

SENATE BILL No. 567

July 13, 2011, Introduced by Senator KOWALL and referred to the Committee on Economic Development.

A bill to amend 1984 PA 270, entitled
"Michigan strategic fund act,"
(MCL 125.2001 to 125.2094) by adding chapter 8C.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 8C

1
2 SEC. 90. THE LEGISLATURE FINDS AND DECLARES THAT ANY ACTIVITY
3 UNDER THIS CHAPTER TO PROMOTE COMMUNITY REVITALIZATION WILL
4 ACCELERATE PRIVATE INVESTMENT IN AREAS OF HISTORICAL DISINVESTMENT,
5 CONTRIBUTE TO MICHIGAN'S REINVENTION AS A VITAL, JOB-GENERATING
6 STATE, FOSTER REDEVELOPMENT OF FUNCTIONALLY OBSOLETE PROPERTIES,
7 REDUCE BLIGHT, AND PROTECT THE NATURAL RESOURCES OF THIS STATE AND
8 IS A PUBLIC PURPOSE AND OF PARAMOUNT CONCERN IN THE INTEREST OF THE
9 HEALTH, SAFETY, AND GENERAL WELFARE OF THE CITIZENS OF THIS STATE.
10 IT IS THE INTENT OF THE LEGISLATURE THAT THE ECONOMIC BENEFITS

1 RESULTING FROM THIS CHAPTER OCCUR SUBSTANTIALLY WITHIN THIS STATE.

2 SEC. 90A. AS USED IN THIS CHAPTER:

3 (A) "ELIGIBLE INVESTMENT" MEANS 1 OR MORE OF THE FOLLOWING IF
4 INCURRED NO EARLIER THAN 90 DAYS BEFORE AN AGREEMENT IS ENTERED
5 INTO UNDER THIS CHAPTER TO THE EXTENT THAT IT HAS NOT BEEN
6 REIMBURSED TO OR BEEN PAID FOR ON BEHALF OF THE PERSON REQUESTING A
7 COMMUNITY REVITALIZATION INCENTIVE UNDER THIS CHAPTER:

8 (i) ANY DEMOLITION, CONSTRUCTION, RESTORATION, ALTERATION,
9 RENOVATION, OR IMPROVEMENT OF BUILDINGS.

10 (ii) SITE IMPROVEMENTS.

11 (iii) THE ADDITION OF MACHINERY, EQUIPMENT, OR FIXTURES TO
12 ELIGIBLE PROPERTY.

13 (iv) THE ADDITION OF LEASED MACHINERY, EQUIPMENT, OR FIXTURES
14 TO ELIGIBLE PROPERTY BY A LESSEE OF THE MACHINERY, EQUIPMENT, OR
15 FIXTURES IF THE LEASE OF THE MACHINERY, EQUIPMENT, OR FIXTURES HAS
16 A MINIMUM TERM OF 10 YEARS OR IS FOR THE EXPECTED USEFUL LIFE OF
17 THE MACHINERY, EQUIPMENT, OR FIXTURES, AND IF THE OWNER OF THE
18 MACHINERY, EQUIPMENT, OR FIXTURES IS NOT THE PERSON REQUESTING A
19 COMMUNITY REVITALIZATION INCENTIVE UNDER THIS CHAPTER WITH REGARD
20 TO THAT MACHINERY, EQUIPMENT, OR FIXTURES.

21 (v) ARCHITECTURAL, ENGINEERING, SURVEYING, AND SIMILAR
22 PROFESSIONAL FEES BUT NOT CERTAIN SOFT COSTS OF THE ELIGIBLE
23 INVESTMENT AS DETERMINED BY THE BOARD, INCLUDING, BUT NOT LIMITED
24 TO, DEVELOPER FEES, APPRAISALS, PERFORMANCE BONDS, CLOSING COSTS,
25 BANK FEES, LOAN FEES, RISK CONTINGENCIES, FINANCING COSTS,
26 PERMANENT OR CONSTRUCTION PERIOD INTEREST, LEGAL EXPENSES, LEASING
27 OR SALES COMMISSIONS, MARKETING COSTS, PROFESSIONAL FEES, SHARED

1 SAVINGS, TAXES, TITLE INSURANCE, BANK INSPECTION FEES, INSURANCE,
2 AND PROJECT MANAGEMENT FEES.

3 (B) "COMMUNITY REVITALIZATION INCENTIVE" MEANS A COMMUNITY
4 REVITALIZATION VOUCHER, A COMMUNITY REVITALIZATION LOAN, OR OTHER
5 ECONOMIC ASSISTANCE.

6 (C) "COMMUNITY REVITALIZATION LOAN" MEANS A LOAN THAT IS
7 APPROVED UNDER SECTION 90B AND THAT IS SUBJECT TO THE REQUIREMENTS
8 IN SECTION 90D.

9 (D) "COMMUNITY REVITALIZATION VOUCHER" MEANS A VOUCHER THAT IS
10 APPROVED UNDER SECTION 90B AND THAT IS SUBJECT TO REQUIREMENTS IN
11 SECTION 90C.

12 (E) "OTHER ECONOMIC ASSISTANCE" MEANS ANY OTHER FORM OF
13 ASSISTANCE ALLOWED UNDER THIS ACT THAT IS NOT A COMMUNITY
14 REVITALIZATION LOAN OR COMMUNITY REVITALIZATION VOUCHER.

15 SEC. 90B. (1) THE FUND SHALL CREATE AND OPERATE THE MICHIGAN
16 COMMUNITY REVITALIZATION PROGRAM TO PROVIDE COMMUNITY
17 REVITALIZATION INCENTIVES FOR ELIGIBLE INVESTMENTS IN THIS STATE.
18 THE FUND SHALL DEVELOP AND USE A DETAILED APPLICATION, APPROVAL,
19 AND COMPLIANCE PROCESS ADOPTED BY A RESOLUTION OF THE BOARD AND
20 PUBLISHED AND AVAILABLE ON THE FUND'S WEBSITE. PROGRAM STANDARDS,
21 GUIDELINES, OPERATIONAL MEMORANDUM, OR ANY OTHER MECHANISM USED BY
22 THE FUND TO IMPLEMENT THE MICHIGAN COMMUNITY REVITALIZATION PROGRAM
23 SHALL BE ADOPTED BY A RESOLUTION OF THE BOARD.

24 (2) A PERSON MAY APPLY TO THE FUND FOR APPROVAL OF COMMUNITY
25 REVITALIZATION INCENTIVES ASSOCIATED WITH A PROJECT UNDER THIS
26 SECTION.

27 (3) SUBJECT TO SECTION 88C, THE FUND SHALL REVIEW ALL

1 APPLICATIONS FOR COMMUNITY REVITALIZATION INCENTIVES. AS PART OF
2 THE APPLICATION, THE APPLICANT SHALL INCLUDE A PROJECT DESCRIPTION
3 THAT INCLUDES A PROJECT PRO-FORMA. THE FUND SHALL CONSIDER THE
4 FOLLOWING CRITERIA TO THE EXTENT REASONABLY APPLICABLE TO THE TYPE
5 OF PROJECT PROPOSED WHEN APPROVING A COMMUNITY REVITALIZATION
6 INVENTIVE:

7 (A) THE IMPORTANCE OF THE PROJECT TO THE COMMUNITY IN WHICH IT
8 IS LOCATED.

9 (B) IF THE PROJECT WILL ACT AS A CATALYST FOR ADDITIONAL
10 REVITALIZATION OF THE COMMUNITY IN WHICH IT IS LOCATED.

11 (C) THE AMOUNT OF LOCAL COMMUNITY AND FINANCIAL SUPPORT FOR
12 THE PROJECT.

13 (D) THE TAXPAYER'S FINANCIAL NEED FOR A COMMUNITY
14 REVITALIZATION INCENTIVE.

15 (E) THE EXTENT OF REUSE OF VACANT BUILDINGS AND REDEVELOPMENT
16 OF BLIGHTED PROPERTY.

17 (F) CREATION OF JOBS.

18 (G) THE LEVEL OF PRIVATE SECTOR AND OTHER CONTRIBUTIONS,
19 INCLUDING, BUT NOT LIMITED TO, FEDERAL FUNDS AND FEDERAL TAX
20 CREDITS.

21 (H) WHETHER THE PROJECT IS FINANCIALLY AND ECONOMICALLY SOUND.

22 (I) WHETHER THE PROJECT INCREASES THE DENSITY OF THE AREA.

23 (J) WHETHER THE PROJECT PROMOTES MIXED-USE DEVELOPMENT AND
24 WALKABLE COMMUNITIES.

25 (K) WHETHER THE PROJECT PROMOTES SUSTAINABLE DEVELOPMENT.

26 (L) WHETHER THE PROJECT INVOLVES THE REHABILITATION OF A
27 HISTORIC AREA.

1 (M) WHETHER THE PROJECT ADDRESSES AREAWIDE REDEVELOPMENT.

2 (N) WHETHER THE PROJECT ADDRESSES UNDERSERVED MARKETS OF
3 COMMERCE.

4 (O) ANY OTHER CRITERIA THAT THE BOARD CONSIDERS APPROPRIATE
5 CONSISTENT WITH THE FINDINGS AND INTENT OF THIS CHAPTER.

6 (4) AN APPLICATION SHALL BE APPROVED OR DENIED NOT MORE THAN
7 65 DAYS AFTER RECEIPT OF THE APPLICATION. IF THE APPLICATION IS
8 NEITHER APPROVED NOR DENIED WITHIN 65 DAYS, IT SHALL BE CONSIDERED
9 APPROVED AS WRITTEN. IF AN APPLICATION IS APPROVED, THE FUND SHALL
10 DETERMINE THE AMOUNT OF COMMUNITY REVITALIZATION INCENTIVES FOR THE
11 PROJECT BASED ON THE FUND'S REVIEW OF THE APPLICATION. THE AMOUNT
12 OF COMMUNITY REVITALIZATION INCENTIVES THAT THE BOARD MAY APPROVE
13 FOR A PROJECT SHALL NOT EXCEED THE LESSER OF \$10,000,000.00 OR 25%
14 OF A PROJECT'S ELIGIBLE INVESTMENT. A COMMUNITY REVITALIZATION
15 VOUCHER MAY ACCOUNT FOR UP TO \$1,000,000.00 OF THIS AMOUNT.

16 (5) WHEN THE BOARD APPROVES AN APPLICATION AND DETERMINES THE
17 AMOUNT OF COMMUNITY REVITALIZATION INCENTIVES, THE BOARD SHALL
18 ENTER INTO A WRITTEN AGREEMENT WITH THE APPLICANT. THE WRITTEN
19 AGREEMENT SHALL PROVIDE IN A CLEAR AND CONCISE MANNER ALL OF THE
20 CONDITIONS IMPOSED, INCLUDING SPECIFIC TIME FRAMES, ON THE
21 APPLICANT TO RECEIVE THE COMMUNITY REVITALIZATION INCENTIVE UNDER
22 THIS CHAPTER. THE WRITTEN AGREEMENT MAY PROVIDE FOR REPAYMENT AND
23 PENALTIES IF THE APPLICANT FAILS TO COMPLY WITH THE PROVISIONS OF
24 THE WRITTEN AGREEMENT. THE APPLICANT SHALL AGREE TO PROVIDE THE
25 DATA DESCRIBED IN THE WRITTEN AGREEMENT THAT IS NECESSARY FOR THE
26 FUND TO REPORT TO THE LEGISLATURE UNDER THIS CHAPTER.

27 Enacting section 1. This amendatory act does not take effect

1 unless all of the following bills of the 96th Legislature are
2 enacted into law:

3 (a) Senate Bill No. 566.

4

5 (b) Senate Bill No. 568.

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