

CITY OF HARTFORD
DOWNTOWN DEVELOPMENT AUTHORITY
BY-LAWS

ARTICLE I

PURPOSES AND POWER:

The Purpose or purposes or which the Authority is organized are as follows:

- a. To correct and prevent deterioration in the downtown development district:
- b. To authorize the creation and implementation of the development and Financing plans in the district:
- c. To promote economic growth in the district:
- d. To own, operate, and maintain facilities and property in the downtown development district:
and
- e. To authorize the acquisition and disposal of interest in real and personal property.

In furtherance of these purposes, the Authority shall have all powers which now or hereafter may be conferred by law on authorities organized under Act 197, Public Acts of 1975; Act 227, Public Acts of 1972: Act 149, Public Acts 01 1911; Act 202, Public Acts of 1943; Act 94, Public Acts of 1933; Act 344, Public Acts of 1945, as amended and Public Law 91-646, being the Federal Uniform Relocation Assistance and Rule Property Acquisition Policies of Act of 1970.

- a. Prepare an analysis of economic changes taking place in the downtown district;
- b. Study and analyze the impact of metropolitan growth upon the downtown district;
- c. Plan and propose the construction, the renovation, repair remodeling, rehabilitation, restoration, preservation, of multi-family dwelling units 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 districts;
- d. Develop long-range plans in cooperation with the agency which is chiefly responsible for planning in the municipality, design to halt the deterioration of property values in the Downtown District, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible;
- e. Implement any plan of development in the downtown district necessary to achieve the purposes of the site in accordance with the powers of the Authority as granted by this Act;
- f. Make and enter into contracts necessary or incidental to the exercise of its power and performance of its duties;

- g. Acquire by purchase or otherwise, on terms and conditions and in the manner the Authority deems proper to own, convey, or otherwise dispose of, release as lessor or lessee land and other property, real or personal, or rights or interests which the Authority determines is reasonably necessary to achieve its purposes of this Act, and to grant or acquire licenses, easements, and options with respect thereto;
- h. Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building including multi-family dwellings, and any necessary or desirable appurtenances thereto, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof;
- i. 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 the fees, rents, and charges for the payment of revenue bonds issued by the Authority;
- j. Lease any building or property under its control, or any part thereof;
- k. Accept grants and donations of property, labor, or other things of value from a public or private source;
- l. Acquire and construct public facilities.
- m. 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.
- n. To receive property taken by the City of Hartford under its power of eminent domain for use in an approved development on terms and conditions that deems appropriate and as necessary for public purposes and for the benefit of the public.
- o. The authority with the approval of the municipal 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 downtown district. The tax shall not be more than 2 mills. The municipality creating the authority levying the tax shall collect the tax. The municipality shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes. The tax shall be paid to the treasurer of the authority for purposes of financing only the operations of the authority. The municipality may at the request of the authority, borrow money and issue its notes therefor pursuant to Act No.202 of the public Acts of 1943, as amended, in anticipation of collection of the ad valorem tax authorized in this section.
- p. The authority may borrow money and issue its negotiable revenue bonds therefor 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 municipality or the state. The municipality by majority vote of the members of its governing body may pledge its full faith and credit to support the authority's revenue bonds.
- q. 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 municipality. The plan shall be pursuant to Act No.197 of the Public Acts of 1975, as amended.

- r. The municipality may by resolution of its governing body authorizes, issue. And sell general obligation bonds subject to the limitations herein set forth to finance the development program of the tax increment 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 public Acts of 1943, as amended
- s. Carry on any activity for the purpose 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, corporations or other organizations.
- t. In general, and subject to such limitations and conditions as are or may be prescribed by law, to exercise such other powers which now are or hereafter may be conferred by law upon a corporation organized pursuant to Act No. 197 of the Public Acts of 1975, as amended.

ARTICLE II

BOARD

Section 1. General Powers.

The Authority shall be under the supervision and the control of a Board.

Section 2. Number, Tenure and Qualifications.

“ The Board of the Authority shall consist of not less than 8, nor more than 12 members in addition to the Hartford Commission Representative. The Board shall be appointed by the Hartford City Mayor subject to the approval of the City Commission.” Other than for the City representative, members shall be appointed for a term of four (4) years, except those members first appointed, two (2) shall be appointed for one (1) year, two (2) for two (2) years, two (2) for three (3) years and four (4) for four (4) years.

“Not less than a majority of the members shall be persons having, or representing persons having an interest in property located in the downtown district. At least one (1) of the members shall be a resident of the downtown district, if the downtown district has one hundred (100) or more persons residing within it. Before assuming the duties of office, members shall qualify by taking and subscribing to the constitutional oath of office.

Section 3. Compensation of Members.

Members of the Board shall serve without compensation, but shall be reimbursed for actual and necessary out – of –pocket expenses, as approved by the Board.

Section 4. Expiration of Term, Continuation in Office, Reappointment, and Filling Vacancies.

A member shall hold office until the member’s successor is appointed. An appointment to fill a vacancy shall be made by the Mayor for the unexpired term only.

Section 5. Removal.

Pursuant to notice and an opportunity to be heard, a member of the Board may be removed for cause by the governing body. Cause shall include, but not limited to, failure to attend three (3) successive regularly scheduled meetings of the Board.

Section 6. Disclosure of Interest.

A Board member who has a direct interest in any matter before the Authority shall disclose his interest prior to the Authority taking any action with respect to the matter, which disclosure shall become a part of the record of the Authority's official proceedings. Further, any member making such disclosures shall then refrain from participating in the Authority's decision-making process relative to the matter.

ARTICLE III

OFFICERS

Section 1. Officers.

The officers of the Authority shall be a Chairman, Vice-Chairman, Secretary, and Treasurer.

Section 2. Removal of Officers

The Board may remove an officer whenever in its judgment the best interest of the Authority would be served. Such action requires a vote of two – thirds (2/3) or more appointed and serving on the Board.

Section 3. Filling of Vacancies

The Board may fill a vacancy for the unexpired portion of the term.

Section 4. Chairman.

The Chairman shall preside at all meetings of the Board. He shall discharge the duties of a presiding officer.

Section 5. Vice – Chairman.

In the absence of the chairman or in the event of his inability or refusal to act, the Vice – Chairman shall perform all duties of the Chairman and when so acting shall have all the powers and be subject to all restrictions of the Chairman.

Section 6. Secretary

The Board may employ and fix compensation of a secretary who shall maintain custody of the official seal of 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 as are delegated by the Board.

Section 7. Treasurer.

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 expenditures of funds of the Authority. The treasurer shall perform such other duties as may be delegated to him or her by the Board and shall furnish bond in the amount prescribed by the Board.

Section 8. Terms.

Terms of officers shall be one (1) year or until a successor is elected and qualified. The term of office shall begin at the annual meeting.

ARTICLE IV

MEETINGS

Section 1. Annual Meeting

The annual meeting shall be held on the second Thursday of January at the hour of 12.00 Noon. in the Commission chambers at the City Hall. The election of officers shall occur at the annual organizational meeting. If the election of officers should not occur on the day designated, or adjournment thereof, the Board shall cause the election to be held at a regular or special meeting of the Board within ninety (90) days of the annual meeting.

Section 2. Regular Meetings

Regular meetings are held on the Third Wednesday of each month. Additionally, rescheduled meetings at the call of the Chairman, The financial records shall always be opened to the public. Any regularly scheduled meeting canceled for lack of quorum will be rescheduled by the chairman except as provided by the law.

Section 3. Special Meetings.

Special meetings of the Board may be called by the Chairman, by the vice-chairman in the absence of the Chairman, or by any four (4) members, stating the purpose of the meeting and by posting the notice of the meeting eighteen (18) hours prior to the meeting.

Section 4. Notice of Meeting.

All meetings shall be preceded by public notice posted eighteen (18) hours prior to the meeting in accordance with Act 267 of the Public Acts of 1976, as amended.

Section 5. Agenda

The Chairman may prepare the agenda for all meetings and send them to the Authority members at least twenty – four hours prior to a meeting. Any member of the Authority may request any item to be placed upon or removed from the agenda.

Section 6. Quorum and Voting.

A majority of the voting members of the Board in office shall constitute a quorum for the transaction of business. Each member present at a meeting shall have one (1) vote on a question and affirmative vote of a majority of the quorum shall constitute the action of the Board unless the vote of a larger number is required by law or in these By- laws.

Section 7. Rules of Order.

Robert Rules of Order will govern the conduct of all meetings.

ARTICLE V

EMPLOYMENT OF PERSONNEL.

Section 1. Director.

The Board may employ and fix the compensation of a director subject to the approval of the Hartford City Commission. The director shall serve at the pleasure of the Board. A member of the Board is not eligible to hold the position of the Director. Before entering upon the duties of his office, the director shall 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 Clerk. The premium on the bond shall be deemed an operating expense of the Authority for expense of operation.

The Director shall be the Chief Executive Officer of the Authority and the Director shall co-sign checks, vouchers, purchase orders, and open or close accounts by co-signature, with the treasurer of the Authority. In general, the Director shall not be able to act in a fiduciary or contractual capacity without Board direction, supervision and participation. 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 Act 197 of Public Acts of 1975, as amended. The Director shall attend the meetings of the Board and shall render the Board and the governing Hartford City Commission, 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 require.

ARTICLE VI

COMMITTEE AND ADVISORY BOARDS.

Section 1. Committee.

The Board, by resolution, may designate and appoint one (1) or more committees to advise the Board. The committee members shall be members of the Authority. The Chairman of the Authority shall appoint the members and select the Chairperson. The committees may be terminated by a vote of the Authority. At the annual meeting, the committees will be evaluated and reappointed or dissolved. A majority of the members present at the meeting at which a quorum is present shall be empowered to act on behalf of the committee. No committee shall have the Authority to bind the Authority without a vote of the Board.

Section 2. Advisory Boards.

The Board may, by resolution, authorize the establishment of advisory boards of the Authority. The Chairperson shall select with the advice and consent of the Authority members, the members of each advisory board. The advisory boards shall elect their own officers and establish rules governing their actions. No Board shall have the Authority to bind the Authority without a vote of the Board.

ARTICLE VII

CONTRACTS AND FUNDS

Section 1. Contracts.

The Board may authorize officers of the Authority or an agent or agents, not the Director of the Authority, to enter into any contracts necessary or incidental to the exercise of its powers and performance of its duties authorized under Act 197.

Section 2. Funds

All checks, drafts, or order for payment of money, notes, or other evidence of indebtedness issued in the name of the authority shall be signed by the treasurer and countersigned by the Director of the Authority. One Board member may be designated as acting treasurer with full authority of the treasurer in cases of absence or illness. The Board shall select banks, trust companies, or other depositories for the deposit of the Authority funds. No funds of the Authority shall be disbursed except as provided for in the budget of the Authority, which must have been, adopted by the Hartford City Commission pursuant to MCL 125-1678.

Section 3. Contributions or Gifts.

The Board may accept on behalf of the Authority any contribution, gift, bequest, or device for the general purpose or for any purpose of the Authority.

ARTICLE VIII

BOOKS AND RECORDS.

Section 1. Bookkeeping, Minutes, and the Annual Audit.

The Authority shall keep correct and complete records of its books, accounts and minutes of its meetings. The records shall be kept at the registered office of the Authority. The registered office and principle place of the business of the Authority is City Hall, 19 West Main Street, Hartford, Michigan 49057 or such other place as, from time to time, be designated by resolution of the Authority. All books and records of the Authority shall be open to the public. An annual audit b the City's auditors shall be conducted.

Section 2. Fiscal Year.

The fiscal Year of the Authority shall begin on the First day of July and end on the last day of June of each year.

ARTICLE IX

FUNDING.

Section 1. Funding

The Authorities shall finance its activities from one or more of the following sources:

- (a) Donations to the Authority for the performance of its function.
- (b) Proceeds of a tax imposed pursuant to section 12 of Act 197.
- (c) Money borrowed and to be repaid as authorized by section13 of Act 197.
- (d) Revenue from any property, building, or facility owned, leased, licensed, or operated by the Authority imposed upon the Authority by trusts or other agreements.
- (e) Proceeds of a tax increment-financing plan established under sections 14 to 16 of Act 197.
- (f) Proceeds from a special assessment district created as provided by law.
- (g) Money obtained from other sources approved by the governing body of the municipality. Money received by the Authority and not covered under this section shall immediately be deposited to the credit of the Authority, subject to disbursement pursuant to Act197. Except as provided in Act 197, the municipality shall not obligate

itself, other than money received by the municipality pursuant to Act 197, for or on account of the activities of the Authority.

ARTICLE X

DISTRICT BOUNDARIES

The Authority shall exercise its powers within the following areas of the Downtown Development District of the City of Hartford.

(See legal description attached.)

ARTICLE XI

AMENDMENT TO BY-LAWS

These By-laws may be altered, amended or replaced only by the affirmative vote of a majority of the Board at any regular meeting of the Authority. All amendments are subject to the approval of the Hartford City Commission.

ARTICLE XII

INDEMINIFICATION.

Any member of the Board, officer, or employee shall be indemnified or reimbursed by the Authority for expenses (including attorney's fees) judgements, fines, and amounts paid in settlement actually and reasonably incurred in connection with any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action suit by or in the right of the Authority, in the event of which such indemnification or reimbursement may extend only to expenses, including attorney's fees, actually and reasonably incurred in the connection with the defense or settlement of such action or suit and then only if such person acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interest of the Authority) to which he/she was or is a party or is threatened to be made party by reason of his/her being or having been a member of the Board, Officer or employee of the Authority or of Corporation, partnership, joint venture, trust or other enterprises which he/she served in any such capacity at the request of the Authority.

Provided, However, that no person shall be so, indemnified or reimbursed in relation to any matter in any such action, suits, or proceeding as to which he/she finally to be adjudged to have been guilty of or liable for gross negligence, willful misconduct or criminal acts in the performance of his /her duties to the authority; and provided, further, that no person shall be so indemnified or reimbursed in relation to any such matter in any such action, suit, or proceeding which has been made the subject of a compromise settlement, except with the approval of a court of competent jurisdiction, or the Board of the Authority, acting by vote of members not parties to the same or substantially the same action, suits, or proceeding, constituting a majority of the Board.

The foregoing right of indemnification or reimbursement shall not be deemed exclusive of other rights which such person may be otherwise entitled, and shall continue as to a person who has ceased to be a member of the Board, Officer, or employee and shall insure to the benefit of the heirs, executors and administrators of such a person.

The Authority may, upon affirmative vote of the majority of its Board, purchase insurance for the purpose of indemnifying its members, officers, and other employees to the extent that such indemnification is allowed in the preceding paragraph. Such insurance may, but need not be, for the benefit of all members, officers, or employees.

Expenses incurred in defending a civil or criminal actions, suits, or proceeding described in the first paragraph of this Article XII may be paid by the Authority in advance of final disposition of such action, suit, or the proceeding as authorized by the Board of the Authority in the specific case upon receipt of an undertaking by or on behalf of the board, officer, or employee to repay such amount unless it shall ultimately be determined that he/ she is entitled to be indemnified by the Authority as authorized in this article XII.