

Ordinance to Amend Section 1:156 and Add a New Section Which New Section Shall Be Designated as Section 1:160 of Chapter 7, Downtown Development Authority, Title I of the Code of the City of Ann Arbor.

The City of Ann Arbor Ordains:

Section 1. That Section 1:156 of Chapter 7 of Title 1 of the Code of the City of Ann Arbor be amended to read as follows:

1:156. Powers of the authority.

As provided in Act 197, the authority shall prepare a development plan and financing plan for the downtown district or a development area within the district. The authority must obtain city council approval of all development and financing plans. The authority shall possess all of the powers necessary to carry out the purposes of its incorporation and shall have all powers provided by Act 197 ~~of the Public Acts of 1975~~ with the following exceptions:

- (1) *Ad valorem taxes*: The authority shall not have the power to levy ad valorem taxes on the real and tangible personal property as finally equalized in the downtown district.
- (2) *Tax increment financing*: If the ~~downtown-development~~ authority proposes a tax increment financing plan, it shall only plan the use of that portion of the captured assessed taxable value that is due to new construction and improvements to existing buildings after December 31, 1981 to implement the downtown plan and any amendments thereto.

Beginning with the 2016 tax year the maximum captured taxable value shall be \$224,000,000.00. Each tax year thereafter, the maximum captured taxable value shall be increased by 3.5% per annum.

Only after approval notice to and the opportunity to comment of by the governmental units may these restrictions be removed.

- (3) *Planning ~~e~~Considerations*: In developing a plan within the downtown area, the ~~downtown-development~~ authority shall consider the following:
 - (a) Tax increment financing shall only be 1 of the financing methods considered and should be coordinated with private and other public investment funds.
 - (b) If possible projects should also benefit properties of other governmental units within the downtown area.
 - (c) If tax increment financing is proposed, all governmental units levying a property tax shall be fully informed of this plan and any future amendments thereto. Such consultations are to be prior to any action by the city council on the proposal. In event of additional projects, the restrictions on recapture in Item 2 would also apply.

(d) The plan for the downtown area should show that the property taxes realized for each governmental taxing unit, over the long term, should be greater than if the downtown development district did not exist.

Section 2: That Chapter 7 of Title 1 of the Code of the City of Ann Arbor be amended to add a new Section, designated as Section 1:160, to read as follows:

1:160. Annual Report

The authority shall prepare, file with the State Tax Commission and the City, and publish in a newspaper of general circulation in the City a tax increment financing (TIF) account Annual Report consistent with the requirements of and in the form specified by the State of Michigan within ninety (90) days of the end of the fiscal year of the authority.

Section 3: In the event any court of competent jurisdiction shall hold any provision of this Ordinance invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 4: This Ordinance shall take effect ten days after passage and publication.