersection of the center line of West Michigan Avenue, Steward Street, and Glick Highway and point of beginning.

Revised 6/26/96

ATTACHMENT B

Beginning at the intersection of the center lines of Cooper Street and Pearl Street, thence Easterly along the center line of Pearl Street to the center line of Waterloo Avenue, thence Northerly along the center line of Waterloo Avenue to the center line of Homewild Avenue, thence Easterly along the center line of Homewild Avenue to the center line of Ellery Avenue, thence southerly along the center line of Ellery Avenue to the center line of Forest Avenue, thence Easterly along the center line of Forest Avenue a distance of 537 feet, thence Southerly along a line parallel to the west line of Edgewood Street to the center line of Michigan Avenue, thence Easterly along the center line of Michigan Avenue to the center line of Summit Avenue, thence South along the center line of Summit Avenue to the center line of Ten Eyck Street, thence Westerly along the center line of Ten Eyck Street to a point which is 164.165 feet East of the center line of Page Avenue, thence Southerly along the center line of an alley (a portion of which was vacated on January 2, 1996) to a point 105 feet North of the North line of Dayo Street, thence West to the center line of Page Avenue, thence Northerly along the center line of Page Avenue to the center line of Ten Eyck Street, thence Westerly along the center line of Ten Eyck Street to the center line of East Avenue, thence Northerly along the center line of East Avenue to a point which is 132 feet South of the South line of Michigan Avenue, thence Westerly along a line parallel to the South line of Michigan to the center line of Waterloo Avenue, thence South to the center line of Elizabeth Street, thence Westerly along the center line of Elizabeth Street to the center line of Park Avenue, thence North along the center line of Park Avenue to the center line of Michigan Avenue, thence Westerly along the center line of Michigan Avenue to the center line of Glick Highway, thence Westerly along the center line of Glick Highway to the center line of Cooper Street, thence North along Cooper Street to the place of beginning.

TABLE I
Summary of Phased Downtown Development Plan

<u>Projects: Phase I, 2000- 2014</u>	<u>Estimated Project Cost</u>	<u>Estimated Project Timeframe</u>	<u>Targeted Locations</u>
Street –level Improvements	Undetermined	2000-2014	Various
Public Parking lot improvements	Undetermined	2000-2014	Various
Greenspace development	Undetermined	2000-2014	Various
Property acquisition	Undetermined	2000-2014	Various
Environmental remediation	Undetermined	2000-2014	Various
Financing for improvement of land and buildings	Undetermined	2000-2014	Districtwide
Promotional fund for downtown Jackson	Undetermined	2000-2014	Districtwide
Equipment acquisition	Undetermined	2000-2014	Various
Grand River site improvements	Undetermined	2000-2014	Grand River
Additional public parking	Undetermined Parking structure(s)	2000-2014	Undetermined
Public Facilities	Undetermined	2000-2014	Undetermined
Facilitate Downtown Access	Undetermined	2000-2014	East & West End Michigan Ave.
Lighting Conversion	Undetermined	2000-2014	Various
Additional Lighting	Undetermined	2000-2014	Districtwide
Supplemental Funding for Street Reconstruction and Resurfacing	Undetermined	2000-2014	Districtwide
Site preparation	Undetermined	2000-2014	Districtwide
Continuation of Earlier Projects	Undetermined	2000-2014	Districtwide
Completion of Earlier Projects	Undetermined	2000-2014	Districtwide
Administration of Development Plan and TIF Plan	Undetermined	2000-2014	Districtwide
<u>Projects: Phase II, 2015-2030</u>			
Continuation of Earlier Projects	Undetermined	2015-1030	Districtwide
Completion of Earlier Projects	Undetermined	2015-2030	Districtwide
Administration of Development Plan and TIF Plan	Undetermined	2015-2030	Districtwide

TABLE II

City of Jackson
Tax Increment Finance Debt Service Fund # 395
Summary of Projected Revenues and Expenditures
Fiscal Years 2000-2005

	Projected Fiscal Year Ended June 30,				
	2001	2002	2003	2004	2005
Revenues:					
Property Taxes	\$ 51,500	\$ 53,045	\$ 174,636	\$ 548,275	\$ 564,723
Transfer from DDA Project Fund	50,000	-	-	-	-
Bond Proceeds - Capitalized Inter	1,050,000	-	-	-	-
	<u>1,151,500</u>	<u>53,045</u>	<u>174,636</u>	<u>548,275</u>	<u>564,723</u>
Expenditures:					
Debt Service					
Principal	-	-	-	20,000	20,000
Interest	-	810,000	540,000	540,000	538,800
Fees	-	2,000	2,000	2,000	2,000
	<u>-</u>	<u>812,000</u>	<u>542,000</u>	<u>562,000</u>	<u>560,800</u>
	1,151,500	(758,955)	(367,364)	(13,725)	3,923
Fund Balance - Beginning	-	1,151,500	392,545	25,181	11,456
Fund Balance - Ending	\$ 1,151,500	\$ 392,545	\$ 25,181	\$ 11,456	\$ 15,379

A) Projections above assume:

- 1) A \$ 9 million bond issue on 1/1/2001 at 6%. The actual bond issue may exceed this amount if project costs warrant and the projected cash flows, as revised, support.
- 2) Capitalized Interest of \$ 1,050,000
- 3) See attached (Table II [a]) for projected debt service and tax increment financing cash flows.

TABLE II (a)

City of Jackson

Proposed TIF Bonds in Amount of: \$ 9,000,000
 Issuance Date: (estimated) 1/1/01
 Projected Interest Rate: 6.00%
 Term in Years: 23.5

DATE	DEBT SERVICE					CASH FLOW			
	Opening Balance	7/1 Principal	Interest	Trustee	Total	FY Taxes	Capital Interest	On Hand	Balance
7/1/02	9,000,000	0	810,000	2,000	812,000	53,045	1,025,000	101,500	367,545
7/1/03	9,000,000	0	540,000	2,000	542,000	174,636			181
7/1/04	9,000,000	50,000	540,000	2,000	592,000	608,275			16,456
7/1/05	8,950,000	100,000	537,000	2,000	639,000	626,523			3,979
7/1/06	8,850,000	100,000	531,000	2,000	633,000	645,319			16,298
7/1/07	8,750,000	150,000	525,000	2,000	677,000	664,679			3,977
7/1/08	8,600,000	150,000	516,000	2,000	668,000	684,620			20,597
7/1/09	8,450,000	200,000	507,000	2,000	709,000	705,158			16,755
7/1/10	8,250,000	250,000	495,000	2,000	747,000	726,313			-3,932
7/1/11	8,000,000	250,000	480,000	2,000	732,000	748,103			12,171
7/1/12	7,750,000	300,000	465,000	2,000	767,000	770,546			15,717
7/1/13	7,450,000	350,000	447,000	2,000	799,000	793,663			10,380
7/1/14	7,100,000	400,000	426,000	2,000	828,000	817,473			-147
7/1/15	6,700,000	425,000	402,000	2,000	829,000	841,997			12,850
7/1/16	6,275,000	500,000	376,500	2,000	878,500	867,257			1,607
7/1/17	5,775,000	550,000	346,500	2,000	898,500	893,275			-3,618
7/1/18	5,225,000	600,000	313,500	2,000	915,500	920,073			955
7/1/19	4,625,000	650,000	277,500	2,000	929,500	947,676			19,131
7/1/20	3,975,000	750,000	238,500	2,000	990,500	976,106			4,737
7/1/21	3,225,000	750,000	193,500	2,000	945,500	1,005,389			64,626
7/1/22	2,475,000	750,000	148,500	2,000	900,500	1,035,550			199,676
7/1/23	1,725,000	800,000	103,500	2,000	905,500	1,066,616			360,792
7/1/24	925,000	925,000	55,500	2,000	982,500	1,098,614			476,906
TOTALS		9,000,000	9,274,500	46,000	18,320,500				

TABLE III

<u>Taxing Unit</u>	<u>Millage Rate</u>	<u>Estimated Tax Increments</u>
		<u>Diverted/Year</u> <u>2000/2030</u>
City of Jackson	15.0613	69,865
Jackson County	5.4819	25,429
Jackson Transportation Authority	0.9926	4,604
Jackson Community College	1.2266	5,690
Medical care Facility	0.15	696
District Library	0.9208	4,271
Total	23.8332	110,555

2000 TIF capture 4,638,700

Assumptions

1. Zero-inflationary growth in both areas.
2. Gains and losses to offset.
3. Estimated annual captured taxable to be \$4,648,700, yielding \$11,259,342

Table IV
Estimated Captured Assessed Value, 2000-2030
Using Models of 1.5% and 3% Annual Property Value Growth

<u>year</u>	<u>Estimated Captured Taxable Value</u>	
	<u>1.5% Annual</u> Taxable Growth Rate	<u>3% Annual</u> Taxable Growth Rate
2000	4,638,700	4,638,700
2001	4,708,281	4,777,861
2002	4,778,905	4,921,197
2003	4,850,588	5,068,833
2004	4,923,347	5,220,898
2005	4,997,197	5,377,525
2006	5,072,155	5,538,850
2007	5,148,238	5,705,016
2008	5,225,461	5,876,166
2009	5,303,843	6,052,451
2010	5,383,401	6,234,025
2011	5,464,152	6,421,046
2012	5,546,114	6,613,677
2013	5,629,306	6,812,087
2014	5,713,745	7,016,450
2015	5,799,451	7,226,943
2016	5,886,443	7,443,752
2017	5,974,740	7,667,064
2018	6,064,361	7,897,076
2019	6,155,326	8,133,989
2020	6,247,656	8,378,008
2021	6,341,371	8,629,348
2022	6,436,492	8,888,229
2023	6,533,039	9,154,876
2024	6,631,035	9,429,522
2025	6,730,500	9,712,408
2026	6,831,458	10,003,780
2027	6,933,930	10,303,893
2028	7,037,939	10,613,010
2029	7,143,508	10,931,400
2030	7,250,660	11,259,342

Table V
Impact on Taxing Units of Tax Increment Revenue Captured at 1.5% and 3.0% Annual Growth Rates

Year	City of Jackson & DDA		Jackson County & Medical Care		Transportation authority		Jackson Community College		District Library	
	1.5%	3%	1.5%	3%	1.5%	3%	1.5%	3%	1.5%	3%
2000	69,865	69,865	26,125	26,125	4,604	4,604	5,690	5,690	4,271	4,271
2001	70,913	71,961	26,517	26,908	4,673	4,743	5,775	5,861	4,335	4,335
2002	71,977	74,120	26,914	27,716	4,744	4,885	5,862	6,036	4,400	4,400
2003	73,056	76,343	27,318	28,547	4,815	5,031	5,950	6,217	4,466	4,466
2004	74,152	78,634	27,728	29,404	4,887	5,182	6,039	6,404	4,533	4,533
2005	75,264	80,993	28,144	30,286	4,960	5,338	6,130	6,590	4,601	4,601
2006	76,393	83,422	28,566	31,194	5,035	5,498	6,222	6,794	4,670	4,670
2007	77,539	85,925	28,994	32,130	5,110	5,663	6,315	6,998	4,740	4,740
2008	78,702	88,503	29,429	33,094	5,187	5,833	6,410	7,208	4,812	4,812
2009	79,883	91,158	29,871	34,087	5,265	6,008	6,506	7,424	4,884	4,884
2010	81,081	93,893	30,319	35,109	5,344	6,188	6,603	7,647	4,957	4,957
2011	82,297	96,709	30,774	36,163	5,424	6,374	6,702	7,876	5,031	5,031
2012	83,532	99,611	31,235	37,248	5,505	6,565	6,803	8,112	5,107	5,107
2013	84,785	102,599	31,704	38,365	5,588	6,762	6,905	8,356	5,183	5,183
2014	86,056	105,677	32,179	39,516	5,671	6,965	7,008	8,606	5,261	5,261
2015	87,347	108,847	32,662	40,701	5,757	7,173	7,114	8,865	5,340	5,340
2016	88,657	112,113	33,152	41,922	5,843	7,389	7,220	9,131	5,420	5,420
2017	89,987	115,476	33,649	43,180	5,931	7,610	7,329	9,404	5,502	5,502
2018	91,337	118,940	34,154	44,476	6,019	7,839	7,439	9,687	5,584	5,584
2019	92,707	122,508	34,666	45,810	6,110	8,074	7,550	9,977	5,668	5,668
2020	94,098	126,184	35,186	47,184	6,201	8,316	7,663	10,270	5,753	5,753
2021	95,509	129,969	35,714	48,600	6,294	8,565	7,778	10,565	5,839	5,839
2022	96,942	133,868	36,250	50,058	6,389	8,822	7,895	10,902	5,927	5,927
2023	98,396	137,884	36,793	51,559	6,485	9,087	8,013	11,229	6,016	6,016
2024	99,872	142,021	37,345	53,106	6,582	9,360	8,134	11,566	6,106	6,106
2025	101,370	146,281	37,906	54,699	6,681	9,641	8,256	11,913	6,197	6,197
2026	102,891	150,670	38,474	56,340	6,781	9,930	8,379	12,271	6,290	6,290
2027	104,434	155,190	39,051	58,030	6,883	10,228	8,505	12,639	6,385	6,385
2028	106,001	159,846	39,637	59,771	6,986	10,534	8,633	13,018	6,481	6,481
2029	107,591	164,641	40,232	61,565	7,091	10,851	8,762	13,408	6,578	6,578
2030	109,204	169,580	40,835	63,411	7,197	11,176	8,894	13,811	6,676	6,676

EXHIBIT I

Map of original TIF
District as amended
in 1988

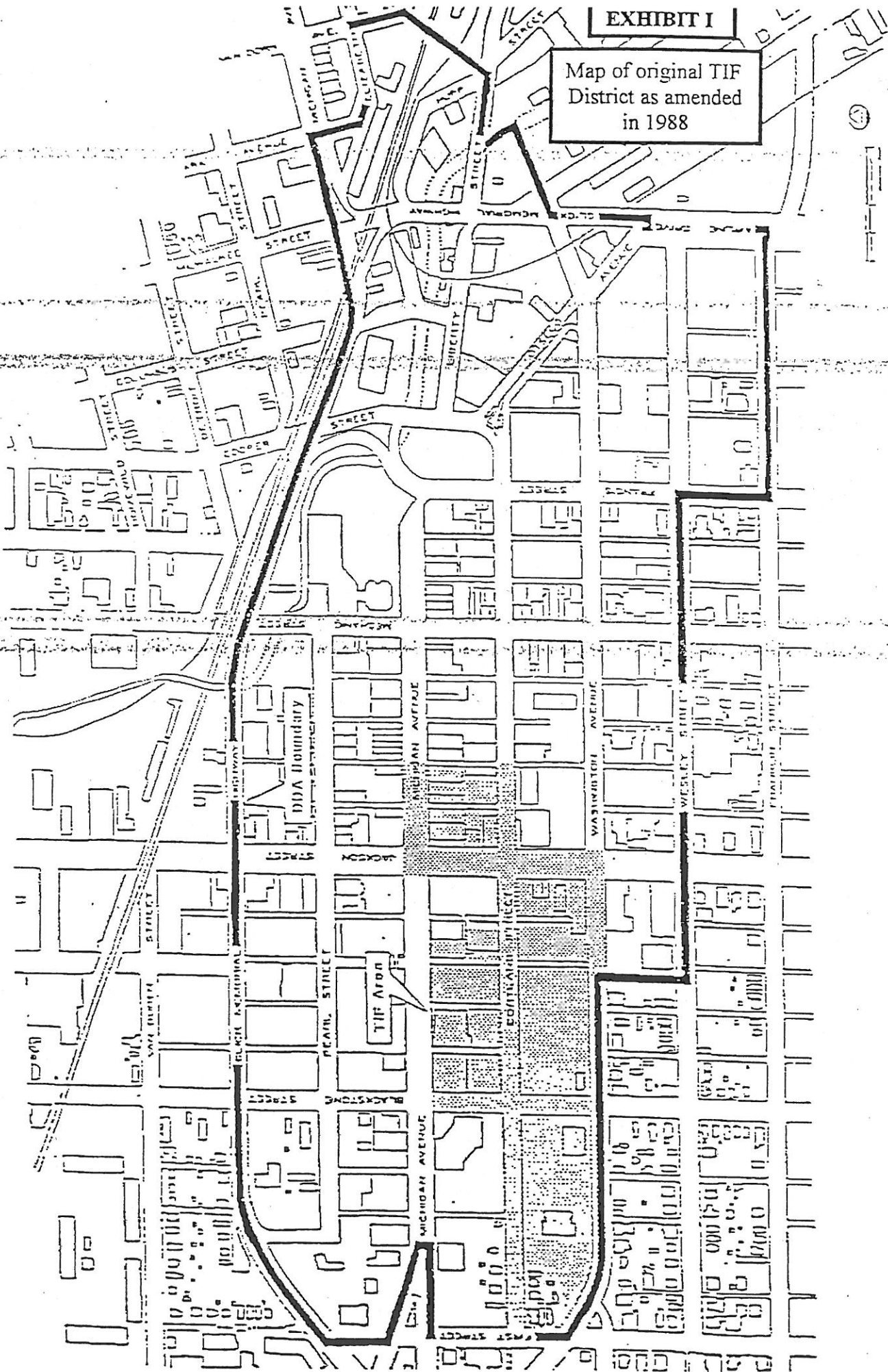
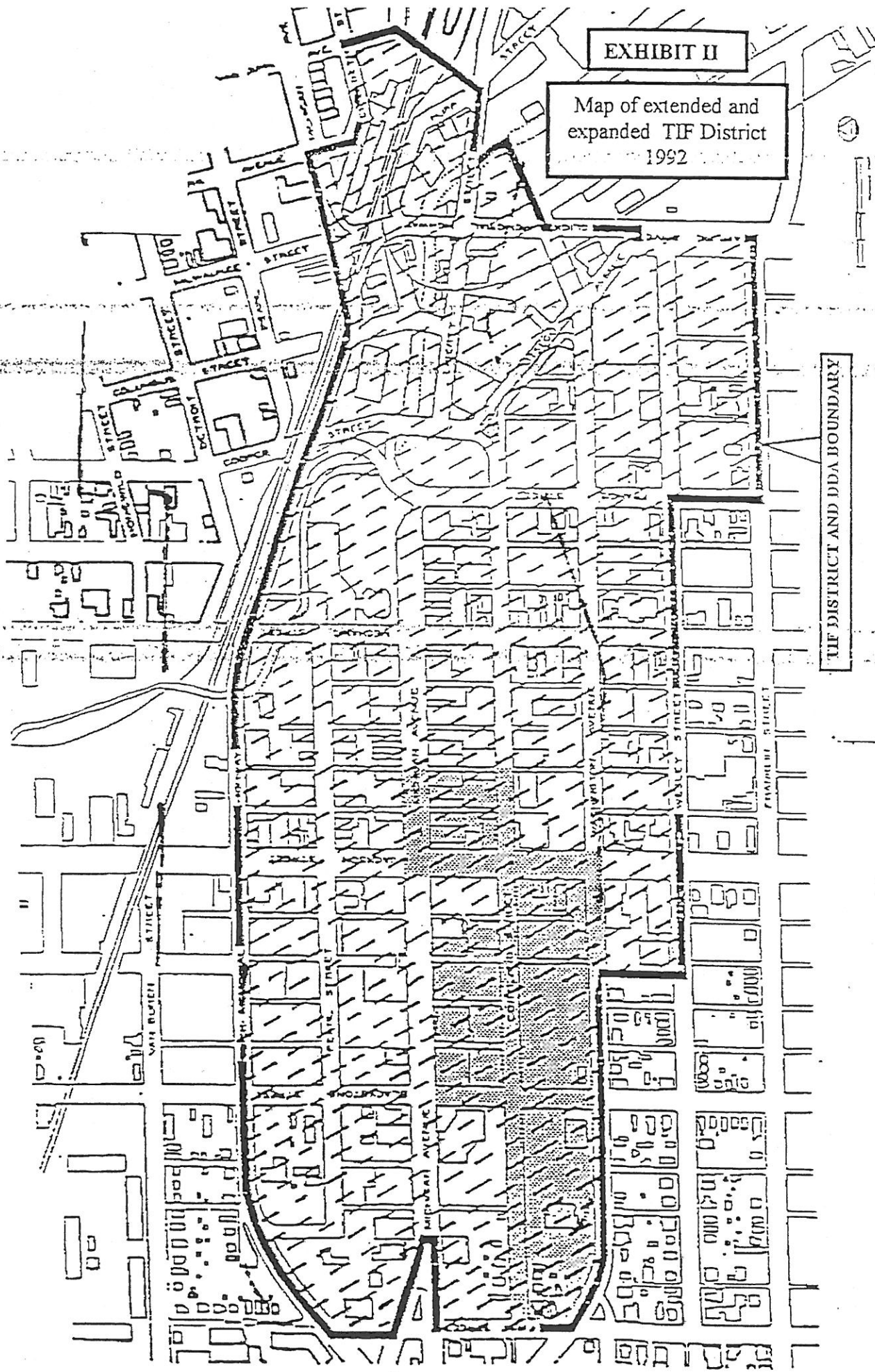


EXHIBIT II

Map of extended and
expanded TIF District
1992



TIF DISTRICT AND DDA BOUNDARY

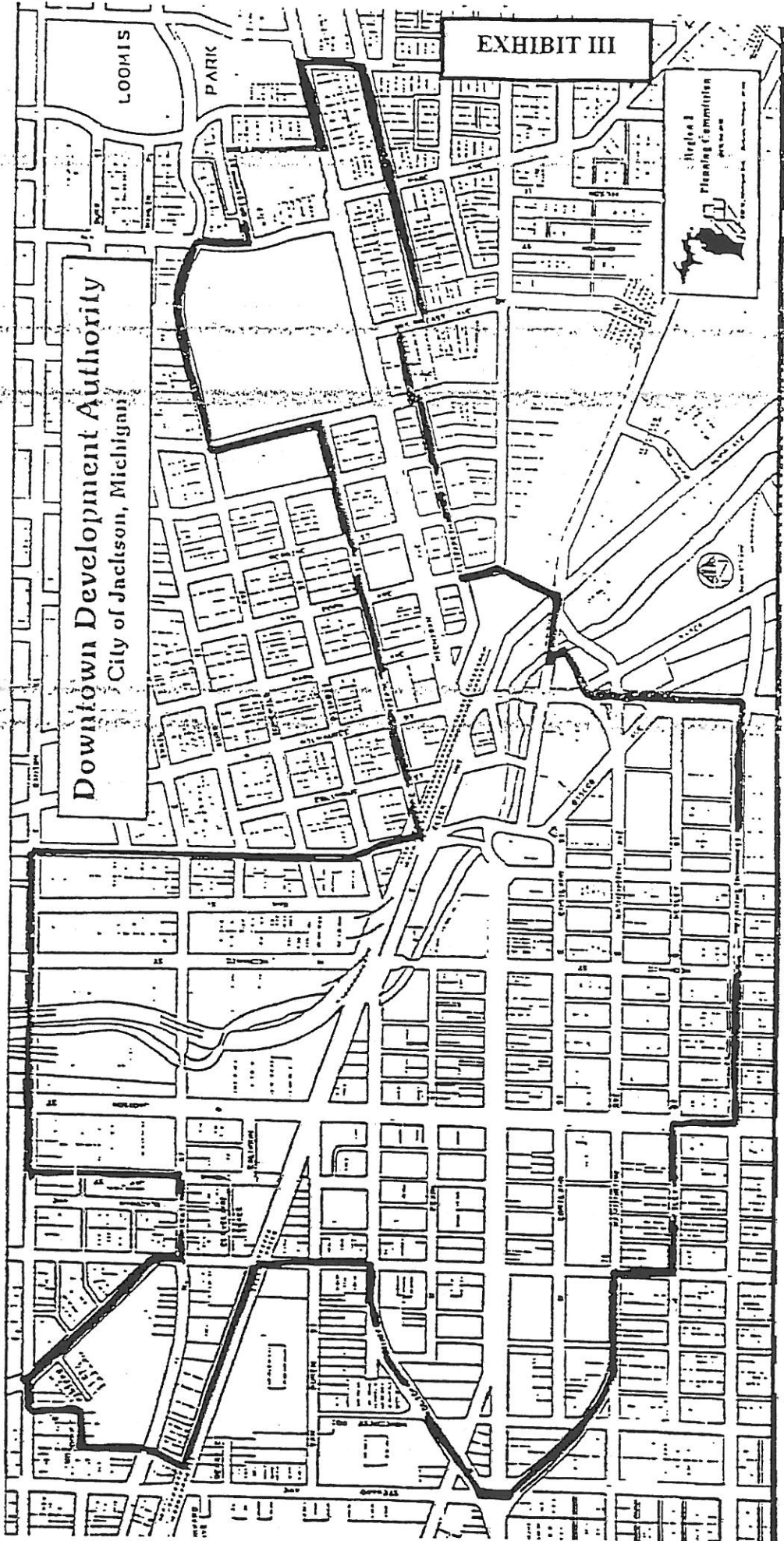
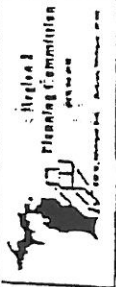


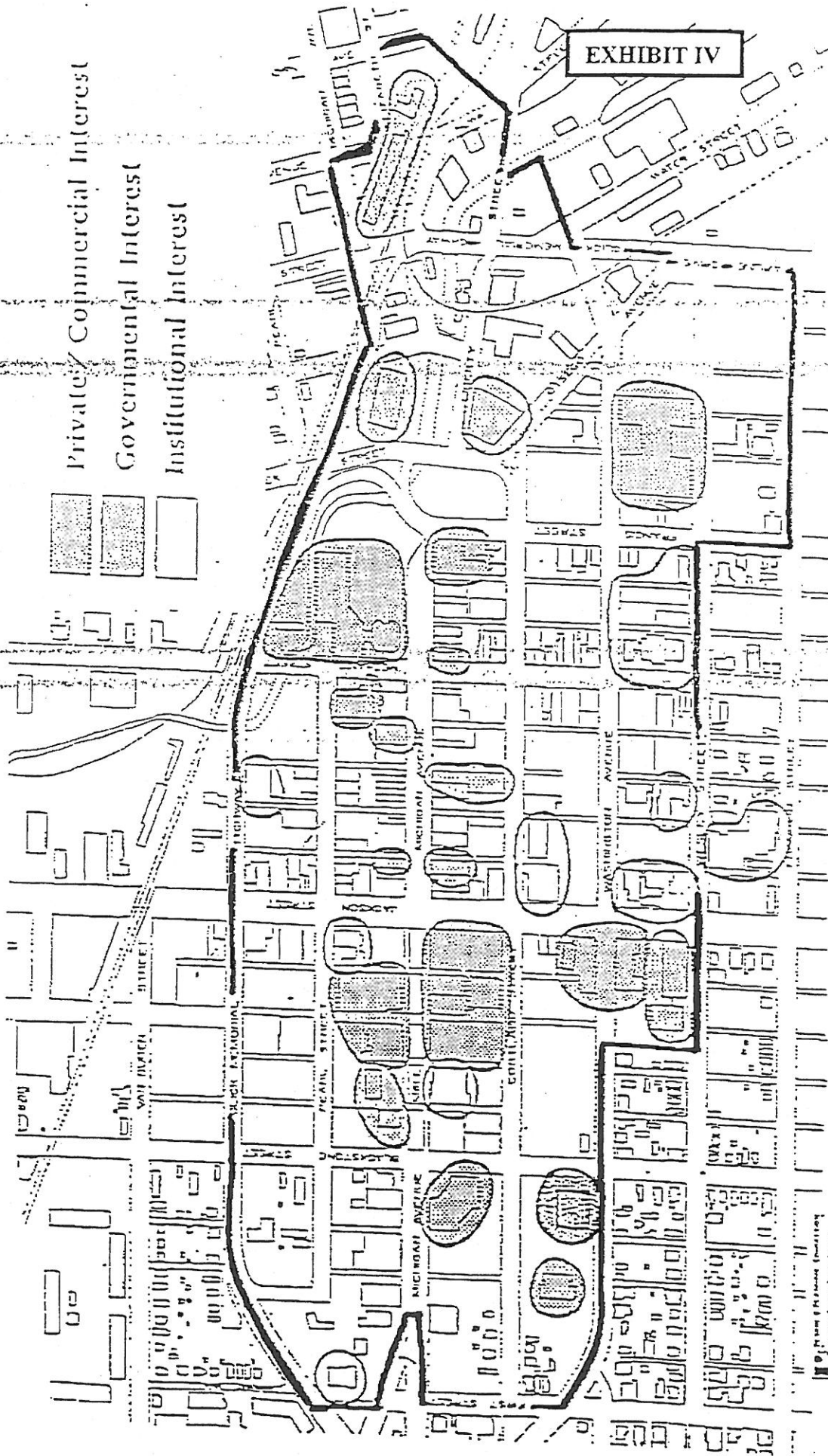
EXHIBIT III

Downtown Development Authority
City of Jackson, Michigan



Private/Commercial Interest
 Governmental Interest
 Institutional Interest

EXHIBIT IV



FOCAL POINTS

Source: Department of Planning, City of New York
 Planning Institute, New York City
 Planning Institute, New York City

EXHIBIT V

Land Use Plan Map

The final component of the land use plan is the map. The map graphically shows the pattern of land use intended by the goals and policies of the plan.

Before revising the map, changes in land uses over the last ten years were reviewed and compared to the 1977 plan. In most cases, vacant land developed as recommended by the plan. Also, the redevelopment of developed areas followed with the plan more times than not.

The revised map varies from the 1977 map by offering some significant changes to the undeveloped areas to the north, and to some areas along major streets that will probably continue to experience pressure to change.

Residential

While low density land uses will continue to dominate residential land use, the revised plan recommends some significant additions to high density land use.

North of North Street, along the Grand River, is a sparsely developed area. Some industry and houses are scattered along the river. The revised land use plan recommends this area for high density residential use. The Grand River is a potential asset to the City and the area around it could be developed with apartments that take advantage of the river front. Also, residential development is compatible with the proposed Grand River Park. The combination of residential and park uses could turn this sparsely developed area into a delightful neighborhood.

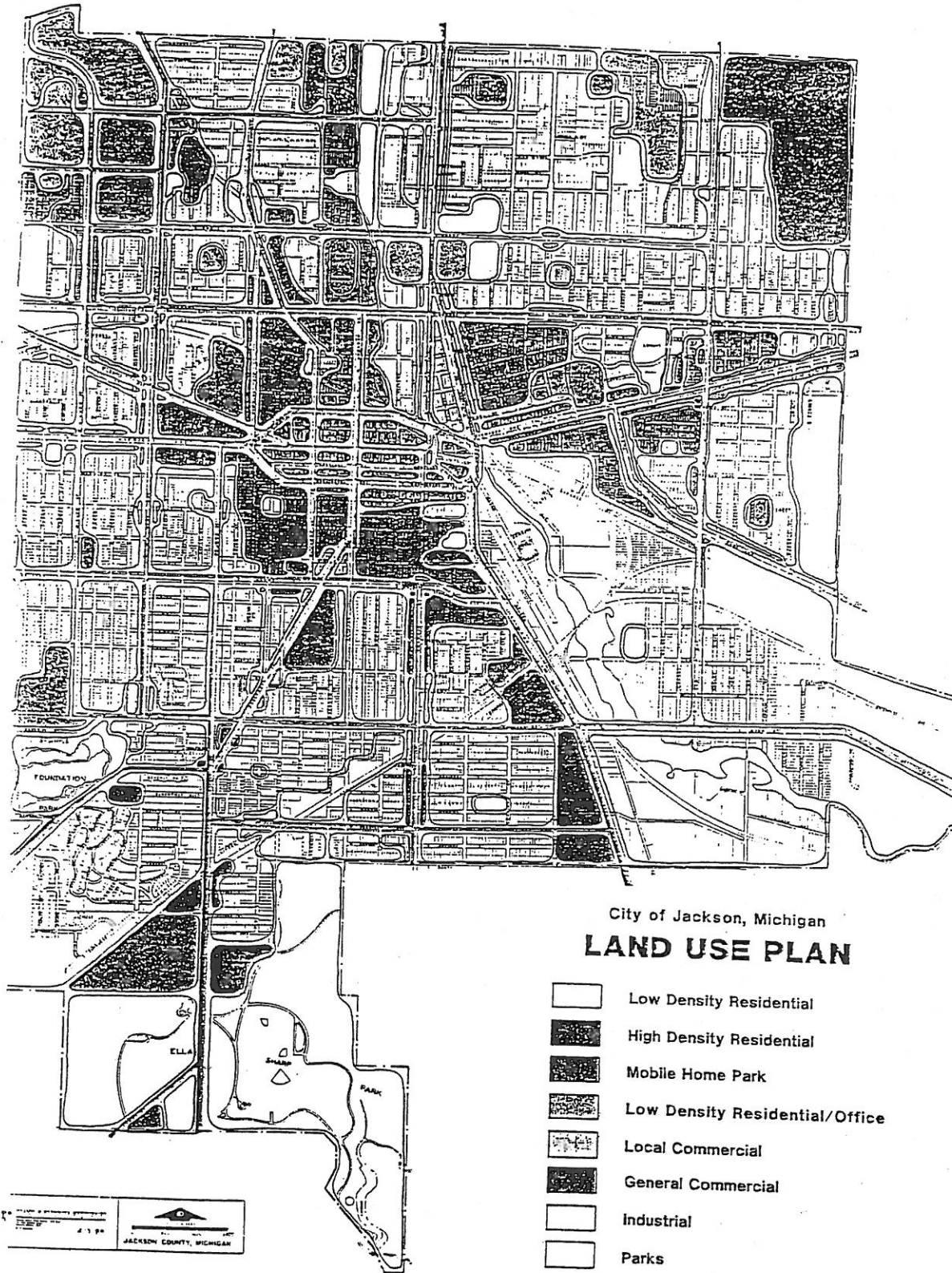
The plan also recommends high density residential development at the northeast corner of the City. The 1977 plan identified this site for single-family development. However, these 170 acres have severe soil limitations that could make development impossible. Any residential development of the site would probably have to be accomplished at a greater density than previously allowed and probably as a planned residential development, so that sensitive or fragile lands could be preserved.

The map also shows an expanded high density residential area along Airline Drive, from South Street to the railroad right-of-way. This area could accommodate a high-rise apartment development that would create an impressive appearance at the southeast entryway into the City.












Offices

In recognition of the re-developing City, the plan identifies four areas where houses may convert to low density offices. These areas are along W. Michigan Avenue, Wildwood and N. West Avenue. These areas are now developed with one- and two-family structures along major streets. To preserve the character of the neighborhoods, can convert to low-intensity offices. The plan also supports the redevelopment south of Foote Hospital from residential to medical offices.

EXHIBIT VI



City of Jackson, Michigan LAND USE PLAN

-  Low Density Residential
-  High Density Residential
-  Mobile Home Park
-  Low Density Residential/Office
-  Local Commercial
-  General Commercial
-  Industrial
-  Parks
-  Community Facilities
-  Major Arterials
-  Minor Arterials