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AN ORDINANCE TO ADOPT AND APPROVE  
A DEVELOPMENT PLAN  
AND A TAX INCREMENT FINANCING PLAN  
FOR HART TAX INCREMENT FINANCE AUTHORITY DEVELOPMENT AREA NO. 1  
PURSUANT TO THE PROVISIONS OF ACT 450,  
PUBLIC ACTS OF MICHIGAN OF 1981, AS AMENDED  
AND TO PROVIDE FOR ALL MATTERS RELATED THERETO

THE CITY OF HART ORDAINS:

Section 1. Definitions. The terms used in this ordinance shall have the following meaning unless the context clearly requires otherwise:

"Base Year Assessment Roll" means that the base year assessment roll prepared by the City assessor in accordance with Section 4 of this ordinance.

"Captured Assessed Value" means the amount in any one year by which the current assessed value as finally equalized of all taxable property in the Development Area exceeds the Initial Assessed Value.

"Development Area" shall mean the area including the boundaries of the proposed Authority district to be considered shall include the area beginning at the intersection of West Main and Water Street, south on Water Street to Church Street, east on Church Street to Courtland Street, south on Courtland to Chatauqua Street, west to the C & O Right-of-Way, southwesterly along the C & O Right-of-Way to the extreme southwest corporate limits of the City, east on Russell (Polk) Road to Griswold Street, north on Griswold approximately 1,400 feet, west from that point to Dryden Street, north on Dryden to Washington Street, east on Washington to Hart Street, north on Hart to East Main Street, easterly on East Main to Hart Lake, generally northwesterly along the south shore of Hart Lake to its closest point to West Main Street, and then east on Mechanic to Water Street and south on Water Street to the point of beginning.

"Development Plan" means the "Tax Increment and Development Plan - Hart Tax Increment Finance Authority Development Area Number 1" dated March, 1983 as amended and transmitted to the City Council by the Tax Increment Finance Authority for public hearing, as modified by action of the City Council and confirmed by this ordinance, copies of which are on file in the office of the City Clerk.

"Finance Authority" means the City of Hart Tax Increment Finance Authority.

"Initial Assessed Value" means the most recently assessed value as fin-

ally equalized of all the taxable property within the boundaries of the Development Area at the time of adoption of this ordinance.

"Project Fund" means the Tax Increment Finance Authority Project No. 1 Fund established pursuant to Section 6 of this ordinance.

"Taxing Jurisdiction" shall mean each unit of government levying an ad valorem property tax on property in the Development Area.

Section 2. Approval and Adoption of Development Plan. The Development Plan as amended by the City Council is hereby approved and adopted. The duration of the plan shall be 15 years from the date of adoption. A copy of the plan and all amendments thereto shall be maintained on file in the City Clerk's office and cross-indexed to this ordinance.

Section 3. Boundaries of Development Area. The boundaries of Development Area No. 1 as set forth in the Development Plan are hereby adopted and confirmed.

Section 4. Preparation of Base Year Assessment Roll.

(a) Within 60 days of the effective date of this ordinance, the City assessor shall prepare the initial Base Year Assessment Roll. The initial Base Year Assessment Roll shall list each Taxing Jurisdiction in which the Development Area is located, the Initial Assessed Value of the Development Area on the effective date of this ordinance and the amount of tax revenue derived by each Taxing Jurisdiction from ad valorem taxes on the property in the Development Area.

(b) The assessor shall transmit copies of the Initial Base Year Assessment Roll to the City treasurer, County treasurer, the Tax Increment Finance Authority and each Taxing Jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this ordinance and the tax increment financing plan contained in the Development Plan approved by this ordinance.

Section 5. Preparation of Annual Base Year Assessment Roll. Each year within 15 days following the final equalization of property in the Development Area, the assessor shall prepare an updated Base Year Assessment Roll. The updated Base Year Assessment Roll shall show the information required in the initial Base Year Assessment Roll and, in addition, the Captured Assessed Value for that year. Copies of the annual Base Year Assessment Roll shall be transmitted by the assessor to the same persons as the initial Base Year Assessment Roll, together with a notice that

it has been prepared in accordance with this ordinance and the Development Plan.

Section 6. Establishment of Project Fund; Approval of Depository.

The treasurer of the Tax Increment Finance 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 director of finance of the City, to be designated Tax Increment Finance Authority Project No. 1 Fund. All moneys received by the Tax Increment Finance Authority pursuant to the Development Plan shall be deposited in the Project Funds. All moneys in that fund and earnings thereon shall be used only in accordance with the Development Plan and this ordinance.

Section 7. Payment of Tax Increments to Tax Increment Finance Authority. The City and County treasurer shall, as ad valorem taxes are collected on the real and personal 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 Tax Increment Finance Authority for deposit in the Project Fund. The payments shall be made on the date or dates on which the City and County treasurers are required to remit taxes to each of the taxing jurisdictions.

Section 8. Use of Moneys in the Project Fund. The money credited to the Project Fund and on hand therein from time to time shall annually be used in the following manner and following order of priority:


- (a) to pay, to the extent determined desirable by the Tax Increment Finance Authority and approved by the City, the cost of completing public improvements as set forth in the development plan to the extent those costs are not financed from the proceeds of bonds.
- (b) to pay into the debt retirement fund, or funds, for all outstanding series of bonds issued pursuant to this 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.

- (c) to establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan, an amount required by the resolution authorizing any series of bonds. Any amounts to the credit of the reserve account at the beginning of a fiscal year in excess of the requirement of the preceding sentence shall be considered tax increment revenue for that year.
- (d) to pay the administrative and operating costs of the Authority and City for the development area, including planning and promotion, to the extent provided in the annual budget of the Tax Increment Finance Authority.
- (e) to pay the cost of any additional improvements to the development are determined necessary by the Authority and approved by the City Council.
- (f) to reimburse the City for funds advanced to acquire property, clear land, make preliminary plans, and improvements necessary for the development of the development area in accordance with the plan.
- (g) any tax increment receipts in excess of those needed under the preceding paragraphs shall revert to the Taxing Jurisdictions or used for future development activities within the Development Area, as defined in the Development Plan or as expanded to include all or parts of the development district pursuant to amendment or modification of the Development Plan pursuant to applicable provisions of Act No. 450 and other laws.

Section 9. Annual Report. Within 90 days after the end of each fiscal year, the Tax Increment Finance Authority shall submit to the City Council with copies of 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 Initial Assessed Value of the Development Area, the Captured Assessed Value of the Development Area, 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 Tax Increment Finance Authority. The secretary of the Tax Increment Finance Authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the City.

Section 10. 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 Tax Increment Finance Authority, shall be paid by the Authority to the City or County Treasurer, as the case may be, and rebated by them to the appropriate Taxing Jurisdiction.

MOTION: Hannigan  
SUPPORTED: Powers  
ABSENT: Essenberg  
AYES: Dayharsh, Rinaldi, Wells, Hannigan, Herrygers, Powers  
NAYS: None

  
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Laverne A. Serne, City Manager

The foregoing Ordinance was adopted by the City Council, City of Hart, County of Oceana, State of Michigan, this 25th day of October, 1983. This Ordinance to take immediate effect upon publication.