

ORDINANCE NO. 98-1
AN ORDINANCE TO ADOPT AND APPROVE
A DEVELOPMENT PLAN
AND TAX INCREMENT FINANCING PLAN
FOR VILLAGE OF FARWELL LOCAL DEVELOPMENT FINANCE AUTHORITY
DEVELOPMENT DISTRICT
PURSUANT TO THE PROVISIONS OF ACT 281,
PUBLIC ACTS OF MICHIGAN OF 1986, AS AMENDED
AND TO PROVIDE FOR ALL MATTERS RELATED THERETO

THE VILLAGE OF FARWELL ORDAINS:

SECTION 1. DEFINITIONS. The terms used in this Ordinance shall have the following meaning unless the context clearly requires otherwise:

“Act 281” means the Local Development Finance Authority Act, Act No. 281 of Public Acts of Michigan of 1986, as amended.

“Captured Assessed Value” means the amount in any one year by which the current assessed value as finally equalized of all taxable property in the Development Area exceeds the Initial Assessed Value, as more fully described in the Village of Farwell Local Development Finance Authority Development and Tax Increment Financing Plan.

“Development Area” shall mean the area within the boundaries of the Village of Farwell Local Development Finance Authority Development District, as described in Section 15(2)(a) of the Village of Farwell Local Development Finance Authority Development Plan.

“Development Plan” means the Development Plan for the Local Development Finance Authority District, illustrated in the Local Development Finance Authority Development Plan and Tax Increment Financing Plan.

“Initial Assessed Value” means the most recently assessed value, as finally equalized by the State Board of Equalization, of all taxable property within the boundaries of the Local Development Finance Authority District at the time of adoption of this Ordinance, as more fully described in the Local Development Finance Authority Development Plan and Tax Increment Financing Plan.

“Tax Increment” shall be that portion of the tax levy of all taxing jurisdictions paid each year on real and personal property in the Local Development Finance Authority District on the captured assessed value, as more fully described in the Local Development Finance Authority Development Plan and Tax Increment Financing Plan.

“Local Development Finance Authority” means the Village of Farwell Local Development Finance Authority as established by Ordinance No. 98-1.

“Tax Increment Financing Plan” means the “Tax Increment Financing Plan for the Village of Farwell Local Development Finance Authority Development District,” including the Development Plan, as transmitted to the Village Council by the Local Development Finance Authority for public hearing, and as confirmed by this Ordinance, copies of which are on file in the office of the Village Clerk.

“Taxing Jurisdiction” shall mean each unit of government levying an ad valorem property tax on property in the Local Development Finance Authority Development District.

All other undefined terms, unless the context of this Ordinance specifically required otherwise, shall have the meanings attributed to them by current usage.

SECTION 2. APPROVAL AND ADOPTION OF THE LOCAL DEVELOPMENT FINANCE AUTHORITY DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN. Pursuant to Section 17(1) Act 281, the Village Council of the Village of Farwell, Clare County, hereby finds and determines in accordance with Section 17(1) of Act 281 as follows:

- (a) That the development plan meets the requirements set forth in Section 15(2) and the tax increment financing plan meets the requirements set forth in Section 12(1), (2), and (3).
- (b) That the proposed method of financing the public facility or facilities is feasible and the authority has the ability to arrange the financing.
- (c) That the development is reasonable and necessary to carry out the purposes of this act.
- (d) That the amount of captured assessed value estimated to result from adoption is reasonable.
- (e) That the land to be acquired under the development plan is reasonably necessary to carry out the purposes of the plan and the purposes of this act.
- (f) That the development plan is in reasonable accord with the approved master plan of the municipality, if an approved master plan exists.
- (g) That public services, such as fire and police protection and utilities, are or will be adequate to service the property.
- (h) That changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

A copy of the Development Plan and Tax Increment Financing Plan, and all respective amendments thereto, shall be maintained on file in the Village Clerk’s office and cross-indexed to this Ordinance.

SECTION 3. BOUNDARIES OF DEVELOPMENT AREA. The boundaries of the Development Area are hereby adopted and confirmed.

SECTION 4. PREPARATION OF BASE YEAR ASSESSMENT ROLL.

- (a) Within 90 days of the effective day of this Ordinance, the Village Assessor shall prepare the initial base year assessment roll. The base year assessment roll shall list each taxing jurisdiction in which the Local Development Finance Authority District is located, the initial assessed value of the Development District on the effective date of this Ordinance, and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on the property in the Development District.
- (b) The Village Assessor shall transmit copies of the base year assessment roll to the Village Treasurer, the County Treasurer, the Local Development Finance Authority, and each taxing jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this Ordinance and the Development Plan and Tax Increment Financing Plan approved by this Ordinance.

SECTION 5. PREPARATION OF ANNUAL ASSESSMENT ROLL. Each year within 15 days following the final equalization of property in the Development District, the Village Assessor shall prepare an updated annual assessment roll. The annual assessment roll shall show the information required in the base year assessment roll and, in addition, the captured assessed value for that year. Copies of the annual assessment roll shall be transmitted by the Assessor to the same persons as the base year assessment roll, together with a notice that it has been prepared in accordance with this Ordinance and the Development Plan and Tax Increment Financing Plan.

SECTION 6. ACCOUNT STATUS REPORT. Annually, the Authority shall submit to the governing body of the municipality and the State Tax Commission a report on the status of the Tax Increment Financing account. The report shall include: the amount and source of revenue in the account; the amount and purpose of expenditures from the account; the amount of principle and interest on any outstanding bonded indebtedness; the initial assessed value of the project area; the captured assessed value retained by the Authority; the tax increments received; and any additional information the governing body or the State Tax Commission considers necessary. The report shall be published in a newspaper of general circulation to the municipality.


SECTION 7. IMPLEMENTATION. All tax increments shall be transmitted by the Village Treasurer into an account of the Local Development Finance Authority at the earliest practicable date. All tax increments, so received by the Local Development Finance Authority shall be disbursed in accordance with the provisions of the Development Plan and Tax Increment Financing Plan and the requisitions of the Local Development Finance Authority. Surplus funds shall revert proportionately to the respective taxing bodies. For the purpose of segregation and transfer of such funds, the Village Treasurer shall maintain a separate fund which shall be kept in a depository bank account or accounts in a bank or banks approved by the Village Council, to be designated Local Development Finance Authority project fund. All amounts payable to the Local Development Finance Authority shall, subject to the foregoing, be deposited directly in the Local Development Finance Authority project fund.

SECTION 8. DURATION OF TAX INCREMENT FINANCING PLAN. The Tax Increment Financing Plan will continue in effect until all purposes of the Development Plan and Tax Increment Financing Plan have been fulfilled.

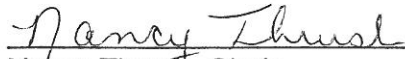
SECTION 9. ORDINANCE IMMEDIATELY EFFECTIVE UPON ADOPTION. This Ordinance has been deemed necessary to assure the preservation of the general welfare of the Village of Farwell community; therefore, said Ordinance shall become effective upon adoption.

This Ordinance becomes effective on the 4th day of May 1998.

The foregoing Ordinance was adopted by the Village of Farwell Council, May 4, 1998, and was duly recorded, posted, and authenticated by the Mayor and City Clerk as provided by law.



Steven Grim, President
Village of Farwell



Nancy Thrush, Clerk
Village of Farwell