

PRIVATE INVESTMENT INFRASTRUCTURE FUNDING ACT (EXCERPT)
Act 250 of 2010

***** 125.1879 THIS SECTION IS REPEALED BY ACT 57 OF 2018 EFFECTIVE JANUARY 1, 2019 *****

125.1879 Negotiation with private sector investors; bid process; inclusion of certain costs; pledge of tax increment revenues; written agreement; contents.

Sec. 9. (1) The administering agency on behalf of the negotiating partnership may negotiate with private sector investors or solicit private sector investors through a bid process to secure funding for a public facility.

(2) The administering agency and private sector investor may include the following costs in financing the development of the public facility:

(a) The cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the development of a public facility in the negotiated benefit area.

(b) Any engineering, architectural, legal, accounting, or financial expenses.

(c) The rate of interest and return of principal for the private sector investor.

(3) The administering agency on behalf of the negotiating partnership may pledge all or a portion of the tax increment revenues as provided in the negotiating partnership to pay for the public facility. If the revenue generated by the tax increment, as negotiated by the negotiating partnership and the private sector investor, turns out to be insufficient to provide the rate of return expected by the investor, the municipality, the administering agency, and the negotiating partnership are not under any obligation to make up the difference for the investor. The private sector investor shall look solely to the revenue generated by the tax increment projected to generate funds for the interest payments and the principal repayment. The administering agency shall not pledge or commit any other funds of a municipality or public entity that is part of the negotiating partnership to pay for the financing or development of a public facility without the approval of the municipality or public entity that is part of the negotiating partnership.

(4) The administering agency on behalf of the negotiating partnership and the private sector investors shall enter into a written agreement which shall become part of the negotiating partnership and shall contain all of the following:

(a) The amount of the tax increment revenue to be captured for the public facility.

(b) The rate of interest and the return of principal for the private sector investor.

(c) The anticipated rate of growth in the property value within the negotiated benefit area.

(d) The payment schedule from the administering agency and the lead fiduciary agency describing the payments of principal and interest to the private sector investor.

(e) A statement from the private sector investor that they acknowledge that they will be repaid for their investment only from the tax increment revenues described in the negotiating partnership and not from any other funds or property of the municipalities or public entities of the negotiating partnership.

(f) The boundaries of the negotiated benefit area.

History: 2010, Act 250, Imd. Eff. Dec. 14, 2010.