

Notice
City Commission
Ad Hoc Committee
PILOT
1:00 PM



Monday, August 28, 2023
2nd Floor Committee Room, Governmental Center
400 Boardman Avenue
Traverse City, Michigan 49684
Posted and Published: August 25, 2023

The City of Traverse City does not discriminate on the basis of disability in the admission to, access to, treatment in, or employment in, its programs or activities. Steve Brock, Interim Assistant City Manager, 400 Boardman Avenue, Traverse City, Michigan 49684, phone 231-922-4440, TDD/TTY 231-922-4412, VRS 231-421-7008, has been designated to coordinate compliance with the non-discrimination requirements contained in Section 35.107 of the Department of Justice regulations. Information concerning the provisions of the Americans with Disabilities Act, and the rights provided thereunder, are available from the ADA Coordinator.

If you are planning to attend and you have a disability requiring any special assistance at the meeting and/or if you have any concerns, please immediately notify the ADA Coordinator.

The City Commission for the City of Traverse City is committed to a dialog that is constructive, respectful and civil. We ask that all individuals interacting verbally or in writing with the Commission honor these values.

City Commission:
c/o Benjamin Marentette, MBA, MMC, City Clerk
(231) 922-4480
Email: tcclerk@traversecitymi.gov
Web: www.traversecitymi.gov
400 Boardman Avenue, Traverse City, MI 49684

The mission of the Traverse City City Commission is to guide the preservation and development of the City's infrastructure, services, and planning based on extensive participation by its citizens coupled with the expertise of the city's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government.

Welcome to the Traverse City Commission Ad Hoc Committee meeting!

Agenda

Any interested person or group may address the City Commission on any agenda item when recognized by the presiding officer or upon request of any Commissioner. Also, any interested person or group may address the City Commission on any matter of City concern not on the Agenda during the agenda item designated Public Comment. The comment of any member of the public or any special interest group may be limited in time. Such limitation shall not be less than three minutes unless otherwise explained by the presiding officer, subject to appeal by the Commission.

Page

MINUTE LINK

[Link to Minute Outline](#)

ROLL CALL

Commissioner Linda Koebert (Chair)
Commissioner Tim Werner (Secretary)
Mayor Richard I. Lewis

TOPICS FOR DISCUSSION AND CONSIDERATION

- (1) Discussion of Model PILOT Ordinance
[Model PILOT Ordinance - Pdf](#)
- (2) Public Comment
- (3) Adjournment

5 -
40



CITY COMMISSION

GOALS & OBJECTIVES

2022-2023



HOUSING & HOMELESSNESS

Increase opportunities for more diverse housing through public and private options.



ACCESS & MOBILITY

Invest in multi-modal mobility strategies and existing and future infrastructure so that individuals of all ages, abilities and income have a network of complete, barrier free, safe, year round access to our community's amenities and basic needs.



CONNECTING PEOPLE WITH EACH OTHER AND NATURE

Invest in facilities and amenities in order to create vibrant City spaces that connect all people to nature and to each other.



ECONOMIC DEVELOPMENT

The City will foster economic development by adopting a growth mentality and by conserving and maintaining natural resources. It will work with partners to invest in and maintain amenities that support a wide variety of industries, build the workforce, and attract well-paying jobs with the region's future in mind.



WATER SYSTEMS

Proactively and consistently maintain, conserve, and manage water and water systems to reduce harm to the systems themselves as well as public health and safety.



CLIMATE CHANGE

Address climate within all of our City priorities, goals, policies, and actions.




Communication to the City Commission

TO: Ad Hoc Committee
COPY:
FROM: Lauren Tribble-Laucht, Attorney
MEMO DATE: August 25, 2023
SUBJECT: Model PILOT Ordinance

EXECUTIVE SUMMARY:

Attached are the following documents for review; make any changes or a recommendation to the City Commission.

Current PILOT Policy
Draft PILOT Policy
Draft PILOT Procedure
MCL 125.1415a
Workforce Housing PILOT Model Ordinance

	CITY OF TRAVERSE CITY	POLICY NO: CC-055
	POLICY TITLE: PAYMENT IN LIEU OF TAXES (PILOT)	SUBMITTED BY: PILOT Ad Hoc Committee.
		APPROVED BY:
Adopted Date: November 7, 2016 Effective Date: November 7, 2016 Supersedes No: N/A Procedure Reference No: CC-055 Page 1 of 3		HISTORY: Initial Adoption Date: November 7, 2016 Amended Date: Amended Date:

I hereby certify that this Policy was adopted by the City Commission of the City of Traverse City at its Regular Meeting held on November 7, 2016, in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City Michigan.




Benjamin Marentette, MMC, City Clerk

I. Purpose:

The purpose of this policy is to administer the Traverse City Code of Ordinances Chapter 881, which establishes a class of housing developments pursuant to State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401 et seq.; MSA 16.114(1) et seq.) which are exempt from payment of property taxes, and as an in lieu thereof pay a service charge. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for its citizens of low income and to encourage development of such housing by providing for a service charge, in lieu of property taxes, in accordance with State Housing Development Act of 1966. City of Traverse City is authorized by this Act to establish or change the service charge to be paid in lieu of taxes (PILOT) by any or all classes of housing exempt from taxation under this Act at any amount it chooses, but not to exceed taxes that would be paid by for if not for this Act.

It is further acknowledged that such housing for persons of low income is a public necessity, and as the City of Traverse City will be benefited and improved by such housing, the encouragement of the same by providing certain real estate tax exemption for 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 this housing development, which will be constructed and financed in reliance on such tax exemption.

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It is the duty of the City Commission, with help from the City Planning Commission, that this community is developed in a manner consistent with the adopted Comprehensive (Master) Plan. Therefore, each application must be considered for its consistency with the overall goals and objectives of the future planning and development for the City of Traverse City. The existence of this policy and Chapters 880 and 881 of the Code of Ordinances for the City of Traverse City in no way infers a right to such tax exemption, and the City Commission's action on each application is within its discretion.

II. Additional Authority

- State Housing Development Authority Act of 1966 (1966 PA 346, as amended; MCL 125.1401 et seq.; MSA 16.114(1) et seq.)
- Traverse City Code of Ordinances Chapter 880 - Tax Exemptions
- Traverse City Code of Ordinances Chapter 881 - Low Income Housing Tax Exemption
- Traverse City Code of Ordinances Chapter 1376 – Affordable Housing Standards

III. Scope/Applies to


This policy applies to the City Commission for the City of Traverse City, and to all City Departments responsible for reviewing requests for a Payment in Lieu of Taxes arrangement and making recommendations to the City Commission for the City of Traverse City regarding same.

IV. Responsibility

The City Manager is responsible for the implementation of this policy and for the development of and administration of the accompanying procedure.

V. Definitions/Acronyms

Affordable Housing. Generally, housing that costs 30% or less of a household's annual income, with "costs" referring either to rent, or, for ownership units, mortgage interest and principal, taxes, and insurance.

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Guarantor: a person or entity that agrees to be responsible for another's debt or performance under a contract, if the other fails to pay or perform.

Low-Income or moderate income persons: means families and persons who cannot afford to pay the amounts at which private enterprise, without federally-aided mortgages or loans from MSHDA, is providing a substantial supply of decent, safe, and sanitary housing and who fall within income limitations set in the State Housing Development Authority Act of 1966, as amended, or by MSHDA in its rules.

MSHDA: Michigan State Housing Development Authority


PILOT: Payment in Lieu of Tax; an annual service charge paid to the municipality for public services in lieu of all taxes

Shelter Rents: the total collections during an agreed annual period from all occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.

VI. Policy Statement

The City of Traverse City places a high value on preserving the natural environment, affording a diversity of housing options, and providing opportunities for multi-modal transportation, which strengthens the City's long-term sustainability. It is the policy of the City of Traverse City that PILOT Agreements are granted to those entities who best demonstrate a shared value in these areas, through the development of a project that incorporates green building techniques, has a high percentage of affordable housing units, and is located near multi-modal transportation opportunities and close access to daily needs. It should be noted that PILOT Agreements are not entitlements, and will be evaluated on a case by case basis.

City employees responsible for reviewing requests for a PILOT arrangement and making recommendations to the City Commission for the City of Traverse City regarding same shall use Procedure No. CC-055 when considering requests for PILOT agreements.

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		APPROVED BY: City Manager Martin Colburn
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I. INITIAL APPLICATION; RENEWALS


Initial applications and applications for renewal of an existing PILOT shall follow the process outlined herein.

II. ELIGIBILITY

1. The applicant must be a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation or mobile home park association, and must be financed with a federally-aided or Michigan State Housing Development Authority (MSHDA) aided mortgage or advance or grant from MSHDA.
2. Any development project that is under construction at the time of application, excluding stabilization, site preparation, or utility work, is not eligible to apply for or to receive a PILOT.
3. To be eligible to apply for a PILOT, an applicant must own the property or have an option or other right to purchase the property under consideration.
4. To be eligible for a PILOT, residential or mixed-use projects must consist of a minimum of 20% of the units for affordable housing.

III. DEFINITIONS:

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MSHDA: Michigan State Housing Development Authority

PILOT: Payment in Lieu of Tax; an annual service charge paid to the municipality for public services in lieu of all taxes.

Shelter Rents: the total collections during an agreed annual period from all occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants

IV. PROCEDURE

1. **Mandatory Pre-Submittal Conference:** A meeting with the City Manager, City Zoning Administrator, City Planner, City Engineer, City Treasurer and City Assessor must occur before submitting a PILOT application. This meeting is to acquaint all parties with the scope of the project and any related issues. This meeting also serves to familiarize the applicant with the PILOT process and policies.
2. **Submission of Application:** An application form must be completed and an application packet assembled based upon requirements as set forth below; and addressing any additional items discussed in the Pre-


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Submittal Conference. Application forms are available both on the City of Traverse City web site and at the City Clerk's Office. **A non-refundable application fee in an amount as set from time to time by the City Commission for the City of Traverse City, payable to the City of City of Traverse City, is due upon submission of the full application packet.**

Incomplete applications will not be presented to the City Commission for review.

One original, five (5) copies, and an electronic version of the full application packet must be submitted no later than seven (7) weeks prior to a Regular City Commission meeting, typically held on the first and third Monday of each month. The applications should be delivered to: City Manager, City of Traverse City, 400 Boardman Avenue, Traverse City, MI 49684.


3. **City Staff Review:** City staff will review the submitted application for completeness, and will utilize the attached matrix to determine compatibility with City of Traverse City values. Matrix scores will serve as the basis for negotiating any PILOT agreement with the City. ***During the staff review process, the City Manager shall make a determination with respect to whether a Municipal Services Agreement (for reimbursement to the city for emergency services) and/or Development Agreement should be included as part of the project.*** Within twenty-eight(28) days of receipt of the application, the City will either:
 - a. Forward the application to the City Commission with a recommendation for their consideration, or
 - b. send the application back to the requestor for additional information or clarification, or to improve their score

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4. **City Commission Review:** For those applications forwarded to the City Commission, the City Clerk's office will forward the completed application packet along with the recommendation, and will schedule the request as an agenda item no earlier than twenty-eight (28) days after receipt of the completed application packet, so as to give the City Commission ample time for review of the application. The City Clerk's office will prepare a proposed resolution regarding the request for PILOT and will notify applicant of the regular meeting at which the application will be considered. For the application to be considered by the City Commission, the applicant or the applicant's appointed representative must be present at the meeting.
5. **Approval:** If the project and PILOT application is approved by resolution of the City Commission, the City Clerk will submit a certified copy of the resolution approving the PILOT and a certified copy of the minutes from the City Commission meeting when the PILOT was approved to the applicant. Additionally, the Clerk's Office will e-mail digital copies of the application packet and the resolution approving the PILOT to:
 - a. City Manager
 - b. City Attorney
 - c. City Assessor
 - d. City Treasurer
 - e. City Engineer
 - f. City Planner

V. APPLICATION REQUIREMENTS

Applicants must supply the following information and indicate if any items are not applicable to their project.


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1. Applicant and Guarantors: Name, address, e-mail address and telephone number of the applying entity, and the legal entity that will own the project, if different from the applying entity. Name of applying entity's representatives, financial guarantors of the project, and name of principals of those entities, addresses, emails, and telephone numbers.
2. Background information about the applicant and guarantors, including development experience, if any, and all other relevant information the City may need to consider while reviewing the application. Describe the corporate or partnership structure. Include names and addresses of a minimum of three references who can confirm that the applicant has experience with mixed or multiple sources of funding, and development experience.
3. Describe the proposed Project. Include in this section the following:
 - a. Intended usage/target market
 - b. Economic impact
 - c. Environmental impact, including any measures taken to mitigate negative impact or improve the natural environment
 - d. Impact on City infrastructure, including transportation and utilities
 - e. Impact on City services, such as police, fire, emergency medical transport, code enforcement
 - f. Square footage of the building and land area to be renovated
 - g. Architectural renderings, including number and types of units
 - h. Any other information needed to fully explain the project
4. Describe the marketing plan for the project, identifying the intended market. List the types of lessees anticipated. If the project is


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speculative, how long is full occupancy expected to take and who will manage the project?

5. Briefly describe the ownership and tax information for this Project. Include in this section the following:
 - a. State the location of the proposed project by street address and legal description
 - b. Name the property owner at the time of application submittal
 - c. If the Applicant does not presently own the property, attach a valid option to purchase the property
 - d. Describe any and all existing financing, options, and liens on the property
 - e. State the tax parcel number for all property involved with the Project and the current assessed value of the Property
 - f. Are any assessments presently under appeal? If so, describe the status of the appeal(s)
 - g. Will the Project result in the subdivision of any present tax parcel?
6. Provide a detailed development pro forma outlining proposed hard, soft, and financing costs associated with proposed development. Pro forma must also identify all sources of financing and terms, including Applicant equity, construction and permanent financing and any government assistance. Proposals will contain detailed costs breakdowns.
7. Provide a detailed operating pro forma that will include all anticipated Major Revenues and Expenses for the full term of the requested PILOT.
8. Are changes proposed to the public space around the Project (Example; sidewalks, lighting, and planting)? If yes, describe.

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9. State proposed time schedule for the Project including anticipated dates for the following:
 - a. Closing of the loan or contributing financing availability
 - b. First expenditure of funds with regard to the project
 - c. Anticipated date construction will begin
 - d. Anticipated completion date
10. Financial Background:
 - a. Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements
 - b. State the relationship any applicant or grantor has had with any accounting firm over the last five years and reason for change, if any
 - c. Give three credit references for the applicant.
11. Development Team: Name any of the following that will be involved with the Project (with addresses, e-mail addresses and phone numbers):
 - a. Applicant Primary Point of Contact
 - b. Architects and engineers.
 - c. Construction Project Manager
 - d. General Contractor for project
 - e. Other professionals
12. Please describe any potential conflicts of interest the applicant or any guarantor may have with any City Personnel or City Commission members.
13. Describe the following as to any applicant, guarantor, or other person involved with this project:


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- a. Any pending civil litigation involving this property or other business holdings
 - b. Any pending criminal proceeding involving this property or other business holdings
 - c. Any conviction, or other pending criminal matter, that is for any felony offense or any theft-related misdemeanor, involving this property or other business holdings
14. Include a copy of the completed MSHDA application for Low Income Housing Tax Credits within thirty (30) days of submittal to MSHDA.
 15. Applicant or applicant's representatives must execute the following statement and provide it as part of the application.

SIGNED STATEMENT

The following statement must be included along with a dated signature of the applicant or applicant's representatives.

This application is made to induce the City of Traverse City to grant financial incentives to the applicant. Applicant declares that all statements contained herein are true and correct. All information materially significant to the City of Traverse City in its consideration of the application is included. Applicant authorizes the City of Traverse City to investigation of its credit in connection with this application. Applicant acknowledges that it has reviewed descriptions of the City of Traverse City PILOT program for which it is applying and agrees to comply with those policies. Applicant specifically will pay all reasonable costs, fees, and expenses incurred by City of Traverse City whether or not the incentive is granted or project completed.

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16. FOIA PROTECTIONS OF CONFIDENTIAL MATERIAL

An applicant seeking Tax Exemption must file this application consistent with these PILOT policies and procedures approved by the City Commission. The City Commission acknowledges that information received in connection with the application may be subject to the Freedom of Information Act.

17. PILOT TERM AND PERCENTAGE CALCULATION

The maximum term of any tax exemption shall not exceed Federal guidelines. The maximum service charge to be paid in lieu of taxes shall not exceed the taxes which would be paid but for the project's eligibility for exemption by virtue of MCL 124.1401, et.seq.

Affordable Housing / PILOT Scoring Matrix


Point Scoring: N/A, 1, 2 or 3. N/A = either not applicable or no information supplied. 1 = poor, or below expectations. 2 = average or meets minimum standards. 3 = exceeds standards.

Building Type / Design		Possible Points	Points Scored
The City places a high value on land efficiency, a maximization of limited housing credits, and high quality construction.			
[1]	Maximize Land Utilization	3	
[2]	Green Infrastructure	3	
	Universal Accessibility (i.e., ADA, Aging in Place)	3	
[3]	Quality & Durability of Exterior Construction, Efficiency	3	
Location / Connectivity			
The City places a high value on intergating affordable housing throughout the community and locating housing near services and places of employment.			
	Access to Transportation Choices (Transit/Trail Orientated)	3	
	Walk Accessible Services (Grocery, Schools, Employment)	3	
	Serves Corridor Redevelopment	3	
[4]	Quality of Site Improvements, Place Making	3	
Context / Need			
The City places a high value on PILOT requests that are part of a mixed income and demographic development			
	Unit Diversity (i.e., studio, 1, 2 bedroom)	3	
	Mixed Income (low-income, market rate)	3	
	Fulfilling Needs of Housing Market	3	
	Demographic Groups Served	3	
Total Points: Possible / Received		36	


Interpretation	Total Score	Total Points
Poor	< 23	
Acceptible	24 - 28	
Excellent	29 - 36	

Notes

- [1] To encourage efficiencies in land use and cost of services, the City awards maximum points to projects that use space most efficiently within applicable zoning ordinances. Green infrastructure is utilized to reduce impacts on stormwater infrastucture. Green infrastructure may include, but not be limited to: green roof technology, rain gardens, permeable pavements, maintaining existing or increasing tree canopy.
- [2] Quality Definitions: Exterior construction shall be of durable materials. ie wood, , composite, brick, concrete or steel siding. Energy efficiecies that meet Energy Star standards.
- [3] Place making promotes people's health, happiness, and well being. Points are awarded based on the quality of improvements made to the common space surrounding the proposed development. Those improvements may include, but not be limited to: improved sidewalk access, covered bike parking, increased tree sizes.
- [4]

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Benjamin Marentette, MMC, City Clerk

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- ~~Traverse City Code of Ordinances Chapter 1376 – Affordable Housing Standards~~
- Traverse City Code of Ordinances Chapter _____ - Traverse City Workforce Housing PILOT Ordinance


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Adopted Date: November 7, 2016 Effective Date: November 7, 2016 Supersedes No: N/A Procedure Reference No: CC-055 Page 3 of 4		HISTORY: Initial Adoption Date: November 7, 2016 Amended Date: Amended Date:

Affordable Housing. Generally, housing that costs 30% or less of a household's annual income, with "costs" referring either to rent, or, for ownership units, mortgage interest and principal, taxes, and insurance.

Guarantor: a person or entity that agrees to be responsible for another's debt or performance under a contract, if the other fails to pay or perform.

Low-income or moderate income persons: means families and persons who cannot afford to pay the amounts at which private enterprise, without federally-aided mortgages or loans from MSHDA, is providing a substantial supply of decent, safe, and sanitary housing and who fall within income limitations set in the State Housing Development Authority Act of 1966, as amended, or by MSHDA in its rules.

MSHDA: Michigan State Housing Development Authority


PILOT: Payment in Lieu of Tax; an annual service charge paid to the municipality for public services in lieu of all taxes

Shelter Rents: the total collections during an agreed annual period from all occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.


VI. Policy Statement

The City of Traverse City places a high value on preserving the natural environment, affording a diversity of housing options, and providing opportunities for multi-modal transportation, which strengthens the City's long-term sustainability. It is the policy of the City of Traverse City that PILOT Agreements are granted to those entities who best demonstrate a shared value in these areas, through the development of a project that incorporates green building techniques, has a high percentage of affordable housing units, and is located near multi-modal transportation opportunities and close access to daily needs. It should be noted that PILOT Agreements are not entitlements, and will be evaluated on a case by case basis.

City employees responsible for reviewing requests for a PILOT arrangement and making recommendations to the City Commission for the City of Traverse

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City regarding same shall use Procedure No. CC-055 when considering requests for PILOT agreements.


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I. INITIAL APPLICATION; RENEWALS

Initial applications and applications for renewal of an existing PILOT shall follow the process outlined herein.

II. ELIGIBILITY

1. The applicant must be a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation or mobile home park association, **and must be** financed with a federally-aided or Michigan State Housing Development Authority (MSHDA) aided mortgage or advance or grant from MSHDA subject to Low Income Housing Tax Exemption (Ordinance No. 881), or a housing project that is being developed or rehabilitated for workforce housing subject to the Traverse City Workforce Housing PILOT Ordinance (Ordinance No. _____).
2. Any development project that is under construction at the time of application, excluding stabilization, site preparation, or utility work, is not eligible to apply for or to receive a PILOT under the Low Income Housing Tax Exemption (Ordinance No. 881).
3. To be eligible to apply for a PILOT, an applicant must own the property or have an option or other right to purchase the property under consideration.
4. To be eligible for a PILOT, residential or mixed-use projects must consist of a minimum of 20% of the units for affordable housing.

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III. DEFINITIONS:

Affordable Housing. Generally, housing that costs 30% or less of a household's annual income, with "costs" referring either to rent, or, for ownership units, mortgage interest and principal, taxes, and insurance.

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Shelter Rents: the total collections during an agreed annual period from all occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants

IV. PROCEDURE

1. **Mandatory Pre-Submittal Conference:** A meeting with the City Manager, City Zoning Administrator, City Planner, City Engineer, City Treasurer and City Assessor must occur before submitting a PILOT application. This meeting is to acquaint all parties with the scope of

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the project and any related issues. This meeting also serves to familiarize the applicant with the PILOT process and policies.

2. **Submission of Application:** An application form must be completed and an application packet assembled based upon requirements as set forth below; and addressing any additional items discussed in the Pre-Submittal Conference. Application forms are available both on the City of Traverse City web site and at the City Clerk's Office. **A non-refundable application fee in an amount as set from time to time by the City Commission for the City of Traverse City, payable to the City of City of Traverse City, is due upon submission of the full application packet.**

Incomplete applications will not be presented to the City Commission for review.

One original, five (5) copies, and an electronic version of the full application packet must be submitted no later than seven (7) weeks prior to a Regular City Commission meeting, typically held on the first and third Monday of each month. The applications should be delivered to: City Manager, City of Traverse City, 400 Boardman Avenue, Traverse City, MI 49684.

3. **City Staff Review:** City staff will review the submitted application for completeness, and will utilize the attached matrix to determine compatibility with City of Traverse City values. Matrix scores will serve as the basis for negotiating any PILOT agreement with the City. ***During the staff review process, the City Manager shall make a determination with respect to whether a Municipal Services Agreement (for reimbursement to the city for emergency services) and/or Development Agreement should be included as part of the***

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project. Within twenty-eight(28) days of receipt of the application, the City will either:

- a. Forward the application to the City Commission with a recommendation for their consideration, or
- b. send the application back to the requestor for additional information or clarification, or to improve their score

4. **City Commission Review:** For those applications forwarded to the City Commission, the City Clerk's office will forward the completed application packet along with the recommendation, and will schedule the request as an agenda item no earlier than twenty-eight (28) days after receipt of the completed application packet, so as to give the City Commission ample time for review of the application. The City Clerk's office will prepare a proposed resolution regarding the request for PILOT and will notify applicant of the regular meeting at which the application will be considered. For the application to be considered by the City Commission, the applicant or the applicant's appointed representative must be present at the meeting.

5. **Approval:** If the project and PILOT application is approved by resolution of the City Commission, the City Clerk will submit a certified copy of the resolution approving the PILOT and a certified copy of the minutes from the City Commission meeting when the PILOT was approved to the applicant. Additionally, the Clerk's Office will e-mail digital copies of the application packet and the resolution approving the PILOT to:

- a. City Manager
- b. City Attorney
- c. City Assessor
- d. City Treasurer
- e. City Engineer


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f. City Planner


V. APPLICATION REQUIREMENTS

Applicants must supply the following information and indicate if any items are not applicable to their project.


1. Applicant and Guarantors: Name, address, e-mail address and telephone number of the applying entity, and the legal entity that will own the project, if different from the applying entity. Name of applying entity's representatives, financial guarantors of the project, and name of principals of those entities, addresses, emails, and telephone numbers.
2. Background information about the applicant and guarantors, including development experience, if any, and all other relevant information the City may need to consider while reviewing the application. Describe the corporate or partnership structure. Include names and addresses of a minimum of three references who can confirm that the applicant has experience with mixed or multiple sources of funding, and development experience.
3. Describe the proposed Project. Include in this section the following:
 - a. Intended usage/target market
 - b. Economic impact
 - c. Environmental impact, including any measures taken to mitigate negative impact or improve the natural environment
 - d. Impact on City infrastructure, including transportation and utilities
 - e. Impact on City services, such as police, fire, emergency medical transport, code enforcement
 - f. Square footage of the building and land area to be renovated

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- g. Architectural renderings, including number and types of units
 - h. Any other information needed to fully explain the project
4. Describe the marketing plan for the project, identifying the intended market. List the types of lessees anticipated. If the project is speculative, how long is full occupancy expected to take and who will manage the project?
 5. Briefly describe the ownership and tax information for this Project. Include in this section the following:
 - a. State the location of the proposed project by street address and legal description
 - b. Name the property owner at the time of application submittal
 - c. If the Applicant does not presently own the property, attach a valid option to purchase the property
 - d. Describe any and all existing financing, options, and liens on the property
 - e. State the tax parcel number for all property involved with the Project and the current assessed value of the Property
 - f. Are any assessments presently under appeal? If so, describe the status of the appeal(s)
 - g. Will the Project result in the subdivision of any present tax parcel?
 6. Provide a detailed development pro forma outlining proposed hard, soft, and financing costs associated with proposed development. Pro forma must also identify all sources of financing and terms, including Applicant equity, construction and permanent financing and any government assistance. Proposals will contain detailed costs breakdowns.

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7. Provide a detailed operating pro forma that will include all anticipated Major Revenues and Expenses for the full term of the requested PILOT.
8. Are changes proposed to the public space around the Project (Example; sidewalks, lighting, and planting)? If yes, describe.
9. State proposed time schedule for the Project including anticipated dates for the following:
 - a. Closing of the loan or contributing financing availability
 - b. First expenditure of funds with regard to the project
 - c. Anticipated date construction will begin
 - d. Anticipated completion date
10. Financial Background:
 - a. Attach current audited financial statements of the applicant and guarantors. If audited financial statements are unavailable, please submit non-audited statements
 - b. State the relationship any applicant or grantor has had with any accounting firm over the last five years and reason for change, if any
 - c. Give three credit references for the applicant.
11. Development Team: Name any of the following that will be involved with the Project (with addresses, e-mail addresses and phone numbers):
 - a. Applicant Primary Point of Contact
 - b. Architects and engineers.
 - c. Construction Project Manager
 - d. General Contractor for project
 - e. Other professionals


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12. Please describe any potential conflicts of interest the applicant or any guarantor may have with any City Personnel or City Commission members.
13. Describe the following as to any applicant, guarantor, or other person involved with this project:
 - a. Any pending civil litigation involving this property or other business holdings
 - b. Any pending criminal proceeding involving this property or other business holdings
 - c. Any conviction, or other pending criminal matter, that is for any felony offense or any theft-related misdemeanor, involving this property or other business holdings
14. Include a copy of the completed MSHDA application for Low Income Housing Tax Credits within thirty (30) days of submittal to MSHDA.
15. Applicant or applicant's representatives must execute the following statement and provide it as part of the application.

SIGNED STATEMENT

The following statement must be included along with a dated signature of the applicant or applicant's representatives.

This application is made to induce the City of Traverse City to grant financial incentives to the applicant. Applicant declares that all statements contained herein are true and correct. All information materially significant to the City of Traverse City in its consideration of the application is included. Applicant authorizes the City of Traverse City to investigation of its credit in connection with this application. Applicant acknowledges that it

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has reviewed descriptions of the City of Traverse City PILOT program for which it is applying and agrees to comply with those policies. Applicant specifically will pay all reasonable costs, fees, and expenses incurred by City of Traverse City whether or not the incentive is granted or project completed.

16. FOIA PROTECTIONS OF CONFIDENTIAL MATERIAL

An applicant seeking Tax Exemption must file this application consistent with these PILOT policies and procedures approved by the City Commission. The City Commission acknowledges that information received in connection with the application may be subject to the Freedom of Information Act.

17. PILOT TERM AND PERCENTAGE CALCULATION

The maximum term of any tax exemption shall not exceed Federal guidelines. The maximum service charge to be paid in lieu of taxes shall not exceed the taxes which would be paid but for the project's eligibility for exemption by virtue of MCL 124.1401, et.seq.

STATE HOUSING DEVELOPMENT AUTHORITY ACT OF 1966 (EXCERPT)
Act 346 of 1966

125.1415a Exemption of housing project from taxes; filing certified notification of exemption with local assessing authority; annual service charge; amount; duration of exemption; distribution of payments for public services; exceptions; payment of service charge equal to full amount of taxes; reduced housing charges; "low income individuals or families" defined; rules; reimbursement prohibited; additional definitions.

Sec. 15a. (1) Except as otherwise provided in this section, the following are exempt from all ad valorem property taxes imposed by this state or by any political subdivision, public body, or taxing district in which the project is located:

(a) A housing project owned by a nonprofit housing corporation, consumer housing cooperative, limited dividend housing corporation, mobile home park corporation, or mobile home park association that is financed with a federally-aided or authority-aided mortgage or advance or grant from the authority.

(b) A housing project that is being developed or rehabilitated for workforce housing that is located in a municipality and is subject to a municipal ordinance that is adopted by the governing body of that municipality to approve a housing project for tax exemption under this subdivision. The approval or denial of a tax exemption under this subdivision must be in accordance with an ordinance or resolution concerning the selection of workforce housing projects that is adopted by the governing body.

(2) The owner of a housing project eligible for an exemption under subsection (1) must file with the local assessing officer a notification of the exemption. The notification must be in an affidavit form as provided by the authority. The owner must first submit the completed affidavit form to the authority for certification by the authority that the project is eligible for the exemption. The owner must then file the certified notification of the exemption with the local assessing officer before November 1 of the year preceding the tax year in which the exemption is to begin. If the housing project is eligible for an exemption under subsection (1)(b), not later than 5 business days after receipt of the certified notification of the exemption, the local assessing officer shall provide a copy of the certified notification of the exemption to the treasurer of the county in which the housing project is located.

(3) The owner of a housing project exempt from taxation under this section shall pay to the municipality in which the project is located an annual service charge for public services in lieu of all taxes. All of the following apply to the amount that an owner must pay as a service charge under this subsection:

(a) The owner must pay an annual service charge in accordance with the following:

(i) Subject to subdivisions (b), (c), (d), and (e), for a new construction project, an amount that is the greater of the tax on the property on which the project is located for the tax year preceding the date on which construction is commenced or 10% of the annual shelter rents obtained from the project.

(ii) Subject to subdivisions (b), (c), (d), and (e), for a rehabilitation project, an amount that is the lesser of the tax on the property on which the project is located for the tax year preceding the date on which rehabilitation is commenced or 10% of the annual shelter rents obtained from the project.

(b) Subject to subdivisions (c), (d), and (e), a municipality, by ordinance, may establish or change, by any amount it chooses, the service charge paid under subdivision (a) in lieu of taxes by all or any class of housing projects exempt from taxation under this act. However, the service charge must not exceed the amount in taxes that an owner would have otherwise paid if the housing project were not tax exempt.

(c) Notwithstanding subdivision (a), a service charge paid each year in lieu of taxes for that part of a housing project that is tax exempt under subsection (1)(a) and occupied by individuals or families other than low-income individuals or families must be equal to the full amount of the taxes that would be paid on that portion of the housing project if the housing project were not tax exempt. The owner of the housing project must allocate the benefits of any tax exemption granted under this section exclusively to low-income individuals or families or to the maintenance and preservation of the housing project as a safe, decent, and sanitary affordable housing.

(d) Notwithstanding subdivision (a), a service charge paid each year in lieu of taxes for that part of a housing project that is tax exempt under subsection (1)(b) and not used for workforce housing must be equal to the full amount of the taxes that would be paid on that portion of the housing project if the housing project were not tax exempt. The owner of the housing project must allocate the benefits of any tax exemption granted under this section exclusively to workforce housing or to the maintenance and preservation of the housing project as a safe, decent, and sanitary workforce housing.

(e) The annual service charge under subdivision (a) for a housing project that is tax exempt under subsection (1)(b) must be increased by the additional amount if both of the following requirements are met:

(i) Not later than 45 days after the treasurer of the county's receipt of the certified notification of the

exemption under subsection (2), the county board of commissioners for that county passes a resolution, by majority vote, that provides that the additional amount must be paid under this subdivision.

(ii) The approval of the resolution described in subparagraph (i) is in accordance with an ordinance or resolution adopted by the county board of commissioners concerning the factors to be considered in applying this subdivision.

(4) The exemption from taxation granted by subsection (1)(a), or approved by a governing body under subsection (1)(b), must remain in effect in accordance with the following:

(a) For a housing project described under subsection (1)(a), for as long as the federally-aided or authority-aided mortgage or advance or grant from the authority is outstanding, but not more than 50 years. The municipality may establish by ordinance a different period of time for the exemption to remain in effect.

(b) For a housing project described in subsection (1)(b), if the housing project remains subject to a covenant running with the land that restricts the use of the housing project to workforce housing, not to exceed 15 years.

(5) Except as otherwise provided in this subsection and subsection (6), any payments for public services received by a municipality in lieu of taxes under this section must be distributed by the municipality to the several units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. For payments in lieu of taxes collected after June 30, 1994, the distribution to the several units must be made as if the number of mills levied for local school district operating purposes were equal to the number of mills levied for those purposes in 1993 minus the number of mills levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, for the year for which the distribution is calculated. For tax years after 1993, the amount of payments in lieu of taxes to be distributed to a local school district for operating purposes under this subsection must not be distributed to the local school district but instead must be paid to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(6) An additional amount received under subsection (3)(e) must be distributed to the county in which the housing project is located.

(7) Notwithstanding subsection (1)(a), a municipality may provide by ordinance that the tax exemption established in subsection (1) does not apply to all or any class of housing projects within its boundaries to which subsection (1)(a) applies. If the municipality makes that provision, the tax exemption established in subsection (1)(a) does not apply to the class of housing projects designated in the ordinance. If the ordinance so provides, the ordinance is effective with respect to housing projects for which an exemption has already been granted on December 31 of the year in which the ordinance is adopted, but not before. A municipality that has adopted an ordinance described in this subsection may repeal that ordinance, and the repeal is effective on the date designated in the repealing ordinance.

(8) For purposes of this section only, "low-income individuals or families" means, with respect to any housing project that is tax exempt, individuals and families eligible to move into that project, as defined by the authority under its rules or a municipality by ordinance. For purposes of this subsection, the authority may promulgate rules to redefine low-income individuals or families or a municipality may by ordinance redefine low-income individuals or families for each municipality on the basis of conditions existing in that municipality.

(9) This state shall not reimburse any unit of government for a tax exemption granted to any housing project under this section.

(10) As used in this section:

(a) "Additional amount" means an amount equal to the difference between the following:

(i) The millage rate levied for operating purposes by the county in which the housing project is located multiplied by the current taxable value of that housing project.

(ii) The amount of the annual service charge paid by the housing project under subsection (3)(a) that is distributed to the county in which the housing project is located under subsection (5).

(b) "Area median income" means that term as defined in section 59.

(c) "Taxable value" means taxable value as calculated under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(d) "Workforce housing" means rental units or other housing options that are reasonably affordable to, and occupied by, a household whose total household income is not greater than 120% of the area median income and published by the United States Department of Housing and Urban Development.

History: Add. 1968, Act 334, Imd. Eff. July 14, 1968;—Am. 1969, Act 109, Imd. Eff. July 24, 1969;—Am. 1979, Act 49, Imd. Eff. July 7, 1979;—Am. 1982, Act 534, Imd. Eff. Dec. 31, 1982;—Am. 1983, Act 217, Imd. Eff. Nov. 16, 1983;—Am. 1994, Act 363, Imd. Eff. Dec. 27, 1994;—Am. 2022, Act 239, Imd. Eff. Dec. 13, 2022.

Compiler's note: Section 2 of Act No. 363 of the Public Acts of 1994 provides:
“The provisions of this amendatory act, providing that the exemption from taxes provided in section 15a of this act be limited to ad valorem property taxes, are curative expressing the original intent of the legislature that the exemption extends only to ad valorem property taxes and does not apply to the other taxes levied under Michigan law.”

Administrative rules: R 125.101 et seq. of the Michigan Administrative Code.

ORDINANCE NO. ____

An ordinance to provide for approval of an exemption from ad valorem property taxes for housing being developed or rehabilitated for workforce housing for persons and families whose household income is not greater than 120% of area median income, as authorized by provisions of the State Housing Development Authority Act of 1966, Public Act 346 of 1966, as amended, MCL 125.1401, et seq.

WORKFORCE HOUSING PILOT ORDINANCE

THE CITY OF TRAVERSE CITY, COUNTY OF GRAND TRAVERSE AND LEE LANAU, STATE OF MICHIGAN, ORDAINS:

SECTION 1. Title. This Ordinance shall be known and cited as the "Traverse City Workforce Housing PILOT Ordinance."

SECTION 2. Preamble.

It is a proper public purpose for the City of Traverse City to encourage the development or rehabilitation of workforce housing for persons and families whose household income is not greater than 120% of area median income by exempting such housing from all ad valorem property taxes imposed by any taxing jurisdiction and providing for payment of an annual service charge for public services in lieu of all such taxes. A PILOT, or service charge payment in lieu of taxes, is an effective means of incentivizing the construction of workforce house. A stable and predictable service charge paid in lieu of all ad valorem property taxes for a fixed period is essential to the determination of the economic feasibility of workforce housing projects developed or rehabilitated in reliance on such tax exemption. The City is authorized by section 15a of Public Act 346 of 1966, as amended, MCL 125.1415a, to establish, or change by any amount it chooses, the service charge to be paid in lieu of all ad valorem taxes in accordance with section 15a with respect to new or rehabilitated workforce housing, but not an amount that exceeds the taxes that would be paid but for this authorization or the other limitations imposed by that section. Because workforce housing for individuals and families whose household income is not greater than 120% of area median income is a public necessity, and because the City will be benefited and improved by such housing, encouraging the same through an ad valorem property tax exemption is a valid public purpose.

SECTION 3. Definitions.

(A) “Additional Amount” means an amount equal to the difference between the following:

(1) the millage rate levied for operating purposes by the County multiplied by the current Taxable Value of a workforce housing project for which a PILOT Resolution has been adopted, and

(2) the amount of the annual service charge paid in lieu of ad valorem property taxes by the housing project under subsection (4)(C) that is distributed to the County pursuant to MCL 125.1415a(5).

(B) “Annual Shelter Rent” means the total collections during an agreed annual period from or paid on behalf of the occupants of a housing project representing rent or occupancy charges, exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants and paid for by the housing project.

(C) “Sponsor” means any person or entity applying for a workforce housing exemption under this Ordinance, and includes any person or entity who subsequently owns the housing project.

(D) “Authority” means the Michigan State Housing Development Authority.

(E) “Restrictive Covenant” means a recorded agreement between Sponsor and the City running with the land that restricts the use of the housing project to workforce housing, as defined in this Ordinance, for a period not to exceed 15 years, or such greater or lesser period of time as may be authorized by state law and as may be required by the PILOT Resolution.

(F) “County” means the County of Grand Traverse or Leelanau, depending on where the proposed project is located.

(G) “PILOT Resolution” means a project-specific resolution adopted by the City Commission that approves a housing project for exemption under this Ordinance.

(H) “Taxable Value” means taxable value as calculated under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(I) “Workforce housing” means rental units or other housing options that are reasonably affordable to, and occupied by, a household whose total household income is not greater than 120%¹ of the area median income published by the United States Department of Housing and Urban Development.

SECTION 4. Authorization and Establishment of Workforce Housing Exemption.

(A) The class of housing projects to which the tax exemption shall apply and for which a service charge may be paid in lieu of all ad valorem property taxes are housing projects being developed or rehabilitated for workforce housing.

¹ NTD: This number may be reduced below 120%.

(B) Subject to the recording of a Restrictive Covenant, workforce housing and the property on which such housing is or will be located shall be exempt from all ad valorem property taxes as of December 31 of the year in which construction or rehabilitation commences. Construction must start within **one**² year of the date of the Authority's notification of exemption or such longer period of time as may be provided by the PILOT Resolution.

(C) The City will accept payment of an annual service charge in lieu of all ad valorem property taxes for public services from the owner of a housing project for which the City has received a certified notification of exemption from the Authority in accordance with the following:

(1) Subject to subsections (D), (E) and (F), for a new construction project, an amount that is the greater of the tax on the property on which the project is located for the tax year proceeding the date on which the construction is commenced or 10% of the Annual Shelter Rent obtained from the project.

(2) Subject to subsections (D), (E) and (F), for a rehabilitation project, an amount that is the lesser of the tax on the property on which the project is located for the tax year proceeding the date on which rehabilitation is commenced or 10% of the Annual Shelter Rent obtained from the project.

(3) The service charge paid in lieu of taxes shall not exceed the amount in ad valorem taxes that the Sponsor would have otherwise paid if the workforce housing project were not tax exempt.

(D) Notwithstanding the provisions of MCL 125.1415a(3)(b) and 125.1415a(7) to the contrary, upon the adoption of a PILOT Resolution and receipt of a certified notification of exemption from the Authority, a contract shall be deemed effected between the City and the Sponsor, to provide a tax exemption and accept service charge payments in lieu of taxes as previously described by this section.

(E) Notwithstanding subsection (C), the service charge paid each year in lieu of taxes for that part of a workforce housing project that is tax exempt under this Ordinance but not used for workforce housing must be equal to the full amount of the taxes that would be paid on that portion of the project as if the project were not tax exempt. The owner of the project shall allocate the benefits of any tax exemption granted pursuant to this Ordinance exclusively to workforce housing or to the maintenance and preservation of the housing project as a safe, decent, and sanitary workforce housing.

(F) The annual service charge under subsection (C) for a workforce housing project for which a PILOT Resolution has been adopted must be increased by the Additional Amount if both of the following requirements are met:

(1) Not later than 45 days after the county treasurer's receipt of the certified notification of exemption, the County Board of Commissioners passes a resolution, by majority vote, that provides that the Additional Amount must be paid.

² NTD: This timeframe is not mandatory and may be modified. Suggest 18 months based upon previous experience.

(2) The approval of the resolution described in subparagraph (1) is in accordance with an ordinance or resolution adopted by the County Board of Commissioners establishing the factors to be considered when assessing whether the Additional Amount must be paid.

SECTION 5. Workforce Housing Exemption Application, Review and Approval Process.

(A) The Sponsor of a workforce housing project must own the property that is the subject of the application or must be the purchaser under a purchase or option agreement or otherwise demonstrate that it has control over the property. The property that is the subject of the application must be zoned for the intended use at the time of application.

(B) The application and selection process for a workforce housing exemption shall be governed by the Payment in Lieu of Taxes (PILOT) Policy adopted by the City Commission, as it may be amended from time to time.

(C) The Sponsor shall submit its application for a workforce housing exemption using the form provided by the City.

(D) Approval of an exemption for a workforce housing project requires passage of a PILOT Resolution by five (5) members of the City Commission³.

(E) If the workforce housing exemption application is approved, the City Clerk will deliver to the Sponsor a certified copy of the resolution approving the application.

(F) To defray the administrative cost of processing an application for a workforce housing exemption, the City Commission shall include a workforce housing application fee in its annually adopted fee schedule.

SECTION 6. Authority Affidavit and Assessor Notification.

(A) Following adoption of the PILOT Resolution, the Sponsor must submit an affidavit to the Authority in the form required by the Authority for certification by the Authority that the project is eligible for the workforce housing exemption.

(B) Upon receipt of notification from the Authority that the project is eligible for a workforce housing exemption, the Sponsor or the Authority must file the certified notification of exemption with the city assessor before November 1 of the year preceding the tax year in which the exemption is to effective.

(C) Not later than 5 business days after receipt of the certified notification of exemption, the assessor shall provide a copy of the certified notification of exemption to the County treasurer.

SECTION 7. Payment of PILOT.

³ See Charter Section 28, which requires 5 affirmative votes to create contract.

(A) No later than [insert date desired by municipality]⁴, or such other date provided for in the PILOT Resolution, Sponsor shall submit to the city treasurer, Sponsor's budget for Annual Shelter Rent for the current calendar year and a copy of Sponsor's audited financial statements for the preceding calendar year, prepared in accordance with generally accepted auditing standards or, if Sponsor is not subject to an audit requirement, Sponsor's compiled financial statements for the preceding calendar year prepared in accordance with generally accepted accounting principles and certified by Sponsor. Within 30 days of receipt of the foregoing documents, the treasurer shall issue an invoice showing the PILOT payment due for the current year, which payment shall be due no later than [insert date desired by municipality].⁵

(B) Except as otherwise provided in this section and section 4, any payments for public services under this Ordinance shall be distributed to the governmental units levying the general property tax in the same proportion as prevailed with the general property tax in the previous calendar year. The distribution to those governmental units shall be made as if the number of mills levied for local school district operating purposes were equal to the number of mills levied for the purposes in 1993 minus the number of mills levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, for the year for which the distribution is calculated. The amount of payments in lieu of taxes to be distributed to a local school district for operating purposes under this subsection must not be distributed to the local school district but instead must be paid to the state treasury and credited to the state school aid fund established by section 11 of article IX of the state constitution of 1963.

(C) Any PILOT payment or portion of PILOT payment remaining unpaid as of the due date shall bear interest at 1% per month and require payment of a 3% penalty fee. The collection of past due PILOT payments shall otherwise be in accordance with the provisions of Chapter 211 of the General Property Tax Act, Act 206 of 1893, as amended; MCL 211.44 et seq.

SECTION 8. Duration and Recorded Restrictive Covenant.

(A) A workforce housing project approved for an exemption by a PILOT Resolution shall be encumbered by a Restrictive Covenant recorded in the office of the register of deeds for the County.

(B) The Restrictive Covenant shall acknowledge (i) that the economic feasibility of the workforce housing project depends on the approval and continuing effect of the payment in lieu of all ad valorem taxes as approved by the PILOT resolution; (ii) the City's agreement to accept payment of an annual service charge in lieu of all ad valorem taxes in consideration of the Sponsor's offer to construct or rehabilitate workforce housing; and (iii) the amount of the annual service charge to be paid for each operating year.

(C) The Restrictive Covenant shall provide (a) for the reporting and monitoring of the Sponsor's compliance with the Restrictive Covenant, this Ordinance and the PILOT Resolution; (b) that the Restrictive Covenant is enforceable by the City and any Tenants to be benefitted at law or in equity; (c) shall provide other remedies available to the City for non-compliance, including termination of the exemption and repayment of all prior years' tax savings under the workforce housing exemption after

⁴ For example, June 1.

⁵ For example, July 30 or September 14.

notice and hearing;⁶ and (d) that the Restrictive Covenant cannot be modified or terminated except in a written instrument executed by the Sponsor or then current owner and the City.

SECTION 9. Severability.

The provisions of this Ordinance shall be deemed to be severable, and should any provision be declared by any court of competent jurisdiction to be unconstitutional or invalid, the same shall not affect the validity of this Ordinance as a whole or provision of this Ordinance, other than the provision so declared to be unconstitutional or invalid.

SECTION 10. Inconsistent Ordinances.

All ordinances or parts of ordinances inconsistent or in conflict with the provisions of this Ordinance are repealed to the extent necessary to give this ordinance full force and effect.

SECTION 11. Effective Date.

This Ordinance shall become effective on [insert effective date].

At a regular meeting held on _____, 20[___], on motion made by _____ and supported by _____, this Ordinance was adopted on by a ____ vote.

AYES:

NAYS:

ORDINANCE 2023-___ IS ENACTED.

TOWNSHIP/CITY CLERK/VILLAGE CLERK [delete inapplicable reference]

⁶ NTD: The termination provision should provide a reasonable time period for repayment and may include an agreement to add the repayment amount to the next property tax bill if not timely paid.