

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 358

A bill to amend 1986 PA 281, entitled  
"The local development financing act,"  
by amending section 12a (MCL 125.2162a), as amended by 2008 PA 105.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 12a. (1) A municipality that has created an authority may  
2       apply to the Michigan economic development corporation for  
3       designation of all or a portion of the authority district as a  
4       certified technology park and to enter into an agreement governing  
5       the terms and conditions of the designation. The form of the  
6       application shall be in a form specified by the Michigan economic  
7       development corporation and shall include information the Michigan  
8       economic development corporation determines necessary to make the

determinations required under this section.

(2) After receipt of an application, the Michigan economic development corporation may designate, pursuant to an agreement entered into under subsection (3), a certified technology park that is determined by the Michigan economic development corporation to satisfy 1 or more of the following criteria based on the application:

(a) A demonstration of significant support from an institution of higher education or a private research-based institute located within the proximity of the proposed certified technology park, as evidenced by, but not limited to, the following types of support:

(i) Grants of preferences for access to and commercialization of intellectual property.

(ii) Access to laboratory and other facilities owned by or under control of the institution of higher education or private research-based institute.

(iii) Donations of services.

(iv) Access to telecommunication facilities and other infrastructure.

(v) Financial commitments.

(vi) Access to faculty, staff, and students.

(vii) Opportunities for adjunct faculty and other types of staff arrangements or affiliations.

(b) A demonstration of a significant commitment on behalf of the institution of higher education or private research-based institute to the commercialization of research produced at the certified technology park, as evidenced by the intellectual

1 property and, if applicable, tenure policies that reward faculty  
2 and staff for commercialization and collaboration with private  
3 businesses.

4 (c) A demonstration that the proposed certified technology  
5 park will be developed to take advantage of the unique  
6 characteristics and specialties offered by the public and private  
7 resources available in the area in which the proposed certified  
8 technology park will be located.

9 (d) The existence of or proposed development of a business  
10 incubator within the proposed certified technology park that  
11 exhibits the following types of resources and organization:

12 (i) Significant financial and other types of support from the  
13 public or private resources in the area in which the proposed  
14 certified technology park will be located.

15 (ii) A business plan exhibiting the economic utilization and  
16 availability of resources and a likelihood of successful  
17 development of technologies and research into viable business  
18 enterprises.

19 (iii) A commitment to the employment of a qualified full-time  
20 manager to supervise the development and operation of the business  
21 incubator.

22 (e) The existence of a business plan for the proposed  
23 certified technology park that identifies its objectives in a  
24 clearly focused and measurable fashion and that addresses the  
25 following matters:

26 (i) A commitment to new business formation.

27 (ii) The clustering of businesses, technology, and research.

1           (iii) The opportunity for and costs of development of properties  
2 under common ownership or control.

3           (iv) The availability of and method proposed for development of  
4 infrastructure and other improvements, including telecommunications  
5 technology, necessary for the development of the proposed certified  
6 technology park.

7           (v) Assumptions of costs and revenues related to the  
8 development of the proposed certified technology park.

9           (f) A demonstrable and satisfactory assurance that the  
10 proposed certified technology park can be developed to principally  
11 contain eligible property as defined by section ~~2(p) (iii) and (v)~~  
12 **2(S) (iii) AND (v)**.

13           (3) An authority and a municipality that incorporated the  
14 authority may enter into an agreement with the Michigan economic  
15 development corporation establishing the terms and conditions  
16 governing the certified technology park. Upon designation of the  
17 certified technology park pursuant to the terms of the agreement,  
18 the subsequent failure of any party to comply with the terms of the  
19 agreement shall not result in the termination or rescission of the  
20 designation of the area as a certified technology park. The  
21 agreement shall include, but is not limited to, the following  
22 provisions:

23           (a) A description of the area to be included within the  
24 certified technology park.

25           (b) Covenants and restrictions, if any, upon all or a portion  
26 of the properties contained within the certified technology park  
27 and terms of enforcement of any covenants or restrictions.

1 (c) The financial commitments of any party to the agreement  
2 and of any owner or developer of property within the certified  
3 technology park.

4 (d) The terms of any commitment required from an institution  
5 of higher education or private research-based institute for support  
6 of the operations and activities at eligible properties within the  
7 certified technology park.

8 (e) The terms of enforcement of the agreement, which may  
9 include the definition of events of default, cure periods, legal  
10 and equitable remedies and rights, and penalties and damages,  
11 actual or liquidated, upon the occurrence of an event of default.

12 (f) The public facilities to be developed for the certified  
13 technology park.

14 (g) The costs approved for public facilities under section  
15 ~~2(aa)~~ **2 (DD)** .

16 (4) If the Michigan economic development corporation has  
17 determined that a sale price or rental value at below market rate  
18 will assist in increasing employment or private investment in the  
19 certified technology park, the authority and municipality have  
20 authority to determine the sale price or rental value for public  
21 facilities owned or developed by the authority and municipality in  
22 the certified technology park at below market rate.

23 (5) If public facilities developed pursuant to an agreement  
24 entered into under this section are conveyed or leased at less than  
25 fair market value or at below market rates, the terms of the  
26 conveyance or lease shall include legal and equitable remedies and  
27 rights to assure the public facilities are used as eligible

1 property. Legal and equitable remedies and rights may include  
2 penalties and actual or liquidated damages.

3 (6) Except as otherwise provided in this section, an agreement  
4 designating a certified technology park may not be made after  
5 December 31, 2002, but any agreement made on or before December 31,  
6 2002 may be amended after that date. However, the Michigan economic  
7 development corporation may enter into an agreement with a  
8 municipality after December 31, 2002 and on or before December 31,  
9 2005 if that municipality has adopted a resolution of interest to  
10 create a certified technology park before December 31, 2002.

11 (7) The Michigan economic development corporation shall market  
12 the certified technology parks and the certified business parks.  
13 The Michigan economic development corporation and an authority may  
14 contract with each other or any third party for these marketing  
15 services.

16 (8) Except as otherwise provided in subsections (9), ~~and (10)~~,  
17 **AND (11)**, the Michigan economic development corporation shall not  
18 designate more than 10 certified technology parks. For purposes of  
19 this subsection only, 2 certified technology parks located in a  
20 county that contains a city with a population of more than 750,000,  
21 shall be counted as 1 certified technology park. Not more than 7 of  
22 the certified technology parks designated under this section may  
23 not include a firm commitment from at least 1 business engaged in a  
24 high technology activity creating a significant number of jobs.

25 (9) The Michigan economic development corporation may  
26 designate an additional 5 certified technology parks after November  
27 1, 2002 and before December 31, 2007. The Michigan economic

1 development corporation shall not accept applications for the  
2 additional certified technology parks under this subsection until  
3 after November 1, 2002.

4 (10) The Michigan economic development corporation may  
5 designate an additional 3 certified technology parks after February  
6 1, 2008 and before December 31, 2008. The Michigan economic  
7 development corporation shall not accept applications for the  
8 additional certified technology parks under this subsection until  
9 after February 1, 2008.

10 (11) THE MICHIGAN ECONOMIC DEVELOPMENT CORPORATION MAY  
11 DESIGNATE AN ADDITIONAL 2 CERTIFIED TECHNOLOGY PARKS AFTER JUNE 1,  
12 2009 AND BEFORE APRIL 1, 2010. THE MICHIGAN ECONOMIC DEVELOPMENT  
13 CORPORATION SHALL NOT ACCEPT APPLICATIONS FOR THE ADDITIONAL  
14 CERTIFIED TECHNOLOGY PARKS UNDER THIS SUBSECTION UNTIL AFTER JUNE  
15 1, 2009.

16 (12) ~~(11)~~ The Michigan economic development corporation shall  
17 give priority to applications that include new business activity.

18 (13) ~~(12)~~ For an authority established by 2 or more  
19 municipalities under sections 3(2) and 4(7), each municipality in  
20 which the authority district is located by a majority vote of the  
21 members of its governing body may make a limited tax pledge to  
22 support the authority's tax increment bonds issued under section 14  
23 or, if authorized by the voters of the municipality, may pledge its  
24 full faith and credit for the payment of the principal of and  
25 interest on the bonds. The municipalities that have made a pledge  
26 to support the authority's tax increment bonds may approve by  
27 resolution an agreement among themselves establishing obligations

1 each may have to the other party or parties to the agreement for  
2 reimbursement of all or any portion of a payment made by a  
3 municipality related to its pledge to support the authority's tax  
4 increment bonds.

5 (14) ~~(13)~~ Not including certified technology parks designated  
6 under subsection (8), but for certified technology parks designated  
7 under subsections (9), ~~and~~ (10), **AND (11)** only, this state shall do  
8 all of the following:

9 (a) Reimburse intermediate school districts each year for all  
10 tax revenue lost that was captured by an authority for a certified  
11 technology park designated by the Michigan economic development  
12 corporation after October 3, 2002.

13 (b) Reimburse local school districts each year for all tax  
14 revenue lost that was captured by an authority for a certified  
15 technology park designated by the Michigan economic development  
16 corporation after October 3, 2002.

17 (c) Reimburse the school aid fund from funds other than those  
18 appropriated in section 11 of the state school aid act of 1979,  
19 1979 PA 94, MCL 388.1611, for an amount equal to the reimbursement  
20 calculations under subdivisions (a) and (b) and for all revenue  
21 lost that was captured by an authority for a certified technology  
22 park designated by the Michigan economic development corporation  
23 after October 3, 2002. Foundation allowances calculated under  
24 section 20 of the state school aid act of 1979, 1979 PA 94, MCL  
25 388.1620, shall not be reduced as a result of tax revenue lost that  
26 was captured by an authority for a certified technology park  
27 designated by the Michigan economic development corporation under



1 subsection (9), ~~or~~ (10), **OR (11)** after October 3, 2002.