

TIF Funding for DDA Ordinance

An ordinance to adopt a plan for tax increment financing in order to fund the Downtown Development Authority of the Charter Township of Madison.

Whereas, the Downtown Development Authority of the Charter Township of Madison (the "Authority") initially prepared and recommended for approval the Development and Tax Increment Finance Plan No. 1 on file with the Township Clerk (herein the "Plan") for the Downtown District within the Charter Township of Madison (the "Township"); and,

Whereas, on May 22, 1990, the Township Board held a public hearing on the Plan for the Authority's Downtown District pursuant to Act 197, Public Acts of Michigan, 1975, as amended (the "Act"); and,

Whereas, the Township Board has given the taxing jurisdictions in which the Downtown District is located an opportunity to meet with the Township Board and to express their views and recommendations regarding the Plan, as required by the Act.

THE CHARTER TOWNSHIP OF MADISON HEREBY ORDAINS:

Section 1. Findings

- a. The development plan included in the 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 section 14(2) of the Act.
- b. The proposed method of financing the development, is feasible and the Authority has the ability to arrange the financing.
- c. The development is reasonable and necessary to carry out the purposes of the Act.
- d. The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the Act.
- e. The development plan is in reasonable accord with the master plan of the Township.
- f. Public services, such as fire and police protection and utilities, are or will be adequate to service the development area.
- g. Changes in zoning, streets, street levels, intersections, and utilities, to the extent

required by the Plan are reasonably necessary for the Project and for the Township.

Section 2. Public Purpose

The Township Board hereby determines that the plan constitutes a public purpose.

Section 3. Best Interest of the Public

The Township Board hereby determines that it is in the best interest of the public to halt property value deterioration increase property tax valuation, to eliminate the causes of the deterioration in property values, and to promote growth in the Downtown District to proceed with the Plan.

Section 4. Approval and Adoption of Plan

The Plan is hereby approved and adopted. The duration of the Plan shall be 24 years from the date of this Ordinance or from the date of issuance of the last series of bonds pursuant to the Plan, whichever is later, except as it may be extended by subsequent amendment of the Plan pursuant to the Act. A copy of the plan and all amendments thereto shall be maintained on file in the Township Clerk's office.

Section 5. Preparation of Base Year Assessment Roll

- a. Within 60 days of the publication of this Ordinance, the Township Assessor shall prepare the initial base year assessment roll. The base year assessment roll shall list each taxing jurisdiction in the Downtown District on the effective date of this Ordinance, the initial assessed value of each parcel of property within the Downtown District, and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on the property in the Authority jurisdiction.
- b. The Township Assessor shall transmit copies of the base year assessment roll to the Township Treasurer, County Treasurer, the Authority and each taxing jurisdiction, together with a notice that the base year assessment roll has been prepared in accordance with this Ordinance and the tax increment financing plan contained in the Plan approved by this Ordinance.

Section 6. Preparation of Annual Tax Increment Roll

Each year within 15 days following the final equalization of property in the downtown District, the Township Assessor shall prepare the tax increment assessment roll. The tax increment assessment roll shall show the information required in the base year assessment roll and, in addition, the amount by which the current assessed value as finally equalized for all taxable property in the Downtown District exceeds the assessed value of property as shown on the base year assessment roll (the "captured assessed value"). Copies of the annual tax increment assessment roll shall be transmitted by the assessor to the same persons as the base year assessment roll,

together with a notice that it has been prepared in accordance with the Ordinance and the Plan.

Section 7. Establishment of Project Fund; Approval of Depository

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

Section 8. Payment of Tax Increments to Authority

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

Section 9. Use of Moneys in Project Fund

The moneys credited to the Project Fund and on hand therein from time to time shall be used annually in the following manner and following order of priority:

- a. First, to pay into debt retirement fund, or funds, for all outstanding series of bonds issued pursuant to the Plan, whether such bonds are issued by the Authority, the Township or other public body, and amount equal to the interest and principal coming due (in case of principal whether by maturity or mandatory redemption) prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.
- b. Second, to establish a reserve account for payment of principal of and interest on bonds issued pursuant to the Plan to the extent required by any resolution authorizing bonds.
- c. Third, to pay the administrative, auditing and operating costs of the Authority and the Township pertaining to the Downtown District, including planning and promotion, to the extent provided in the annual budget of the Authority.
- d. Fourth, to repay amounts advanced by the Township for project costs, including costs for preliminary plans, and fees for other professional services.
- e. Fifth, to pay the cost of completing the remaining public improvements as set forth in the Development Plan to the extent those costs are not financed from other

sources.

Section 10. Annual Report

Within 90 days after the end of each fiscal year, the Authority shall submit to the Township Board, with copies to each taxing jurisdiction a report on the status of the Project Fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the amount of principal and interest on any outstanding indebtedness, the amount in any bond reserved account, the initial assessed value of the downtown District, the captured assessed value of the downtown district and the amount of captured assessed value retained by the Authority, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the Township Board or deemed appropriate by the Authority. The secretary of the Authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the Township.

Section 11. Refund of Surplus Tax Increments

Any surplus money in the Project Fund at the end of a year, as shown by the Annual report of the Authority, that is not pledged or dedicated to, or required for, the purpose set forth in the Plan and in section 9 of this Ordinance, shall be deemed surplus tax increment revenues, and shall be paid by the authority to the Township Treasurer or the County Treasurer, as shown by the annual report of the Authority, as the case may be, and rebated by each to the appropriate taxing jurisdictions.

Section 12. Conflict and Severability

All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed, and each section of this Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of this Ordinance.

Section 13. Paragraph Headings

The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be part of this Ordinance.

Section 14. Publication and Recordation

This Ordinance shall be published in full promptly after its adoption in the Daily Telegram, a newspaper of general circulation in the Township, qualified under State law to publish legal notices, and shall be recorded in the Ordinance Book of the Township, which recording shall be authenticated by the signatures of the Supervisor and the Township Clerk.

Section 15. Effective Date

The Ordinance is hereby determined by the Township to be immediately necessary for the preservation of the peace, health and safety of the citizens of the township and shall be in full force and effect from and after its passage and publication as required by law.

Ayes:
Nays:
Absent:

Ordinance declared adopted on May 22, 1990.

Richard Williams
Township Supervisor

I hereby certify that the foregoing is a true and complete copy of Ordinance No. 19 adopted by the Township Board of the Charter Township of Madison, County of Lenawee, Michigan at a special meeting held on May 22, 1990, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act.

James O. Holtz
Township Clerk