

Chapter 22

COMMUNITY DEVELOPMENT*

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TITTABAWASSEE CODE

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ARTICLE I. IN GENERAL

Sees. 22-1-22-25. Reserved.

ARTICLE II. DOWNTOWN DEVELOPMENT*

DIVISION 1. GENERALLY

Sees. 22-26-22-50. Reserved.

DIVISION 2. DOWNTOWN DEVELOPMENT AUTHORITY†

Sec. 22-51. Created.

This division is created pursuant to the authority of Public Act No. 57 of 2018 (MCL 125.4103 et seq.); the township downtown development authority shall be created.

Sec. 22-52. Area boundaries.

The boundaries of the downtown development area shall be as follows:

Commencing at the northeast corner of Section 28, T13N, R3E, Tittabawassee Township, thence southerly 1320 feet more or less, thence westerly 2100 feet more or less, to a point of intersection with the southwest corner of tax parcel 1013-001, and further being the Point of Beginning; thence westerly to the west bank of the Tittabawassee River, thence northwesterly along the western bank of the Tittabawassee River to a point where the riverbank intersects with the southern boundary of the Freeland Road right-of-way, thence westerly along said right-of-way to the west line of Section 21, thence north along said section line to the southwest corner of Section 16, thence north along the west line of Section 16 to a point where said line intersects with the western bank of the Tittabawassee River, thence northwesterly along said riverbank to a point where the north line of tax parcel 1025, Section 17 would intersect with said river bank if it were projected southwesterly, thence northeasterly, to the northwest corner of said tax parcel, thence southeasterly along the west line of said parcel to the southwest corner of said parcel, thence southeasterly to the southwest corner of tax parcel 1022, thence northeasterly along said parcel south line, to the eastern side of M-47 right-of-way, thence continuing southeasterly along said right-of-way, to a point of intersection with the northwest line of tax parcel 1034, thence northeasterly along the northern line of said parcel to a point of intersection with the west line of the Carter Road right-of-way, thence northerly along said right-of-way to a point of intersection with the southern line of the railroad right-of-way, thence southeasterly along said right-of-way to a point of intersection with the west line of parcel 2003, Section 16, thence northerly along said line, crossing the

***State law reference**-Downtown development authority, MCL 125.4103 et seq.

†**Cross reference**-Boards and commissions, § 2-161 et seq.

railroad right-of-way, to the northwest corner of parcel 2003, thence easterly to the northeast corner of said parcel, thence southerly to the southeast corner of said parcel, thence westerly to a point along the south line of said parcel, 815 feet more or less, thence southerly to the northeast corner of tax parcel 3032, thence southerly along the eastern line of said parcel to a point 100 feet more or less, north of the northwest corner of lot 35 of the Harvey W. King Plat, thence easterly to the eastern line of the Paul Street right-of-way, thence south along said right-of-way to the northern line of the Lewis Street right-of-way, thence easterly along said right-of-way, to the eastern line of the Johnson Street right-of-way, thence southerly along said right-of-way, to the northern line of the King Street right-of-way, thence easterly along said right-of-way, to the eastern line of the Smith Street right-of-way, thence southerly along said right-of-way, to the southwest corner of lot 2, block 1, of O.C. Kings' Addition, thence easterly to the eastern line of the Third Street right-of-way, thence southerly along said right-of-way, to the northern line of the Church Street right-of-way, thence easterly along said right-of-way, to the eastern line of the Fourth Street right-of-way, thence southerly to the southwest corner of parcel 1008, Section 21, thence easterly to the northeast corner of tax parcel 1009, thence southerly along the eastern line of said parcel to the northwest corner of tax parcel 1014, thence easterly to the eastern line of the Seventh Street right-of-way, thence southerly along said right-of-way, to the southern line of the Powley Street right-of-way, thence westerly along said right-of-way to the northeast corner of tax parcel 4013, thence southeasterly along the eastern line of tax parcels 4013 and 4014 to the northwest corner of lot 4, Freeland Plaza Subdivision, thence easterly along the north line of said subdivision and continuing to a point of intersection with the eastern line of Section 21, thence northerly along the eastern line of Section 21 to the southwest corner of lot 12, Parkway Subdivision, Section 22, thence easterly along the east-west quarter line of Section 22 to a point of intersection with the western line of the railroad right-of-way, thence southeasterly along said right-of-way, to the northwest corner of tax parcel 4002, thence southerly 1076 feet more or less, thence westerly 450 feet more or less, thence southerly to the southern line of the Pierce Road right-of-way in Section 27, thence westerly, 400 feet more or less, along said right-of-way, to the north-south quarter line of Section 27 and the east line of parcel 2001-003, thence southerly along this line, 2600 feet more or less, to the southwesterly corner of parcel 1002-000, thence easterly, 1300 feet more or less, to the northeastern corner of parcel 4003-000, thence southerly, 2600 feet more or less, to the intersection of said line and the northern line of parcel 1001-000, Section 34, thence continuing clockwise around said parcel to the northwesterly corner of said parcel and a point on the eastern right-of-way of M-47, thence northwesterly on and along the said right-of-way to the northwestern corner of Bohnhoff Subdivision and the point of beginning.

(Ord. No. 07-02-DDA)

Sec.. 22-53. Membership.

The township downtown development authority shall have membership, membership qualification, terms, vacancy, compensation, expenses and a chairperson as set forth in Public Act No. 57 of 2018.

Sec. 22-54. Powers.

The township downtown development authority shall have all the powers and duties as set forth in Public Act No. 57 of 2018.

Sec. 22-55. Financing activities.

The township downtown development authority shall conduct its financing activities as set forth in Public Act No. 57 of 2018.

Sec. 22-56. Tax increment financing plan.

The township downtown development authority shall prepare its tax increment financing plan in accordance with Public Act No. 57 of 2018.

Sec. 22-57. Development plan.

The township downtown development authority shall prepare its development plan in accordance with Public Act No. 57 of 2018.

Sec. 22-58. Budget; school debt retirement.

(a) The township downtown development authority shall prepare and conduct its budget in accordance with Public Act No. 57 of 2018..

Sees. 22-59-22-80. Reserved.

DIVISION 3. DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN*

Sec. 22-81. Definitions.

(a) The terms used in this division shall have the following meanings, unless the context clearly requires otherwise:

Act 57 means the downtown development authority act, Public Act No. 57 of 2018.

Captured assessed value means the amount in anyone year by which the current assessed value as finally equalized of all taxable property in the development area exceeds the initial assessed value, as more fully described in the development plan and tax increment financing plan.

Development area means the area within the boundaries of the township development authority district, as described in section 22-52 and as illustrated in the downtown development authority development plan and tax increment financing plan.

Development authority means the township downtown development authority, as established by sections 22-51 through 22-58.

Development plan means the development plan for the downtown development authority district, illustrated in the downtown development authority development plan and tax increment financing plan.

Initial assessed value means the most recently assessed value, as finally equalized by the state board of equalization, of all taxable property within the boundaries of the downtown development authority district, as described in the downtown authority development plan and tax increment financing plan.

Tax increment means that portion of the tax levy of all taxing jurisdictions paid each year on real and personal property in the downtown development authority district on the captured assessed value, as more fully described in the downtown development authority development plan and tax increment financing plan.

Tax increment financing plan means the tax increment financing plan for the township downtown development authority district, including the development plan, as transmitted to the township board by the downtown development authority for public hearing, and as confirmed by this division, copies of which are on file in the office of the township clerk.

Taxing jurisdiction means each unit of government levying an ad valorem property tax on property in the downtown development authority district.

(b) All other undefined terms, unless the context of this division specifically requires otherwise, shall have the meanings attributed to them by current usage.

Cross reference-Definitions generally, § 1-2.

Sec. 22-82. Findings; approval and adoption; copies on file.

(a) Pursuant to section 318 of Act 57 (MCL 125.4318), the township board hereby finds and determines, in accordance with section 318 of Act 57 (MCL 125.4318), as follows, that:

- (1) The development plan and tax increment financing plan constitute and embody a public purpose of the township;
- (2) The development plan and tax increment financing plan meet the requirements set forth in section 316(2) and 313(1) of Act 57 (MCL 125.4316, 125.4313);
- (3) The proposed method of financing the development activities described in the development plan and tax increment financing plan is feasible, and that the downtown development authority has the ability to arrange the financing;
- (4) The development activities described in the development plan and tax increment financing plan are reasonable and necessary to carry out the purposes of Act 57;
- (5) The amount of captured assessed value estimated to result from adoption of the plan is reasonable;
- (6) The land to be acquired within the downtown development authority district is reasonably necessary to carry out the purposes of the development plan and tax increment financing plan and the purposes of Act 57;

- (7) The development plan and tax increment financing plan are in reasonable accord with the approved master plan of the township;
- (8) Public services, such as fire and police protection and utilities are, or will be, adequate to service the downtown development authority district; and
- (9) Such changes in zoning, streets, street levels, intersections, and utilities as are contemplated by the development plan and tax increment financing plan are reasonably necessary for the project.

(b) In accordance with the foregoing considerations, the downtown development authority development plan and tax increment financing plan are hereby approved and adopted for all purposes of Act 57 consistent with such plans.

(c) A copy of the development plan and tax increment financing plan, and all respective amendments thereto, shall be maintained on file in the township clerk's office and cross indexed to this division.

Sec. 22-83. Boundaries of development area.

The boundaries of the development area are hereby adopted and confirmed.

Sec. 22-84. Preparation of base year assessment roll.

(a) Within 90 days of the effective date of the ordinance from which this division is derived, the township assessor shall prepare the initial base year assessment roll. The base year assessment roll shall list each taxing jurisdiction in which the downtown development district is located, the initial assessed value of the development district on the effective date of the ordinance from which this division is derived, and the amount of tax revenue derived by each taxing jurisdiction from ad valorem taxes on the property in the development district.

(b) The township assessor shall transmit copies of the base year assessment roll to the township treasurer, county treasurer, downtown development authority, and each taxing jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this division and the development plan and tax increment financing plan approved by this division.

Sec. 22-85. Preparation of annual assessment roll.

Each year within 15 days following the final equalization of property in the development district, the township assessor shall prepare an updated annual assessment roll. The annual assessment roll shall show the information required in the base year assessment roll and, in addition, the captured assessed value for that year. Copies of the annual assessment roll shall be transmitted by the assessor to the same person as the base year assessment roll, together with a notice that it has been prepared in accordance with this division and the development plan and tax increment financing plan.

Sec. 22-86. Account status report.

Annually, the development authority shall submit to the township board, the governing body of all taxing units levying taxes subject to capture, and the department of treasury a report on the status of the tax increment financing account in accordance with section 911 of PA 57. The report shall include:

- (1) The name of the authority;
- (2) The date the authority was formed, the date the tax increment financing plan is set to expire or terminate, and whether the tax increment financing plan expired during the immediately preceding fiscal year;
- (3) The date the authority began capturing tax increment revenues;
- (4) The current base year taxable value of the tax increment financing district;
- (5) The unencumbered fund balance for the immediately preceding fiscal year;
- (6) The amount and source of revenue in the account, including the amount of revenue from each taxing jurisdiction;
- (7) The amount in any bond reserve account;
- (8) The amount and purpose of expenditures from the account;
- (9) The amount of principle and interest on any outstanding bonded indebtedness;
- (10) The initial assessed value of the development area or authority district by property tax classification;
- (11) The captured assessed value retained by the authority by property tax classification;
- (12) The tax increments received for the immediately preceding fiscal year;
- (13) Whether the authority amended its development plan or its tax increment financing plan within the immediately preceding fiscal year and if the authority amended either plan, a link to the current development plan or tax increment financing plan that was amended;
- (14) Any additional information the township board or the department of treasury considers necessary.

The report described shall be filed with the department of treasury at the same time as the annual financial report is filed with the department of treasury under section 4 of the uniform budgeting and accounting act, 1968 PA 2 (MCL 141.424).

Sec. 22-87. Implementation.

All tax increments shall be transmitted by the township treasurer into an account of the downtown development authority at the earliest practicable date. All tax increments, so received by the downtown development authority shall be used for the increment financing plan and the requisitions of the downtown development authority. Surplus funds shall revert proportionately to the respective taxing bodies. For the purpose of segregation and transfer of such funds, the township treasurer shall maintain a separate fund which shall be kept in a depository bank account or accounts in a bank or banks approved by the township board, to be designated "downtown development authority project fund." All amounts payable to the downtown development authority shall, subject to the foregoing, be deposited directly in the downtown development authority project fund.

Sec. 22-88. Duration of tax increment financing plan.

The tax increment financing plan will continue in effect until all purposes of the development plan and tax increment financing plan have been fulfilled.

Sees. 22-89-22-115. Reserved.**ARTICLE III. TAX EXEMPTION FOR HOUSING DEVELOPMENT*****DIVISION 1. MEADOWS APARTMENTS****Sec. 22-116. Purpose and intent.**

(a) It is acknowledged that it is a proper public purpose of the state and its political subdivisions to provide housing for its citizens of low income and to encourage the development of such housing, but providing for a service charge in lieu of property taxes in accordance with the state housing development authority act, Public Act No. 346 of 1966 (MCL 125.1401 et seq.). The township is authorized by this act to establish or change the service charge to be paid in lieu of taxes by any or all classes where housing for persons of low income is a public necessity, and as the township will be benefited and improved by such housing is a valid public purpose; further, that the continuance of the provisions of this article for tax exemption and the service charge in lieu of taxes during the period contemplated in this article are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

(b) The township acknowledges that Meadows Apartments-Freeland Limited Dividend Housing Association Limited Partnership has offered, subject to receipt of an allocation under the low income housing tax credit (LIHTC), to rehabilitate, own and operate a housing development identified as Meadows Apartments on certain property located at 8321, 8325 and 8331 Webster Street, Freeland, Michigan, in the township to serve persons of low income, and that the sponsor has offered to pay the township, on account of this housing development, an annual service charge for public services in lieu of all taxes.

(c) The state housing development authority has certified that the housing project is eligible for the exemption. (Ord. No. 99-09, § II, 7-13-1999)

Sec. 22-117. Definitions.

All terms shall be defined as set forth in the state housing development authority act, Public Act No. 346 of 1966 (MCL 125.1401 et seq.), except as follows:

Act means the state housing development authority act, Public Act No. 346 of 1966 (MCL 125.1401 et seq.).

***State law reference**-State housing development authority act, MCL 125.1401 et seq.

Annual shelter rent means the total collections during an agreed annual period from all occupancy charges, exclusive of charges for gas, electricity, heat or other utilities furnished to the occupants.

Authority means the Michigan State Housing Development Authority.

Class of family. Reserved.

Housing development means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal and educational facilities as the authority determines improve the quality of the development as it relates to housing for persons of low income.

Sponsor means persons or entities which will apply to the authority for an allocation under the low income housing tax credit program to finance a housing development.

Utilities means fuel, water, sanitary sewer services and/or electrical service which are paid by the housing development.

(Ord. No. 99-09, § III, 7-13-1999)

Cross reference-Definitions generally, § 1-2.

Sec. 22-118. Class of housing developments.

It is determined that the class of housing developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be the family classification, which is financed or assisted pursuant to the act. It is further determined that the Meadows Apartments housing development is of this class. (Ord. No. 99-09, § IV, 7-13-1999)

Sec. 22-119. Exemption after rehabilitation; annual service charge established.

The housing development identified as Meadows Apartments and the property on which it is constructed shall be exempt from all property taxes from and after the commencement of rehabilitation. The township, acknowledging that the sponsor and the authority have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this article and the qualification of the housing development for exemption from all property taxes and a payment in lieu of taxes as established in this article, and in consideration of the sponsor's offer, subject to receipt of an allocation under the LIHTC program, to rehabilitate, own and operate the housing development, agrees to accept payment of an annual

service charge for public service in lieu of all property taxes. The annual service charge shall be equal to 7 1/2 percent of the annual shelter rents actually collected. However, at no time shall the in-lieu-of charge be less than \$13,000.00 annually. (Ord. No. 99-09, § V, 7-13-1999)

Sec. 22-120. Annual service charge-Limitation for non-low-income persons.

Notwithstanding section 22-119, the service charge to be paid each year in lieu of taxes for the part of the housing development which is tax exempt and which is occupied by other than low income persons or families shall be equal to the full amount of the taxes which would be paid on that portion of the housing development if the housing development were not tax exempt. The term "low income persons or families," as used in this section, shall be the same meaning as found in section 15a(7) of the act (MCL 125.1415a(7)).

(Ord. No. 99-09, § VI, 7-13-1999)

Sec. 22-121. Same-Manner of payment; date due; penalty.

The service charge in lieu of taxes, as determined under this article, shall be payable in the same manner as general property taxes are payable to the township, except that the annual payment shall be paid on or before February 14 of each year for the prior year. For any annual service charge payment not paid on or before February 14, a penalty of four percent shall be added thereto, with an additional penalty of one percent for every 30 days thereafter. (Ord. No. 99-09, § VIII, 7-13-1999; Ord. No. 01-02, 1-23-2001)

Sec. 22-122. Contractual effect of article.

Notwithstanding the provision of section 15a(6) of the act (MCL 125.1415a(6)), to the contrary, a contract between the township and the sponsor with the authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes as previously described, is effectuated by enactment of this article. (Ord. No. 99-09, § VII, 7-13-1999)

Sec. 22-123. Duration.

The exemption from taxation granted by this article shall remain in effect for as long as the federally aided or authority-aided mortgage or advance or grant from the authority is outstanding, but not more than 15 years. (Ord. No. 99-09, § IX, 7-13-1999)

Sees. 22-124-22-149. Reserved.

DIVISION 2. RAVINE TERRACE

Sec. 22-150. Short title.

This division shall be known and cited as the "Ravine Terrace Tax Exemption Ordinance". (Ord. No. 04-04, § 1, 6-8-2004)

Sec. 22-151. Preamble.

It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing of its citizens of low income and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCLA 125.1401 et seq.). The Township of Tittabawassee is authorized by this Act to establish or change the service charge to be paid in lieu of taxes by any or all classes of housing exempt from taxation under this Act; provided however, that the service charge shall not exceed the taxes that would be paid but for this Act. It is further acknowledged that such housing for persons of low income is a public necessity, and that the Township of Tittabawassee will be benefited and improved by such housing. It is a valid public purpose to encourage the construction of low-income housing by providing certain real estate tax exemption. The continuance of the provisions of this article for tax exemption and the service charge in lieu of taxes during the period contemplated in this article is essential to the determination of economic feasibility of housing developments, which are constructed and financed in reliance on such tax exemption.

The Township of Tittabawassee acknowledges that Ravine Terrace L.L.C., (the "sponsor") has offered subject to receipt of an allocation of low income housing tax credits, to erect, own and operate a housing development identified as Ravine Terrace on certain property located at and more particularly described in Exhibit "A" attached to Ord. No. 04-04 on file in the office of the township clerk.

The housing development shall serve persons of low income, and the sponsor has offered to pay the Township of Tittabawassee an annual service charge for public services in lieu of real property taxes. (Ord. No. 04-04, § 2, 6-8-2004)

Sec. 22-152. Definitions.

All terms shall be defined as set forth in the State Housing Development Authority Act of 1966, being Public Act 346 of 1966, of the State of Michigan, as amended except as follows:

Act means the State Housing Development Authority Act, being Public Act 346 of 1966, of the State of Michigan, as amended.

Annual shelter rent means the total collections during an agreed annual period from all occupants of a housing development representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.

Authority means the Michigan State Housing Development Authority.

Housing development means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the authority determines to improve the quality of the development as it relates to housing for persons of low income.

Mortgage loan means a loan to be made by the authority, or other lender to the sponsor for the construction and/or permanent financing of the housing development.

Sponsor means person(s) or entities, which have applied, to the authority for an allocation under the Low Income Housing Tax Credit Program to finance a housing development.

Utilities mean fuel, water, sanitary sewer service and/or electrical service, which are paid by the housing development.

(Ord. No. 04-04, § 3, 6-8-2004)

Sec. 22-153. Class of housing developments.

It is determined that the class of housing developments to which the tax exemption shall apply and for which a service charge shall be paid in lieu of such taxes shall be multiple dwellings which are located in the Township of Tittabawassee and which are financed or assisted pursuant to the Act. It is further determined that Ravine Terrace is of this class.

(Ord. No. 04-04, § 4, 6-8-2004)

Sec. 22-154. Establishment of annual service charge.

The housing development identified as Ravine Terrace and the property on which it shall be constructed shall be exempt from all property taxes from and after the commencement of construction. The Township of Tittabawassee, acknowledging that the sponsor and the authority have established the economic feasibility of the housing development in reliance upon the enactment and continuing effect of this article and the qualification of the housing development for exemption from all property taxes and a payment in lieu of taxes as established in this article. In consideration of the sponsor's offer, subject to receipt of an allocation under the LIHTC program, to construct, own and operate the housing development, the township agrees to accept payment of an annual service charge for public services in lieu of all property taxes. The annual service charge shall be equal to the percent of the difference between annual shelter rents actually collected and utilities, as set forth in the following schedule:

<i>Year</i>	<i>Service Charge</i>
1	4%
2	4.5%
3	5%
4	6%
5	7%
6	8%
7	9%
8 and thereafter (Ord. No. 04-04, § 5, 6-8-2004)	10%

Sec. 22-155. Limitation on the payment of annual service charge.

The term "low income persons or families" as used herein shall have the same meaning as found in section 15(7) of the Act.

(Ord. No. 04-04, § 6, 6-8-2004)

Sec. 22-156. Payment of service charge.

The service charge in lieu of taxes as determined under the article shall be payable in the same manner as general property taxes are payable to the Township of Tittabawassee except that the annual payment shall be paid on or before July 31, of each year.

(Ord. No. 04-04, § 7, 6-8-2004)

Sec. 22-157. Housing projects currently exempt from taxation.

Those housing projects, which are currently exempt from taxation and are already making payment in lieu of tax (PILOT) payments shall not be affected nor shall the terms of the tax exemption and PILOT payments for those housing projects be changed by reason of the passage of this division.

(Ord. No. 04-04, § 8, 6-8-2004)

Sec. 22-158. Duration.

This division shall remain in effect and shall not terminate so long as the mortgage loan remains outstanding and unpaid or the authority has any interest in the property, provided however, if construction of the housing development does not begin within one year from the effective date of this division, Ordinance No. 04-04 shall terminate.

(Ord. No. 04-04, § 9, 6-8-2004)

Sec. 22-159. Contractual effect of ordinance.

Notwithstanding the provisions of section 15(5) of the Act, to the contrary, a contract between the Township of Tittabawassee and the sponsor with the authority as third party beneficiary under the contract, to provide tax exemption and accept payments in lieu of taxes, as previously described, is effectuated by enactment of this article. (Ord. No. 04-04, § 11, 6-8-2004)

Chapters 23-25

RESERVED

CD23:1