



HOUSE BILL No. 4888

May 24, 1995, Introduced by Reps. Middleton, Dolan, LeTarte, Voorhees and Crissman and referred to the Committee on Urban Policy.

A bill to amend the title and sections 1, 2, 4, 5, and 6 of Act No. 120 of the Public Acts of 1961, entitled as amended

"An act to authorize the development or redevelopment of principal shopping districts of certain cities; to permit the creation of certain boards; and to authorize the collection of revenue and the bonding of certain cities for the development or redevelopment projects,"

as amended by Act No. 146 of the Public Acts of 1992, being sections 125.981, 125.982, 125.984, 125.985, and 125.986 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 1, 2, 4, 5, and 6 of Act
2 No. 120 of the Public Acts of 1961, as amended by Act No. 146 of
3 the Public Acts of 1992, being sections 125.981, 125.982,
4 125.984, 125.985, and 125.986 of the Michigan Compiled Laws, are
5 amended to read as follows:

TITLE

1

2 An act to authorize the development or redevelopment of
3 principal shopping districts of certain ~~cities~~ MUNICIPALITIES;
4 to permit the creation of certain boards; and to authorize the
5 collection of revenue and the bonding of certain ~~cities~~
6 MUNICIPALITIES for the development or redevelopment projects.

7 Sec. 1. (1) As used in this act:

8 (a) "Highways" means public streets, highways, and alleys.

9 (B) "MUNICIPALITY" MEANS A CITY, VILLAGE, OR TOWNSHIP.

10 (C) ~~(b)~~ "Principal shopping district" means a portion of a
11 ~~city~~ MUNICIPALITY designated by the governing body of the
12 ~~city~~ MUNICIPALITY that is predominantly commercial and that
13 contains at least 10 retail businesses.

14 (2) A ~~city~~ MUNICIPALITY with a master plan for the physi-
15 cal development of the ~~city~~ MUNICIPALITY, that either includes
16 an urban design plan designating a principal shopping district or
17 includes the development or redevelopment of a principal shopping
18 district, in respect to the principal shopping district, may do 1
19 or more of the following:

20 (a) Open, widen, extend, realign, pave, maintain, or other-
21 wise improve highways and construct, reconstruct, maintain, or
22 relocate pedestrian walkways.

23 (b) Prohibit or regulate vehicular traffic ~~where~~ IF neces-
24 sary to carry out the purposes of the development or redevelo-
25 ment project.

26 (c) Regulate or prohibit vehicular parking on highways.

1 (d) Acquire, own, maintain, or operate off-street parking
2 lots or structures.

3 (e) Contract WITH OTHERS OR APPOINT AGENTS for the operation
4 or maintenance ~~by others~~ of ~~city~~ MUNICIPAL off-street parking
5 lots or structures. ~~, or appoint agents for the operation or~~
6 ~~maintenance.~~

7 (f) Construct, maintain, and operate malls with bus stops,
8 information centers, and other buildings that will serve the
9 public interest.

10 (g) Acquire by purchase, gift, or condemnation and own,
11 maintain, or operate real or personal property necessary to
12 implement this section.

13 (h) Promote economic activity in the principal shopping dis-
14 trict by undertakings including, but not limited to, conducting
15 market research and public relations campaigns, developing, coor-
16 dinating, and conducting retail and institutional promotions, and
17 sponsoring special events and related activities. A business may
18 prohibit the use of its name or logo in a public relations cam-
19 paign, promotion, or special event or related activity for the
20 principal shopping district.

21 (i) Provide for the maintenance, security, and operation of
22 a principal shopping district within the ~~city~~ MUNICIPALITY.

23 (3) A ~~city~~ MUNICIPALITY that provides ~~for~~ ongoing activ-
24 ities under subsection (2)(h) or (i) shall also ~~provide for the~~
25 ~~creation of~~ CREATE a board ~~for the management of~~ TO MANAGE
26 those activities.

1 (4) One member of the board of the principal shopping
2 district CREATED UNDER SUBSECTION (3) shall be from the adjacent
3 residential area, 1 member shall be a representative of ~~city~~
4 MUNICIPAL government, and a majority of the members shall be nom-
5 inees of individual businesses located within the principal shop-
6 ping district. The board shall be appointed by the chief execu-
7 tive officer of the ~~city~~ MUNICIPALITY with the concurrence of
8 the governing body of the ~~city~~ MUNICIPALITY. However, if all
9 of the following requirements are met, a business may appoint a
10 member of the board of a principal shopping district, which
11 member shall be counted toward the majority of members required
12 to be nominees of businesses located within the principal shop-
13 ping district:

14 (a) The business is located within the principal shopping
15 district.

16 (b) The principal shopping district was designated by the
17 governing body of a ~~city~~ MUNICIPALITY after ~~the effective date~~
18 ~~of the amendatory act that added this subdivision~~ JULY 15,
19 1992.

20 (c) The business is located within a special assessment dis-
21 trict established under section 5.

22 (d) The special assessment district is divided into special
23 assessment rate zones reflecting varying levels of special
24 benefits.

25 (e) The business is located in the special assessment rate
26 zone with the highest special assessment rates.

1 (f) The square footage of the business is greater than 5.0%
2 of the total square footage of all businesses in that special
3 assessment rate zone.

4 (5) If the boundaries of the principal shopping district are
5 the same as those of a downtown district designated under Act
6 No. 197 of the Public Acts of 1975, being sections 125.1651 to
7 125.1681 of the Michigan Compiled Laws, the governing body may
8 provide that the members of the board of the downtown development
9 authority, which manages the downtown district, shall compose the
10 board of the principal shopping district REQUIRED UNDER SUBSEC-
11 TION (3), in which case subsection (4) does not apply.

12 Sec. 2. ~~The~~ ALL OF THE cost ~~of the whole~~ or ~~any~~ A
13 part of THE COST OF a principal shopping district project ~~as~~
14 authorized in this act may be financed by 1 or more of the fol-
15 lowing methods:

16 (a) Grants and gifts to the ~~city~~ MUNICIPALITY.

17 (b) ~~City~~ MUNICIPAL funds.

18 (c) The issuance of general obligation bonds of the ~~city~~
19 MUNICIPALITY.

20 (d) The issuance of revenue bonds by the ~~city~~ MUNICIPALITY
21 under the revenue bond act of 1933, Act No. 94 of the Public Acts
22 of 1933, ~~as amended,~~ being sections 141.101 to 141.140 of the
23 Michigan Compiled Laws, or under any other applicable revenue
24 bond act. The issuance of the bonds ~~shall be~~ IS limited to the
25 part or parts of the principal shopping district project that are
26 public improvements.

1 (e) The levying of special assessments against land or
2 interests in land, or both.

3 Sec. 4. The development or redevelopment of a principal
4 shopping district, including the various phases of the develop-
5 ment or redevelopment, is 1 project and, in the discretion of the
6 governing body of the ~~city~~ MUNICIPALITY, may be financed as a
7 single improvement.

8 Sec. 5. (1) If a ~~city~~ MUNICIPALITY elects to levy special
9 assessments to defray all or part of the cost of the principal
10 shopping district project, then the special assessments shall be
11 levied ~~pursuant to~~ UNDER applicable statutory or charter provi-
12 sions or, if there are no applicable statutory or charter provi-
13 sions, ~~pursuant to~~ UNDER statutory or charter provisions appli-
14 cable to ~~city~~ MUNICIPAL street improvements. If a ~~city~~
15 MUNICIPAL charter does not authorize special assessments for the
16 purposes set forth in this act, the charter provisions authoriz-
17 ing special assessments for street improvements are made applica-
18 ble to the purposes set forth in this act, without amendment to
19 the charter. The total amount assessed for principal shopping
20 district purposes may be made payable in not more than 20 annual
21 installments as determined by the governing body of the ~~city~~
22 MUNICIPALITY, the first installment to be payable in not more
23 than 18 months after the date of the confirmation of the special
24 assessment roll.

25 (2) A special assessment shall be levied against a parcel on
26 the basis of the special benefits to that parcel from the total
27 project. To the extent that a parcel is used for residential

1 purposes, the parcel shall not be considered to be benefited by a
2 project for which special assessments are levied by a ~~city pur-~~
3 ~~suant to~~ MUNICIPALITY UNDER this act. There is a rebuttable
4 presumption that a principal shopping district project specially
5 benefits all nonresidential properties located within the princi-
6 pal shopping district.

7 (3) This subsection applies to a principal shopping district
8 only if the principal shopping district is designated by the gov-
9 erning body of a ~~city~~ MUNICIPALITY after ~~the effective date of~~
10 ~~the amendatory act that added this subsection~~ JULY 15, 1992.

11 The special assessments annually levied on a parcel under this
12 act shall not exceed the product of \$10,000.00 and the number of
13 businesses on that parcel. A business located on a single parcel
14 ~~shall~~ IS not ~~be~~ responsible for a special assessment in
15 excess of \$10,000.00 annually. When the special assessment dis-
16 trict is created, a lessor of a parcel subject to a special
17 assessment may unilaterally revise an existing lease to a busi-
18 ness located on that parcel to recover from that business all or
19 part of the special assessment, as is proportionate considering
20 the portion of the parcel occupied by the business.

21 (4) The \$10,000.00 maximum amounts in subsection (3) shall
22 be adjusted each January 1, beginning January 1, 1994, ~~pursuant~~
23 ~~to~~ BY the annual average percentage increase or decrease in the
24 Detroit consumer price index for all items as reported by the
25 United States department of labor. The adjustment for each year
26 shall be made by comparing the Detroit consumer price index for
27 the 12-month period ending the preceding October 31 with the

1 corresponding Detroit consumer price index of 1 year earlier.
2 The percentage increase or decrease shall then be multiplied by
3 the current amounts under subsection (3) authorized by this
4 section. The product shall be rounded up to the nearest multiple
5 of 50 cents and shall be the new amount.

6 (5) The ~~city~~ MUNICIPALITY may issue special assessment
7 bonds in anticipation of the collection of the special assess-
8 ments for a principal shopping district project and, by action of
9 its governing body, may pledge its full faith and credit for the
10 prompt payment of the bonds. The last maturity on the bonds
11 shall be not later than 2 years after the due date of the last
12 installment on the special assessments. Special assessment bonds
13 may be issued ~~pursuant to~~ UNDER statutory or charter provisions
14 applicable to the issuance by the ~~city~~ MUNICIPALITY of special
15 assessment bonds for the improvement or, if there are no applica-
16 ble statutory or charter provisions, ~~pursuant to~~ UNDER statu-
17 tory or charter provisions applicable to the issuance by the
18 ~~city~~ MUNICIPALITY of special assessment bonds for street
19 improvements.

20 (6) If a principal shopping district project in a principal
21 shopping district designated by the governing body of a ~~city~~
22 MUNICIPALITY after ~~the effective date of the amendatory act that~~
23 ~~added this subsection~~ JULY 15, 1992 is financed by special
24 assessments, the governing body of the ~~city~~ MUNICIPALITY shall
25 review the special assessments every 5 years, unless special
26 assessment bonds are outstanding.

1 Sec. 6. If off-street parking lots or structures are
2 essential to the principal shopping district project, if 1 or
3 more off-street parking lots or structures are already owned by
4 the ~~city~~ MUNICIPALITY and were acquired through the issuance of
5 revenue bonds, and if the remaining parking lots or structures
6 are to be financed in whole or in part by special assessments and
7 special assessment bonds, then the ~~city~~ MUNICIPALITY, to place
8 all parking lots or structures on the same basis, may include as
9 a part of the cost of parking lots or structures for the project
10 the amount necessary to retire all or any part of the outstanding
11 revenue bonds, inclusive of any premium not exceeding 5% neces-
12 sary to be paid upon the redemption or purchase of those out-
13 standing bonds. From the proceeds of the special assessments or
14 from the sale of bonds issued in anticipation of the payment of
15 the special assessments, the ~~city~~ MUNICIPALITY shall retire by
16 redemption or purchase the outstanding revenue bonds. This sec-
17 tion does not authorize the refunding of noncallable bonds with-
18 out the consent of the holders of the bonds.