

CITY OF LUNA PIER

ORDINANCE NO. 220

AN ORDINANCE TO APPROVE THE TAX INCREMENT FINANCING AND DEVELOPMENT PLAN FOR THE DOWNTOWN DEVELOPMENT AUTHORITY.

WHEREAS, the Downtown Development Authority of the City of Luna Pier (the "Authority") has prepared and recommended for approval the Development Plan Tax Increment Financing on file with the City Clerk (herein the "Plan") for the Development Area in the Downtown District within the City of Luna Pier (the "City"); and,

WHEREAS, on October 24, 2013, the Luna Pier City Council held a public hearing on the Plan pursuant to Act 197, Public Acts of Michigan, 1975, as amended (the "Act"); and,

WHEREAS, the Luna Pier City Council has given the taxing jurisdictions in which the Development Area is located an opportunity to meet with the City Council and to express their views and recommendations regarding the Plan, as required by the Act; and,

WHEREAS, after consideration of the Plan, the Luna Pier City Council has determined to approve the Plan.

THE CITY OF LUNA PIER 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. Any 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 City.
- 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 Development Plan and for the City.

Section 2: Public purpose

The Luna Pier City Council hereby determines that the Plan constitutes a public purpose.

Section 3: Best interest of the public

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

Section 4: Approval and adoption of plan

The Plan and the First Amendment of the Tax Increment Financing Plan are hereby approved and adopted. A copy of the Plan, the First Amendment of the Tax Increment Financing Plan, and all later amendments thereto shall be maintained on file in the City Clerk's Office.

Section 5: Preparation of base year assessment roll.

- A. Within 60 days of the publication of this ordinance, the City Assessor shall prepare the initial base year assessment roll. The base year assessment roll shall list each taxing jurisdiction in the Development Area on the effective date of this Ordinance, the initial assessed value of each parcel of property within the Development Area, and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on property in the Development Area.
- B. The City Assessor shall transmit copies of the base year assessment roll to the City 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 assessment roll

Each year within 15 days following the final equalization of property in the Development Area, the City Assessor shall prepare the tax increment assessment roll. The tax increment assessment roll shall show the initial assessed value of each parcel of property within the Development Area, the amount by which the current assessed value as final equalized for all taxable property in the Development Area exceeds the initial assessed value of the 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 City Treasurer, the County Treasurer, the Authority and the treasurer of each taxing jurisdiction within the Development Area, together with a notice that it has been prepared in accordance with this Ordinance and the Plan.

Section 7: Establishment of project fund; approval of depositary

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 City, to be designated Downtown Development Authority Project Fund. All moneys received by the Authority pursuant to the Plan as amended by the Plan Amendments 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 City Treasurer and the County Treasurer shall, as ad valorem and specific taxes are collected on the property in the Development Area, pay that proportion of the taxes, except for penalties and collection fees that the captured assessed value bears to the initial assessed value to the Treasurer of the Authority for deposit in the Project Fund. The payments shall be made on the date or dates on which the City Treasurer and the County Treasurer are required to remit taxes to each of the taxing jurisdictions.

Section 9: Use of moneys in the project fund

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

First, to pay into the debt retirement fund, or funds, for all outstanding series of bonds issued pursuant to the Plan an amount equal to the interest and principal coming due (in the 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.

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.

Third, to pay the administrative, auditing and operating costs of the Authority and the City pertaining to the Downtown District, including planning and promotion, to the extent provided in the annual budget of the Authority.

Fourth, to repay amounts advanced by the City for project costs, including costs of preliminary plans, and fees for other professional services.

Fifth, to pay the cost of completing the remaining public improvements, if any, as set forth in the Plan to the extent those costs are not financed from other sources.

Sixth, to pay the cost of any additional improvements to the Plan that are determined necessary by the Authority and approved by the City Council in accordance with the Act.

Section 10: Annual report

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

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, shall be paid by the Authority to the City 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 jurisdiction.

Section 12: Conflict and severability

All ordinances, resolutions and orders or parts thereof in conflict with the provisions of the ordinance are to the extent of such conflict hereby repealed, and each section of the 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 the 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 a part of the Ordinance.

Section 15: Effective date

The Ordinance is hereby determined by the City Council to be immediately necessary for the interests of the City and shall be in full force and effect from and after its passage and publication as required by law.

I hereby certify that this ordinance was passed at a regular meeting of the City Council of the City of Luna Pier, Luna Pier, Michigan held on the 24th day of October 2013.

Crystal Manley, Deputy Clerk

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Effective Date: November 19, 2013