

SENATE BILL No. 1203

March 11, 2008, Introduced by Senators RICHARDVILLE, SANBORN, GILBERT, ALLEN, KAHN, SWITALSKI and OLSHOVE and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending section 12a (MCL 125.2162a), as amended by 2004 PA 365,
and by adding section 12b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 12a. (1) A municipality that has created an authority may
2 apply to the Michigan economic development corporation for
3 designation of all or a portion of the authority district as a
4 certified technology park and to enter into an agreement governing
5 the terms and conditions of the designation. The form of the
6 application shall be in a form specified by the Michigan economic
7 development corporation and shall include information the Michigan
8 economic development corporation determines necessary to make the
9 determinations required under this section.

10 (2) After receipt of an application, the Michigan economic

development corporation may designate, pursuant to an agreement entered into under subsection (3), a certified technology park that is determined by the Michigan economic development corporation to satisfy 1 or more of the following criteria based on the application:

(a) A demonstration of significant support from an institution of higher education or a private research-based institute located within the proximity of the proposed certified technology park, as evidenced by, but not limited to, the following types of support:

(i) Grants of preferences for access to and commercialization of intellectual property.

(ii) Access to laboratory and other facilities owned by or under control of the institution of higher education or private research-based institute.

(iii) Donations of services.

(iv) Access to telecommunication facilities and other infrastructure.

(v) Financial commitments.

(vi) Access to faculty, staff, and students.

(vii) Opportunities for adjunct faculty and other types of staff arrangements or affiliations.

(b) A demonstration of a significant commitment on behalf of the institution of higher education or private research-based institute to the commercialization of research produced at the certified technology park, as evidenced by the intellectual property and, if applicable, tenure policies that reward faculty and staff for commercialization and collaboration with private

1 businesses.

2 (c) A demonstration that the proposed certified technology
3 park will be developed to take advantage of the unique
4 characteristics and specialties offered by the public and private
5 resources available in the area in which the proposed certified
6 technology park will be located.

7 (d) The existence of or proposed development of a business
8 incubator within the proposed certified technology park that
9 exhibits the following types of resources and organization:

10 (i) Significant financial and other types of support from the
11 public or private resources in the area in which the proposed
12 certified technology park will be located.

13 (ii) A business plan exhibiting the economic utilization and
14 availability of resources and a likelihood of successful
15 development of technologies and research into viable business
16 enterprises.

17 (iii) A commitment to the employment of a qualified full-time
18 manager to supervise the development and operation of the business
19 incubator.

20 (e) The existence of a business plan for the proposed
21 certified technology park that identifies its objectives in a
22 clearly focused and measurable fashion and that addresses the
23 following matters:

24 (i) A commitment to new business formation.

25 (ii) The clustering of businesses, technology, and research.

26 (iii) The opportunity for and costs of development of properties
27 under common ownership or control.

1 (iv) The availability of and method proposed for development of
2 infrastructure and other improvements, including telecommunications
3 technology, necessary for the development of the proposed certified
4 technology park.

5 (v) Assumptions of costs and revenues related to the
6 development of the proposed certified technology park.

7 (f) A demonstrable and satisfactory assurance that the
8 proposed certified technology park can be developed to principally
9 contain eligible property as defined by section 2(p)(iii) and (v).

10 (3) An authority and a municipality that incorporated the
11 authority may enter into an agreement with the Michigan economic
12 development corporation establishing the terms and conditions
13 governing the certified technology park. Upon designation of the
14 certified technology park pursuant to the terms of the agreement,
15 the subsequent failure of any party to comply with the terms of the
16 agreement shall not result in the termination or rescission of the
17 designation of the area as a certified technology park. The
18 agreement shall include, but is not limited to, the following
19 provisions:

20 (a) A description of the area to be included within the
21 certified technology park.

22 (b) Covenants and restrictions, if any, upon all or a portion
23 of the properties contained within the certified technology park
24 and terms of enforcement of any covenants or restrictions.

25 (c) The financial commitments of any party to the agreement
26 and of any owner or developer of property within the certified
27 technology park.

1 (d) The terms of any commitment required from an institution
2 of higher education or private research-based institute for support
3 of the operations and activities at eligible properties within the
4 certified technology park.

5 (e) The terms of enforcement of the agreement, which may
6 include the definition of events of default, cure periods, legal
7 and equitable remedies and rights, and penalties and damages,
8 actual or liquidated, upon the occurrence of an event of default.

9 (f) The public facilities to be developed for the certified
10 technology park.

11 (g) The costs approved for public facilities under section
12 2(aa).

13 (4) If the Michigan economic development corporation has
14 determined that a sale price or rental value at below market rate
15 will assist in increasing employment or private investment in the
16 certified technology park, the authority and municipality have
17 authority to determine the sale price or rental value for public
18 facilities owned or developed by the authority and municipality in
19 the certified technology park at below market rate.

20 (5) If public facilities developed pursuant to an agreement
21 entered into under this section are conveyed or leased at less than
22 fair market value or at below market rates, the terms of the
23 conveyance or lease shall include legal and equitable remedies and
24 rights to assure the public facilities are used as eligible
25 property. Legal and equitable remedies and rights may include
26 penalties and actual or liquidated damages.

27 (6) Except as otherwise provided in this ~~subsection~~ **SECTION**,

1 an agreement designating a certified technology park may not be
2 made after December 31, 2002, but any agreement made on or before
3 December 31, 2002 may be amended after that date. However, the
4 Michigan economic development corporation may enter into an
5 agreement with a municipality after December 31, 2002 and on or
6 before December 31, 2005 if that municipality has adopted a
7 resolution of interest to create a certified technology park before
8 December 31, 2002.

9 (7) The Michigan economic development corporation shall market
10 the certified technology parks and the certified business parks.
11 The Michigan economic development corporation and an authority may
12 contract with each other or any third party for these marketing
13 services.

14 (8) Except as otherwise provided in subsection (9), the
15 Michigan economic development corporation shall not designate more
16 than 10 certified technology parks. For purposes of this subsection
17 only, 2 certified technology parks located in a county that
18 contains a city with a population of more than 750,000, shall be
19 counted as 1 certified technology park. Not more than 7 of the
20 certified technology parks designated under this section may not
21 include a firm commitment from at least 1 business engaged in a
22 high technology activity creating a significant number of jobs.

23 (9) The Michigan economic development corporation may
24 designate an additional ~~5~~8 certified technology parks after
25 November 1, 2002. The Michigan economic development corporation
26 shall not accept applications for the additional certified
27 technology parks under this subsection until after November 1,

1 2002.

2 (10) The Michigan economic development corporation shall give
3 priority to applications that include new business activity.

4 (11) For an authority established by 2 or more municipalities
5 under sections 3(2) and 4(7), each municipality in which the
6 authority district is located by a majority vote of the members of
7 its governing body may make a limited tax pledge to support the
8 authority's tax increment bonds issued under section 14 or, if
9 authorized by the voters of the municipality, may pledge its full
10 faith and credit for the payment of the principal of and interest
11 on the bonds. The municipalities that have made a pledge to support
12 the authority's tax increment bonds may approve by resolution an
13 agreement among themselves establishing obligations each may have
14 to the other party or parties to the agreement for reimbursement of
15 all or any portion of a payment made by a municipality related to
16 its pledge to support the authority's tax increment bonds.

17 (12) Not including certified technology parks designated under
18 subsection (8), but for certified technology parks designated under
19 subsection (9) only, this state shall do all of the following:

20 (a) Reimburse intermediate school districts each year for all
21 tax revenue lost that was captured by an authority for a certified
22 technology park designated by the Michigan economic development
23 corporation after ~~the effective date of the amendatory act that~~
24 ~~added this subdivision~~ **OCTOBER 3, 2002.**

25 (b) Reimburse local school districts each year for all tax
26 revenue lost that was captured by an authority for a certified
27 technology park designated by the Michigan economic development

1 corporation after ~~the effective date of the amendatory act that~~
2 ~~added this subdivision~~ **OCTOBER 3, 2002.**

3 (c) Reimburse the school aid fund from funds other than those
4 appropriated in section 11 of the state school aid act of 1979,
5 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement
6 calculations under subdivisions (a) and (b) and for all revenue
7 lost that was captured by an authority for a certified technology
8 park designated by the Michigan economic development corporation
9 after ~~the effective date of the amendatory act that added this~~
10 ~~subdivision~~ **OCTOBER 3, 2002.** Foundation allowances calculated under
11 section 20 of the state school aid act of 1979, 1979 PA 94, MCL
12 388.1620, shall not be reduced as a result of tax revenue lost that
13 was captured by an authority for a certified technology park
14 designated by the Michigan economic development corporation under
15 subsection (9) after ~~the effective date of the amendatory act that~~
16 ~~added this subdivision~~ **OCTOBER 3, 2002.**

17 **SEC. 12B. A MUNICIPALITY THAT HAS CREATED AN AUTHORITY IN**
18 **WHICH A CERTIFIED TECHNOLOGY PARK HAS BEEN DESIGNATED UNDER THIS**
19 **ACT MAY ENTER INTO AN AGREEMENT WITH ANOTHER AUTHORITY THAT DOES**
20 **NOT CONTAIN A CERTIFIED TECHNOLOGY PARK TO DESIGNATE A DISTINCT**
21 **GEOGRAPHIC AREA WITHIN THE AUTHORITY DISTRICT AS A CERTIFIED**
22 **TECHNOLOGY PARK. THE AUTHORITY SHALL CONSIDER THE ADVANTAGES OF THE**
23 **UNIQUE CHARACTERISTICS AND SPECIALTIES OFFERED BY THE PUBLIC AND**
24 **PRIVATE RESOURCES AVAILABLE IN THE DISTINCT GEOGRAPHIC AREA, SHALL**
25 **CONSIDER THE BENEFITS TO REGIONAL COOPERATION AND COLLABORATION,**
26 **AND SHALL CONSIDER WHETHER DESIGNATING THE ADDITIONAL DISTINCT**
27 **GEOGRAPHIC AREA ADDS VALUE TO THE MISSION OF THE DESIGNATED**

1 CERTIFIED TECHNOLOGY PARK. THE DISTINCT GEOGRAPHIC AREA IS SUBJECT
2 TO THE PROVISIONS OF SECTION 12A(3), (4), AND (5). A COPY OF THE
3 DESIGNATION SHALL BE FILED WITH THE MICHIGAN ECONOMIC DEVELOPMENT
4 CORPORATION.