

RECODIFIED TAX INCREMENT FINANCING ACT (EXCERPT)
Act 57 of 2018

***** 125.4412c.new THIS NEW SECTION IS EFFECTIVE JANUARY 1, 2019 *****

125.4412c.new Designation as certified alternative energy park; application; criteria; agreement; determination of sale price or rental value for public facilities; inclusion of legal and equitable remedies and rights; limitations; pledge to support authority's tax increment bonds; ownership and operation by economic development corporation.

Sec. 412c. (1) A municipality that has created an authority may apply to the Michigan economic development corporation for designation of all or a portion of the authority district as a certified alternative energy park and to enter into an agreement governing the terms and conditions of the designation. The form of the application shall be in a form specified by the Michigan economic development corporation and shall include information the Michigan 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 alternative energy 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 that the proposed alternative energy park will be developed to take advantage of the unique characteristics and specialties offered by public and private resources available in the area in which the proposed certified alternative energy park will be located.

(b) The existence of or strong likelihood of attracting alternative energy technology businesses to the proposed alternative energy park by exhibiting the following types of resources and organization:

(i) Significant financial and other types of support from the public or private resources in the area.

(ii) Proposed or actual ownership of land in sufficient quantity as to attract 1 or more major alternative energy technology businesses.

(c) The existence of a business plan for the proposed certified alternative energy park that identifies its objectives in a clearly focused and measurable fashion and that addresses the following matters:

(i) A commitment to new business formation or major business attraction.

(ii) The clustering of businesses, technology, and research within the region.

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

(iv) The availability of and method proposed for development and sale or conveyance of shovel-ready sites to include infrastructure and other improvements, including telecommunications technology, necessary for the successful development of the proposed certified alternative energy park.

(v) Assumptions of costs and revenues related to the development of the proposed certified alternative energy park.

(d) A demonstrable and satisfactory assurance that the proposed certified alternative energy park can be developed to principally contain eligible property as defined by section 402(s)(v) and (vi).

(e) The proposed certified alternative energy park includes a military installation that was operated by the United States Department of Defense and closed after 1980.

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

(a) A description of the area to be included within the certified alternative energy park.

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

(c) The financial commitments of any party to the agreement and of any owner or developer of property, including sale or transfer of ownership or options thereto upon designation of a certified alternative energy park for property within the certified alternative energy park.

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

(e) Proposed method of ownership of the land within the certified alternative energy park.

(f) The costs approved for public facilities under section 402(dd).

(g) Proposed method of operating the certified alternative energy park.

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

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

(6) Except as otherwise provided in this section, an agreement designating a certified alternative energy park may not be made after December 31, 2012, but any agreement made on or before December 31, 2012 may be amended after that date.

(7) The Michigan economic development corporation shall not designate more than 10 certified alternative energy parks. For purposes of this subsection only, certified alternative energy parks located in the same county shall be counted as 1 certified alternative energy park.

(8) For an authority established by 2 or more municipalities under sections 403(2) and 404(7), each municipality in which the authority district is located by a majority vote of the members of its governing body may make a limited tax pledge to support the authority's tax increment bonds issued under section 414 or, if authorized by the voters of the municipality, may pledge its full faith and credit for the payment of the principal of and interest on the bonds. The municipalities that have made a pledge to support the authority's tax increment bonds may approve by resolution an agreement among themselves establishing obligations each may have to the other party or parties to the agreement for reimbursement of all or any portion of a payment made by a municipality related to its pledge to support the authority's tax increment bonds.

(9) Upon approval of the Michigan economic development corporation, the certified alternative energy park may be owned and operated by an economic development corporation created under the economic development corporations act, 1974 PA 338, MCL 125.1601 to 125.1636, or other public body agreeable to all members.

History: 2018, Act 57, Eff. Jan. 1, 2019.