

# **BY-LAWS OF THE CITY OF EAST JORDAN DOWNTOWN DEVELOPMENT AUTHORITY**

## **ARTICLE I**

### **SECTION 1: NAME**

The name of the Authority shall be the East Jordan Downtown Development Authority.

### **SECTION 2: PURPOSE**

The Downtown Development Authority is organized with reference to Act No. 197 of the Public Acts of 1975, as amended, for the purpose of correcting and preventing deterioration in the business district; to increase property tax valuation where possible in the business district and to eliminate the causes of the deterioration and to promote economic growth.

- (a) Prepare an analysis of economic changes taking place in the district.
- (b) Study and analyze the impact of these changes upon the district.
- (c) Plan and propose the construction, the renovation, repair, remodeling, rehabilitation, restoration, preservation or reconstruction of a public facility, an existing building or a multiple family dwelling unit which may be necessary or appropriate to the execution of a plan, which in the opinion of the board, aids in the economic growth of the downtown district.
- (d) Develop long-range plans in cooperation with the East Jordan City Planning Commission, designed to prevent deterioration of property values in the district and to encourage economic growth in the district and to take steps necessary to implement the plans.
- (e) Implement and plan of development that may be necessary to achieve the purpose of the Act in accordance with the Ordinance and the authority granted by said act.

### **SECTION 3: LIMITATION OF METHODS**

In general, and subject to such limitations and conditions which are or may be prescribed by law, to exercise such other powers which now are or hereinafter may be conferred by law upon an authority organized pursuant to Act No. 197 of the Public Act of 1975, as amended.

- (a) Make and enter into contract necessary or incidental to the exercise of its powers and the performance of its duties.
- (b) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper to own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights of interest therein, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.
- (c) Improve land and construct, reconstruct, rehabilitate, restore, and preserve, equip, improve, maintain, repair and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances thereto, with the district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.
- (d) Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents and charges for the payment of revenue bonds issued by the authority.
- (e) Lease any building or property under its control, or any part thereof.
- (f) Accept grants and donations of property, labor, or other things of value from a public or private source.
- (g) Acquire and construct public facilities.
- (h) Provide financial assistance, advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain rights in real property pursuant to Act 227 of the Public Acts of 1972.
- (i) To receive property taken by the City of East Jordan under its power of eminent domain for use in an approved development on terms and conditions that it deems appropriate and as necessary for public purposes and for the benefit of the public.
- (j) Carry on any activity for the purposes above stated, either directly or as agent for or with public authorities, or in whole or in part through or by means of public authorities, individuals, corporation or other organizations.

## **ARTICLE II**

### **SECTION 1: DIRECTORS AND MANAGEMENT**

The business and affairs of the authority shall be under the supervision and control of a Board of Directors except as otherwise provided by statute, or by the By-Laws.

### **SECTION 2: BOARD OF DIRECTORS**

The Board of Directors of the authority shall consist of the Mayor of the City and 8 members appointed by the Mayor of the City, subject to approval by the governing body of the City of East Jordan. At least 5 of the members shall be persons having an interest in property located in the district. Of the members first appointed, 2 shall be appointed for 1 year, 2 for 2 years, 2 for 3 years, and 2 for 4 years. A member shall hold office until the member's successor is appointed. Thereafter, a member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the mayor of the City for the unexpired term only. Members of the Board shall serve without compensation but shall be reimbursed for actual and necessary expenses. The Chairman of the Board shall be elected by the Board.

An elected city council member of the city, other than the mayor, may not simultaneously serve as a member of the DDA board. Nor may a member of the DDA Board serve as a member of the Charlevoix County Board of Commissioners, nor serve as a board member of the East Jordan School Board.

- (a) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.
- (b) The Board shall adopt rules governing its procedure and the holding of regular meetings, subject to the approval of the City Council. Special meetings may be held when called in the manner provided in the rules of the Board. Meetings of the Board shall be open to the public.
- (c) Pursuant to notice and an opportunity to be heard, a member of the Board may be removed for cause by the governing body. Removal of a member is subject to review by the Circuit Court.
- (d) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.
- (e) The Board may retain legal counsel to advise the Board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

### **SECTION 3: OFFICERS**

The officers of the corporation shall consist of a Chairperson, Vice Chairperson, Treasurer, and Secretary.

### **SECTION 4: CONFLICT OF INTEREST**

A director who has a direct interest in any matter before the authority shall disclose his interest prior to the corporation taking any action with respect to the matter, which disclosure shall become a part of the record of the corporation's official proceedings and the interested director shall further refrain from participation in the authority's proceedings relating to the matter.

### **SECTION 5: MANAGEMENT**

The board may employ and fix the compensation of an Executive Director, subject to approval of the governing body of the city. The director shall serve at the pleasure of the Board. Before entering upon the duties of his office, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the penal sum determined in the Ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the Board, and filed with the City Clerk. The premium on the bond shall be deemed an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the Board, the director shall supervise, and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the Board, and shall render to the Board and to the governing body of the City of East Jordan a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the Board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the Board with information or reports governing the operation of the authority as the Board requires.

- (a) The Board may employ and fix the compensation of a Treasurer, who shall keep the financial records of the authority and who together with the director, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated to him by the Board, and shall furnish bond in an amount as prescribed by the Board.
- (b) The Board may employ and fix the compensation of a Secretary, who shall maintain custody of the records, books, documents, or other papers not required to be maintained by the treasurer. The secretary

shall attend meetings of the Board and keep a record of its proceedings, and shall perform such other duties delegated by the board.

- (c) The Board may employ other personnel deemed necessary by the Board.

## **SECTION 6: INDEMNIFICATION**

The authority provides indemnification for the officers, directors and employees against expenses actually and necessarily incurred by them in connection with the defense of any action, suit, or proceeding in which they or any of them are made parties, or a party, by reason of having been officers, directors or employees of the authority, except in relation to matters as to which such individuals shall be adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of duty and to such matters as shall be settled by agreement predicated on the existence of such liability for negligence or misconduct.

## **ARTICLE III**

### **SECTION 1: FUNDS**

The activities of the Authority shall be financed from one or more of the following sources: Donations to the Authority for the performance of its functions; proceeds of a tax imposed and funds received from tax anticipation notes; moneys borrowed and to be repaid as authorized; 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 agreements; proceeds of a Tax Increment Financing Plan, established pursuant to Act No. 197 of the Public Acts of 1975, as amended; other types of financing as may be determined by the Authority.

- (a) The Authority with the approval of the city governing body may levy an ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the district. The tax shall not be more than 2 mills. The tax shall be collected by the City of East Jordan. The City shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes and the tax shall be paid to the treasurer of the authority and credited to the general fund of the authority for the purposes of financing only the operations of the authority. The City may at the request of the Authority, borrow money and issue its notes thereafter pursuant to Act No. 202 of the Public Acts of 1943, as amended, in the anticipation of collection of the ad valorem tax authorized in this section.

- (b) The Authority may borrow money and issue its negotiable revenue bonds therefore pursuant to Act No. 94 of the Public Acts of 1933, as amended. Revenue bonds issued by the Authority shall not, except as hereinafter provided, be deemed a debt of the city or the state. The City by majority vote of the members of its governing body may pledge its full faith and credit to support the authority's revenue bonds.
- (c) When the Authority determines that it is necessary for the achievement of its purposes, the Authority shall prepare and submit a Tax Increment Financing Plan to the governing body of the City of East Jordan. The plan shall be pursuant to Act No. 197 of the Public Acts of 1975, as amended.
- (d) The City of East Jordan may by resolution of its governing body authorize, issue, and sell general obligation bonds subject to the limitations herein set forth to finance the development program of the tax increment financing plan and shall pledge its full faith and credit for the repayment of the bonds. The bonds shall mature in not more than 30 years and shall be subject to Act No. 202 of the Public Acts of 1943, as amended, and Act No. 197 of the Public Acts of 1975, as amended.

## **SECTION 2: BUDGET**

The treasurer and 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 the city departments. Before the budget may be adopted by the authority board it shall be approved by the city council. Funds of the city shall not be included in the budget of the authority except those funds authorized in this act or by the city council.

## **ARTICLE IV**

### **SECTION 1: DISSOLUTION**

No part of the net earnings of the authority shall inure to the benefit of any member, trustee, officer or director of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes) and no member, trustee, officer or director of the authority or any private individual shall be entitled to share in the distribution of any of the authority's assets or dissolution of the authority.

Upon dissolution of the authority or the winding up of its affairs, all property and assets of the authority shall be distributed exclusively to the City of East Jordan, Michigan, or its successor.

## **ARTICLE V**

### **SECTION 1: PARLIAMENTARY AUTHORITY**

The current edition of "Roberts Rules of Order" shall be the final source of authority in all questions of parliamentary procedures when such rules are not inconsistent with Act No. 197 of the Public Acts of 1975, as amended.

## **ARTICLE VI**

### **SECTION 1: AMENDMENT REVISIONS**

These articles may be amended or altered by a two-thirds (2/3) vote of the Board of Directors, providing the notice for the meeting includes the proposals for amendments. Any proposed amendments or alterations shall be submitted to the Board of Directors in writing, at least ten (10) days in advance of the meeting at which they are to be acted upon.

## **ARTICLE VII**

The By-Laws shall be published in accordance with the provisions of P.A. 197, of the Public Acts of 1975, as amended.

(Revised July 20, 1994)