

**CITY OF NEW BUFFALO
DOWNTOWN DEVELOPMENT AUTHORITY
BY-LAWS**

ARTICLE I

SECTION 1: NAME

The name of the Authority shall be the City of New Buffalo Downtown Development Authority (DDA).

SECTION 2: PURPOSE

The Downtown Development Authority is organized with reference to Michigan Public Act 197 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, 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 City of New Buffalo Planning Commission designed to prevent deterioration of property values in the district, to encourage economic growth in the district and to take steps necessary to implement the plans.
- (e) Implement and plan for 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 Michigan Public Act 197 of 1975, as amended.

- (a) Make and enter into contracts 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) 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, hereinafter referred to as the Board, 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 eight (8) members appointed by the Mayor of the City, subject to approval by the governing body of the City of New Buffalo. At least one (1) member shall be the Mayor of the City and five (5) of the members shall be persons having an interest

in property located in the downtown district or officers, members, trustees, principals, or employees of a legal entity having an interest in property located in the downtown district. Of the members first appointed, two (2) shall be appointed for 1 year, two (2) for 2 years, two (2) for 3 years, and two (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 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 Berrien County Board of County Board of Commissioners, nor serve as a board member of Lake Michigan College Board of Trustees.

- (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. The Chairperson, Vice Chairperson, Secretary, and Treasurer of the Board shall be elected by the Board annually at the January meeting from their membership, except for the Treasurer which may be elected as the Treasurer of the City of New Buffalo.

Chairperson. The Chairperson shall set the Agenda with input from the rest of the board of directors as needed or appropriate and shall preside at all meetings of the board of directors, appoint all committees, temporary or permanent, and be the primary board liaison to communicate with City's Governing Body, The Chairperson shall also be the designated and official spokesperson of the DDA unless delegated to another or upon majority vote of the board of directors.

Vice Chairperson. In the Chairperson's absence, the Vice Chairperson shall set the Agenda with input from the rest of the board of directors as needed or appropriate and shall preside at all meetings of the board of directors.

Secretary. The Secretary shall serve as recorder of minutes. The Secretary shall, on behalf of the board as a whole, ensure that all books, reports and certificates as required by law are properly kept or filed. The Board may employ and fix the compensation of a recording 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.

Treasurer: The Board of Directors shall annually designate a Treasurer who shall keep the financial records in a separate fund in the name of the authority within the accounts of the City of New Buffalo and disburse funds only upon approval of Board of Directors of all vouchers for the expenditure of funds of the authority. The treasurer shall provide a monthly statement of account to the authority and perform such other duties as may be delegated by the Board, and shall furnish bond in an amount as prescribed by the Board. The Treasurer of the City of New Buffalo may serve as Treasurer of the authority,

Compensation of Officers and Directors: The members of the board of directors serve as volunteers and as such, are not compensated as required by Act 197. Out of pocket expenses incurred by officers or directors may be reimbursed subject to advance approval by the Chairperson and Treasurer and only if they are within the scope of the business of the DDA. Said expenses will only be reimbursed upon presentation of original receipts.

Resignation: Board members may resign at any time by communicating his or her resignation to the City of New Buffalo. An officer may resign at any time by communicating his or her resignation to the DDA. A resignation is effective when it is communicated unless it specifies in writing a later effective date. If a resignation is made effective at a later date and the DDA accepts the future effective date, the board of directors may fill the pending vacancy before the effective date if the board of directors provides that the successor does not take office until the effective date.

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

Executive Director. The board may employ and fix the compensation of an Executive Director, subject to approval of the governing body of the city. The

Executive Director shall serve at the pleasure of the Board. Before entering upon the duties of office, the Executive Director shall take and subscribe to the constitutional oath of office, and furnish bond, by posting a bond in the penal sum determined by the Board of Directors of the authority payable to the authority for use and benefit of the authority, 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 Executive Director shall be the chief executive officer of the authority. Subject to the approval of the Board, the Executive 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 Executive Director shall attend the meetings of the Board, and shall render to the Board and to the governing body of the City of New Buffalo a regular report covering the activities and financial condition of the authority. If the Executive Director is absent or disabled, the Board may designate a qualified person as acting Executive 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 of office, and furnish bond, as required of the Executive Director. The Executive Director shall furnish the Board with information or reports governing the operation of the authority as the Board requires.

Annual Reporting. The Board shall prepare and present to the City Council and to all entities which levy ad valorem taxes subject to capture by the Authority an annual report summarizing the programmatic accomplishments of the authority for the past year, the amount and purposes of expenditures, amounts and sources of revenues, amount of outstanding indebtedness and account balances of the authority.

Other Personnel. The Board may employ other personnel as 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 Michigan Public Act 197 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 New Buffalo. 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 New Buffalo. The plan shall be pursuant to Act No. 197 of the Public Acts of 1975, as amended.
- (d) The City of New Buffalo 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

Budget. Annually the Board shall, based on the fiscal year of the City, prepare a budget and work program in a form acceptable to the city council detailing specific work tasks and activities to be completed by the authority during the

fiscal year including the projected cost for each project and the cost for general operation of the authority. No funds shall be disbursed until City Council determination that the proposed work program is compliant with the approved Development Plan and Council approval of both the budget and annual work program. Said budget may be prepared by the Treasurer and the Executive Director, if designated. 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 at the conclusion of its affairs, all property and assets of the authority shall be distributed exclusively to the City of New Buffalo, 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.

Amendments shall not become effective until approved by the city council.

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.

APPROVAL AND ADOPTION

City of New Buffalo Downtown Development Authority - June 12, 2014,

Chairperson

Secretary

City Council of the City of New Buffalo – June 17, 2014

Mayor

Clerk