

## Chapter 58 – Downtown Development Authority

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This Ordinance shall be known and may be cited as a consolidation, amendment and codification of Special Ordinance 78 and 80, initially approved on December 13, 1993, into a new Ordinance Chapter 58- City of Troy Downtown Development Authority Ordinance.

### 58.01. Title.

This Ordinance shall be known as the “Downtown Development Authority Ordinance” of the City of Troy.

### 58.02. Determination of Necessity; Purpose.

As of December 13, 1993, the Troy City Council determined that it was necessary for the best interests of the public to create a public body corporate which shall operate to halt property value deterioration, eliminate the causes of that deterioration, increase property tax valuation where possible in the business district of the City, and promote economic growth, pursuant to Act 197 of the Public Acts of Michigan, 1975, as amended, which was subsequently codified in Act 57 of the Public Acts of Michigan 2018, as amended. .

### 58.03. Definitions.

The terms used in this ordinance shall have the same meaning as given to them in Act 57 (MCL 125.4201 et. seq.) or as hereinafter in this section provided unless the context clearly indicates to the contrary.

As used in this ordinance:

“Authority” means the Downtown Development Authority of the City of Troy.

“Act 57” means Act 57 of the Public Acts of Michigan, 2018 (MCL 125.4201 et. seq.) as amended, which was part of the Re-codified Tax Increment Financing Act (part 2), and was previously Act 197 of the Public Acts of Michigan, 1975, as amended.

“Board” or “Board of Directors” means the Board of Directors of the Authority, the governing body of the Authority.

“Chief Executive Officer” means the Mayor of the City.

“City” means the City of Troy, Michigan.

“Council” or “City Council” means the City Council of the City.

“Downtown District” means the downtown district designated by this ordinance, as now existing or hereafter amended, and within which the Authority shall exercise its powers.

### 58.04. Creation of Authority.

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On December 13, 1993, a Downtown Development Authority for the City was created by ordinance, in conformance with the governing state statute. The Authority is a public body corporate and shall be known and exercise its powers under title of the “Downtown Development Authority of the City of Troy.” The Authority may adopt a seal, may sue and be sued in any court of this State and shall possess all of the powers necessary to carry out the purposes of its incorporation as provided by this ordinance or in Act 57. The enumeration of a power in this ordinance or in Act 57 shall not be construed as a limitation upon the general powers of the Authority.

### 58.05. Termination.

On December 31, 2033, or upon the retirement of all bonded indebtedness issued either by the City or the Authority pursuant to Act 57, whichever shall later occur, the Authority shall be dissolved by the Council. The property and assets of the Authority, after dissolution and satisfaction of its obligations pursuant to Act 57, shall revert to the City.

### 58.06. Description of Downtown District.

The Downtown District shall consist of the territory in the City described in Exhibit A, attached hereto and made a part hereof, subject to such changes as may hereinafter be made pursuant to this ordinance and Act 57.

### 58.07. Board of Directors.

The Authority shall be under the supervision and control of the Board. The Board shall consist of the Mayor and twelve (12) members. Members shall be appointed by the Chief Executive Officer, subject to approval by the Council. Not less than a majority of its members shall be persons having an interest in property located in the Downtown District or an officer, member or principal of a legal entity with an interest in property in the Downtown District. At least one member shall be a resident of the Downtown District once there are at least 100 persons residing in the Downtown District. Terms of office shall be four years. A member shall hold office until the member’s successor is appointed and qualified. Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office. An appointment to fill a vacancy shall be made by the Chief Executive Officer for the unexpired term subject to approval by the Council. Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the Board shall be elected by the Board. The Boards shall adopt Bylaws governing its procedures subject to the approval of the Council. In the event that the Board determines to employ a Director of the Authority, such Director shall furnish a bond in a penal sum as determined by the Authority payable to the Authority for use and benefit of the Authority and shall file the same with the City Clerk of the City.

### 58.08. Powers of Authority.

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Except as specifically otherwise provided in this ordinance, the Authority shall have all powers provided by law subject to the limitations imposed by law and herein.

### 58.09. Fiscal Year; Adoption of Budget.

- (a) The fiscal year of the Authority shall begin on July 1<sup>st</sup> of each year and end on June 30<sup>th</sup> of the following year, or such other fiscal year as may hereafter be adopted by the Council.
- (b) The Executive Director shall prepare annually a budget which shall be approved by the Board and submitted in the manner provided by the City Charter.
- (c) The Authority shall submit financial reports to the Council and shall be audited annually in the manner provided by the City Charter.

### 58.10. Downtown Development Plan and Tax Increment Financing Plan.

- (a) The Plan and the carrying out of the projects described therein each constitutes a public purpose and is in the best interests of the City and the citizens of the City.
- (b) The “development plan” portion of the Plan meets the mandatory requirements of Section 217 of Act 57, MCL 125.217.
- (c) The “tax increment financing plan” portion of the Plan meets the mandatory requirements of Sections 214 and 215 of Act 57, MCL 125.214.
- (d) The proposed method of financing described in the Plan is feasible, and the Authority has the ability to arrange the financing described in the Plan.
- (e) The development described in the Plan is reasonable and necessary to carry out the purposes of Act 57.
- (f) The Plan is in reasonable accord with the Master Plan of the City.
- (g) The services such as fire, police and utilities will be adequate to serve the Development Area.
- (h) No changes in zoning are necessary for the proposed development.
- (i) Any changes in streets, street levels, intersections and utilities contemplated in the Plan are reasonably necessary for the proposed development and for the City.

### 58.11. Approval and Adoption of the Development Plan and Tax Increment Financing Plan.

The Development Plan and Tax Increment Financing Plan were initially adopted in accordance with the governing state statute. The Development Plan and the Tax Increment Financing Plan were subsequently approved and adopted, in accordance with the governing state statute, as follows:

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Development Plan #1- Adopted April 18, 1995  
Development Plan #2- Adopted September 28, 1998  
Development Plan #3- Adopted February 7, 2000  
Development Plan #4- Adopted August 5, 2002  
Development Plan #5- Adopted December 16, 2002  
Development Plan #6- Adopted June 4, 2007  
Development Plan #7- Adopted August 12, 2013  
Development Plan #8- Adopted July 24, 2017  
Development Plan #9- Adopted June 28, 2021

A copy of the Development Plan and Tax Increment Financing Plan, as amended and adopted, shall be maintained on file in the City Clerk's office.

### 58.12. Establishment of Project Fund; Approval of Depository.

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 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.

### 58.13. 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 manner proved in the Development and Tax Increment Financing Plan.

### 58.14. Responsibility for Expenditures That Exceed Project Fund.

In the event the City or any agency of the City issues obligations on behalf of the Authority, and the City is required in any fiscal year to pay out of its general fund any portion of the debt service on such an obligation, the Authority shall be required to reimburse fully the City from its available funds (but only after the set aside for debt service for any fiscal year has been met).

### 58.16. Refund of Surplus Tax Increments.

Any surplus money in the Project Fund at the end of a year not held for payments required to be made on outstanding obligations of the Authority or the City or otherwise held as required pursuant to the Development and Tax Increment Financing Plan, as shown by the annual report of the Authority, shall be paid by the Authority to the City Treasurer or the County Treasurer, as the case may be, and rebated by each to the appropriate taxing jurisdiction pro rata.

### 58.17. Development Area Citizens Council.

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After the Executive Director confirms that at least 100 persons reside in the Downtown District, a Development Area Citizens Council is created, in accordance with the provisions of Act 57, MCL 125.221 et. seq.. Once established, the Troy City Council shall appoint nine residents of the Downtown District to serve on the Development Area Citizens Council. The Development Area Citizens Council shall serve in an advisory role to the Board and to Council in the adoption of or amendment of Development Plans or Tax Increment Financing Plans.

(Revised 06-28-2021; Effective 07-15-2021)