Local Development Financing Act

Michigan Public Act 281 of 1986 provides for the establishment of a local development finance authority (LDFA) to undertake economic development activities that promote manufacturing of goods or materials, agricultural processing, or high technology activity. A typical LDFA project might involve construction of roads and utilities deemed necessary for a specific manufacturing or high technology development project. LDFA activities are most frequently financed through tax increment financing or through issuance of revenue bonds that are retired using tax increment revenues.

Neighborhood Area Improvements Act

Michigan Public Act 208 of 1949 authorizes townships to designate neighborhood areas for the purpose of planning and carrying out local public improvements for the prevention of blight in such areas. The Act calls for preparation of neighborhood betterment plans by the Planning Commission. The Act also provides methods of financing improvements within the neighborhoods, including special assessment districts and issuance of neighborhood improvement bonds.

Financing Tools

Successful implementation of the Master Plan will depend on the ability of the Township to secure necessary financing. Besides the general fund, the following sources of revenue are available to the Township:

Dedicated Millage

Special millages can be used to generate revenues for a specific purpose. For example, one Michigan community has a special land acquisition fund that is supported by a one-quarter mill property tax. A land acquisition fund would be a useful tool to promote open space preservation in Lyon Township.

Special Assessments

Special assessments are compulsory contributions collected from the owners of property benefitted by specific public improvements (paving, drainage improvements, etc.) to defray the costs of such improvements. Special assessments are apportioned according to the benefits that accrue to the property. Special assessment funding has proven useful as the primary funding tool to implement utility improvements throughout the Township.

Bond Programs

Bonds are one of the principal sources of financing used by communities to pay for capital improvements. General obligation bonds are issued for specific community project and are paid off by the general public with property tax revenues. Revenue bonds are issued for construction of projects that generate revenues. The bonds are then retired using income generated by the project (for example, water and sewer service charges).

Tax Increment Financing

Tax increment financing is authorized by the Downtown Development Authority Act and the Local Development Finance Authority Act. When a tax increment finance district is established, the state equalized value of all properties in the district is recorded. Every year thereafter, the property tax revenue generated by an increase in the total state equalized value is "captured" by the DDA or LDFA to finance the improvements set forth in a development plan. Often, revenue bonds are issued to finance the improvements, and the tax increment revenues are used to repay the bonds.

MDNR Recreation Grant Programs

Michigan Natural Resources Trust Fund (MNRTF) grants are available for park development and land acquisition. The maximum grant for development is $375,000.

The Township has effectively used this program in the past to finance park land acquisition and development. In the future, the Township may wish to seek MNRTF funding for acquisition of land principally for open space and natural resource preservation purposes.

Implementation of the Lyon Center Vision Plan

The Lyon Center Vision Plan, a plan for New Hudson, was completed in August, 2009. It contained four categories of implementation measures dealing with civic improvements, economic development, circulation improvements, and planning and zoning. Following is a summary of the goals and projects in each category.

Civic Improvements

Four sets of civic improvements are proposed for New Hudson: utility improvements, streetscape enhancements on Grand River Avenue and Milford Road, development of parking lots, and development of public/civic buildings and sites. Following is a detailed list of the proposed projects:

- Complete sanitary sewer connection along Grand River Avenue
- Implement streetscape improvements along Grand River Avenue (street trees, street lights, sidewalks, benches, etc.)
- Explore and implement storm water improvements to support development
- Acquire property necessary to construct DDA parking lots
- Acquire properties necessary for development of the civic campus
- Work with the Library Board to plan Hamlet area library site
- Identify opportunity areas within the Hamlet for small civic spaces (e.g., pocket parks, town square)
- Develop DDA parking lots within the Hamlet
- Explore feasibility of expanded post office within the civic campus with key leaders
- Develop consistent streetscape improvements along Milford Road