

**CITY OF GRANT
ORDINANCE NO. 51**

DOWNTOWN DEVELOPMENT AUTHORITY

THE CITY OF GRANT ORDAINS:

Ordinance No: 51: “City of Grant Downtown Development Authority” is hereby established as follows:

An ordinance to prevent property value deterioration and increase the property tax valuation where possible in the business district of the city, to eliminate the causes of that deterioration and to promote economic growth by establishing a Downtown Development Authority.

Section 1: PURPOSE

1.0 Purpose.

- 1.1** Correct and prevent deterioration in business districts;
- 1.2** Encourage historic preservation;
- 1.3** Authorize the acquisition and disposal of interests in real and personal property;
- 1.4** Authorize the creation and implementation of development plans; and
- 1.5** Promote economic growth of the downtown district described in this article.

Section 2: DEFINITIONS

2.0 Definitions.

The terms used in this article shall have the meaning given to them in Act 197 or such words, terms and phrases, when used in this article, shall have the meaning ascribed to them in this section, except where the context clearly indicates a different meaning:

- 2.1** “*Act 197*” means Pubic Act No. 197 of 1975 (MCL 125.1651 et seq.)
- 2.2** “*Authority*” means the City Downtown Development Authority created in this article.
- 2.3** “*Board*” means the governing body of the authority.
- 2.4** “*Chief Executive Officer*” means the City Manager of the City of Grant.
- 2.5** “*Downtown Development Tax*” means the tax authorized by this article pursuant to Act 197 to be imposed by the authority in the downtown area.
- 2.6** “*Downtown District*” means the downtown district designated by this article or as hereafter amended.

Section 3: CREATION OF AUTHORITY

3.0 Creation of Authority.

3.1 There is hereby created, pursuant to Act 197, a Downtown Development Authority for the City of Grant. The authority shall be a public body and shall be known and exercise its powers under title of “City of Grant Downtown Development Authority.” The authority may adopt a seal, may sue and be sued in any court of the State of Michigan and shall possess all of the powers necessary to carry out the purpose of its incorporation as provided by this article and Act

197. The enumeration power in this article or in Act 197 shall not be constructed as a limitation upon the general powers of the authority. (MCL 125.1652)

3.2 The authority shall be deemed an instrumentality of the City. (MCL 125.1659)

Section 4: BOARD OF SUPERVISION AND CONTROL

4.0 Board of Supervision and Control.

4.1 The Downtown Development Authority shall be under the supervision and control of a Board consisting of the City Manager and eight members appointed by the City Manager, subject to approval of Council.

4.2 Not less than a majority of the members shall be persons having an interest in property located in the downtown district.

4.3 Not less than one of the members shall be a resident of the downtown district, if the downtown district has more than one-hundred or more persons residing within it.

4.4 Of the members first appointed, two shall be appointed for one year, two for two years, two for three years and two for four years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of four years. An appointment to fill a vacancy shall be made by the City Manager for the unexpired term only.

4.5 Members of the Board shall serve without compensation but shall be reimbursed for actual and necessary expenses.

4.6 The Chairperson of the Board shall be elected by the Board.

4.7 Pursuant to notice and after having been given an opportunity to be heard, a member of the Board may be removed for cause by Council. Removal of a member is subject to review by the Circuit Court.

4.8 All persons considered for appointment to the Board shall submit resume's/application and shall have been residents of the City or business owners in the City for at least a year.

Section 5: MEETINGS; RULES OF PROCEDURE; BUSINESS CONDUCTED; RECORDS AND REPORTS

5.0 Meetings; Rules of Procedure; Business Conducted; Records and Reports.

5.1 The Board shall adopt rules governing its procedure and holding of regular meetings, subject to the approval of Council.

5.2 Special meetings may be held when called in manner provided in the rules of the Board and in accordance with applicable State laws.

5.3 Meetings of the Board shall be open to the public.

5.4 All records are to be public. All expense items of the Authority shall be publicized monthly and the financial records shall always be available to the public.

Section 6: FISCAL YEAR; ADOPTION OF BUDGET; FINANCIAL REPORTS

6.0 Fiscal Year; Adoption of Budget; Financial Reports.

6.1 The Fiscal Year of the Authority shall begin on July 1st of each year and end on June 30th the following year, or such other Fiscal Year as may hereafter be adopted by the City.

6.2 The Board shall annually prepare a budget and shall submit it to the Council on the same date that the proposed budget for the City is required by the City Charter to be submitted to the Council.

6.3 The Authority shall be audited annually by the same independent auditors auditing the City, and copies of the audit report shall be filed with the Council.

Section 7: DOWNTOWN DEVELOPMENT TAX

7.0 Downtown Development Tax.

7.1 The Authority is hereby authorized by the City to impose an Ad Valorem Tax on all taxable property in the downtown district for the purposes provided by Act 197. The tax shall not exceed two mills on the value of taxable property in the downtown district as finally equalized.

7.2 In order to impose that tax, if desired, the Board shall include in its budget each year an estimate of the amount necessary to be raised from the Downtown Development Tax. The amount of tax imposed shall not exceed the amount necessary as estimated in the budget and approved by the Council.

7.3 The Board shall certify to the proper tax assessing official of the City the amount so determined in the same manner and at the same time as the general City taxes are certified for collection.

7.4 The City shall collect the Downtown Development tax at the same time and in the same manner as other City taxes are collected. The tax shall be paid to the Treasurer of the Authority and credited to the General Fund of the Authority for the purpose provided by Act 197. The Council may assess as reasonable pro rate 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.

Section 8: POWERS OF THE BOARD

8.0 Powers of the Board.

8.1 The Downtown Development Authority Board may, subject to the approval of Council:

8.1.1 Prepare an analysis of economic changes taking place in the downtown district;

8.1.2 Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of any public facility, an existing building.

8.1.3 Develop long-range plans, in cooperation with the City Planning Commission, 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.

8.1.4 Implement any plan of development in the downtown district necessary to achieve the purposes of this chapter, in accordance with the powers of the Authority granted by this chapter.

8.1.5 Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

8.1.6 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 are reasonably necessary to achieve the purposes of this chapter, and grant or acquire licenses, easements and options with respect thereto.

8.1.7 Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip,

improve, maintain, repair and operate any building, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or combination thereof.

- 8.1.8** 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.
- 8.1.9** Lease any property under its control, or any part thereof.
- 8.1.10** Accept grants and donations of property, labor or other things of value from a Public or private source.
- 8.1.11** Acquire and construct public facilities.

Section 9: **SOURCES OF REVENUE FOR AUTHORITY**

9.0 Sources of Revenue for Authority

9.1 The activities of the Downtown Development Authority shall be financed, subject to the approval of Council, from one or more of the following sources:

- 9.1.1** Donations to the Authority for the performance of its functions.
- 9.1.2** Proceeds of a tax imposed pursuant to Section 12 of Act 197 of Public Acts of 1975 as amended.
- 9.1.3** Money borrowed and to be repaid as authorized by Section 13(a) of Act 197 of 1975, as amended.
- 9.1.4** 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.
- 9.1.5** Proceeds from a special assessment district created as provided by law.
- 9.1.6** Proceeds of a tax increment financing plan, established under Sections 14-16 of Act 197 of Public Acts of 1975 as amended.
- 9.1.7** Money received by the Authority and not covered in subsections 9.1.1 through 9.1.6 hereof. Such money shall be immediately deposited to the credit of the Authority subject to disbursement pursuant to Act 197 of Public Acts of 1975, as amended. Except as provided in Act 197, the City shall not obligate itself, nor shall it ever be obligated to pay any sums from public money, other than money received by the City pursuant to this section, for or on account of the activities of the Authority.

Section 10: **DEVELOPMENT PLAN/ORDINANCE APPROVING DEVELOPMENT PLAN OR TAX INCREMENT FINANCING PLAN**

10.0 Development Plan/Ordinance approving Development Plan or Tax Increment Financing Plan

- 10.1** When/if the Board decides to finance a project in the downtown district by use of revenue bonds or tax increment financing it shall prepare a development plan.
- 10.2** The development plan shall contain all pertinent information from PA 197, Sec. 125.1667.
- 10.3** It is required that an ordinance be created approving a development plan or tax increment financing plan, to follow City Charter, including first reading, notice, public hearing, and Record.

Section 11: AREA OF JURISDICTION

11.0 Area of Jurisdiction

The downtown development authority shall exercise its powers within the following described area, to be known as the "downtown district," in the city:

Beginning at the southwestern corner of the City limits, then east to the southeastern corner of city limits, then north approx 220' to the southwestern corner of the property at 438 S Maple Street, then east 198', then north 440', then east 1,460', then north 980', then west 330', then south 320', then west to Lake Street, then north along Lake Street to northern City limits, then west to center of railroad tracks, then west 285', then south to along eastern line of Jones Street, then south 665' to City limits, then east 260', then south to point of beginning.

Noting that Resolutions/letters to opt out of improvements to the City of Grant through the DDA have been received by the Ashland/Grant Fire Board and the Grant Area District Library in regards to capture within the boundaries.

Section 12: EFFECTIVE DATE

12.0 Effective Date

This ordinance shall take effect upon publication as provided by the Grant City Charter.

Commissioner _____ moved the adoption of the foregoing ordinance, which was seconded by Commissioner _____, and thereupon adopted by the City of Grant at a regular meeting, held this _____ day of _____ 2007.

Terry A. Fett, Mayor

Sherry Powell, Clerk