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**CHAPTER 56****TAX INCREMENT FINANCING PLAN\***

5.459. Title. This Chapter shall be known and may be designated as the City of Frankenmuth Tax Increment Financing Plan.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992)

5.460. Purpose. The purpose of this Chapter is to adopt and approve a development plan and a tax increment financing plan for the purpose of making improvements in the Frankenmuth Downtown Development Authority District as authorized by Act No. 197 of the Public Acts of 1975, as amended, being Sections 125.1651 to 125.1681 of the Michigan Compiled Laws.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992)

5.461. Definitions. The terms used in this Chapter shall have the following meaning unless the context clearly requires otherwise:

Base Year Assessment Roll means the base year assessment roll prepared by the City Assessor in accordance with section 5.464.

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 Downtown Development Authority District exceeds the Initial Assessed Value.

Development Area shall mean the area bounded by the Downtown Development Authority District Boundaries more fully described in the Development Plan.

Development Plan means the Development Plan and Tax Increment Financing Plan attached [to Ordinance No. 96-6] as Exhibit A as transmitted to the City Council by the Frankenmuth Downtown Development Authority for public hearing, as modified by action of the City Council and confirmed by Ordinance No. 96-6.

Downtown Development Authority means the City of Frankenmuth downtown Development Authority sometimes referred to as D.D.A.

Initial Assessed Value means the most recently assessed value as finally equalized of all the taxable property within the boundaries of the Development Area at the time of adoption of Ordinance No. 92-3 which was adopted on May 5, 1992.

\*Editor's note--The Development Plan and Tax Incrementing Plan attached as Exhibit A to Ord. No. 2014-02, adopted November 11, 2014, as amended, is not included herein, but is on file and available for inspection in the office of the City Clerk. It should be further noted that Ord. No. 2014-02 amended Ord. Nos. 96-6, adopted July 17, 1996 and Ord. No. 92-3, adopted May 5, 1992.

Project Fund means the D.D.A. Project Fund established pursuant to section 5.466.

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

(Ordinance No. 1992-3, Sec. 1, 05-05-1992; Ordinance No. 1996-6, 07-17-1996; Ordinance No. 2014-02, 11-11-2014)

5.462. City Council Determinations. The City Council hereby determines that:

- (1) The Development Plan and the Tax Increment Financing Plan attached [to Ordinance No. 96-6] as Exhibit A and incorporated therein, constitute a public purpose.
- (2) The Development Plan meets the requirements set forth in Section 17(2) of Act No. 197 of the Public Acts of 1975, as amended, being Section 125.1667(2) of the Michigan Compiled Laws.
- (3) The proposed method of financing the development is feasible and the Downtown Development Authority has the ability to arrange the financing of the development.
- (4) The development is reasonable and necessary to carry out the purposes of Act No. 197 of the Public Acts of 1975, as amended.
- (5) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the Plan and of Act No. 197 of the Public Acts of 1975, as amended, in an efficient and economically satisfactory manner.
- (6) The development plan is in reasonable accord with the Master Plan of the City of Frankenmuth.
- (7) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.
- (8) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the City of Frankenmuth.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992; Ordinance No. 1996-6, 07-17-1996)

5.463. City Council Approval. Based upon the determinations contained in section 5.462 above, the City Council hereby approves the Development Plan and the Tax Increment Financing Plan attached [to Ordinance No. 96-6] as Exhibit A.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992; Ordinance No. 1996-6, 07-17-1996)

5.464. Base Year Assessment Roll. The Base Year Assessment Roll for the Tax Increment Financing Plan for those properties within the Development Area approved herein shall contain those property assessments dated December 31, 1991 which were finally equalized in May 1992, and shall also contain the amount of tax revenue derived by each Taxing Jurisdiction from ad valorem taxes on those properties. Within ten (10) days after the effective date of Ordinance No. 92-3, the City Assessor transmitted copies of the Base Year Assessment Roll to the City Treasurer, County Treasurer, Downtown Development Authority and each Taxing Jurisdiction, together with a notice that the assessment roll was prepared in accordance with Ordinance No. 92-3 and the Development Plan approved by Ordinance No. 92-3.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992; Ordinance No. 2014-02, 11-11-2014)

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5.465. Preparation of Annual Base Year Assessment Roll. Each year within fifteen (15) days following the final equalization of property in the Development Area, the City Assessor shall prepare an updated Base Year Assessment Roll. The updated Base Year Assessment Roll shall include 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 City 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 Chapter and the Development Plan.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992)

5.466. Establishment of Project Fund; Approval of Depository. The Treasurer of the Downtown Development Authority shall establish a D.D.A. Project Fund which shall be kept in a depository account in a lending institution located in the City of Frankenmuth approved by the Treasurer of the City of Frankenmuth. All moneys received by the Downtown Development Authority pursuant to the Development Plan shall be deposited in the D.D.A. Project Fund. All moneys in that fund and earnings thereon shall be used only in accordance with the Development Plan and Tax Increment Financing Plan and this Chapter.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992)

5.467. Payment of Tax Increments to Downtown Development Authority. The City and County Treasurers shall, as ad valorem taxes are collected on the properties 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 Downtown Development Authority for deposit in the D.D.A. 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.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992)

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

First, to pay into the debt retirement fund or funds, for all outstanding series of bonds issued pursuant to the Development 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.

Second, to establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan to the extent required by any resolution authorizing bonds.

Third, to pay the administrative and operating costs of the Downtown Development Authority and City for the Development Area, including planning and promotion, to the extent provided in the annual budget of the Downtown Development Authority.

Fourth, to establish a reserve account for payment of principal and interest on bonds planned for issuance at a later date in order to carry out the purposes of the Development Plan.

Fifth, to repay amounts (if any) advanced by the City for implementation of the Development Plan.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992)

5.469. Duration of the Tax Increment Plan. The Tax Increment Plan shall commence upon its approval by the City Council and continue for a period of 30 years.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992; Ordinance No. 2014-02, 11-11-2014)

5.470. Annual Report. Within one hundred eighty (180) days after the end of each fiscal year, the Downtown Development Authority shall submit to the City Council with copies to each Taxing Jurisdiction and the State Tax Commission, a report on the status of the D.D.A. Project Fund. The report shall include the amount and source of revenues 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 Downtown Development Authority. The Secretary of the Downtown Development Authority shall cause a copy of the report to be published once in full in the Frankenmuth News.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992; Ordinance No. 1996-6, 07-17-1996)

5.471. Annual Budget. Each year the Downtown Development Authority shall cause to be prepared an annual budget for the ensuing fiscal year. Before the budget may be adopted by the Downtown Development Authority, it shall be approved by the City Council.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992)

5.472. Section Deleted.

(Ordinance No. 1992-3, Sec. 1, 05-05-1992; Ordinance No. 1996-6, 07-17-1996)