

CITY OF PORTAGE

At a regular meeting of the City Council of the City of Portage, Michigan, held on the 20th day of March, 1990, at 7:30 p.m., Eastern Standard Time, at the City Hall, Portage, Michigan. There were:

PRESENT: Overlander, Bashaw, Jean, Schreur, Shugars, Sutter, Zull
 ABSENT: None

The following preamble and resolution were offered by Councilman Shugars and supported by Councilman Schreur.

**RESOLUTION TO CREATE A LOCAL DEVELOPMENT FINANCE AUTHORITY
 AND DESIGNATING THE BOUNDARIES OF A
 LOCAL DEVELOPMENT FINANCE DISTRICT**

WHEREAS, pursuant to the provisions of Act No. 281, Public Acts of Michigan of 1986 (the "Act"), the City of Portage wishes to establish a Local Development Finance Authority so it can create and implement a Development and Tax Increment Financing Plan to develop part of the City of Portage within the local development finance district described below.

WHEREAS, the boundaries of the proposed Local Development Finance District (the "District") are as set forth in Attachment A, which is by this reference made a part of this resolution, and

WHEREAS, this action is being undertaken to eliminate the conditions of unemployment, underemployment, and joblessness, and to promote economic growth in the community, utilizing tax increment financing,

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PORTAGE, as follows:

**RESOLUTION ESTABLISHING AND IMPLEMENTING
 THE LOCAL DEVELOPMENT FINANCE AUTHORITY
 OF THE
 CITY OF PORTAGE**

1. This Resolution shall serve as the permanent Articles of Incorporation of the Local Development Finance Authority of the City of Portage, (the "Authority").

2. Pursuant of Public Act No. 281 of the Michigan Public Acts of 1986, as amended, (the "Act"), there is hereby established a Local Development Finance Authority, (the "Authority").

3. The boundaries of the Authority District shall be as set forth in Appendix A.

4.(1) The Authority shall be under the supervision and control of the Board (the "Board"), which shall include:

(a) Seven (7) members appointed by the Chief Executive of the City of Portage:

(b) One (1) member appointed by the Board of Commissioners of the County of Kalamazoo.

(c) One (1) member representing the Kalamazoo Community College appointed by the chief executive officer of that Community College.

(d) Two (2) members appointed by the chief executive officer of the Portage Public Schools, which levied 20% or more of the ad valorem property taxes levied against all property located in the authority district in the year 1989.

(2) Of the members first appointed, an equal number, as near as possible, shall have terms designated by the City Council of the City of Portage of 1 year, 2 years, 3 years, and 4 years. However, a member shall hold office until the member's successor is appointed. After the first appointment, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made in the same manner as the original appointment. An appointment to fill an unexpired term shall be for the unexpired portion of the term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses.

5. The majority of the members of the Board shall constitute a quorum for the transaction of business. The Board shall annually elect one of its members as Chairperson, one of its members as Secretary and one of its members as Treasurer.

6. The Board shall prescribe and adopt rules of procedure and the holding of regular meetings, subject to the approval of City Council. Special meetings may be held when called in the manner provided in the rules of the Board.

7. Subject to notice and an opportunity to be heard, a member of the board may be removed before the expiration of his or her term for cause by the governing body, of the appointing unit. Removal of a member is subject to review by the circuit court.

8. All expense items of the authority shall be publicized annually and the financial records shall be open to the public pursuant to the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

9. The board may employ and fix the compensation of a director, subject to the approval of the City Council of the City of Portage as provided in the Act. The director shall serve at the pleasure of the board.

10. The Board and its Chairperson, Secretary and Treasurer shall have those duties and powers as are set forth in the Act.

11. In accordance with the provisions of the Act, the Board may:

(a) Study and analyze unemployment, underemployment, and joblessness and the impact of growth upon the authority district or districts.

(b) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility.

(c) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the City of Portage, to promote the growth of the Authority District and take the steps that are necessary to implement the plans to the fullest extent possible to create jobs, and promote economic growth.

(d) Implement any plan of development necessary to achieve the purposes of this act in accordance with the powers of the Authority as granted by the Act.

(e) Make and enter into contracts necessary or incidental to the exercise of the board's powers and the performance of its duties.

(f) Acquire by purchase or otherwise on terms and conditions and in a manner the authority considers proper, own or lease as lessor or lessee, convey, demolish, relocate, rehabilitate, or otherwise dispose of real or personal property, or rights or interest in that property, which the authority determines is reasonable necessary to achieve the purposes of the Act, and to grant or acquire licenses, easements, and options with respect to the property.

(g) Improve land, prepare sites for buildings, including the demolition of existing structures, and construct, reconstruct, rehabilitate, restore and preserve, equipment, improve, maintain, repair, or operate a building, as provided in Section 12(3) of the Act for the use, in whole or in part, of a public or private person or corporation, or a combination thereof.

(h) Fix, charge, and collect fees, rents, and charges for the use of a building or property or a part of a building or property under the board's control, or a facility in the building or on the property, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the Authority.

(i) Lease a building or property or part of a building or property under the board's control.

(j) Accept grants and donations of property, labor, or other things of value from a public or private source.

(k) Acquire and construct public facilities as defined by the Act.

(l) Incur costs in connection with the performance of the board's authorized functions including, but not limited to, administrative costs, and architects, engineers, legal, and accounting fees.

(m) Plan, propose, and implement an improvement to a public facility on eligible property to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.

12. The Authority shall be considered an instrumentally of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

13. The City of Portage may take private property under Act No. 87 of the Public Acts of 1980, being sections 213.51 to 213.77 of the Michigan Compiled Laws, for the purpose of transfer to the Authority, and may transfer the property to the Authority for use as authorized in the development program, on terms and conditions it considers appropriate. The taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

14. The activities of the Authority shall be financed from 1 or more of the following sources:

(a) Contributions to the Authority for the performance of its functions.

(b) Revenues from any property, building, or facility owned, leased, licensed, or operated by the Authority or under its control, subject to the limitations imposed upon the Authority by trusts or other agreements.

(c) Tax increments received pursuant to a tax increment financing plan established under Section 12 to 14 of the Act.

(d) Proceeds of tax increment bonds issued pursuant to Section 14 of the Act.

(e) Proceeds of revenue bonds issued pursuant to Section 11 of the Act.

(f) Money obtained from any other sources approved by the City Council of the City of Portage.

15. The Authority may borrow money and issue its negotiable revenue bonds pursuant to Act No. 94 of the Public Acts of 1933, as amended, being Section 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the Authority shall not, except as hereinafter provided, be considered a debt of the City of Portage or of the state.

The City of Portage by majority vote of the members of its governing body may pledge its full faith and credit limited tax to support the Authority's revenue bonds.

16.(a) By resolution of its Board and subject to the limitations set forth in this section, the Authority may authorize, issue, and sell its tax increment bonds to finance a development program. The bonds shall mature in 30 years or less and shall be subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, being sections 131.1 to 139.3 of the Michigan Compiled Laws. The Authority may pledge for debt service requirements the tax increment revenue to be received from an eligible property. the bonds issued under this section shall be considered a single series for the purposes of section 4 of the municipal finance act, Act No. 202 of the Public Acts of 1943, being section 135.4 of the Michigan Compiled Laws.

(b) The City of Portage by majority vote of the members of its City Council may make a limited tax pledge to support the Authority's tax increment bonds or, if authorized by the voters of the City, pledge its full faith and credit for the payment of the principal of and interest on the Authority's tax increment bonds.

(c) Bonds and notes issued by the Authority and the interest on and income from those bonds and notes are exempt from taxation by the state or a political subdivision of this state.

17. When this Board decides to finance a project in a development area pursuant to this act, it shall prepare a development plan in accordance with Section 15 of the Act.

18. The director of the Authority shall prepare and submit for the approval of the Board a budget for the operation of the Authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the

information required of municipal departments. Before the budget may be adopted by the Board, it shall be approved by the City Council of the City of Portage.

19. When the Authority has completed the purposes for which it was organized shall be dissolved by resolution of the City Council of the City of Portage. The Authority shall have all the powers granted to it by the Act as it currently exists or as the Act may be amended in the future and the enumeration of powers herein shall not be an attempt to limit such powers.

20. This Resolution shall take effect upon its adoption.

21. This resolution shall be filed by the City Clerk with the Secretary of State promptly after its adoption and shall be published once by the City Clerk in the Kalamazoo Gazette, a newspaper of general circulation in the City of Portage.

22. All resolutions and parts of resolutions in conflict herewith are rescinded.

A ROLL CALL VOTE WAS TAKEN AS FOLLOWS:

YEAS: Overlander, Bashaw, Jean, Schreur, Shugars, Sutter, Zull

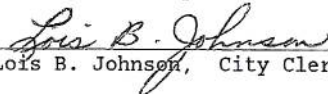
NAYS: None

ABSTAIN:None

THE RESOLUTION WAS DECLARED ADOPTED.

STATE OF MICHIGAN)
) ss
COUNTY OF KALAMAZOO)

The undersigned, being the duly qualified and acting Clerk of the City of Portage, Michigan, hereby certifies that the foregoing is a true and complete copy of a resolution duly adopted by the City Council of the City of Portage at its meeting held on the 20th day of March, 1990, at which meeting a quorum was present and remained throughout and that an original thereof is on file in the records of the County. I further certify that the meeting was conducted, and public notice thereof was given, pursuant to and in full compliance with Act No. 267, Michigan Public Acts of 1976, as amended, and that minutes were kept and will be or have been made available as required thereby.


Lois B. Johnson, City Clerk

Dated: March 20, 1990