

# HOUSE BILL No. 4225

February 10, 2011, Introduced by Reps. MacGregor, Price, Tyler, Horn, Shirkey, Cotter, McMillin, Johnson, Knollenberg, Franz, Somerville, Lyons, Agema, Olson, Jacobsen, Shaughnessy, Haveman and Lund and referred to the Committee on Oversight, Reform, and Ethics.

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

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 8. (1) The corporation shall designate the project area  
2 to the governing body of the municipality for which the corporation  
3 is incorporated. The governing body of the municipality for which  
4 the corporation is incorporated shall certify its approval of the  
5 designation of a project area by resolution.

6       (2) Before acquiring property, or an interest in land, or  
7 incurring obligations for a specific project, other than the  
8 acquisition of an option, the corporation shall prepare a project  
9 plan and secure the recommendation of the local public agency of  
10 the municipality for which the corporation is incorporated, except

1 as provided in section 9(3), the approval of the governing body of  
2 each city, village, or township in which all or a part of the  
3 project is located, and the approval of the county, if the  
4 corporation is an 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 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 contain the following, except that  
15 agricultural and forestry enterprise projects need only comply with  
16 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~~ **SUBDIVISION** (j) indicating  
16 the payment to all persons performing work on the construction  
17 project of the prevailing wage and fringe benefit rates for the  
18 same or similar work in the locality in which the work is to be  
19 performed, and a statement of the ability of the corporation to  
20 arrange the financing. ~~The prevailing wage and fringe benefit rates~~  
21 ~~shall be determined under 1965 PA 166, MCL 408.551 to 408.558. A~~  
22 corporation may conclusively rely upon the statement required under  
23 this subsection as to compliance with the payment of prevailing  
24 wage and fringe benefit rates and any contracts, bonds or notes of  
25 any corporation entered into or issued upon reliance on any  
26 statement shall not be subsequently voided by reason of the failure  
27 to comply 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 considered an instrumentality of  
14 a political subdivision for purposes of 1972 PA 227, MCL 213.321 to  
15 213.332.

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 be provided in lieu of

1 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. 4224(request no.  
18 00506'11) of the 96th Legislature is enacted into law.