

Act 57 of 2018 TIF and Development Plan Preparation and Contents



DDA Enabling Legislation

- ❑ **Act 57 of 2018** provided for the recodification and establishment of tax increment finance authorities, including DDA's. As of January 1, 2019 this Act will repeal and replace Act 197 of 1975.
 - ❑ The information pertinent to the preparation and contents of Tax Increment Financing and Development plans and approval or amending of said plans are found in 125.4214 Sec. 214 through 125.4219 Sec. 219

[http://www.legislature.mi.gov/\(S\(x5wygwukopzr5dd3ld0g22sj\)\)/mileg.aspx?page=getObject&objectName=mcl-Act-57-of-2018](http://www.legislature.mi.gov/(S(x5wygwukopzr5dd3ld0g22sj))/mileg.aspx?page=getObject&objectName=mcl-Act-57-of-2018)



Timeline for TIF & Development Plan Amendments/Extensions

- ❑ First Steps (recommendations):
 - ❑ The DDA Board **should** pass a resolution of intent to request the extension of the existing TIF/Development Plan
 - ❑ The organization **should** review the current TIF/Development Plan
 - ❑ What has been accomplished/completed?
 - ❑ What would they like to carry forward from the current plan?
 - ❑ Start adding new goals and/or projects as deemed appropriate and necessary
 - ❑ Compare the zoning map in the existing plan to current map, make changes if necessary
 - ❑ The organization **should** review the CVT's Master Plan and any other appropriate documents or plans to make sure the TIF/Development Plan is consistent with CVT goals
 - ❑ The organization **should** hold 1-2 public input sessions to get buy in and input on what the stakeholders have as priorities, this is in addition to the required hearing
 - ❑ The organization **should** create a draft TIF/Development Plan for circulation and review

Timeline for TIF & Development Plan Amendments/Extensions

- ❑ Draft TIF/Development Plan
 - ❑ Don't reinvent the wheel, there is already an existing TIF/Development Plan, use it as a template
 - ❑ Additional examples can be provided by MSOC

<http://www.downtownferndale.com/wp-content/uploads/2015/07/2012-DDA-TIF-Development-Plan.pdf>

<https://static1.squarespace.com/static/57cf237dd1758ef71ed68242/t/5c913f234e17b67bcd6df5d0/1553022759300/ROCHESTER+DDA+TAX+INCREMENT+FINANCING+PLAN.pdf>

<https://www.romi.gov/DocumentCenter/View/581/Downtown-Development-and-Tax-Increment-Finance-Plan-2-Of-2-04-15-04-PDF>



TIF/Development Plan Content Requirements

- ❑ TIF Plan **shall** include:
 - ❑ A Development Plan as provided in Section 217 of PA 57
 - ❑ A detailed explanation of the Tax Increment procedure
 - ❑ The maximum amount of bonded indebtedness to be incurred
 - ❑ The duration of the program
 - ❑ A statement of the estimated impact of TIF on the assessed values for all taxing jurisdictions that are subject to capture

- ❑ TIF 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 plan

TIF/Development Plan Content Requirements

- ❑ Development Plan **shall** include:
 - ❑ The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise
 - ❑ The location and extent of existing streets and other public facilities within the development area;
 - ❑ **Shall** designate the location, character, and extent of categories of public and private uses, existing and proposed, including residential, recreational, commercial, industrial, educational, and other
 - ❑ **Shall** include a legal description of the development area
 - ❑ A description of existing improvements in the development area to be demolished, repaired, or altered and a description of any repairs and alterations, and an estimate for time required to complete
 - ❑ The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area
 - ❑ A statement of the construction stages of construction planned



TIF/Development Plan Content Requirements

- ❑ Development Plan **shall** include:
 - ❑ A description of any parts of the development area to be left as open space
 - ❑ 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
 - ❑ A description of desired zoning changes and changes in streets, street levels, intersections or utilities
 - ❑ An estimate of the costs of the development, a statement of the proposed method of financing, and the ability of the authority to arrange financing
 - ❑ Designation of the person(s), 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
 - ❑ The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon completion, if there is no express or implied agreement between the authority and persons that all or a portion of the development will be leased, sold, or conveyed

TIF/Development Plan Content Requirements

- ❑ Development Plan **shall** include:
 - ❑ 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, a development plan shall include a survey of the families/individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, and estimated capacity of private/public housing available
 - ❑ A plan for establishing priority for the relocation of persons displaced by development in any new housing in the development area
 - ❑ Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement expenses in accordance with the federal uniform relocation assistance and real property acquisition policies act of 1970
 - ❑ A plan for compliance with the Relocation Assistance Act PA 227 of 1972
 - ❑ Other material that the authority, local public agency, or governing body considers pertinent

TIF/Development Plan Content Suggestions

- Some additional **suggested** items to include:
 - History of the local CVT Downtown Development Authority for context
 - An outline of how the proposed plan is consistent with the CVT's existing Master Plan (can cut and paste section for the Downtown)
 - An outline of Community Outreach conducted
 - A forecast of Taxable Valuation Growth Rate (not more than 2% is standard)
 - Try to build in some non-specific costs into the project list to give you flexibility as the plan matures
 - Include costs for general programming and staffing
 - Include everything in the proposed plan
 - You are not obligated to do everything in the plan, but including it will give you the legal authority to do so if you chose

Public Hearing, Notice, and Record Requirements

- ❑ The governing body, before adoption of an ordinance approving or amending a TIF/Development Plan, **shall** hold a public hearing on the plan:
 - ❑ Notice of the time and place of the hearing **shall** be given by publication twice in a newspaper of general circulation
 - ❑ The first of which **shall** not be 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
 - ❑ Notice of hearing within the same time frame described **shall** be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture, in addition a draft copy of the proposed plan **should** be included in this mailing to the governing bodies



Public Hearing, Notice, and Record Requirements

- ❑ Notice of the time and place of hearing on a TIF/Development Plan **shall** contain:
 - ❑ A description of the proposed development area
 - ❑ A statement that maps, plats, and a description of the development plan are available for public inspection at a place designated in the notice and that all aspects of the plan will be open for discussion at the public hearing
 - ❑ Other information the governing body considers appropriate

- ❑ The governing body of the CVT after a public hearing on the plan, with notice given in accordance with section 218, **shall** determine whether the plan constitutes a public purpose

- ❑ If it determines that the plan constitutes a public purpose, it **shall** then approve or reject the plan, or approve it with modification by ordinance



Timeline

- ❑ If you plan on requesting the governing body to extend the duration of the TIF/Development Plan or make any other changes to, start sooner rather than later (at least 1 year prior to the expiration date of the current plan)
- ❑ Build time into the process for the plan to be written and for community/stakeholder outreach and buy in
- ❑ Do not assume that the plan will be approved upon the first hearing, there may be review period extensions or amendments requested



THIS IS RON SWANSON

AND I APPROVE

quickmeme.com

