

**SUBSTITUTE FOR
SENATE BILL NO. 2**

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 **OR AS PROVIDED IN SUBSECTION (9)**, the
9 corporation shall prepare a project plan and secure the
10 recommendation of the local public agency of the municipality for

1 which the corporation is incorporated, except as provided in
2 section 9(3), the approval of the governing body of each city,
3 village, or township in which all or a part of the project is
4 located, and the approval of the county, if the corporation is an
5 economic development corporation for the county.

6 (3) The corporation shall certify to the governing body of the
7 municipality for which the corporation is incorporated that at the
8 time the project plan is approved by the corporation, the project
9 ~~shall~~**MUST** not have the effect of transferring employment of more
10 than 20 full-time persons from a municipality of this state to the
11 municipality in which the project is to be located. This
12 restriction ~~shall~~**DOES** not prevent the approval of a project if the
13 governing body of each municipality from which employment is to be
14 transferred consents by resolution to the transfer.

15 (4) The project plan ~~shall~~**MUST** contain the following, except
16 that agricultural and forestry enterprise projects need only comply
17 with subsection (9) with respect to project plans:

18 (a) The location and extent of existing streets and other
19 public facilities within the project district area, and ~~shall~~**MUST**
20 designate the location, character, and extent of the categories of
21 public and private land uses then existing and proposed for the
22 project area, including residential, recreational, commercial,
23 industrial, educational, and other uses and ~~shall~~**MUST** include a
24 legal description of the project area.

25 (b) A description of existing improvements in the project area
26 to be demolished, repaired, or altered, a description of repairs
27 and alterations, and an estimate of the time required for

1 completion.

2 (c) The location, extent, character, and estimated cost of the
3 improvements including rehabilitation contemplated for the project
4 area and an estimate of the time required for completion.

5 (d) A statement of the construction or stages of construction
6 planned, and the estimated time of completion of each stage.

7 (e) A description of the parts of the project area to be left
8 as open space and the use contemplated for the space.

9 (f) A description of portions of the project area that the
10 corporation desires to sell, donate, exchange, or lease to or from
11 the municipality, and the proposed terms.

12 (g) A description of desired zoning changes and changes in
13 streets, street levels, intersections, and utilities.

14 (h) A statement of the proposed method of financing the
15 project, including ~~, except as provided in section 6a, a statement~~
16 ~~by a person described in subparagraph (j) indicating the payment to~~
17 ~~all persons performing work on the construction project of the~~
18 ~~prevailing wage and fringe benefit rates for the same or similar~~
19 ~~work in the locality in which the work is to be performed, and a~~
20 ~~statement of the ability of the corporation to arrange the~~
21 ~~financing. The prevailing wage and fringe benefit rates shall be~~
22 ~~determined under 1965 PA 166, MCL 408.551 to 408.558. A corporation~~
23 ~~may conclusively rely upon the statement required under this~~
24 ~~subsection as to compliance with the payment of prevailing wage and~~
25 ~~fringe benefit rates and any contracts, bonds or notes of any~~
26 ~~corporation entered into or issued upon reliance on any statement~~
27 ~~shall not be subsequently voided by reason of the failure to comply~~

1 ~~with the requirements of this subsection.~~

2 (i) A list of persons who will manage or be associated with
3 the management of the project for a period of not less than 1 year
4 from the date of approval of the project plan.

5 (j) Designation of the person or persons, natural or
6 corporate, to whom the project is to be leased, sold, or conveyed
7 and for whose benefit the project is being undertaken if that
8 information is available to the corporation.

9 (k) If there is not an express or implied agreement between
10 the corporation and persons, natural or corporate, that the project
11 will be leased, sold, or conveyed to those persons, the procedures
12 for bidding for the leasing, purchasing, or conveying of the
13 project upon its completion.

14 (l) Estimates of the number of persons residing in the project
15 area, and the number of families and individuals to be displaced.
16 If occupied residences are designated for acquisition and clearance
17 by the corporation, a project plan shall include a survey of the
18 families and individuals to be displaced, including their income
19 and racial composition, a statistical description of the housing
20 supply in the community, including the number of private and public
21 units in existence or under construction, the condition of those in
22 existence, the number of owner-occupied and renter-occupied units,
23 the annual rate of turnover of the various types of housing and the
24 range of rents and sale prices, an estimate of the total demand for
25 housing in the community, and the estimated capacity of private and
26 public housing available to displaced families and individuals.

27 (m) A plan for establishing priority for the relocation of

1 persons displaced by the project in new housing in the project
2 area.

3 (n) Provision for the costs of relocating persons displaced by
4 the project and financial assistance and reimbursement of expenses,
5 including litigation expenses and expenses incident to the transfer
6 of title, in accordance with the standards and provisions of the
7 uniform relocation assistance and real property acquisition
8 policies act of 1970, ~~Public Law 91-646, 84 Stat. 1894~~ **42 USC 4601**
9 **TO 4655.**

10 (o) A plan for compliance with 1972 PA 227, MCL 213.321 to
11 213.332.

12 (p) Other material as the corporation, local public agency, or
13 governing body considers pertinent.

14 (5) The corporation shall be considered an instrumentality of
15 a political subdivision for purposes of 1972 PA 227, MCL 213.321 to
16 213.332.

17 (6) A person shall be given not less than 90 days' written
18 notice to vacate unless modified by court order for good cause.

19 (7) The corporation shall not operate a project or an
20 enterprise in a project, other than as lessor.

21 (8) The governing body may utilize the corporation to issue
22 obligations ~~pursuant to~~ **UNDER** section 7 to accomplish the public
23 purposes of the municipality set forth in section 2, and for that
24 purpose may by resolution direct the corporation to take
25 appropriate action as set forth in subsections (1) and (2) with
26 respect to a proposed project.

27 (9) In the case of project plans for agricultural and forestry

1 enterprises, the following information shall be provided in lieu of
2 the requirements of subsections (2) and (4):

3 (a) A statement of intention regarding the objectives of the
4 project.

5 (b) A general description of the kinds of buildings,
6 improvements, storage facilities, restorations, acquisition of
7 machinery, equipment furnishings, leasehold improvements and
8 incidental related costs to be financed.

9 (c) A statement regarding the length of the project and the
10 maximum amount to be financed over the life of the project.

11 (d) A statement by the corporation that no zoning change or
12 eminent domain proceedings will be necessary to implement the
13 project.

14 (e) A description of the process to be followed in
15 implementing the individual transactions that may comprise the
16 project.

17 Enacting section 1. This amendatory act does not take effect
18 unless Senate Bill No. 3 of the 98th Legislature is enacted into
19 law.