

HOUSE BILL No. 4002

January 15, 2015, Introduced by Rep. Nesbitt and referred to the Committee on Commerce and Trade.

A bill to amend 1974 PA 338, entitled
"Economic development corporations act,"
by amending sections 6a and 8 (MCL 125.1606a and 125.1608), as
amended by 2002 PA 357.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 6a. (1) In order to implement section 3(f)(ii), a
2 corporation incorporated by a city with a population of greater
3 than 750,000 persons may create subsidiary neighborhood development
4 corporations within the city in which the parent corporation may
5 operate. A subsidiary neighborhood development corporation created
6 pursuant to this subsection shall have power to conduct business
7 solely for the purpose of a project under section 3(f)(ii), but in
8 respect to those projects the subsidiary shall have the same powers
9 of a corporation formed under this act, except as may be limited by

1 the parent corporation in the articles of incorporation or bylaws
2 of the subsidiary.

3 ~~—— (2) To the extent the project involves training for
4 disadvantaged youths, a subsidiary created pursuant to this section
5 shall be exempt from the requirement of the payment of prevailing
6 wage and fringe benefit rates described in section 8(4)(h).~~

7 (2) ~~(3)~~ Any surplus from the sale of property in the involved
8 project area under section 3(f)(ii), after payment of principal and
9 interest or other evidences of indebtedness, shall be deposited in
10 a revolving fund of the corporation creating the subsidiary
11 corporation, which fund shall be restricted to provide revenue for
12 other projects authorized by section 3(f)(ii), within the city.

13 (3) ~~(4)~~ When bonds or notes are sold to implement projects
14 under section 3(f)(ii), provision shall be made for the immediate
15 repayment of the bonds or notes at the time all property in the
16 involved project area is sold.

17 Sec. 8. (1) The corporation shall designate the project area
18 to the governing body of the municipality for which the corporation
19 is incorporated. The governing body of the municipality for which
20 the corporation is incorporated shall certify its approval of the
21 designation of a project area by resolution.

22 (2) Before acquiring property, or an interest in land, or
23 incurring obligations for a specific project, other than the
24 acquisition of an option **OR AS PROVIDED IN SUBSECTION (9)**, the
25 corporation shall prepare a project plan and secure the
26 recommendation of the local public agency of the municipality for
27 which the corporation is incorporated, except as provided in

1 section 9(3), the approval of the governing body of each city,
2 village, or township in which all or a part of the project is
3 located, and the approval of the county, if the corporation is an
4 economic development corporation for the county.

5 (3) The corporation shall certify to the governing body of the
6 municipality for which the corporation is incorporated that at the
7 time the project plan is approved by the corporation, the project
8 shall not have the effect of transferring employment of more than
9 20 full-time persons from a municipality of this state to the
10 municipality in which the project is to be located. This
11 restriction ~~shall~~**DOES** not prevent the approval of a project if the
12 governing body of each municipality from which employment is to be
13 transferred consents by resolution to the transfer.

14 (4) The project plan ~~shall~~**MUST** contain the following, except
15 that agricultural and forestry enterprise projects need only comply
16 with subsection (9) with respect to project plans:

17 (a) The location and extent of existing streets and other
18 public facilities within the project district area, and shall
19 designate the location, character, and extent of the categories of
20 public and private land uses then existing and proposed for the
21 project area, including residential, recreational, commercial,
22 industrial, educational, and other uses and shall include a legal
23 description of the project area.

24 (b) A description of existing improvements in the project area
25 to be demolished, repaired, or altered, a description of repairs
26 and alterations, and an estimate of the time required for
27 completion.

1 (c) The location, extent, character, and estimated cost of the
2 improvements including rehabilitation contemplated for the project
3 area and an estimate of the time required for completion.

4 (d) A statement of the construction or stages of construction
5 planned, and the estimated time of completion of each stage.

6 (e) A description of the parts of the project area to be left
7 as open space and the use contemplated for the space.

8 (f) A description of portions of the project area that the
9 corporation desires to sell, donate, exchange, or lease to or from
10 the municipality, and the proposed terms.

11 (g) A description of desired zoning changes and changes in
12 streets, street levels, intersections, and utilities.

13 (h) A statement of the proposed method of financing the
14 project. ~~, including, except as provided in section 6a, a statement~~
15 ~~by a person described in subparagraph (j) indicating the payment to~~
16 ~~all persons performing work on the construction project of the~~
17 ~~prevailing wage and fringe benefit rates for the same or similar~~
18 ~~work in the locality in which the work is to be performed, and a~~
19 ~~statement of the ability of the corporation to arrange the~~
20 ~~financing. The prevailing wage and fringe benefit rates shall be~~
21 ~~determined under 1965 PA 166, MCL 408.551 to 408.558. A corporation~~
22 ~~may conclusively rely upon the statement required under this~~
23 ~~subsection as to compliance with the payment of prevailing wage and~~
24 ~~fringe benefit rates and any contracts, bonds or notes of any~~
25 ~~corporation entered into or issued upon reliance on any statement~~
26 ~~shall not be subsequently voided by reason of the failure to comply~~
27 ~~with the requirements of this subsection.~~

1 (i) A list of persons who will manage or be associated with
2 the management of the project for a period of not less than 1 year
3 from the date of approval of the project plan.

4 (j) Designation of the person or persons, natural or
5 corporate, to whom the project is to be leased, sold, or conveyed
6 and for whose benefit the project is being undertaken if that
7 information is available to the corporation.

8 (k) If there is not an express or implied agreement between
9 the corporation and persons, natural or corporate, that the project
10 will be leased, sold, or conveyed to those persons, the procedures
11 for bidding for the leasing, purchasing, or conveying of the
12 project upon its completion.

13 (l) Estimates of the number of persons residing in the project
14 area, and the number of families and individuals to be displaced.
15 If occupied residences are designated for acquisition and clearance
16 by the corporation, a project plan shall include a survey of the
17 families and individuals to be displaced, including their income
18 and racial composition, a statistical description of the housing
19 supply in the community, including the number of private and public
20 units in existence or under construction, the condition of those in
21 existence, the number of owner-occupied and renter-occupied units,
22 the annual rate of turnover of the various types of housing and the
23 range of rents and sale prices, an estimate of the total demand for
24 housing in the community, and the estimated capacity of private and
25 public housing available to displaced families and individuals.

26 (m) A plan for establishing priority for the relocation of
27 persons displaced by the project in new housing in the project

1 area.

2 (n) Provision for the costs of relocating persons displaced by
3 the project and financial assistance and reimbursement of expenses,
4 including litigation expenses and expenses incident to the transfer
5 of title, in accordance with the standards and provisions of the
6 uniform relocation assistance and real property acquisition
7 policies act of 1970, ~~Public Law 91-646, 84 Stat. 1894.~~ **42 USC 4601-**
8 **4655.**

9 (o) A plan for compliance with 1972 PA 227, MCL 213.321 to
10 213.332.

11 (p) Other material as the corporation, local public agency, or
12 governing body considers pertinent.

13 (5) The corporation ~~shall be~~ **IS** considered an instrumentality
14 of a political subdivision for purposes of 1972 PA 227, MCL 213.321
15 to 213.332.

16 (6) A person shall be given not less than 90 days' written
17 notice to vacate unless modified by court order for good cause.

18 (7) The corporation shall not operate a project or an
19 enterprise in a project, other than as lessor.

20 (8) The governing body may utilize the corporation to issue
21 obligations ~~pursuant to~~ **UNDER** section 7 to accomplish the public
22 purposes of the municipality set forth in section 2, and for that
23 purpose may by resolution direct the corporation to take
24 appropriate action as set forth in subsections (1) and (2) with
25 respect to a proposed project.

26 (9) In the case of project plans for agricultural and forestry
27 enterprises, the following information ~~shall~~ **MUST** be provided in

1 lieu of the requirements of subsections (2) and (4):

2 (a) A statement of intention regarding the objectives of the
3 project.

4 (b) A general description of the kinds of buildings,
5 improvements, storage facilities, restorations, acquisition of
6 machinery, equipment furnishings, leasehold improvements and
7 incidental related costs to be financed.

8 (c) A statement regarding the length of the project and the
9 maximum amount to be financed over the life of the project.

10 (d) A statement by the corporation that no zoning change or
11 eminent domain proceedings will be necessary to implement the
12 project.

13 (e) A description of the process to be followed in
14 implementing the individual transactions that may comprise the
15 project.

16 Enacting section 1. This amendatory act does not take effect
17 unless Senate Bill No. ____ or House Bill No. 4001 (request no.
18 00003'15) of the 98th Legislature is enacted into law.