

RESOLUTION TO ADOPT THE PILOT
PLAN FOR GREEN MEADOWS APARTMENTS
SPRINGPORT TOWNSHIP, JACKSON COUNTY
RESOLUTION #2-10

At the regular meeting of the Springport Township Board and called to order by: Treasurer Tom Betz, on March 8th, 2010, the following resolution was offered:

WHEREAS, the Township Board of Springport Township wishes to adopt Ordinance No. 38, *"An ordinance to authorize the payment of an annual service charge in lieu of taxes for residential units serving low income or moderate income persons in accordance with the state housing development authority, act 346 of the public acts of Michigan of 1966, as amended, and matters related thereto"*. Hereafter, known as the "PILOT" plan.

The above resolution was offered by Board member J. Sebastian and Supported by J. Mitchell.

Upon roll call vote the following voted
"Aye": Mitchell, Sebastian, Betz and Keeler

"No": none

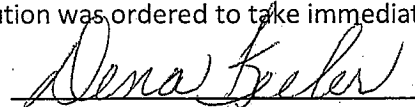
Absent: G. Lincoln

The Treasurer declared the resolution adopted.


Dena Keeler, clerk

CERTIFICATE

I, Dena Keeler, the duly elected and acting Clerk of Springport Township, hereby Certify that the foregoing resolution was adopted by the Township Board of said Township at the regular meeting of said Board held on March 8th, 2010, at which meeting a quorum was present by a roll call vote of said members as hereinbefore set forth; that said resolution was ordered to take immediate effect.


Dena Keeler, clerk

TOWNSHIP OF SPRINGPORT
COUNTY OF JACKSON, MICHIGAN

Minutes of a regular meeting of the Township Board of the Township of Springport, County of Jackson, Michigan, held in the Township Hall located at 101 East Main Street, Springport, Michigan, on the 8th day of March, 2010, at 7:00 p.m. Local Time.

PRESENT: Trustees: J. Betz, D. Keeler, J. Mitchell and J. Sebastian
ABSENT: Trustees: A. Lincoln

The following preamble and ordinance were offered by Trustee Sebastian and supported by Trustee Mitchell:

ORDINANCE NO. 38

AN ORDINANCE TO AUTHORIZE THE PAYMENT OF AN ANNUAL SERVICE CHARGE IN LIEU OF TAXES FOR RESIDENTIAL UNITS SERVING LOW INCOME OR MODERATE INCOME PERSONS IN ACCORDANCE WITH THE STATE HOUSING DEVELOPMENT AUTHORITY, ACT 346 OF THE PUBLIC ACTS OF MICHIGAN OF 1966, AS AMENDED, AND MATTERS RELATED THERETO

THE TOWNSHIP OF SPRINGPORT ORDAINS:

Section 1. Purpose. This Ordinance authorizes and approves an annual service charge in lieu of taxes for residential housing developments that: (a) serve Low Income or Moderate Income Persons (as defined in the State Housing Development Authority Act, Act 346 of the Public Acts of Michigan of 1966, as amended, and this Ordinance); (b) are financed or assisted by USDA-RD or the Authority in accordance with Act 346; (c) are located within the Township; and (d) comply with this Ordinance.

Section 2. Title. This Ordinance shall be known and cited as the "Township of Springport Tax Exemption Ordinance."

Section 3. Preamble. It is acknowledged that it is a proper public purpose of the State of Michigan and its political subdivisions to provide housing for low income citizens and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with Act 346. The Township is authorized by Act 346 and this Ordinance to establish or change the annual service charge to be paid in lieu of taxes by any and all classes of housing exempt from taxation under Act 346 at any amount it chooses not to exceed the taxes that would be paid but for Act 346. It is further acknowledged that housing for low income persons and families is a public necessity, and as the Township will be benefitted and improved by such housing, the encouragement of the same by providing certain real-estate tax exemptions for such housing is a

valid public purpose; further, that the continuance of the provisions of this Ordinance for tax exemption and the service charge in lieu of taxes during the period contemplated in this Ordinance are essential to the determination of economic feasibility of housing developments which are constructed and financed in reliance on such tax exemption.

The Township acknowledges that T J Green Meadows Limited Dividend Housing Association Limited Partnership (the "Sponsor" as defined in Section 4 of this Ordinance) has committed to rehabilitate, own and operate a housing development identified as "Green Meadows Apartments" on certain property located on 281 Green Street, Springport, Michigan, which is legally described in Section 4.G. of this Ordinance, to serve Low Income or Moderate Income Persons, and that the Sponsor has offered to pay and will pay to the Township, on account of the Housing Development, an annual service charge for public services in lieu of all taxes.

Section 4. Definitions. The terms used within this Ordinance shall have the following meanings:

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

B. "Annual Shelter Rents" means the total actual collections during each calendar year from all occupants of a housing development representing rents or occupancy charges, which rental amounts shall be exclusive of charges for gas, electricity, heat, or other utilities furnished to the occupants.

C. "Authority" means the Michigan State Housing Development Authority.

D. "Class" means the Housing Development known as Green Meadows Apartments for Low Income or Moderate Income Persons.

E. "Contract Rents" are as defined by the U. S. Department of Housing and Urban Development in regulations promulgated pursuant to the U. S. Housing Act of 1937, as amended.

F. "Federally-Aided Mortgage" means any of the following:

- (i) A below market interest rate mortgage insured, purchased, or held by the Secretary of the Department of Housing and Urban Development ("HUD") or United States Department of Agriculture - Rural Development ("USDA-RD");
- (ii) A mortgage receiving interest reduction payments provided by the HUD or USDA - RD;
- (iii) A Housing Development to which the Authority allocates low income housing tax credits under Section 22b of the Act or Section 1602 funds; or
- (iv) A mortgage receiving special benefits under other federal law designated specifically to develop low and moderate-income housing, consistent with the Act.

G. "Housing Development" means a development which contains a significant element of housing for persons of low income and such elements of other housing, commercial, recreational, industrial, communal, and educational facilities as the Authority determines to improve the quality of the development as it relates to housing for persons of low income. For the purposes of this Ordinance, "Housing Development" means Green Meadows Apartments located on the property legally described as:

That part of the Northeast 1/4 of Section 20, T1S, R3W, Springport Township, Jackson County, Michigan, described as beginning at a point on the North-South 1/4 line of said Section distant South 1064.25 feet from the North quarter corner of said Section to the point of beginning, thence South 89°56'00" East 788 feet, thence S 00°10'00" West 255.75 feet, thence N 89°56'00" West 623 feet thence North 165 feet, thence N 89°56'00" West 165 feet to a point on said North-South quarter line, thence North 90.75 feet along said North-South line to the point of beginning.

H. "Low Income or Moderate Income Persons" shall be as defined in the Act, as amended.

I. "Sponsor" means person(s) or entities which have applied to the Authority for the Tax Credits to finance a Housing Development. For the purposes of this Ordinance, the Sponsor is T J Green Meadows Limited Dividend Housing Association Limited Partnership.

J. "Tax Credits" means the low income housing tax credits made available by the Authority to the Sponsor for rehabilitation of the Housing Development by the Sponsor in accordance with the Low Income Housing Tax Credit Program administered by the Authority under Section 42 of the Internal Revenue Code of 1986, as amended.

K. "USDA-RD" means the United States Department of Agriculture, Rural Services Division.

L. "Utilities" means fuel, water, sanitary sewer service and/or electrical service, which are paid by the Housing Development.

Section 5. Class of Housing Development. This Ordinance shall apply only to the Housing Development to the extent that the Housing Development provides housing for Low Income and Moderate Income Persons and is financed or assisted by USDA-RD or the Authority pursuant to the Act.

Section 6. Establishment of Annual Service Charge.

A. The Township acknowledges that the Sponsor and USDA-RD and/or the Authority have established the economic feasibility of the Housing Development in reliance upon the enactment and continuing effect of this Ordinance and the qualification of the Housing Development for exemption from all property taxes and payment of an annual service charge in lieu of taxes in an amount established in accordance with this Section. In consideration of the Sponsor's offer to rehabilitate, own and operate the Housing Development, the Township agrees to accept payment of an annual service charge for public services in lieu of all ad valorem property taxes that would otherwise be assessed to the Housing Development under Michigan law.

(1) Effective upon the adoption of this ordinance and subject to the receipt by the Township of the "Notification of Exemption" (or such other similar notification) by the Sponsor and/or the Authority, the annual service charge shall be as follows:

Year of Agreement	Calendar Year	Annual Charge	2% Annual Increase	Year of Agreement	Calendar Year	Annual Charge	2% Annual Increase
1	2011	\$ 3,328.00	\$ -	10	2020	\$ 3,977.60	\$ 78.00
2	2012	\$ 3,394.60	\$ 66.60	11	2021	\$ 4,057.20	\$ 79.60
3	2013	\$ 3,462.50	\$ 67.90	12	2022	\$ 4,138.40	\$ 81.20
4	2014	\$ 3,531.80	\$ 69.30	13	2023	\$ 4,221.20	\$ 82.80
5	2015	\$ 3,602.50	\$ 70.70	14	2024	\$ 4,305.70	\$ 84.50
6	2016	\$ 3,674.60	\$ 72.10	15	2025	\$ 4,391.90	\$ 86.20
7	2017	\$ 3,748.10	\$ 73.50	16	2026	\$ 4,479.80	\$ 87.90
8	2018	\$ 3,823.10	\$ 75.00	17	2027	\$ 4,569.40	\$ 89.60
9	2019	\$ 3,899.60	\$ 76.50	18	2028	\$ 4,660.80	\$ 91.40

*Income
School
See
attached*

B. The Housing Development, and the property on which it shall be constructed, shall be exempt from all property taxes from and after the commencement of rehabilitation of the Housing Development by the Sponsor under the terms of this Ordinance.

Section 7. Limitation on the Payment of Annual Service Charge. Notwithstanding Section 6, if any portion of the Housing Development is occupied by other than Low Income and Moderate Income Persons, the full amount of the taxes that would be paid on those units of the Housing Development if the Housing Development were not tax exempt shall be added to the service charge in lieu of taxes.

Section 8. Contractual Effect of Ordinance. Notwithstanding the provisions of Section 15(a)(5) of the Act to the contrary, and subject to the terms of this Ordinance including, but not limited to Section 11 herein, this Ordinance constitutes a contract between the Township and the Sponsor to provide an exemption from ad valorem property taxes and to accept the payment of an annual service charge in lieu of such taxes, as previously described in this Ordinance. It is expressly recognized that the Authority and USDA-RD are third party beneficiaries to this Ordinance.

Section 9. Payment of Service Charge. The service charge in lieu of taxes shall be payable to the Township in the same manner as ad valorem property taxes are payable, except that the annual payment shall be paid on or before April 1 of each year for the previous calendar year.

Section 10. Duration.

A. Subject to subsection B, below, this Ordinance shall remain in effect and shall not terminate for a maximum term of 18 years and so long as the Housing Development remains subject to a Federally Aided Mortgage and so long as the housing development submits the required annual notification of exemption pursuant to M.C.L. 125.1415a(1), as amended.

B. This Ordinance shall automatically terminate if rehabilitation of the Housing Development does not commence within two (2) years from the effective date of this Ordinance.

*Butch sign when WATER Rep / original over 11/2010
to Attkin
Coun Miller*

MUNICIPAL SERVICES AGREEMENT

THIS MUNICIPAL SERVICES AGREEMENT entered into this 8th day of March, 2010 between T J GREEN MEADOWS LIMITED DIVIDEND HOUSING ASSOCIATION LIMITED PARTNERSHIP, a Michigan limited partnership of 605 S, Capitol Avenue, Lansing, MI, (hereinafter referred to as the "OWNER") and the TOWNSHIP OF SPRINGPORT, a Michigan municipal corporation, of 101 East Main Street, Springport, Michigan (hereinafter referred to as the "TOWNSHIP").

RECITALS

A. The OWNER intends to rehabilitate a housing project for low to moderate income families, to be known as Green Meadows Apartments, financed in part by the and the United States Department of Agriculture (USDA), on land legally described on Exhibit "A", (hereinafter referred to as the "PROJECT").

B. The OWNER desires to guarantee that certain municipal services will be provided to the PROJECT during the term that the Payment in Lieu of Tax (hereinafter referred to as the "PILOT") Ordinance for this PROJECT is in place, such municipal services to include:

1. Emergency services, including rescue and fire service;
2. Other miscellaneous services as may, from time to time, be mutually agreed to for the benefit of the PROJECT;
3. Said municipal services shall be provided in the customary way, in a competent and workmanlike manner, and in accordance with all laws, rules and regulations of the United States of America, State of Michigan, County of Jackson, and Springport Township or other applicable jurisdictions or bodies.

(All of the above collectively referred to as "Municipal Services")

AGREEMENT

The parties agree as follows:

1. The Township will provide the Municipal Services.
2. The payment for Municipal Services shall be paid annually and shall be in the amounts as set forth below:

EXHIBIT A

That part of the Northeast 1/4 of Section 20, T1S, R3W, Springport Township, Jackson County, Michigan, described as beginning at a point on the North-South 1/4 line of said Section distant South 1064.25 feet from the North quarter corner of said Section to the point of beginning, thence South 89°56'00" East 788 feet, thence S 00°10'00" West 255.75 feet. thence N 89°56'00" West 623 feet thence North 165 feet, thence N 89°56'00" West 165 feet to a point on said North-South quarter line, thence North 90.75 feet along said North-South line to the point of beginning.

Address: 281 Green Street, Springport, Michigan

Year of Agreement	Calendar Year	Annual Charge	2% Annual Increase	Year of Agreement	Calendar Year	Annual Charge	2% Annual Increase
1	2011	\$ 1,013.00	\$ -	10	2020	\$ 1,211.10	\$ 23.80
2	2012	\$ 1,033.30	\$ 20.30	11	2021	\$ 1,235.40	\$ 24.30
3	2013	\$ 1,054.00	\$ 20.70	12	2022	\$ 1,260.20	\$ 24.80
4	2014	\$ 1,075.10	\$ 21.10	13	2023	\$ 1,285.50	\$ 25.30
5	2015	\$ 1,096.70	\$ 21.60	14	2024	\$ 1,311.30	\$ 25.80
6	2016	\$ 1,118.70	\$ 22.00	15	2025	\$ 1,337.60	\$ 26.30
7	2017	\$ 1,141.10	\$ 22.40	16	2026	\$ 1,364.40	\$ 26.80
8	2018	\$ 1,164.00	\$ 22.90	17	2027	\$ 1,391.70	\$ 27.30
9	2019	\$ 1,187.30	\$ 23.30	18	2028	\$ 1,419.60	\$ 27.90

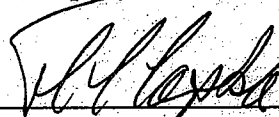
3. Payment for Municipal Services shall commence in 2011 and will end in 2028. Payments shall be made on or before February 14th in the year such payment is due.

IN WITNESS WHEREOF, this Municipal Services Agreement is executed as of the day and year first written above.


WITNESSES:

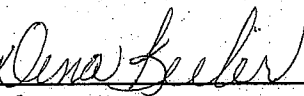
T J GREEN MEADOWS LIMITED
 DIVIDEND HOUSING ASSOCIATION
 LIMITED PARTNERSHIP, a Michigan
 limited partnership

By: T J Acquisition, LLC, a Michigan limited
 liability company, General Partner

By: 
 Thomas L. Lapka, Member

TOWNSHIP OF SPRINGPORT:

By: 
 Its: Supervisor

By: 
 Its: Clerk