

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 972

A bill to amend 1975 PA 197, entitled

"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,"

by amending section 7 (MCL 125.1657), as amended by 2005 PA 115.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 7. (1) The board may:

2 (a) Prepare an analysis of economic changes taking place in
3 the downtown district.

4 (b) Study and analyze the impact of metropolitan growth upon
5 the downtown district.

1 (c) Plan and propose the construction, renovation, repair,
2 remodeling, rehabilitation, restoration, preservation, or
3 reconstruction of a public facility, an existing building, or a
4 multiple-family dwelling unit which may be necessary or appropriate
5 to the execution of a plan which, in the opinion of the board, aids
6 in the economic growth of the downtown district.

7 (d) Plan, propose, and implement an improvement to a public
8 facility within the development area to comply with the barrier
9 free design requirements of the state construction code promulgated
10 under the Stille-DeRossett-Hale single state construction code act,
11 1972 PA 230, MCL 125.1501 to 125.1531.

12 (e) Develop long-range plans, in cooperation with the agency
13 which is chiefly responsible for planning in the municipality,
14 designed to halt the deterioration of property values in the
15 downtown district and to promote the economic growth of the
16 downtown district, and take such steps as may be necessary to
17 persuade property owners to implement the plans to the fullest
18 extent possible.

19 (f) Implement any plan of development in the downtown district
20 necessary to achieve the purposes of this act, in accordance with
21 the powers of the authority as granted by this act.

22 (g) Make and enter into contracts necessary or incidental to
23 the exercise of its powers and the performance of its duties.

24 (h) Acquire by purchase or otherwise, on terms and conditions
25 and in a manner the authority considers proper or own, convey, or
26 otherwise dispose of, or lease as lessor or lessee, land and other
27 property, real or personal, or rights or interests in property,

1 which the authority determines is reasonably necessary to achieve
2 the purposes of this act, and to grant or acquire licenses,
3 easements, and options with respect to that property.

4 (i) Improve land and construct, reconstruct, rehabilitate,
5 restore and preserve, equip, improve, maintain, repair, and operate
6 any building, including multiple-family dwellings, and any
7 necessary or desirable appurtenances to that property, within the
8 downtown district for the use, in whole or in part, of any public
9 or private person or corporation, or a combination of them.

10 (j) Fix, charge, and collect fees, rents, and charges for the
11 use of any building or property under its control or any part
12 thereof, or facility therein, and pledge the fees, rents, and
13 charges for the payment of revenue bonds issued by the authority.

14 (k) Lease any building or property under its control, or any
15 part of a building or property.

16 (l) Accept grants and donations of property, labor, or other
17 things of value from a public or private source.

18 (m) Acquire and construct public facilities.

19 (n) Create, operate, and fund marketing initiatives that
20 benefit only retail and general marketing of the downtown district.

21 (o) Contract for broadband service and wireless technology
22 service in the downtown district.

23 (p) Operate and perform all duties and exercise all
24 responsibilities described in this section in a qualified township
25 if the qualified township has entered into an agreement with the
26 municipality under section 3(7).

27 **(Q) CREATE, OPERATE, AND FUND A LOAN PROGRAM TO FUND**

1 IMPROVEMENTS FOR EXISTING BUILDINGS LOCATED IN A DOWNTOWN DISTRICT
2 TO MAKE THEM MARKETABLE FOR SALE OR LEASE. THE BOARD MAY MAKE LOANS
3 WITH INTEREST AT A MARKET RATE OR MAY MAKE LOANS WITH INTEREST AT A
4 BELOW MARKET RATE, AS DETERMINED BY THE BOARD.

5 (R) CREATE, OPERATE, AND FUND RETAIL BUSINESS INCUBATORS IN
6 THE DOWNTOWN DISTRICT.

7 (2) IF IT IS THE EXPRESS DETERMINATION OF THE BOARD TO CREATE,
8 OPERATE, OR FUND A RETAIL BUSINESS INCUBATOR IN THE DOWNTOWN
9 DISTRICT, THE BOARD SHALL GIVE PREFERENCE TO TENANTS WHO WILL
10 PROVIDE GOODS OR SERVICES THAT ARE NOT AVAILABLE OR THAT ARE
11 UNDERSERVED IN THE DOWNTOWN AREA. IF THE BOARD CREATES, OPERATES,
12 OR FUNDS RETAIL BUSINESS INCUBATORS IN THE DOWNTOWN DISTRICT, THE
13 BOARD AND EACH TENANT WHO LEASES SPACE IN A RETAIL BUSINESS
14 INCUBATOR SHALL ENTER INTO A WRITTEN CONTRACT THAT INCLUDES, BUT IS
15 NOT LIMITED TO, ALL OF THE FOLLOWING:

16 (A) THE LEASE OR RENTAL RATE THAT MAY BE BELOW THE FAIR MARKET
17 RATE AS DETERMINED BY THE BOARD.

18 (B) THE REQUIREMENT THAT A TENANT MAY LEASE SPACE IN THE
19 RETAIL BUSINESS INCUBATOR FOR A PERIOD NOT TO EXCEED 18 MONTHS.

20 (C) THE TERMS OF A JOINT OPERATING PLAN WITH 1 OR MORE OTHER
21 BUSINESSES LOCATED IN THE DOWNTOWN DISTRICT.

22 (D) A COPY OF THE BUSINESS PLAN OF THE TENANT THAT CONTAINS
23 MEASURABLE GOALS AND OBJECTIVES.

24 (E) THE REQUIREMENT THAT THE TENANT PARTICIPATE IN BASIC
25 MANAGEMENT CLASSES, BUSINESS SEMINARS, OR OTHER BUSINESS EDUCATION
26 PROGRAMS OFFERED BY THE AUTHORITY, THE LOCAL CHAMBER OF COMMERCE,
27 LOCAL COMMUNITY COLLEGES, OR INSTITUTIONS OF HIGHER EDUCATION, AS

1 DETERMINED BY THE BOARD.