

PUBLIC HEARING - MARCH 30, 1989

Call to Order

A Public Hearing was called to order by Mayor John L. Della Pia on Thursday, March 30, 1989 at 7:00 p.m. in the Council Chamber, City Hall.

Purpose

Purpose of the Public Hearing was to consider an ordinance amending the Development and Tax Increment Financing Plan Ordinance.

Roll Call

Present: Councilmen TerHorst, Linke and Kruszka; Councilwoman Adams and Mayor Della Pia - 5.

Absent: Councilmen Seemuth and V. Hansen - 2.

Also Present: City Manager.

Notice

Notice of this Public Hearing was published in the March 9th and 10th, 1989 editions of The Manistee News-Advocate.

17415 Back-ground Data on Proposed Amendment

City Manager Ben Bifoss reviewed the background on the proposed amendment. On Nov. 1, 1988 the City Council took action by resolution to amend the Development and Tax Increment Financing Plan to permit a tax increment revenue bond issue to provide the local share of funding for the Lighting/Riverwalk Project. The City bond counsel, Miller, Canfield, Paddock and Stone, indicate that action amending the Development and Tax Increment Financing Plan must be accomplished by Ordinance in that the original Plan was adopted by Ordinance. Prior to final adoption of the Ordinance a public hearing must be held which receives a twenty day notice.

At the regular meeting of March 7, 1989 the City Council took action to call a special meeting for Thursday, March 30, 1989 with a public hearing on the proposed Ordinance at 7:00 p.m.; with consideration of final action on the Ordinance following that public hearing. Action prior to April 1, 1989 is necessary if the date currently included in the School Finance Reform package for the hold harmless provisions for Downtown Development Authorities is included in new legislation which may be considered by the State legislature on the issue of school finance reform.

The Ordinance was considered by the DDA at a special meeting of Wednesday, March 15, 1989. The DDA adopted a resolution unanimously endorsing the proposed amendment. The amendment makes three significant changes in the Development and Tax Increment Financing Plan. First, the Ordinance adopts the CBD Plan (part of the Master Plan) as a guiding document in the DDA's Central Business District Improvement Plans. The current Tax Increment Financing Plan includes only the Manistee Downtown Preservation and Development Plan, not the CBD portion of the Master Plan. Further, the CBD portion of the Master Plan is amended to include an eleventh recommendation. That eleventh recommendation is that TIF revenues be made available to the DDA through the Tax Increment Financing Plan, in accordance with the Plan, to make available financial incentives for major commercial projects in the Central Business District.

The second significant change in the Development and Tax Increment Financing Plan is to permit bonding by the DDA to further the intents of the Plans. This action was approved by the Council by resolution in November, but is restated in the Ordinance. Further, rather than specifying the amount and purpose of proposed bonding in the Ordinance, the Ordinance would indicate that up to 80% of the debt which could be supported by available tax increment revenues could be issued by the DDA. While the Ordinance would permit the issuance of this debt, each individual bond would require formal approval by the City Council even if the Ordinance were adopted. Further, no City general obligation would be incurred by virtue of the Ordinance; any City obligation to redeem debt which may be issued would require a separate approval process including a 45 day referenda period.

The third significant change in the Ordinance is to establish an end date for the TIF Plan. The current TIF Plan contains no sunset provisions, its indefinite tenure presumes that tax increment used by the DDA would remain available to the DDA indefinitely. The Ordinance under consideration fixes the date of January 1, 2009, twenty years from now, as the end date that TIF revenues would be available to the DDA. After that date the TIF District would be abandoned and all tax increment revenues would be made available to typical taxing jurisdictions.

The Council took action on a first reading of the Ordinance on March 20, 1989. The Ordinance under consideration does not in itself authorize bonds to be issued; separate bond authorizing resolutions would be required at a future date. The amendment is recommended by the DDA and by the City Manager.

Praises Council

David Carlson, who has been a member of the DDA Board since its creation, expressed his appreciation in behalf of the DDA for the continued support by the City Council of the DDA.

Closed

Mayor Della Pia closed the Public Hearing at 7:20 p.m.

Della J. Della Pia
City Clerk

Call to Order

Roll Call

See 17412
Development and Tax Increment Financing Plan Ordinance Adopted

A Special Meeting of the Manistee City Council was called to order by His Honor, Mayor John L. Della Pia, on Thursday March 30, 1989, at 7:30 p.m.

Present: Councilmen TerHorst, Linke and Kruszka; Councilwoman Adams and Mayor Della Pia.

Absent: Councilmen Seemuth and V. Hansen.

Also Present: City Manager.

Purpose of the Special Meeting was consideration of an Ordinance amending the Development and Tax Increment Financing Plan Ordinance.

It was moved by Councilman TerHorst, supported by Councilman Linke, to approve the Second Reading and adopt an Ordinance amending Title I, Chapter 8 being Ordinance entitled "Development and Tax Increment Financing Plan Ordinance." - Approved, 4-1, with Councilwoman Adams dissenting.

ORDINANCE AMENDING ORDINANCE TITLE I, CHAPTER 8 BEING ORDINANCE ENTITLED
"DEVELOPMENT AND TAX INCREMENT FINANCING PLAN ORDINANCE"

THE CITY OF MANISTEE ORDAINS:

WHEREAS, in 1985 pursuant to Title I, Chapter 8 of the Ordinances of the City of Manistee and Act 197 of the Public Acts of Michigan of 1975, as amended, the City of Manistee considered and approved a Development and Tax Increment Financing Plan proposed by the Downtown Development Authority of the City of Manistee (the "Authority"); and

WHEREAS, in 1988 the Authority presented to the City and the City approved as a part of its master plan a new Development Plan for the Development Area of the Authority known as the Central Business District Development Plan (the "CBD Plan") for the City of Manistee; and

WHEREAS, the CBD Plan constituted an amendment and supplement to the Development and Tax Increment Financing Plan of the City of Manistee; and

WHEREAS, the Development and Tax Increment Financing Plan currently does not provide for the issuance of bonds; and

WHEREAS, the City of Manistee and the Authority have determined that it is in the best interests of the Authority and the City to proceed with the issuance of bonds for the purpose of carrying out the projects listed in the CBD Plan;

NOW, THEREFORE, THE CITY OF MANISTEE ORDAINS:

Section 1. Amendment of Title I, Chapter 8. The Development and Tax Increment Financing Plan Ordinance is hereby amended to read as follows:

8.01 Title of Ordinance. This Ordinance shall be known and may be cited as the "Amended Development and Tax Increment Financing Plan Ordinance."

8.02 Adoption of CBD Plan as Amended Development Plan. The CBD Plan on file with the City as a part of its Master Plan is hereby approved as amended, as the amendment and supplement to the Development Plan of the Authority and is hereby incorporated as part of this Ordinance by reference, and the same is adopted by the City Council of the City of Manistee pursuant to Act 197, Public Acts of Michigan, 1975.

8.03 Amendment and Approval of Tax Increment Financing Plan. The Tax Increment Plan is hereby approved with the following amendments:

- (a) Section A-7 of the Tax Increment Financing Plan is hereby amended to read as follows:
 - 7. The Tax Increment Revenue primarily will secure and ensure public land improvements described in the Amended Development Plan. The bonds are to be issued may be bonds issued by the Authority or by the City of Manistee and may be issued either pursuant to Act 197, Public Acts of Michigan of 1975, as amended or pursuant to any other statutes permitting the issuance of bonds by the Authority or the City for purposes of financing the projects outlined in the Amended Development Plan. In the event the bonds are issued by the City pursuant to such other acts, the Authority will pledge the Tax Increment Revenue to payment of the bonds.

- (b) Section B of the Tax Increment Financing Plan is hereby amended to read as follows:

B. Maximum Amount of Bonded Indebtedness.

The maximum amount of bonded indebtedness to be incurred by the Authority or the City and secured by the pledge of Tax Increment Revenue is not more than 80% of the debt which can be supported by available Tax Increment Revenues as projected in attached Exhibit 1, as the same may be from time to time amended by resolution of the DDA and the City Council.

- (c) Section C of the Tax Increment Financing Plan is hereby amended to read as follows:

C. Duration of Tax Increment Financing Plan.

The Tax Increment Financing Plan shall continue in effect until the later of January 1, 2009, or until principal and interest of any bonds issued pursuant to the Plan have been paid in full or sufficient funds to make such payment have been set aside for such purpose.

DOUBLEDAY BROS. & CO., KALAMAZOO, MICHIGAN #640033

Development and Tax Increment Financing Plan Ordinance Adopted (Contd.)

the City of Manistee.

Section 3. Continuance of Title I, Chapter 8 as amended. The remaining sections of the Development and Tax Increment Financing Plan Ordinance shall remain in full force and effect, and all other ordinances and parts of ordinances in contravention with this ordinance and the Development and Tax Increment Financing Ordinances are hereby repealed to the extent of such conflict.

I hereby certify the above Ordinance was introduced on March 20, 1989, at a regular meeting of the Manistee City Council and was enacted at a City Council meeting held March 30, 1989, following publication of a notice of public hearing on the Ordinance and following the hearing on the Ordinance held on March 30, 1989 in the Council Chambers of City Hall, Manistee, Michigan.

Gerald J. Skiera, Clerk 4/3/89
City of Manistee

Published: April 7, 1988

Adjourn

It was moved by Councilman Linke, supported by Councilman Kruszka, to adjourn the Special Council meeting at 7:33 p.m. - All present voting in favor.

Gerald J. Skiera
City Clerk