



Legislation Details (With Text)

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Title: Resolution to Reaffirm the City of Ann Arbor's Approval of the FY2010 Ann Arbor/Ypsilanti SmartZone Budget As Amended and the Restrictions on the Expenditures of Funds Within the SmartZone District

Sponsors: Marcia Higgins, Stephen Rapundalo

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Resolution to Reaffirm the City of Ann Arbor's Approval of the FY2010 Ann Arbor/Ypsilanti SmartZone Budget As Amended and the Restrictions on the Expenditures of Funds Within the SmartZone District

Before the Ann Arbor/Ypsilanti Smartzone LDFA Board may adopt its annual budget, the governing bodies of Ann Arbor and Ypsilanti must approve it, with each governing body limited to approval of that portion of the budget that utilizes tax increment financing funds collected with their community.

The Cities have further agreed under the terms of the Smartzone Agreement and the By-laws for the Smartzone LDFA Board that all tax increment revenues received by the Authority may only be expended by the Authority for those purposes and in those amounts authorized under the Act and the Authority's Tax Increment Financing Plan (TIFP). In no event may revenues generated in one community be used for activities undertaken in another.

The majority of funding supporting the Ann Arbor/Ypsilanti Smartzone LDFA is provided through tax increment financing from the Ann Arbor portion of the LDFA district. No revenue is captured from the Ypsilanti portion of the district at this time.

Since no funds may be expended outside the community in which they are collected, this resolution reaffirms the City's approval of the LDFA FY2010 budget and restates that such approval was and is conditioned on compliance with the legally restricted expenditure of the marketing funds annually for promotion of the business accelerator and its programs and activities and expenditures attributable to this item be restricted to the Ann Arbor portion of the district from which the financing is collected. This requirement does not limit operational costs directly related to the central administration of the business accelerator provided for in the TIFP.

Prepared by: Mary Joan Fales, Senior Assistant City Attorney

Sponsors: Councilmember Higgins and Rapundalo

Whereas, Article IV of the Agreement between Ann Arbor and Ypsilanti creating the Authority specifically restricts the expenditure of funds outside the community in which they are collected; and

Whereas, The Ann Arbor/Ypsilanti Smartzone Board wishes to expend tax revenues for marketing of its business accelerator programs and activities;

RESOLVED, That City Council reaffirms its approval the Ann Arbor/Ypsilanti SmartZone budget for FY2010, as amended, and expenditure of budgeted funds for the purpose of marketing business accelerator programs and activities only within the Ann Arbor portion of the LDFA district; and

RESOLVED, That the expenditures attributable to the programs and activities named above shall not exceed available LDFA TIF revenues generated in the Ann Arbor district.