

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 358

A bill to amend 1986 PA 281, entitled
"The local development financing act,"
by amending section 12a (MCL 125.2162a), as amended by 2008 PA 105.

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

determinations required under this section.

(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

1 property and, if applicable, tenure policies that reward faculty
2 and staff for commercialization and collaboration with private
3 businesses.

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

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

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

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

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

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

26 (i) A commitment to new business formation.

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

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

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

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

9 (f) A demonstrable and satisfactory assurance that the
10 proposed certified technology park can be developed to principally
11 contain eligible property as defined by section ~~2(p)(iii) and (v)~~
12 **2(S)(iii) AND (v)**.

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

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

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

1 (c) The financial commitments of any party to the agreement
2 and of any owner or developer of property within the certified
3 technology park.

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

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

12 (f) The public facilities to be developed for the certified
13 technology park.

14 (g) The costs approved for public facilities under section
15 ~~2(aa)~~—2 (DD) .

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

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

1 property. Legal and equitable remedies and rights may include
2 penalties and actual or liquidated damages.

3 (6) Except as otherwise provided in this section, an agreement
4 designating a certified technology park may not be made after
5 December 31, 2002, but any agreement made on or before December 31,
6 2002 may be amended after that date. However, the Michigan economic
7 development corporation may enter into an agreement with a
8 municipality after December 31, 2002 and on or before December 31,
9 2005 if that municipality has adopted a resolution of interest to
10 create a certified technology park before December 31, 2002.

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

16 (8) Except as otherwise provided in subsections (9), ~~and (10)~~,
17 **AND (11)**, the Michigan economic development corporation shall not
18 designate more than 10 certified technology parks. For purposes of
19 this subsection only, 2 certified technology parks located in a
20 county that contains a city with a population of more than 750,000,
21 shall be counted as 1 certified technology park. Not more than 7 of
22 the certified technology parks designated under this section may
23 not include a firm commitment from at least 1 business engaged in a
24 high technology activity creating a significant number of jobs.

25 (9) The Michigan economic development corporation may
26 designate an additional 5 certified technology parks after November
27 1, 2002 and before December 31, 2007. The Michigan economic

1 development corporation shall not accept applications for the
2 additional certified technology parks under this subsection until
3 after November 1, 2002.

4 (10) The Michigan economic development corporation may
5 designate an additional 3 certified technology parks after February
6 1, 2008 and before December 31, 2008. The Michigan economic
7 development corporation shall not accept applications for the
8 additional certified technology parks under this subsection until
9 after February 1, 2008.

10 (11) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION MAY
11 DESIGNATE AN ADDITIONAL 2 CERTIFIED TECHNOLOGY PARKS AFTER JUNE 1,
12 2009 AND BEFORE APRIL 1, 2010. THE MICHIGAN ECONOMIC DEVELOPMENT
13 CORPORATION SHALL NOT ACCEPT APPLICATIONS FOR THE ADDITIONAL
14 CERTIFIED TECHNOLOGY PARKS UNDER THIS SUBSECTION UNTIL AFTER JUNE
15 1, 2009.

16 (12) ~~(11)~~ The Michigan economic development corporation shall
17 give priority to applications that include new business activity.

18 (13) ~~(12)~~ For an authority established by 2 or more
19 municipalities under sections 3(2) and 4(7), each municipality in
20 which the authority district is located by a majority vote of the
21 members of its governing body may make a limited tax pledge to
22 support the authority's tax increment bonds issued under section 14
23 or, if authorized by the voters of the municipality, may pledge its
24 full faith and credit for the payment of the principal of and
25 interest on the bonds. The municipalities that have made a pledge
26 to support the authority's tax increment bonds may approve by
27 resolution an agreement among themselves establishing obligations

1 each may have to the other party or parties to the agreement for
2 reimbursement of all or any portion of a payment made by a
3 municipality related to its pledge to support the authority's tax
4 increment bonds.

5 (14) ~~(13)~~ Not including certified technology parks designated
6 under subsection (8), but for certified technology parks designated
7 under subsections (9), ~~and~~ (10), **AND (11)** only, this state shall do
8 all of the following:

9 (a) Reimburse intermediate school districts each year for all
10 tax revenue lost that was captured by an authority for a certified
11 technology park designated by the Michigan economic development
12 corporation after October 3, 2002.

13 (b) Reimburse local school districts each year for all tax
14 revenue lost that was captured by an authority for a certified
15 technology park designated by the Michigan economic development
16 corporation after October 3, 2002.

17 (c) Reimburse the school aid fund from funds other than those
18 appropriated in section 11 of the state school aid act of 1979,
19 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement
20 calculations under subdivisions (a) and (b) and for all revenue
21 lost that was captured by an authority for a certified technology
22 park designated by the Michigan economic development corporation
23 after October 3, 2002. Foundation allowances calculated under
24 section 20 of the state school aid act of 1979, 1979 PA 94, MCL
25 388.1620, shall not be reduced as a result of tax revenue lost that
26 was captured by an authority for a certified technology park
27 designated by the Michigan economic development corporation under

1 subsection (9), ~~or~~ (10), **OR (11)** after October 3, 2002.