

# SENATE BILL No. 358

March 11, 2009, Introduced by Senators KAHN, ALLEN and GILBERT 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 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  
9       determinations required under this section.

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

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

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

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

16           (iii) Donations of services.

17           (iv) Access to telecommunication facilities and other  
18 infrastructure.

19           (v) Financial commitments.

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

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

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

1 and staff for commercialization and collaboration with private  
2 businesses.

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

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

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

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

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

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

25 (i) A commitment to new business formation.

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

27 (iii) The opportunity for and costs of development of properties

1 under common ownership or control.

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

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

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

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

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

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

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

1 technology park.

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

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

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

12 (g) The costs approved for public facilities under section  
13 2(aa).

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

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

1           (6) Except as otherwise provided in this section, an agreement  
2     designating a certified technology park may not be made after  
3     December 31, 2002, but any agreement made on or before December 31,  
4     2002 may be amended after that date. However, the Michigan economic  
5     development corporation may enter into an agreement with a  
6     municipality after December 31, 2002 and on or before December 31,  
7     2005 if that municipality has adopted a resolution of interest to  
8     create a certified technology park before 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 subsections (9), ~~and~~ (10),  
15    **AND (11)**, the Michigan economic development corporation shall not  
16    designate more than 10 certified technology parks. For purposes of  
17    this subsection only, 2 certified technology parks located in a  
18    county that contains a city with a population of more than 750,000,  
19    shall be counted as 1 certified technology park. Not more than 7 of  
20    the certified technology parks designated under this section may  
21    not 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 certified technology parks after November  
25    1, 2002 and before December 31, 2007. The Michigan economic  
26    development corporation shall not accept applications for the  
27    additional certified technology parks under this subsection until

1 after November 1, 2002.

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

8 (11) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION MAY  
9 DESIGNATE AN ADDITIONAL 2 CERTIFIED TECHNOLOGY PARKS AFTER JUNE 1,  
10 2009 AND BEFORE DECEMBER 31, 2009. THE MICHIGAN ECONOMIC  
11 DEVELOPMENT CORPORATION SHALL NOT ACCEPT APPLICATIONS FOR THE  
12 ADDITIONAL CERTIFIED TECHNOLOGY PARKS UNDER THIS SUBSECTION UNTIL  
13 AFTER JUNE 1, 2009.

14 (12) ~~(11)~~—The Michigan economic development corporation shall  
15 give priority to applications that include new business activity.

16 (13) ~~(12)~~—For an authority established by 2 or more  
17 municipalities under sections 3(2) and 4(7), each municipality in  
18 which the authority district is located by a majority vote of the  
19 members of its governing body may make a limited tax pledge to  
20 support the authority's tax increment bonds issued under section 14  
21 or, if authorized by the voters of the municipality, may pledge its  
22 full faith and credit for the payment of the principal of and  
23 interest on the bonds. The municipalities that have made a pledge  
24 to support the authority's tax increment bonds may approve by  
25 resolution an agreement among themselves establishing obligations  
26 each may have to the other party or parties to the agreement for  
27 reimbursement of all or any portion of a payment made by a

1 municipality related to its pledge to support the authority's tax  
2 increment bonds.

3       **(14)** ~~(13)~~ Not including certified technology parks designated  
4 under subsection (8), but for certified technology parks designated  
5 under subsections (9), ~~and~~ (10), **AND (11)** only, this state shall do  
6 all of the following:

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

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

15       (c) Reimburse the school aid fund from funds other than those  
16 appropriated in section 11 of the state school aid act of 1979,  
17 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement  
18 calculations under subdivisions (a) and (b) and for all revenue  
19 lost that was captured by an authority for a certified technology  
20 park designated by the Michigan economic development corporation  
21 after October 3, 2002. Foundation allowances calculated under  
22 section 20 of the state school aid act of 1979, 1979 PA 94, MCL  
23 388.1620, shall not be reduced as a result of tax revenue lost that  
24 was captured by an authority for a certified technology park  
25 designated by the Michigan economic development corporation under  
26 subsection (9), ~~or~~ (10), **OR (11)** after October 3, 2002.