DOWNTOWN DEVELOPMENT PLAN
and
TAX INCREMENT FINANCING PLAN

Downtown Development Authority
City of Wixom
Oakland County, Michigan

Adopted by the Downtown Development Authority and
Transmitted to City Council on July 22, 2003

City of WIXOM

City of WIXOM
A CROSSROADS COMMUNITY WITH CHARACTER
FOUNDED 1871

CERTIFICATION OF CLERK:

I, Linda Kirby, City Clerk for the City of Wixom, Oakland County, Michigan, do hereby certify that this Downtown Development Plan and Tax Increment Financing Plan was adopted by the Council for the City of Wixom at its regular meeting duly called and held on Tuesday, August 12, 2003. Adoption was done via enactment of Ordinance #132-A-2 (#2003-13), which is included in this document.

Linda Kirby, City Clerk, City of Wixom

CITY OF WIXOM
ORDINANCE NO. 132-A-2 (#2003-13)
DDA/TIFA PLANS ORDINANCE AMENDMENT

AN ORDINANCE TO AMEND ORDINANCE NO. 132-A-1 OF THE CODE OF ORDINANCES FOR THE CITY OF WIXOM, WHICH AMENDED THE DOWNTOWN DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN ESTABLISHED BY ORDINANCE NO. 132, BY ADOPTING AN AMENDED DOWNTOWN DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN FOR THE CITY OF WIXOM DOWNTOWN DEVELOPMENT AUTHORITY.

THE CITY OF WIXOM ORDAINS:

Section 1. Amendment.

Article I. Review and Determination of Public Purpose.

Following a duly noticed public hearing on the amended Downtown Development and Tax Increment Financing Plans, which were recommended to the City Council of the City of Wixom by the City of Wixom Downtown Development Authority ("DDA") on the 22nd day of July, 2003, City Council reviewed said plans and found the plans to meet the following standards and criteria, as set forth in Public Act 197 of the Michigan Public Acts of 1975, as amended (the "Act"):

A. A Development Area Citizens Council is not required by the Act for the City of Wixom DDA District.

B. The Downtown Development Plan meets the requirements set forth in Section 17(2) of the Act, and the Tax Increment Financing Plan meets the requirements set forth in Sections 14 and 15 of the Act.

C. The proposed method of financing the development is feasible and the DDA has the ability to arrange financing.

D. The development is reasonable and necessary to carry out the purposes of the Act.

E. Any land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plans and of the Act in an efficient and economically satisfactory manner.

F. The Downtown Development Plan is in reasonable accord with the Master Plan of the City of Wixom.

G. Public services, such as fire and police protection and utilities, are or will be adequate to serve the project area.

H. Potential changes to zoning, streets, street levels, intersections and utilities are reasonably necessary for the project and for the City.

In deliberations toward the adoption of this Ordinance, the City Council of the City of Wixom has determined that the adoption and implementation of amended Downtown Development and Tax Increment Financing Plans constitutes a public purpose.

Article II. Approval of Plan.

Premised upon the determination made in Article I of this Ordinance and upon further finding that the execution of the Downtown Development Plan and the Tax Increment Financing Plan appear to be in the best interest of the City of Wixom, the amended plans are hereby approved and adopted by reference.

No additional amendments to the plans shall be effective unless and until submitted to and approved by the City of Wixom City Council in accordance with the procedures established by the Act.

Section 2. Repealer.

This ordinance hereby repeals any ordinances in conflict herewith.

Section 3. Savings Clause.

That nothing in this Ordinance hereby adopted be construed to affect any just or legal right or remedy of any character nor shall any just or legal right or remedy of any character be lost, impaired or affected by this Ordinance.

Section 4. Severability.

The various parts, sections and clauses of this Ordinance are declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected.

Section 5. Publication.

Promptly after its adoption, this Ordinance shall be published in a newspaper of general circulation in the City of Wixom.

Section 6. Adoption.

This Ordinance is hereby declared to have been adopted by the City of Wixom City Council at a meeting thereof duly called and held on the 12th day of August, 2003, and ordered to be given effect upon publication as mandated by Charter and statute.

Michael McDonald, City Mayor

Linda Kirby, City Clerk

Notice of adoption published in the Spinal Column Newsweekly on August 20, 2003.

CERTIFICATION OF CLERK:

I hereby certify that the foregoing is a true and complete copy of an Ordinance adopted by the City Council of the City of Wixom, County of Oakland, State of Michigan, at a regular meeting of City Council duly called and held on the 12th day of August, 2003.

Linda Kirby, City Clerk

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PURPOSE OF THE TAX INCREMENT FINANCING AND DEVELOPMENT PLAN

On November 22, 1983, the City Council of the City of Wixom created a Downtown Development Authority (DDA) under Michigan Public Act 197 of 1975, as amended, appointed the initial members to a Board of Directors, and designated the boundaries of the district within which the Authority was to exercise its powers. On July 11, 1990, the City Council adopted an ordinance to amend the boundaries of the Wixom DDA to permit the City to include two potential shopping center sites into the district. During the summer of 2003 the Development Plan and Tax Increment Financing Plan were fully updated and the DDA boundaries again amended to reflect continued improvements associated with the revitalization of the City's core downtown. The updated plan was adopted by the DDA on July 1, 2003 and transmitted to the Wixom City Council thereafter. The plan was adopted by the City Council on Aug 12, 2003.

The Downtown Development Authority was initially created to reverse the pattern of deterioration in the downtown area and to plan for and implement certain public improvements that are considered necessary for future economic growth. The above continues to hold true. The City's downtown requires continued revitalization in order to achieve economic stability and position itself for future development.

In compliance with Public Act 197 of 1975, as amended, the Downtown Development Authority is the managing entity for development and financing activities within this district. The City Manager of Wixom serves as Executive Director of the DDA.

It is the purpose of the Development Plan and the Tax Increment Financing Plan to establish the legal basis for the capture and expenditure of tax increment revenues in accordance with Public Act 197 of 1975, as amended. The tax increment revenues are used for the financing of public improvements identified as necessary to accomplish the objectives of the DDA.

The Development Plan and the Tax Increment Financing Plan are both required by Act 197. They are presented here as a single document. Common elements are contained in the appendices and are appropriately referenced in the plans. Both plans were prepared with extensive involvement by the Board of the Downtown Development Authority, the Wixom City Council, and the staff of the City of Wixom. Furthermore, throughout the process of preparing these instruments, the general public and others were provided the opportunity to offer comment and input.

THE DEVELOPMENT PLAN
DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF WIXOM
OAKLAND COUNTY, MICHIGAN
2003

Downtown Development Goals

This Development Plan is created to implement projects designed to meet certain goals established for the Downtown Development District of the City of Wixom. These goals are described as follows:

Economic Goals

- Improve the overall business climate of the downtown area through planning, promotion, coordination of activities, and implementation- of specific improvement projects.
- Retain existing businesses and attract new concerns which complement the existing commercial offerings.
- Further the economic vitality of the downtown area by creating a balanced mix of retail, service, and other uses consistent with market demands and community plans.
- Support the development of vacant or underutilized land parcels in a manner which achieves the best appropriate use.
- Assist in creating new employment opportunities by fostering commercial development, redevelopment and expansion within the Downtown Development District.

Circulation

- Provide for efficient, safe, and convenient traffic movement, parking, and access for vehicles, goods and people in a manner which minimizes vehicular and pedestrian conflicts.
- Update and modernize the existing street network to meet the current and future needs.

Facilities and Services

- Develop the downtown in a manner which is consistent with existing municipal plans and capabilities.
- Recommend regulatory and enforcement measures to ensure a well-maintained and attractive district.
- Provide public improvements needed to attract future private investment in the downtown area.

Building and Site Improvements

- Promote high quality site improvements and building design to upgrade the quality of the downtown area and to ensure the long term viability of the business district.

- Eliminate sources of blight, such as sign disrepair and clutter, poor property maintenance practices, and inappropriate land uses.

- Encourage a high standard of property-maintenance on private and public lands.

Land Use

- Remove incompatible land uses or structures which impede other businesses from making improvements or expanding.

- Encourage appropriate new development or, where necessary, redevelopment to more efficiently utilize land.

- Consolidate smaller land parcels to achieve adequately-sized building sites.

- Accommodate commercial development and redevelopment while protecting the adjacent residential neighborhoods.

- Whenever possible, redevelop public uses in a manner which creates additional tax base for the community.

Aesthetic Goals

- Establish a distinctive and attractive design theme for the downtown area.

- Promote compatibility of design between new and existing developments. .

- Eliminate visually unattractive and blighting influences within the area.

Operational Goals

- In establishing the DDA, provide an organization which unifies the owners and operators of businesses in the downtown area, thus fostering a spirit of cooperation among themselves, with the City and school district, and the community at large.

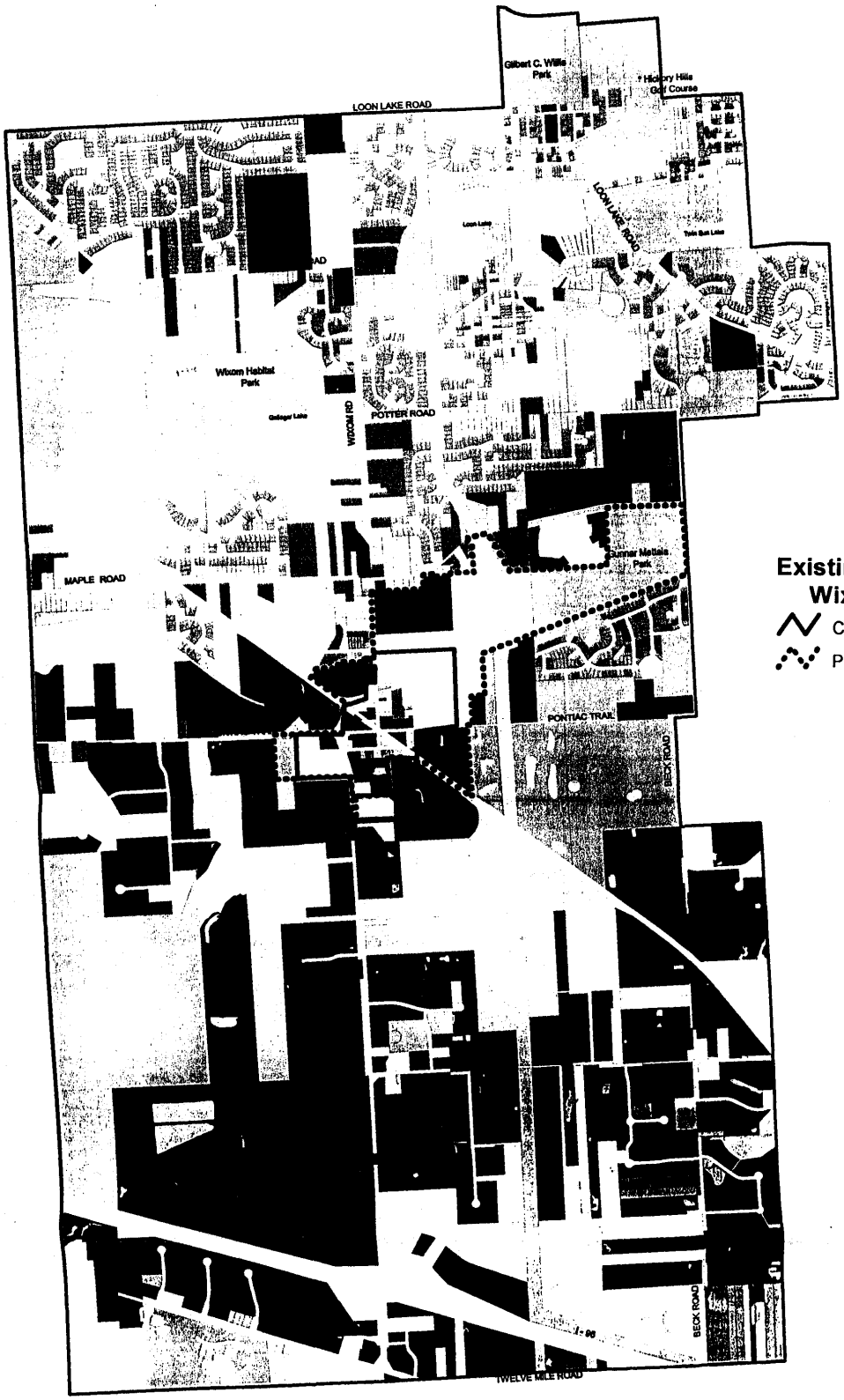
- Promote and publicize the downtown area in a manner which presents a favorable image for the Wixom business district.

This development plan sets forth a program to accomplish these goals through implementation of various public and private improvements.

Boundary Designations

Section 17 (a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

The boundaries of the current Development Area are shown on Map 1, and a narrative legal description is provided in Appendix A. The original boundaries as established in 1983, as amended in 1990 are also shown. The Downtown Development Authority District and the Development Area boundaries are identical.



Existing Land Use
Wixom DDA

Current Boundary

Proposed Boundary

Draft
Revised
06/11/03

- Agricultural
- Single Family, 10 acres or greater
- Single Family, 5 to 9.9 acres
- Single Family, 2.5 to 4.9 acres
- Single Family, 1 to 2.4 acres
- Single Family, 14,000 to 43,559 sq. ft.
- Single Family, 8,000 to 13,999 sq. ft.
- Single Family, Less than 8,000 sq. ft.
- Single Family, More than one unit per parcel
- Multiple Family
- Mobile Home Park
- Commercial/Office
- Industrial
- Public/Institutional
- Recreation & Conservation
- Transportation, Utility & Communication
- Vacant
- Water

LSL
Langworthy Strader LeBlanc & Associates, Inc.

Data Sources:
Oakland County, City of Wixom, and LSL Planning

1000 0 1000 Feet

Project Improvements and Phasing

> Section 17(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.
>
> Section 17(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.
>
> Section 17(e) A statement of the construction, or stages of construction planned, and the estimated time of completion of each stage.

The description of existing and proposed improvements in the development area that will be demolished, repaired, or altered, including the time sequence thereof; the location extent and character of improvements, and estimated cost and time sequence thereof; and, a statement of the construction, or stages of construction, including the time sequence thereof, are shown in Table 1

TABLE 1
DDA PROJECTS LIST

1. Update VCA Master Plan and Prepare Promotional Materials* **$70,000**

It is the City/DDA's intent to develop a fully integrated mixed use, pedestrian-oriented new urbanism styled Village Center Area. To that end, the following planning and study projects are needed.

- *Retail Market Study.* A retail market study is needed to determine the extent of commercial space supportable within the DDA District. Study would entail performing a market analysis to determine the market size, providing additional detail regarding site information, identifying commercial and retail opportunities and the development of a marketing strategy and tenant mix.

- *Conceptual Design Guidelines.* Design guidelines are needed as a tool to encourage guided development and building patterns along each of the VCA Corridors and will enable the City to direct the design and appearance of new construction and renovation to take place in the future. Additionally, the Streetscape Design Standards will be reviewed, evaluated and changes recommended by both the City and developer as needed.

- *Village Center Area Concept Plan Updating.* The current concept plan is to be reviewed and revised to reflect the results of the marketing study, incorporation of existing and planned utility work, current physical and economic conditions and solicited input.

- *Promotional Materials.* The preparation of marketing materials that can be presented to developers, retailer and real estate firms promoting the Wixom downtown market is needed. This may include brochures, exhibits, trade area data and an animated, virtual Village Center Area tour.

2. VCA Property Acquisition * **$2,416,870**

Property acquisition will be a necessary part of the development projects contained herein including, but not limited to, road improvements, storm water facilities, parking development, locating the senior citizen housing, and future development opportunities. This item is not intended to subsidize private development property acquisition requirements.

3. VCA Road Improvements **$5,100,000**

The following road improvements are needed to ensure proper access into and around the Village Center Area:

- *Pontiac Trail Road Improvements (boulevard, entrance, and signalization for VCA).* Road and signalization improvements are needed along Pontiac Trail to accommodate the Village Center Area. Since this is the main entrance into the downtown, a formal and appealing entryway is needed.

- *Construct a Village Center Boulevard.* A north-south roadway will be constructed by private development from Pontiac Trail north to the proposed Gunnar Mettala Lane. This will be the main street through downtown and create the primary vehicular and pedestrian connection into and through the downtown area. Funds provided for under this item will be used to expand and enhance the roadway such that a boulevard is created and community expectations are met.

- *Wixom Road Improvements (boulevard & signalization).* Per the VCA concept plan, a boulevard and signal are proposed for Wixom Road, north of Pontiac Trail. These improvements will allow Wixom Road to accommodate additional traffic volumes to be created by the Village Center development as well as address the transportation concerns expressed through various regional traffic planning studies (i.e. West Oakland Corridor Study.

- *Construction of Gunnar Mettala Lane (boulevard & Streetscape improvements).* An east-west roadway will be constructed, in conjunction with private development, through the VCA, north of Coe Rail, from Wixom road to Gunnar Mettala Park. This road will be the primary east-west thoroughfare through the development and will provide access to the residential areas of the VCA. It is tentatively named Gunnar Mettala Lane since it will culminate at Gunnar Mettala Park. DDA funding will provide for expansion and construction of a boulevard roadway. Other

anticipated improvements include streetscape amenities, such as brick pavers and decorative street lights.

4. VCA Detention Facilities and Storm Drain Improvements **$1,250,000**

The commercial business district will be supported by a series of storm water detention facilities at a single location within the development. Funding is needed to coordinate and consolidate these facilities since adequate room is not available in the traditional, mixed use downtown area. In addition, the areas surrounding the stormwater facilities will be improved with landscaping and other amenities to support the downtown activities and promotional events. A central gathering area will be created for activities such as outdoor concerts, festivals, fairs, etc. Since this is a project to create an amenity for the downtown, it will not be a subsidy for the developer. Developer financing of items such as storm sewer lines and detention facilities will still be required.

5. Streetscape Improvements, Signalization and Signage. **$3,000,000**

Coordinated streetscape improvements will be needed throughout the VCA to achieve the desired traditional look for the project. This will include items such as brick pavers, street trees, lights, benches, waste receptacles, etc. To enhance the visual appearance of the VCA and help direct traffic flow, traffic signals and sign improvements are needed. Entryway signs will help draw people into the downtown while banners and location direction signs will create interest and help direct people to specific locations, including parking areas. Areas where streetscape improvements will be needed are as follows:

- *Johanna Ware Streetscape Improvements.* As the proposed Johanna Ware bypass enters the downtown, it will be necessary to provide added pedestrian lighting, landscaping and streetscape improvements along the downtown portion of the thoroughfare. Actual road construction would be paid for using other federal, state and local funding sources. DDA funds will supplement and pay for those items not covered by the road construction funds.

- *Wixom Road Streetscape*.* The Wixom Road Streetscape will continue the theme created by the Johanna Ware Streetscape Improvements.

- *Pontiac Trail Streetscape.* Similar to the proposed Johanna Ware and Wixom Road Streetscape Improvements, the Pontiac Trail Streetscape Improvements will continue the theme easterly past the civic complex and the entry to the Village Center Area business district.

- *Village Center Boulevard Streetscape.* Similar to the above, this item will include limited streetscape improvements such as decorative pole lighting, benches, rubbish containers and landscaping.

6. Parking Facilities$2,500,000 **$11,000,000**

To adequately accommodate parking that will be needed for the variety of residential, commercial and institutional uses, both surface and deck parking will be needed for the Village Center Area (VCA). Costs provided include the near-term construction of a parking lot and a future parking structure.

7. Non-Motorized Paths* **$2,500,000**

The City is already in the process of designing and securing additional financing for a network of non-motorized paths throughout the City of Wixom, which would permit residents to walk or ride to downtown. This is a critical component in the viability of the business area. A key feature will be the incorporation, if feasible, of the Coe Railroad Corridor within these plans.

8. VCA Park Improvements **$600,000**

A series of pocket parks will be developed throughout the VCA, in keeping with the traditional character of the project. Improvements will be needed including items such as gazebos, benches, play equipment, paths, fountains, clocks, etc. It is also anticipated that Coe Rail will be used to encourage access to the Village Center since it dissects the project area.

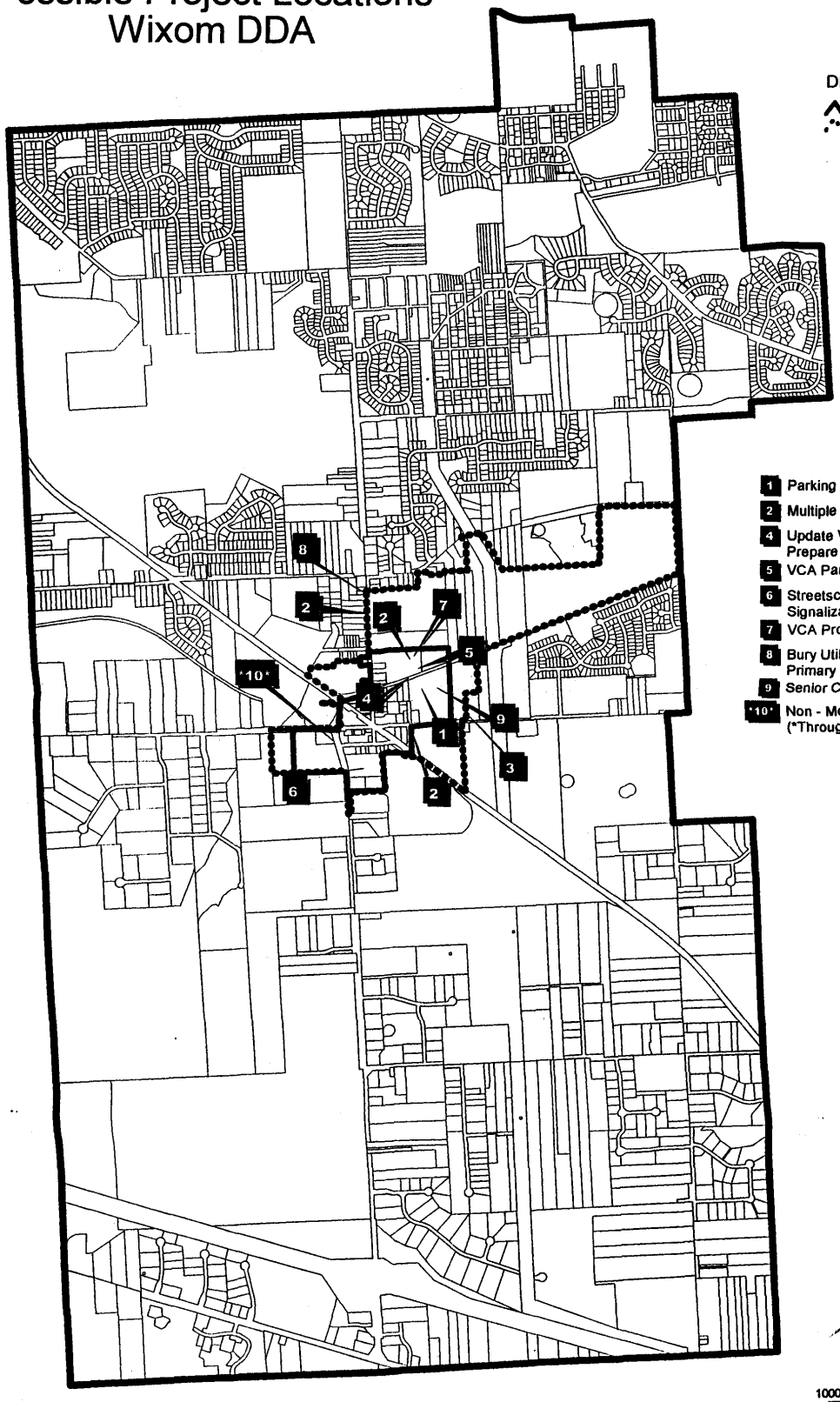
9. Bury Utility Lines on Primary Roads **$4,500,000**

At present, above ground utility lines are found on major thoroughfares such as Wixom Road and Pontiac Trail. These lines will be buried underground to enhance the appearance of the VCA District area and to increase the reliability of the distribution systems and eliminate the potential conflicts associated with overhead distribution systems.

**Denotes prior inclusion or inclusion of portions thereof, in DDA Plan*

Total Cost of All Projects: **$32,936,870**

Exhibit 3
Possible Project Locations
Wixom DDA



DDA Boundary

Current Boundary

Proposed Boundary

1 Parking Facilities

2 Multiple VCA Road Improvements

4 Update VCA Master Plan and Prepare Promotional Materials

5 VCA Park Improvements

6 Streetscape Improvements, Signalization and Signage

7 VCA Properties Acquisition

8 Bury Utility Lines on Primary Roads

9 *Senior Citizen Housing*

10 Non - Motorized Paths (*Throughout DDA Area)

LSL Langworthy Strader LeBlanc & Associates, Inc.

1000 0 1000 Feet

Data Sources: Oakland County, City of Wixom, and LSL Planning

Open Space

> Section 17(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

Several areas in the development area will be left as open spaces:

1. A landscaped public-walkway along/near Pontiac Trail.

2. Areas along Wixom Road, south of Pontiac Trail, will also be made into attractive pedestrian areas through the use of appropriate streetscaping.

3. The city will construct a network of non-motorized pathways from residential subdivisions in Wixom to the downtown.

4. Select parkland areas around/near future business and residential development will be retained as parkland/open space.

Land and Developer Transactions

> Section 17(g) A description of any portions of the development area which the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.
>
> Section 17(i) 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.
>
> Section 17(k) The procedures for bidding for the leasing, purchasing, or conveying of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed to those persons.

The Authority owns no property at this time. At the present time, the Authority has no plans to lease, own, or otherwise control property in its own name. The ownership of property purchased by the DDA for parking or other purposes will be transferred to the City of Wixom in accordance with the property disposition procedures outlined in the following paragraph.

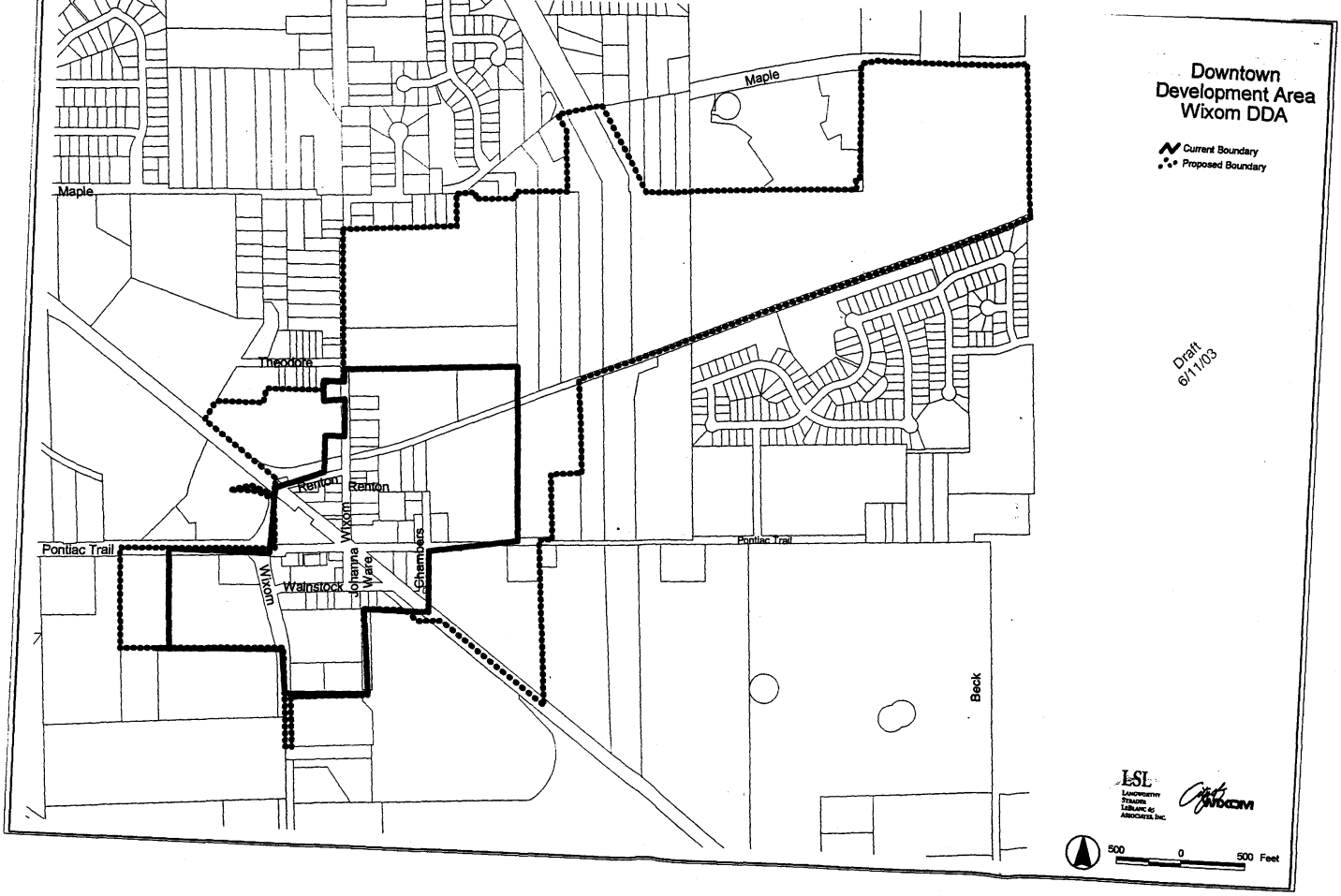
Should acquisition of property be required in the future to accomplish the objectives of the DDA, or should the Authority receive property by donation, through purchase, or by any other means of acquisition, the Authority will establish and formally adopt appropriate procedures for property disposition, subject to applicable Federal, State, and local regulations.

Zoning, Street, and Utility Changes

> Section 17(h) A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

The master plan and zoning map is shown on the following pages. No changes are presently contemplated in the master planning or zoning of the downtown.

Several projects contemplated by the DDA include street and utility improvements. These are described under the section entitled "Project Improvements and Phasing".


Downtown
Development Area
Wixom DDA
Current Boundary
Proposed Boundary
Draft
6/11/03
Maple
Maple
Theodore
Renton
Renton
Wixom
Pontiac Trail
Pontiac Trail
Wixom
Walnstock
Johanna
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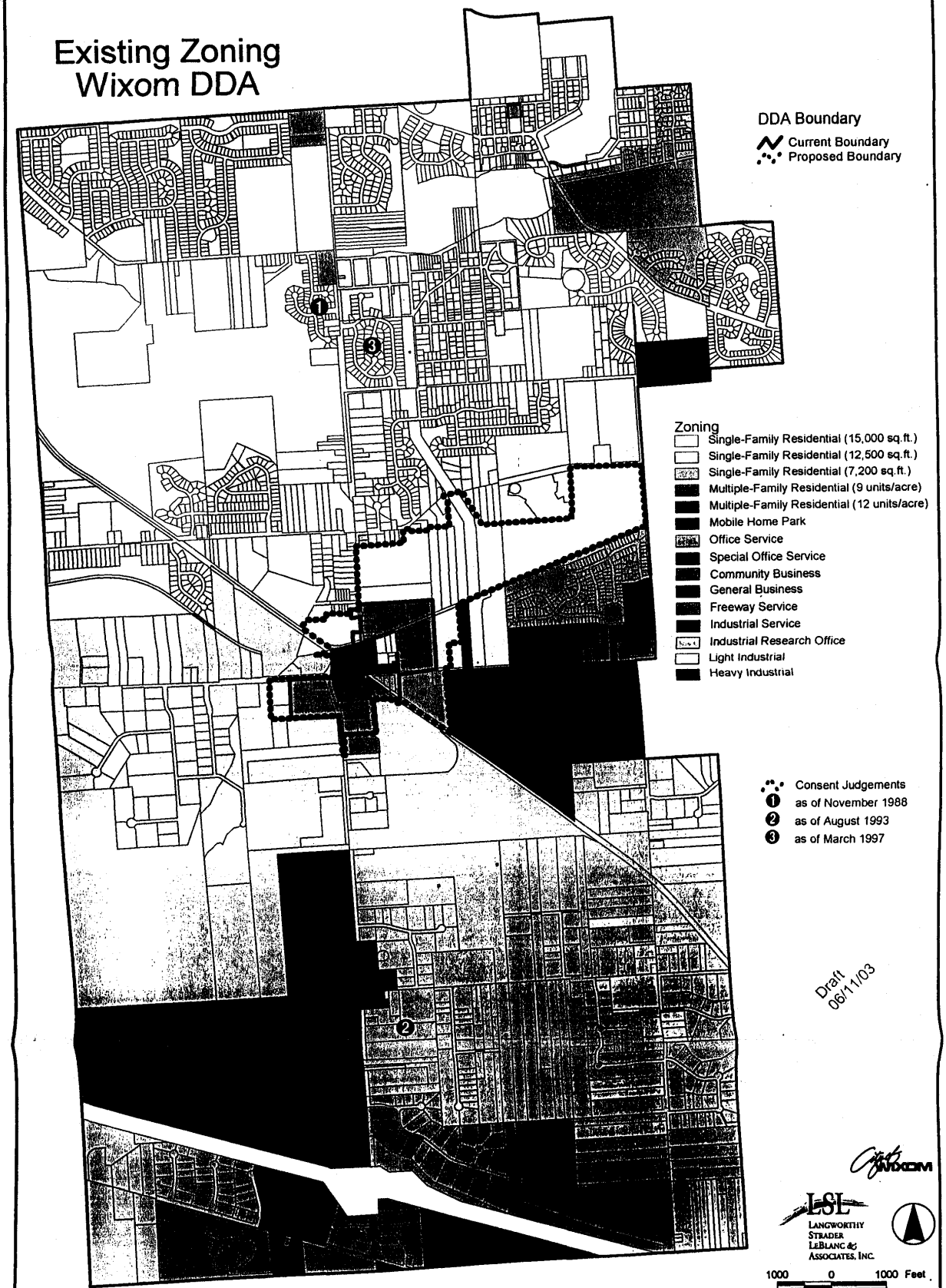
Existing Zoning
Wixom DDA



Development Costs and Financing Capabilities

> Section 17(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.

Cost estimates for private sector and public sector improvements are provided earlier in this plan (see Project Improvements and Phasing and Existing and Proposed Development).

No private sector investment commitments have been made. No estimates of private sector costs are included. The private sector improvements will be financed through conventional lending sources arranged by the developers.

As summarized in Table 1, the cost for public sector improvements could range up to $2,560,500 (in current dollars).

It is presently planned that the public sector improvements will be financed largely through the use of captured tax increments in accordance with a tax increment financing plan established pursuant to Act 197 of 1975, as amended. It 'is contemplated that the Authority will issue tax increment bonds in accordance with Section 16 of Act 197, and pledge future captured tax increments to pay the principal and interest due on such bonds. A comprehensive discussion of tax increment financing for the proposed public improvements is set forth in the Tax Increment Financing Plan.

In addition, the Authority intends to explore with the City of Wixom alternative or supplementary sources of funding, including the following:

- County, State or Federal Funding. The Authority intends to pursue alternate financing from other governmental entities, such as Michigan Economic Development Fund revenues or Federal Aid Urban Systems revenues for roads and the Department of Natural Resources for the non-motorized Pathways.

- City of Wixom Financing. It is anticipated that the City of Wixom will finance a portion of some or all of the projects, using General Fund monies, the Land Acquisition Fund, and other revenue as appropriate.

- Private Developer Financing. To the extent permitted by law, the City will require developers to finance public improvements that are made necessary and that would directly benefit proposed private developments.

Relocation

Section 17(l) Estimates of the number of persons residing in the development area and the number of families and individual to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals. to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

Section 17(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

Section 17(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.

Section 17(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.

There are 33 residential housing units in the Development Area. Most of the units are in single family houses scattered throughout the Development Area. Previously, the City of Wixom performed a door to door census of all residential dwellings in the Development Area. There are approximately 98 individuals living in the Development Area.

Minimum displacement of individuals or families is anticipated as a direct result of DOA activities. Should relocation of individuals, families, or businesses be required in the future, the DDA, with the cooperation of the City, will prepare and adopt a formal relocation plan prior to the relocation. The relocation plan will include surveys required by Section 17(l) of Act 197, and it will require the provision of relocation payments and other assistance to families, individuals, businesses, and non-profit organizations as required by the Uniform Relocation Assistance and Real Property Acquisition Act and Michigan Public Act 227 of 1972, as amended.

Other Pertinent Information

Section 17(p) Other material which the authority, local public agency, or government body deems pertinent.

Section 21 of Act 197 of 1975 requires that a Development Area Citizen's Council be established if a proposed Development Area has residing within it 100 or more residents. A door to door census of all residential dwellings was performed by the City of Wixom. Ninety-eight residents were counted. Since fewer than 100 residents reside in the Development Area described in this plan, a Development Area Citizens Council will not be established at this time.

In the event that residential development increases the number of residents above 100 within the Development Area in the future, a Development Area Citizens Council will be formed according to the guidelines in Act 197.

TAX INCREMENT FINANCING PLAN
DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF WIXOM
OAKLAND COUNTY, MICHIGAN
2003

Explanation of the Tax Increment Procedure

Schedule of Adoption Procedures

The procedures for tax increment financing are based on the standards set forth in Michigan Public Act 197 of 1975, as amended, the Downtown Development Authority Act (hereinafter referred to as the 'Act'). Sections 14 through 16 of the Act specifically address tax increment financing requirements.

Pursuant to the requirements set forth in the Act, the following actions have been taken:

- The City Council adopted an ordinance on November 22, 1983, establishing the Downtown Development Authority (DOA). It expanded the boundaries of the DDA on July 11, 1990. The boundaries were again modified on July 22, 2003 and the Plan fully updated to reflect current downtown revitalization needs.

- The DDA prepared a Development Plan herein for the Development Area in accordance with Section 17 of the Act. The Development Plan outlines the boundaries of the Development Area; indicates the location, character, and extent of existing and proposed public and private improvements; specifies the timing for implementation of proposed improvements; provides estimates of the costs of proposed public and private improvements; and, addresses relocation needs.

A complete schedule of activities related to formation of the DDA and preparation and adoption of the Development Plan and Tax Increment Financing Plan is provided in Appendix C.

According to Section 14 of the Act, the Tax Increment Financing Plan (hereinafter referred to as the 'Plan') is prepared under the auspices of the DDA. After reviewing the Plan and making modifications, if necessary, it is anticipated that the DDA will forward the Tax Increment Financing Plan, together with the Development Plan, to the City Council with a recommendation for adoption.

In accordance with the Act, the City will notify all applicable taxing jurisdictions of the City's intent to capture millage revenue for purposes of the DDA. As necessary, the City will meet with said jurisdictions concerning the plan.

The City Council will then hold a public hearing. Following the public hearing, it is anticipated that the City Council will take action on the Tax Increment Financing Plan and Development Plan. Action to approve the Plan will be by ordinance.

Detailed Tax Increment Finance Procedures

Simply stated, tax increment financing will be used to finance public improvements in the development area by capturing, for a specified period of time, *increased* tax revenues generated largely as a result of the development program which is designed to stimulate private, taxable investment in the Development Area. As private investments add to the tax base within the Development Area, the *increased* tax revenues will be captured by the DDA to be used for the purposes outlined in this Plan and in the Development Plan.

The paragraphs that follow describe the procedures involved in establishing the base year, initial assessed value, and tax increment for each year.

Chronologically, establishing the 'base year,' which will serve as the point of reference for determining future tax increments, is the first step in the tax increment financing procedure. The City Council takes this step at the time it adopts an ordinance approving the Tax Increment Financing Plan. Adoption of the Plan establishes the 'initial assessed value,' which is defined in the Act as follows:

> "Initial assessed value means the most recently assessed value, as finally equalized by the state board of equalization, 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."

In the case of this Plan as presently proposed for adoption, the 'initial assessed value' for the added property in the development area will be based on the assessment roll in place on December 31, 2001, for which equalization was completed in May of 2002. These properties will be referred to as '2002 Property'. Accordingly, the initial assessed value will be as follows:

Plan will be adopted until 7-2003

2002 Property:	$9,436,000

Estimated values for all real property for a 25 year period are provided in Appendix C.

As the Development Plan is carried out, resulting in private sector investment within the development area, the planned investments will result in additions of real and personal property value to the tax base. Each year following adoption of this Plan, the total current assessed value in the development area will be compared to the initial assessed value. This comparison indicates the amount of "captured assessed value" which is the amount by which the current assessed value exceeds the initial assessed value.

see page 2

Act 197 "Initial Assessed Value"

The tax increment is determined for each year by applying the total current millage rate, for all applicable taxing jurisdictions in the Development Area against the captured-assessed value. In other words, the property tax revenue which is generated as a result of the difference in assessed value between the base year and the current year is the tax increment which can be used by the DDA to carry out the Development Plan'. Thus, the taxes generated on behalf of the DDA are

based on the-captured assessed value only. Throughout the duration of this Plan, the applicable taxing jurisdictions will continue to collect property taxes which are based on the initial assessed value.

The tax increment to be collected by the DDA will be based on the *operating millage* of the taxing jurisdictions, rather than total millage. Thus, the debt *millage* of the taxing jurisdictions will be unaffected by this Plan and will continue to generate tax revenue for the taxing jurisdictions based on current assessed value, rather than on the initial assessed value. As indicated in Table 2, the current operating millage of all applicable taxing jurisdictions in the Development Area is 13.7173.

TABLE 2
2002 MILLAGE RATES
(Millage Rate Used To Compute DDA Tax Increment)

Taxing Jurisdiction	**Operating Millage**
City of Wixom- General	6.34690
City of Wixom – Local Roads	1.13140
Oakland County	4.64380
Oakland Community College	1.595200
Total	**13.7173**

The City and County will collect the tax increment revenues in accordance with their normal property tax collection processes and schedules, and in turn distribute the revenues to the DDA.

Estimated Captured Assessed Value

The first step in estimating captured assessed value is to determine the growth in property values in the district. Appendix C indicates the projected growth in State Equalized Value of properties within the Development Area. The estimates in Appendix C are based on consideration of the following:

1. Increases in assessed value of property in the Development Area due to factors not directly related to new construction, such as inflationary increases, various market factors, changes in the use of property resulting in reassessment, or other factors. In preparing this plan, it was conservatively estimated that the annual growth in State Equalized Value due to these factors would be 3.0 percent annually.

2. Estimated value of new construction and the improvement of existing properties.

As explained earlier, the captured assessed value is the amount by which the current assessed value exceeds the initial assessed value. Appendix C indicates the estimated captured assessed value over the next twenty-five year period, ending in 2028. The captured assessed value is estimated at $21,961,111 in the first year of this Plan. The total estimated captured assessed value over the twenty-five year period is $330,940,173. Possible increases in the value of taxable personal property resulting from new construction in the development area have not been included in the estimates in Appendix C.

Tax Increment Revenue

After determining captured assessed value, the tax increment is determined for each year by applying the total current millage rate for all taxing jurisdictions in the Development Area against the captured assessed value. As noted previously, the tax increment to be collected by the DDA will be based on the *operating millage* of the taxing jurisdictions. Accordingly, the computation of tax increment revenues in Table has been derived by applying the total current operating millage for all applicable taxing jurisdictions (13,7173) against the captured assessed value.

Appendix C indicates that in the first year of this amended Plan, the DDA will capture an estimated $173,885. Should the DDA levy 2 additional millages, as provided by the Act, the first year capture would be $217,219.

Maximum Amount of Bonded Indebtedness

The DDA may issue tax increment bonds to finance proposed public improvements in the Development Area. As required by Section 16 of the Act, 'a municipality may not pledge for annual debt serve requirements in any one year in excess of 80 percent of the estimated tax increment revenue to be received from a development area for that year, and total aggregate amount of borrowing shall not exceed an amount which the 80 percent of the estimated tax increment will service as to annual principal and interest requirements.'

The maximum amount of bonded indebtedness to be incurred will be equal to:

- the total costs of the projects described in the Development Plan, as adjusted for inflation, and contingencies, plus

- expenses related to issuance of the bonds, including the fees of legal and financial counsel, bond printing, printing of the prospectus, notice of sale, and miscellaneous expenses.

The DDA will seek competent financial counsel to determine the most cost effective and efficient manner of securing the required financing.

Administrative, Operating, Maintenance, Planning, Legal, and Promotion Expenditures

A portion of the tax increment revenue available after payment of debt service requirements will be used to pay administrative, operating, maintenance, planning, legal, and promotion expenditures that have been or are expected to be incurred by the DDA and City for the purposes of preparation and implementation of the Development Plan and Tax Increment Financing Plan. These costs include advances extended by the City for payment of legal, municipal finance, and planning advisors and consultants, plus the past allocation of City staff on work related to the DDA. No other advances have been extended by others that will be repaid from tax increment revenues.

Duration of the Development Program

This plan shall commence upon its approval by the City Council for a term of 25 years, unless this plan is amended to extend or shorten its duration.

Impact on Taxing Jurisdictions

Current Revenues

Currently, the applicable taxing jurisdictions generate a small portion of their total revenue from property taxes generated within the Development Area. Appendix C reveals that the total captured tax revenue generated in the Development Area ranges from $16,153 per year for Oakland County Community College to $47,023 for Oakland County.

Property Tax Revenue History and Projections

Economic growth within the Development Area has been minimal. This is due to a variety of local, regional, and national market factors combined with a lack of infrastructure and other amenities necessary to encourage economic growth. Over the past three years, many parcels within the Development Area have experienced only modest or no growth in state equalized value. The marketing of properties for commercial purposes if often extended in duration as potential buyers weigh the current attributes of the Development Area against those of other communities.

Data examined by the City indicates that property values in the Development Area have generated extremely small increases in tax revenues for the applicable taxing jurisdictions. Since the Tax Increment Financing Plan affects only the *increase* in property values, it follows logically that the Tax Increment Financing Plan will have a small impact on any property tax revenues that would have been anticipated by and available to the taxing jurisdictions had a Tax Increment Financing Plan not been adopted.

The projected captured revenue from each taxing jurisdiction is set forth in Appendix C. As noted earlier, the projections in Appendix C are based on increase in SEV due to annual

increase in SEV of 3.0 percent and projected building activity. Upon eventual termination of the DDA, the taxing jurisdictions will reap the benefits of the anticipated development. In the interim, financial benefits will accrue to the other taxing jurisdictions as the result of new employment opportunities, housing construction and other ancillary development outside the limits of the Development Area, greater stability to the area's future, and related factors. Very importantly, the area's schools will experience an immediate gain as public school millage is not subject to capture by the DDA.

Pursuant to an agreement between the City of Wixom and Oakland County, the maximum amount of County tax capture is limited to $9,198,367. A 25 year capture period is shown but the County's participation may end sooner once the above figure is reached.

Impact on Debt Millage

As stated earlier, debt millage will be left totally unaffected by this Plan. Debt millage will continue to generate tax revenue for the taxing jurisdictions based on the full current SEV, rather than the initial assessed value.

Revenue Gains upon Completion of Plan

Completion of the Development Plan and Tax Increment Financing Plan will produce substantial increases in property tax revenues for all taxing jurisdictions in the Development Area. By the year 2028, it is estimated that the total SEV of the Development Area will be over $335,000,000.

As indicated, the growth of the downtown is expected to expand tax revenue for all taxing jurisdictions. Although the SEV for the downtown is expected to increase markedly due to new project activity attracted through completion of the projects proposed by this Plan, there are no firm commitments to date regarding new development projects. However, it should be noted that the City proposes to aggressively pursue new development opportunities coincident with the completion of the projects detailed in the Plan.

Plan for Expenditure of Tax Increment Funds

The tax increment funds received by the DDA will used to for the purposes outlined in this Plan and the Development Plan. Any additional tax increment revenues generated beyond those projected in this Plan will be used as follows:

1. To further the implementation of the public improvement program, or

2. Redistribution to the applicable taxing jurisdictions, in proportion to the amount of revenue generated within the district and the millage rate of each taxing jurisdiction in that year.

In the event that tax increment revenues generated are less than projected, the DDA may choose to:

1. Collect the captured tax increment revenues until sufficient funds are available to implement specific public improvements on a pay-as-you-go basis.

2. Seek supplemental funding sources to help finance the Development Plan.

3. Amend the Development Plan to match the available revenues.

APPENDIX A
DESCRIPTION OF THE DOWNTOWN DEVELOPMENT DISTRICT AND PARCEL IDENTIFICATION NUMBER AND VALUES

Parcel Identification Numbers and Values

The Sidwell numbers of all real property parcels and personal property tax items included in the DDA Development District are set forth on the following pages. These values were used to establish the Initial Assessed Value of the District. The values shown are for 2002 and 20011. The SEV for all properties in the original development area are captured based on 1983 SEV. The State Equalized Values are the finalized values

City of Wixom Downtown Development Authority Legal Description

May 28, 2003

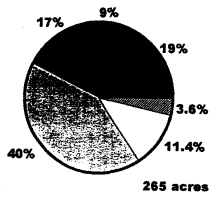
Part of Section 31 and 32, Commerce Township (now City of Wixom), T2N, R8E, Oakland County, Michigan, and part of Section 5 and 6, Novi Township (now City of Wixom), T1N, R8E, Oakland County, Michigan, all more particularly described as: Beginning at the intersection of the centerline Maple Road (variable right of way) with the East line of Section 32, T2N, R8E, City Wixom, Oakland County, Michigan, said line also being the centerline of Beck Road (variable right of way); thence Southerly along the East line of said Section 32 to its intersection with the Southerly right of way line of C.O.E. Rail Road; thence Southwesterly along the Southerly right of way of said Rail Road to the Northeast corner of Lot 5 of "Supervisor's Plat No. 5", being a subdivision of the East ½ of the Southwest ¼ of Section 32, T2N, R8E, Commerce Township (now City of Wixom), Oakland County, Michigan; thence Southerly along the East line of said Lot 5 to the Northeast corner of Parcel 17-32-376-012; thence Westerly along the North line of said parcel to the Northwest corner of said parcel; thence Southerly along the West line of said parcel extended to its intersection with the centerline of Pontiac Trail (variable right of way) and the South line of said Section 32; thence Westerly along said centerline and Section line to the Northeast corner of Parcel 22-05-126-007; thence Southerly along East line of said parcel and the East line of Parcel 22-05-126-011 extended to the Southerly right of way of C&O Rail Road; thence Northwesterly along the Southerly right of way of said Rail Road to the Southeast corner of Lot 28 of "Wixom", being a subdivision of the Northeast ¼ of Section 5, T1N, R8E, City of Wixom, Oakland County, Michigan, as recorded in Liber 3 of Plats, Page 46, Oakland County Records; thence the following three (3) courses – Westerly, Northwesterly, and Westerly along the Southerly line of said "Wixom" subdivision to the Northeast corner of Parcel 22-05-106-020; thence Southerly along the East line of said Parcel and Parcel 22-05-106-022 to the Southeast corner of said Parcel 22-05-106-022; thence Westerly along the South line of said Parcel 22-05-106-022 and the South line of 22-05-106-023; thence Southerly along said Parcel to the Southwest corner of Parcel 22-05-106-025; thence Westerly to the West line of said Section 5; thence Northerly along said Section line to its intersection with the extended South line of Parcel 22-06-200-035 and said Section line; thence Westerly along the South line of said Parcel 22-06-200-035 and the South line of Parcel 22-06-200-034 to the Southwest corner of said Parcel 22-06-200-034; thence Northerly along the West line extended of said Parcel to North line of Section 6, said line also being the centerline of Pontiac Trail (variable right of way); thence Easterly along said Section line to the East right of way line of Manistee Street (variable right of way); thence Northerly along said right of way line to the South line of Lot 7 of "Supervisor's Plat No. 10" being a replat of Block 4 of "Wixom" and part of Southeast ¼ of Section 31 and Southwest ¼ of Section 32, T2N, N, R8E, Commerce Township (now City of Wixom), Oakland County, Michigan, as recorded in Liber 28 of Plats, Page 35, Oakland County Records; thence the following three courses – Northwesterly, Northeasterly, and Southeasterly to a point on the Southerly right of way line of said C&O Rail Road, said point also being the Southeast corner of Lot 6 of said "Supervisor's Plat No. 10"; thence Northerly to a point on the Northerly line of said C&O Rail Road, said point also being the Northwest corner of Renton Street; thence the following three (3) courses –

Northwesterly, Northeasterly, and Northwesterly along said right of way to the most Westerly corner of Parcel 17-31-476-025; thence the following two (2) courses - Northeasterly and Easterly along the Westerly and Northerly line of said Parcel to the Southwest corner of Lot 1 of "Ted's Sunnyside Sub." a subdivision of Lot 1, "Yorks Subdivision" of part of the East ½ of the Southeast ¼ of Section 31, T2N, R8E, Commerce Township (now City of Wixom), Oakland County, Michigan, as recorded in Liber 57 of Plats, Page 25, Oakland County Records; thence continuing Northeasterly and Easterly along the said line to the Northeast corner of said Lot 1; thence Northerly along the West line of Lot 10 of said "Ted's Sunnyside Sub.", being a part of Parcel 17-31-476-030; thence Easterly along said Parcel extended to the East line of said Section 31, said line also being the centerline of Wixom Road (variable right of way); thence Northerly along the West line of said Section 32 to the Northwest corner of Parcel 17-32-301-034; thence the following five (5) courses – Easterly, Northerly, Easterly, Southerly, and Easterly along the North line of said parcel to Northeast corner of said parcel, said corner also being a point on the West line of said "Supervisor's Plat No. 5"; thence Northerly along the West line of said "Supervisor's Plat No. 5" to the Northwest corner of said "Supervisor's Plat No. 5"; thence Easterly along the North line of said "Supervisor's Plat No. 5" to the Southeast corner of Parcel 17-32-176-027; thence Northerly along the East line of said parcel to the Southeasterly corner of Parcel 17-32-176-023; thence the following two (2) courses Northerly and Northwesterly along the Easterly line of said parcel to the centerline of said Maple Road; thence Easterly along centerline of said Maple Road to the Northerly most corner of Parcel 17-32-176-017; thence the following three (3) courses – Southerly, Southeasterly, and Southerly along the Easterly line of said parcel to the North line of said "Supervisor's Plat No. 5"; thence Easterly along the North line of said "Supervisor's Plat No. 5" to the Northeast corner of said "Supervisor's Plat No. 5", said corner also being the Southwest corner of "Maple Forest Courtyards", Oakland County Condominium Plan No. 1078, City of Wixom, Oakland County, Michigan; thence Easterly along the South line of said "Maple Forest Courtyards" and the South line of Parcel 17-32-200-059 to the West line of Mettla Road (a private drive); thence the following three (3) courses – Northerly, Easterly, and Northerly along the West line of said Mettla Road (a private drive) to its intersection with the centerline of said Maple Road; thence Easterly along the centerline of said Maple Road to the Point Of Beginning.

APPENDIX B
VCA CONCEPT

City of Wixom Proposed DDA District and Conceptual Land Use

- Single Family 11.4% (*corrected for non-buildable areas)
- Multiple Family 9%
- Commercial/Office 19%
- Public/Institutional 17%
- Recreation & Conservation 40%
- Proposed DDA Boundary



265 acres

Draft 4/24/03

LSL Langworthy Strader LeBlanc & Associates, Inc.

500 0 500 Feet

Data Sources:
Oakland County, City of Wixom, and LSL Planning
**District is based upon comments received from the Oakland County Community & Economic Development Department on 4/11/03

APPENDIX C
DEVELOPMENT AREA VALUE
AND
DDA INCOME PROJECTIONS

City of Wixom

VCA - DDA Property Tax Estimates

FOR COMMENT

City of Wix
Estimated Property Tax Revenue for DDA
Estimated Value of all Properties
6/27/2003

Input Assumptions	Input Amt	Conversion	Conversion
Inflation Rate on Price	3.00%		
Tenant Imp	0.00%		
Date of Construction	3/17/04	38063	
Date of Orig. Est.	3/17/99	36236	
Number of Months	61		
Base Value	9,436,000		
Mills-General	6.84690	100%	6.84690
Mills-Local Roads	1.13140	100%	1.13140
County	4.64380	100%	4.6438
OCC	1.595200	100%	1.59520
Additional Levy-Spec	2.000000	100%	2.00000

Year	VCA Residential	VCA Commercial	VCA Tenant Imp	Base Val	Other Property	Total	Accumulated VCA only/Base
Year 2	17,585,000	1,786,050	2,306,981	**283,080**	2,500,000	24,461,111	21,961,111
Year 3	36,217,050	1,881,782	2,361,426	**291,572**	**75,000**	40,826,831	62,712,942
Year 4	40,167,168	2,011,085	2,455,523	**300,320**	**77,250**	45,011,345	107,647,037
Year 5	31,535,942	2,116,283	2,513,474	**309,329**	**79,568**	36,554,595	144,122,065
Year 6	**3,765,155**	2,225,695	2,572,792	**318,609**	**81,955**	8,964,204	153,004,315
Year 7	**3,878,109**	3,486,324	4,114,858	**328,167**	**84,413**	11,891,872	164,811,774
Year 8	**3,994,453**	3,666,096	4,211,969	**338,012**	**86,946**	12,297,476	177,022,304
Year 9	**4,114,286**	3,853,035	4,311,372	**348,153**	**89,554**	12,716,400	189,649,150
Year 10	**4,237,715**	2,851,586	2,868,528	**358,597**	**92,241**	10,408,667	199,965,576
Year 11	**4,364,846**	2,989,545	2,936,225	**369,355**	**95,008**	10,754,979	210,625,548
Year 12	**4,495,792**	3,132,879	3,005,520	**380,436**	**97,858**	11,112,484	221,640,174
Year 13	**4,630,665**	2,427,221	1,972,647	**391,849**	**100,794**	9,523,177	231,062,557
Year 14	**4,769,585**	2,536,080	2,019,202	**403,604**	**103,818**	9,832,289	240,791,029
Year 15	**4,912,673**	2,649,055	2,066,855	**415,713**	**106,932**	10,151,228	250,835,324
Year 16	**5,060,053**	2,766,290	2,115,632	**428,184**	**110,140**	10,480,300	261,205,484
Year 17	**5,211,855**	**1,211,370**		**441,029**	**113,444**	6,977,699	268,069,739
Year 18	**5,368,210**	**1,247,711**		**454,260**	**116,848**	7,187,030	275,139,921
Year 19	**5,529,257**	**1,285,143**		**467,888**	**120,353**	7,402,640	282,422,208
Year 20	**5,695,134**	**1,323,697**		**481,925**	**123,964**	7,624,720	289,922,964
Year 21	**5,865,988**	**1,363,408**		**496,382**	**127,682**	7,853,461	297,648,743
Year 22	**6,041,968**	**1,404,310**		**511,274**	**131,513**	8,089,065	305,606,295
Year 23	**6,223,227**	**1,446,439**		**526,612**	**135,458**	8,331,737	313,802,574
Year 24	**6,409,924**	**1,489,833**		**542,411**	**139,522**	8,581,689	322,244,741

Year 25	6,602,222	1,534,528		558,683	143,708	8,839,140	330,940,173
Total	226,676,279	52,685,446	41,833,004	9,745,445	4,933,966	335,874,140	5,322,853,748

	VCA	VCA	VCA			
Year	Residential	Commercial	Tenant Imp	Base Val	Other Property	Total
Year 2	17,585,000	1,786,050	2,306,981	283,080	2,500,000	24,461,111
Year 3	53,802,050	3,667,832	4,668,407	574,652	2,575,000	65,287,942
Year 4	93,969,218	5,678,917	7,123,930	874,972	2,652,250	110,299,287
Year 5	125,505,160	7,795,200	9,637,404	1,184,301	2,731,818	146,853,882
Year 6	129,270,314	10,020,895	12,210,196	1,502,910	2,813,772	155,818,087
Year 7	133,148,424	13,507,218	16,325,054	1,831,077	2,898,185	167,709,959
Year 8	137,142,877	17,173,314	20,537,023	2,169,090	2,985,131	180,007,434
Year 9	141,257,163	21,026,350	24,848,395	2,517,242	3,074,685	192,723,834
Year 10	145,494,878	23,877,936	27,716,923	2,875,840	3,166,925	203,132,501
Year 11	149,859,724	26,867,481	30,653,148	3,245,195	3,261,933	213,887,481
Year 12	154,355,516	30,000,359	33,658,668	3,625,631	3,359,791	224,999,965
Year 13	158,986,181	32,427,581	35,631,315	4,017,480	3,460,585	234,523,142
Year 14	163,755,767	34,963,661	37,650,517	4,421,084	3,564,402	244,355,431
Year 15	168,668,440	37,612,717	39,717,371	4,836,797	3,671,334	254,506,658
Year 16	173,728,493	40,379,007	41,833,004	5,264,981	3,781,474	264,986,959
Year 17	178,940,348	41,590,377	41,833,004	5,706,010	3,894,919	271,964,657
Year 18	184,308,558	42,838,089	41,833,004	6,160,270	4,011,766	279,151,687
Year 19	189,837,815	44,123,231	41,833,004	6,628,158	4,132,119	286,554,327
Year 20	195,532,949	45,446,928	41,833,004	7,110,083	4,256,083	294,179,047
Year 21	201,398,938	46,810,336	41,833,004	7,606,466	4,383,765	302,032,508
Year 22	207,440,906	48,214,646	41,833,004	8,117,740	4,515,278	310,121,573
Year 23	213,664,133	49,661,085	41,833,004	8,644,352	4,650,736	318,453,311
Year 24	220,074,057	51,150,918	41,833,004	9,186,762	4,790,259	327,035,000
Year 25	226,676,279	52,685,446	41,833,004	9,745,445	4,933,966	335,874,140

Mills	6.84690	1.13140	4.6438	1.59520	14.21730	2.00000	16.21730
Year	City Oper	Local Roads	County	OCC	Subtotal	2 Mill Levy	Total
Year 2	83,741	13,838	56,796	19,510	173,885	43,333	217,219
Year 3	223,510	36,933	151,592	52,074	464,109	84,160	548,269
Year 4	377,604	62,396	256,104	87,975	784,079	129,171	913,250
Year 5	502,747	83,075	340,980	117,131	1,043,933	165,726	1,209,659
Year 6	533,435	88,146	361,794	124,281	1,107,656	174,690	1,282,346
Year 7	574,147	94,874	389,406	133,765	1,192,191	186,582	1,378,773
Year 8	616,246	101,830	417,959	143,574	1,279,610	198,879	1,478,489
Year 9	659,780	-	447,485	153,717	1,260,982	211,596	1,472,578
Year 10	695,414	-	471,653	162,018	1,329,086	222,005	1,551,090
Year 11	732,233	-	496,625	170,597	1,399,455	232,759	1,632,215
Year 12	770,276	-	522,427	179,460	1,472,164	243,872	1,716,035

Year 13	802,878	-	544,539	187,056	1,534,473	253,395	1,787,868
Year 14	836,539	-	567,369	194,898	1,598,805	263,227	1,862,033
Year 15	871,291	-	590,939	202,995	1,665,224	273,379	1,938,603
Year 16	907,170	-	615,273	211,354	1,733,796	283,859	2,017,655
Year 17	931,057		631,475	216,919	1,779,451	290,837	2,070,288
Year 18	955,662		648,162	222,651	1,826,476	298,024	2,124,499
Year 19	981,004		665,350	228,556	1,874,911	305,426	2,180,337
Year 20	1,007,107		683,054	234,637	1,924,799	313,051	2,237,850
Year 21	1,033,993		339,382	240,901	1,614,277	320,905	1,935,181
Year 22	1,061,686			247,353	1,309,039	328,994	1,638,032
Year 23	1,090,209			253,998	1,344,207	337,325	1,681,533
Year 24	1,119,588			260,843	1,380,431	345,907	1,726,338
Year 25	1,149,848			267,893	1,417,742	354,746	1,772,488
Total	**18,517,167**	**481,093**	**9,198,367**	**4,314,155**	**32,510,781**	**5,861,848**	**38,372,629**

APPENDIX D
PLAN ADOPTION NOTICES

APPENDIX E
MASTER PLAN MAP

APPENDIX F
PUBLIC ACT 197 OF 1975

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.

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.

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(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:

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(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 13b 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,

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1998.

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

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1651a Legislative findings.

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

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

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

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

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

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

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

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

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

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

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

Popular name: Downtown Development Authority Act

Popular name: DDA

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

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

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

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

Popular name: Downtown Development Authority Act

Popular name: DDA

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

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

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

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

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

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1993, Act 323, Eff. Mar. 15, 1994.
Popular name: Downtown Development Authority Act
Popular name: DDA

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

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

History: Add. 1985, Act 159, Imd. Eff. Nov. 15, 1985.
Popular name: Downtown Development Authority Act
Popular name: DDA

125.1653b Ratification and validation of ordinance and actions; applicability of section.

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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.

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

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

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

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described in this section is conclusive with respect to the capture of tax increment revenues for a bond issued after June 1, 2002 and before June 1, 2006. As used in this section, "notice was either published or posted" means either publication or posting of the notice occurred at least once.

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

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

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

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

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

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

(6) In addition to the items and records prescribed in subsection (5), a writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

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

(8) By ordinance, the governing body of a municipality that has a population of less than 5,000 may have the municipality's planning commission created pursuant to Act No. 285 of the Public Acts of 1931, being sections 125.31 to 125.45 of the Michigan Compiled Laws, serve as the board provided for in subsection (1).

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1978, Act 521, Imd. Eff. Dec. 20, 1978;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;—Am. 1987, Act 66, Imd. Eff. June 25, 1987.

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Popular name: Downtown Development Authority Act
Popular name: DDA

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

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

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

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

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

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.
Popular name: Downtown Development Authority Act
Popular name: DDA

125.1656 Participation of employees in municipal retirement and insurance programs.

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.
Popular name: Downtown Development Authority Act
Popular name: DDA

125.1657 Powers of board.

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.

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(e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the 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.

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.

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.

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.

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

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(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.

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

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

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

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1663 Revenue bonds.

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

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

Popular name: Downtown Development Authority Act

Popular name: DDA

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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.

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

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

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

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

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

History: Add. 1981, Act 151, Imd. Eff. Nov. 19, 1981.
Popular name: Downtown Development Authority Act
Popular name: DDA

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

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

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of the authority for school operating purposes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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distributed pursuant to subsections (5) and (6) and this subsection.

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

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

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

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

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

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

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

Popular name: Downtown Development Authority Act

Popular name: DDA

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

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

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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.

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

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

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

(a) The amount and source of revenue in the account.

(b) The amount in any bond reserve account.

(c) The amount and purpose of expenditures from the account.

(d) The amount of principal and interest on any outstanding bonded indebtedness.

(e) The initial assessed value of the project area.

(f) The captured assessed value retained by the authority.

(g) The tax increment revenues received.

(h) The number of jobs created as a result of the implementation of the tax increment financing plan.

(i) Any additional information the governing body or the state tax commission considers necessary.

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

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

Popular name: Downtown Development Authority Act

Popular name: DDA

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

Sec. 16. (1) The municipality may by resolution of its governing body authorize, issue, and sell general obligation bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan and shall pledge its full faith and credit for the payment of the bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 11. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Before the municipality may authorize the

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borrowing, the authority shall submit an estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds, to the governing body of the municipality. This estimate shall be approved by the governing body of the municipality by resolution adopted by majority vote of the members of the governing body in the resolution authorizing the bonds. If the governing body of the municipality adopts the resolution authorizing the bonds, the estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds shall be conclusive for purposes of this section. The bonds issued under this subsection shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2801.

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

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1983, Act 34, Imd. Eff. May 10, 1983;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 2002, Act 234, Imd. Eff. Apr. 29, 2002.

Popular name: Downtown Development Authority Act

Popular name: DDA

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

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

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

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

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

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(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.

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

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by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the downtown district not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the downtown district not less than 20 days before the hearing.

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.
Popular name: Downtown Development Authority Act
Popular name: DDA

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

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.

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.

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

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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.

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.

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.

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.

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.

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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.

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

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

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

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

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.
Popular name: Downtown Development Authority Act
Popular name: DDA

125.1678 Budget; cost of handling and auditing funds.

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.

Sec. 29. (1) A public facility, building, or structure that is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites.

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

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

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

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that the necessary conditions existed for the reinstatement of an authority under the act if at the time the governing body established the authority the governing body determined or could have determined that the necessary conditions existed for the establishment of an authority under this act or could have determined that establishment of an authority under this act would serve to promote economic growth and notwithstanding that the boundaries of the downtown district are altered at the time of reinstatement of the authority.

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

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

(a) Publication of the ordinance reinstating the authority as adopted.

(b) Filing of the ordinance reinstating the authority with the secretary of state.

(c) May 27, 1993.

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

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1681 Proceedings to compel enforcement of act; rules.

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

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

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

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

Popular name: Downtown Development Authority Act

Popular name: DDA

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AGREEMENT
BETWEEN THE COUNTY OF OAKLAND
THE CITY OF WIXOM AND
THE CITY OF WIXOM DOWNTOWN DEVELOPMENT AUTHORITY

THIS AGREEMENT is entered into this 31 day of July, 2003 between the COUNTY OF OAKLAND ("County") 1200 N. Telegraph Road, Pontiac, Michigan 48341, the CITY OF WIXOM ("Wixom") 49045 Pontiac Trail, Wixom, Michigan 48393, and the CITY OF WIXOM DOWNTOWN DEVELOPMENT AUTHORITY ("DDA") 49045 Pontiac Trail, Wixom, Michigan 48393. In this Contract, the County, DDA and Wixom may also be referred to as "Parties."

INTRODUCTION

Public Act No. 197 of the Public Acts of 1975, a/k/a The Downtown Development Authority Act ("Act 197"), as amended, MCL 125.1651 et seq., authorizes municipalities to establish Downtown Development Authorities when it is necessary for the best interests of the public to halt property deterioration and increase property tax valuation where possible within defined business districts. One of the purposes for creating Downtown Development Authorities is to permit municipalities to finance public improvements in designated areas by capturing the property taxes levied on any increase in property values within the areas; this is commonly referred to as tax increment financing. Section 3(4) of Act 197 provides that a governing body of a taxing jurisdiction whose ad valorem taxes would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect. However, Section 14(4) of Act 197 provides that Downtown Development Authorities may enter into agreements with taxing jurisdictions and the municipality establishing the Downtown Development Authority to share a portion of the captured assessed value of the district.

On July 23, 2002, Wixom held a public hearing to consider the adoption of a proposed amendatory ordinance for the expansion of its Downtown Development Authority boundaries. In accordance with Section 3(4) of Act 197 in September, 2002, the County adopted Miscellaneous Resolution No. 02206 indicating that the County would exempt its ad valorem property taxes from capture pending resolution of certain issues. This resolution was then filed with the City Clerk.

Subsequent to the events of July and September, 2002, outlined above, Wixom amended its DDA proposal and held another public hearing on April 8, 2003 concerning this amendment. Pursuant to MR 03123, the County again determined to exempt its taxes from capture by the City of Wixom DDA.

Throughout the time frames detailed above, the DDA, Wixom and the County had numerous meetings and discussions concerning the County's participation in the DDA's Development Plan and Tax Increment Financing Plan. Representatives from the City had a

series of productive meetings with staff from the County's Department of Community and Economic Development. Wixom also met with the County's Ad Hoc DDA – TIFA/LDFA – TIFA Review Committee. Based upon these meetings and discussions, Wixom and the DDA eliminated certain lands from the original DDA proposal (i.e., the plan from July, 2002), and altered these plans in accordance with the County's recommendations. The revised boundaries and other amendments to the July, 2002, plan were presented to the County on May 6, 2003.

Although MR 03123 referenced the County's "opt out" of the April, 2003 plan, it also evidenced the County's willingness to negotiate a contract with Wixom and the DDA for the County's participation in the revised plan from July, 2002. Accordingly, what follows sets forth the Agreement between Wixom, the DDA and the County as to the revisions to the July, 2002, DDA proposal.

Throughout all of the discussions and meetings detailed in this document, the Parties agreed that this Agreement would include complete capture of County millage and that no County tax capture would be used for the infrastructure portions of the DDA projects, as detailed in Exhibit "C", Item 4.

NOW, THEREFORE in consideration of the mutual promises, representations, and agreements set forth in this Contract, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Unless otherwise agreed, the County agrees to allow the tax increment revenue generated by its millage rate to be captured and retained by the DDA from the properties listed in Exhibit "B" beginning with the tax year 2003 (i.e., County's portion of tax increment revenue). The amount captured shall not exceed nine million one hundred ninety-eight thousand three hundred sixty-seven ($9,198,367) dollars or be captured beyond twenty-five (25) years, whichever comes first. Thereafter, the County's participation in the DDA will cease and its portion of ad valorem property that would otherwise be subject to capture will be exempt from further capture by the DDA.

2. The County's portion of tax increment revenue shall be based upon the 2003 taxable value of the properties listed in Exhibit "B" and such revenue shall be limited and applied to the funding necessary for the DDA projects listed on Exhibit "C" and as set forth on the maps prepared by the County's Department of Planning and Economic Development, attached, and made part of this Agreement (Exhibit "D"). The DDA's capture of County

millage will be complete, including Parks and Recreation; however, no County tax capture shall be used for sewer infrastructure portions of the DDA projects.

3. The DDA agrees to file an annual report, which shall include the amount of the revenue captured, and the costs and other expenses relating to the Project, with the Oakland County Board of Commissioner's Finance Committee on an annual basis during the term of this Agreement. The DDA shall allow the auditing division of the County of Oakland to perform financial and compliance audits as appropriate and access to all records relating to the Project throughout the term of this Agreement and for a period of three (3) years thereafter. To facilitate this audit, the DDA shall have financial and compliance records available to the County within 120 days of the end of the DDA's fiscal year.

4. Wixom agrees to continue to capture its city tax rate plus the 2 mills designated on property within the DDA for the duration of this Agreement.

5. Wixom acknowledges that it is aware of the impact of any voted millages affecting this Agreement.

6. Wixom acknowledges that it is not currently party to, or proposing any agreements that would alter the amount of lawfully captured revenue from sources other than Oakland County; furthermore, Wixom agrees to disclose any such proposed agreements to the County's Ad Hoc Review Committee before entering into them. If such an arrangement is contemplated by Wixom, the County reserves the right to reconsider its participation in the tax capture set forth in this Agreement.

7. Any DDA project other than those specifically allowed for herein may be considered by the County upon proper application by the DDA at the appropriate time in the future. Any modification or amendments to the DDA's Development Plan and Tax Increment Financing Plan that affects the DDA Project List attached as Exhibit "C" shall be submitted to the County's Ad Hoc DDA-TIFA/LDFA-TIFA Review Committee for review. The County may "opt out" of any future modifications or amendments impacting tax capture as provided by law.

8. The County's participation in the DDA's Development Plan and Tax Increment Financing Plan will terminate in either 25 years or when the County tax capture amount of $9,198,367 is reached, whichever comes first; thereafter, the County's portion of ad valorum property that would otherwise be subject to capture will be exempt from further capture by the DDA.

9. The County, Wixom and the DDA warrant that they each have the appropriate authority to enter into this Agreement and that each of them are bound by the respective signatures below.

FOR AND IN CONSIDERATION of the mutual assurances, promises, acknowledgments, warrants, representations, and agreements set forth in this Contract, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the undersigned hereby execute this Contract on behalf of the Parties, and by doing so legally obligate and bind the Parties to the terms and conditions of this Contract.

City of Wixom Downtown Development Authority

By: _____
Eugene Boilore, Chairperson

_____
J. Michael Dornan, Executive Director

Date: 08-29, 2003.

City of Wixom, a Municipal Corporation

By: _____
Michael McDonald, Mayor

_____
Linda Kirby, Clerk

Date: 08-29, 2003.

County of Oakland, a Municipal Corporation

By: _____
Thomas A. Law, Chairperson

_____
G. William Caddell, County Clerk

Date: 09-03, 2003.

(2002-0605)

VILLAGE CENTER AREA
DDA PROJECTS LIST
(Revised 5/01/03)

1. Update VCA Master Plan and Prepare Promotional Materials*

It is the City/DDA's intent to develop a fully integrated mixed use, pedestrian-oriented new urbanism styled Village Center Area. To that end, the following planning and study projects are needed.

- *Retail Market Study.* A retail market study is needed to determine the extent of commercial space supportable within the DDA District. Study would entail performing a market analysis to determine the market size, providing additional detail regarding site information, identifying commercial and retail opportunities and the development of a marketing strategy and tenant mix.

- *Conceptual Design Guidelines.* Design guidelines are needed as a tool to encourage guided development and building patterns along each of the VCA Corridors and will enable the City to direct the design and appearance of new construction and renovation to take place in the future. Additionally, the Streetscape Design Standards will be reviewed, evaluated and changes recommended by both the City and developer as needed.

- *Village Center Area Concept Plan Updating.* The current concept plan is to be reviewed and revised to reflect the results of the marketing study, incorporation of existing and planned utility work, current physical and economic conditions and solicited input.

- *Promotipnal Materials.* The preparation of marketing materials that can be presented to developers, retailer and real estate firms promoting the Wixom downtown market is needed. This may include brochures, exhibits, trade area data and an animated, virtual Village Center Area tour.

2. VCA Property Acquisition *

Property acquisition will be a necessary part of the development projects contained herein including, but not limited to, road improvements, storm water facilities, parking development, locating the senior citizen housing, and future development opportunities. This item is not intended to subsidize private development property acquisition requirements.

3. VCA Road Improvements

The following road improvements are needed to ensure proper access into and around the Village Center Area:

- *Pontiac Trail Road Improvements (boulevard, entrance, and signalization for VCA).* Road and signalization improvements are needed along Pontiac Trail to accommodate the Village Center Area. Since this is the main entrance into the downtown, a formal and appealing entryway is needed.

- *Construct a Village Center Boulevard.* A north-south roadway will be constructed by private development from Pontiac Trail north to the proposed Gunnar Mettala Lane. This will be the main street through downtown and create the primary vehicular and pedestrian connection into and through the downtown area. Funds provided

for under this item will be used to expand and enhance the roadway such that a boulevard is created and community expectations are met.

5.

- *Wixom Road Improvements (boulevard & signalization).* Per the VCA concept plan, a boulevard and signal are proposed for Wixom Road, north of Pontiac Trail. These improvements will allow Wixom Road to accommodate additional traffic volumes to be created by the Village Center development as well as address the transportation concerns expressed through various regional traffic planning studies (i.e. West Oakland Corridor Study.

- *Construction of Gunnar Mettala Lane (boulevard & Streetscape improvements).* An east-west roadway will be constructed, in conjunction with private development, through the VCA, north of Coe Rail, from Wixom road to Gunnar Mettala Park. This road will be the primary east-west thoroughfare through the development and will provide access to the residential areas of the VCA. It is tentatively named Gunnar Mettala Lane since it will culminate at Gunnar Mettala Park. DDA funding will provide for expansion and construction of a boulevard roadway. Other anticipated improvements include streetscape amenities, such as brick pavers and decorative street lights.

4. **VCA Detention Facilities and Storm Drain Improvements**

The commercial business district will be supported by a series of storm water detention facilities at a single location within the development. Additionally, the areas surrounding the stormwater facilities will be improved with landscaping and other amenities to support the downtown activities and promotional events including outdoor concerts, festivals, fairs, etc. Funding for this program component will be derived from City tax capture as well as a 2 mill levy, and not funds generated from County tax capture.

5. Streetscape Improvements, Signalization and Signage.

Coordinated streetscape improvements will be needed throughout the VCA to achieve the desired traditional look for the project. This will include items such as brick pavers, street trees, lights, benches, waste receptacles, etc. To enhance the visual appearance of the VCA and help direct traffic flow, traffic signals and sign improvements are needed. Entryway signs will help draw people into the downtown while banners and location direction signs will create interest and help direct people to specific locations, including parking areas. Areas where streetscape improvements will be needed are as follows:

- *Johanna Ware Streetscape Improvements.* As the proposed Johanna Ware bypass enters the downtown, it will be necessary to provide added pedestrian lighting, landscaping and streetscape improvements along the downtown portion of the thoroughfare. Actual road construction would be paid for using other federal, state and local funding sources. DDA funds will supplement and pay for those items not covered by the road construction funds.

- *Wixom Road Streetscape*.* The Wixom Road Streetscape will continue the theme created by the Johanna Ware Streetscape Improvements.

- *Pontiac Trail Streetscape.* Similar to the proposed Johanna Ware and Wixom Road Streetscape Improvements, the Pontiac Trail Streetscape Improvements will continue the theme easterly past the

civic complex and the entry to the Village Center Area business district.

- *Village Center Boulevard Streetscape.* Similar to the above, this item will include limited streetscape improvements such as decorative pole lighting, benches, rubbish containers and landscaping.

6. **Parking Facilities**

To adequately accommodate parking that will be needed for the variety of residential, commercial and institutional uses, both surface and deck parking will be needed for the Village Center Area (VCA). Costs provided include the near-term construction of a parking lot and a future parking structure.

7. **Non-Motorized Paths***

The City is already in the process of designing and securing additional financing for a network of non-motorized paths throughout the City of Wixom, which would permit residents to walk or ride to downtown. This is a critical component in the viability of the business area. A key feature will be the incorporation, if feasible, of the Coe Railroad Corridor within these plans.

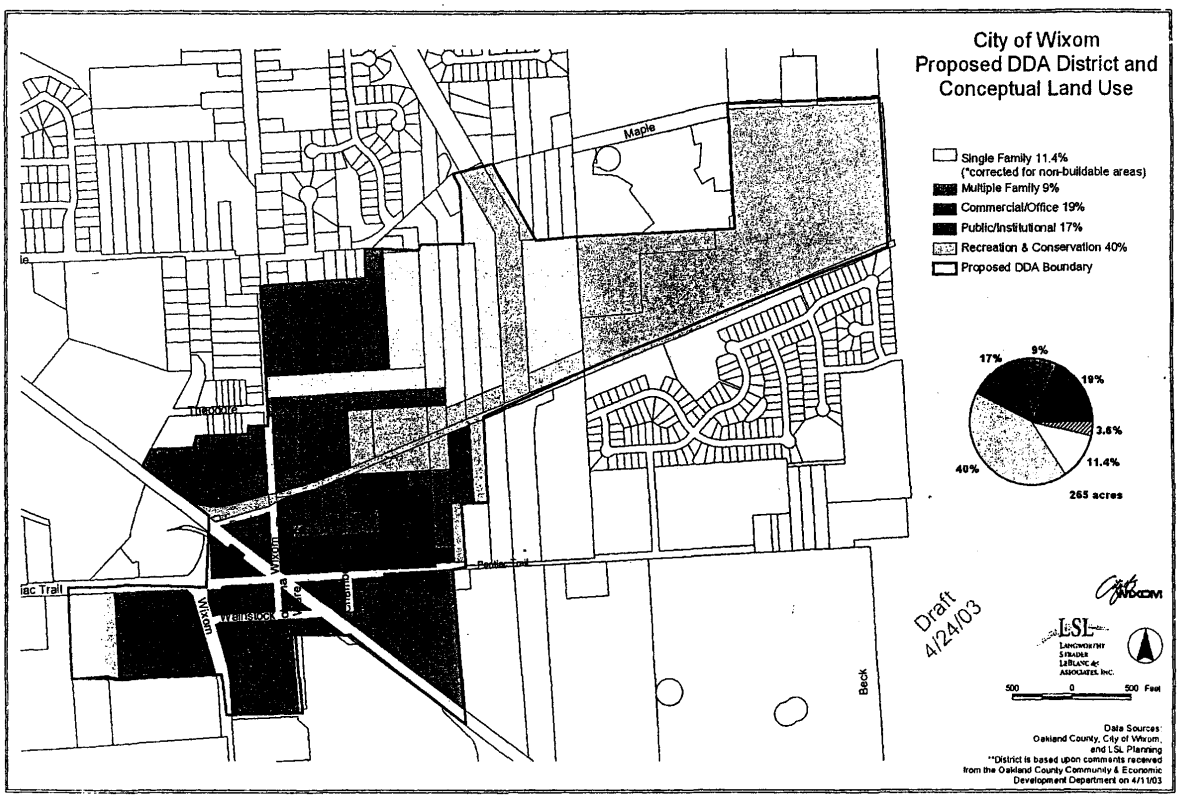
8. **VCA Park Improvements**

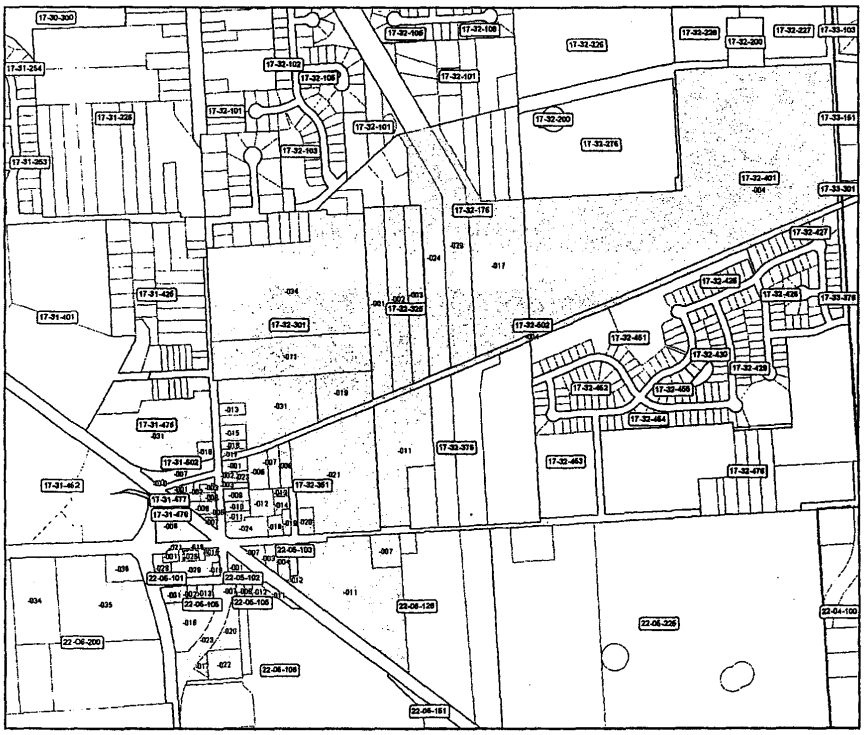
A series of pocket parks will be developed throughout the VCA, in keeping with the traditional character of the project. Improvements will be needed including items such as gazebos, benches, play equipment, paths, fountains, clocks, etc. It is also anticipated that Coe Rail will be used to encourage access to the Village Center since it dissects the project area.

9. **Buty Utility Lines on Primary Roads**

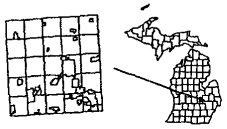
At present, above ground utility lines are found on major thoroughfares such as Wixom Road and Pontiac Trail. These lines will be buried underground to enhance the appearance of the VCA District area and to increase the reliability of the distribution systems and eliminate the potential conflicts associated with overhead distribution systems.

**Denotes prior inclusion or inclusion of portions thereof, in DDA Plan*


City of Wixom
Proposed DDA District and
Conceptual Land Use
Single Family 11.4%
(*corrected for non-buildable areas)
Multiple Family 9%
Commercial/Office 19%
Public/Institutional 17%
Recreation & Conservation 40%
Proposed DDA Boundary
17%
9%
19%
3.6%
11.4%
40%
265 acres
Maple
Pontiac Trail
Wixom
Beck
Draft
4/24/03
LSL
500 0 500 Feet
Data Sources:
Oakland County, City of Wixom,
and LSL Planning
**District is based upon comments received
from the Oakland County Community & Economic
Development Department on 4/11/03



Oakland County
Michigan
L. Brooks Patterson,
County Executive



City of Wixom

Proposed DDA District

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1732301016	1732351021	2205105008	
1732301017	1732351023	2205105011	

N

0 250 500 1,000 Feet

Date: June 20, 2003

Resolution #03181 July 31, 2003

Moved by Moffitt supported by Potter the resolution be adopted.

AYES: Crawford, Douglas, Gregory, Hatchett, Jamian, Knollenberg, Kowall, Law, Long, McMillin, Middleton, Moffitt, Palmer, Potter, Rogers, Scott, Webster, Wilson, Zack, Bullard, Coleman, Coulter. (22)
NAYS: None. (0)

A sufficient majority having voted therefore, the resolution was adopted.

I HEREBY APPROVE THE FOREGOING RESOLUTION

8/03/04

STATE OF MICHIGAN)
COUNTY OF OAKLAND)
I, G. William Caddell, Clerk of the County of Oakland, do hereby certify that the foregoing resolution is a true and accurate copy of a resolution adopted by the Oakland County Board of Commissioners on July 31, 2003, with the original record thereof now remaining in my office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the County of Oakland at Pontiac, Michigan this 31st day of July, 2003.

G. William Caddell, County Clerk

MISCELLANEOUS RESOLUTION #03181 July 31, 2003

BY: FINANCE COMMITTEE, CHUCK MOSS, CHAIRPERSON

IN RE: **BOARD OF COMMISSIONERS - PROPOSED CITY OF WIXOM DOWNTOWN DEVELOPMENT AUTHORITY - TAX CAPTURE**

TO THE OAKLAND COUNTY BOARD OF COMMISSIONERS

Chairperson, Ladies and Gentlemen:

WHEREAS the Oakland County Board of Commissioners strongly supports the economic growth of Oakland County; and

WHEREAS one of the tools used to promote this economic growth is tax increment financing in the form of Downtown Development Authorities (DDAs), Tax Increment Finance Authorities (TIFAs), and Local Development Finance Authorities (LDFAs); and

WHEREAS to review requests from the County's cities, villages, and townships to establish DDAs, TIFAs, and LDFAs, the Board of Commissioners, pursuant to Miscellaneous Resolution #99010, established the Tax Increment Financing District Review Policy Ad Hoc Committee (Ad Hoc Committee) to evaluate and recommend to the Finance Committee on the County's participation in these proposed authorities; and

WHEREAS on July 23, 2002, the City of Wixom held a public hearing to consider the adoption of a proposed amendatory ordinance for the expansion of its Downtown Development Authority boundaries. In accordance with Section 3(4) of Act 197 in September, 2002, the County adopted Miscellaneous Resolution #02206 indicating that the County would exempt its ad valorem property taxes from capture pending resolution of certain issues; and

WHEREAS subsequent to the events of July and September, 2002, outlined above, Wixom amended its DDA proposal and held another public hearing on April 8, 2003, concerning this amendment. Pursuant to Miscellaneous Resolution #03123, the County again determined to exempt its taxes from capture by the City of Wixom DDA; and

WHEREAS throughout the time frames detailed above, the DDA, Wixom, and the County had numerous meetings and discussions concerning the County's participation in the DDA's development plan and tax increment financing plan. Based upon these meetings and discussions, Wixom and the DDA eliminated certain lands from the original DDA proposal (i.e., the plan from July, 2002), and altered these plans in accordance with the County's recommendations. The revised boundaries and other amendments to the July, 2002 plan were presented to the County on May 6, 2003; and

WHEREAS although Miscellaneous Resolution #03123 referenced the County's decision to " opt out" of the April, 2003 plan, it also evidenced the County's willingness to negotiate a contract with Wixom and the DDA for the County's participation in the revised plan from July, 2002; and

WHEREAS upon further review and successful contract negotiations with Wixom and the DDA,the Ad Hoc Review Committee now recommends participation in the proposed amendatory DDA plan from July 2002, as set forth in the attached agreement.

NOW THEREFORE BE IT RESOLVED that the Oakland County Board of Commissioners hereby rescinds Miscellaneous Resolution #02206.

BE IT FURTHER RESOLVED that the Board of Commissioners authorizes the County's limited participation in the City of Wixom's amended July, 2002, DDA plan as set forth in the attached agreement and accompanying maps and exhibits.

Chairperson, on behalf of the Finance Committee, I move adoption of the foregoing resolution.

FINANCE COMMITTEE

DAVID L. MOFFITT, V.C.

FINANCE COMMITTEE

Motion carried unanimously on a roll call vote with Suarez absent.