

### Special Purpose Districts

Certain recommendations in the Master Plan can be best accomplished using a targeted approach, through creation of special districts. Special purpose districts that may have applicability in Lyon Township include the following:

#### Downtown Development Authority

Michigan Public Act 197 of 1975, as amended, provides for the establishment of a downtown development authority (DDA) in the Township's business district, upon finding by the Township Board that the DDA is necessary "to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of deterioration, and to promote economic growth."

The creation of a DDA has the benefit of bringing business people and Township officials together in a cooperative setting to address problems in the business district. Act 197 provides a means of financing the DDA's activities, including a maximum two mill property tax within the district, tax increment financing, and issuance of bonds. DDAs have been used for streetscape and road improvements, utility replacement, acquisition and demolition of blighted buildings, parking lot construction, and other improvement activities. The Lyon Township DDA was created by the Township Board on December 7, 1998, with the objective of bringing these benefits to the New Hudson district. As of January 2011, the DDA has financed the following projects:

- Construction and landscaping of a roundabout at the intersection of Lyon Center Drive-West and Grand River Avenue.
- Extension of Lyon Center Drive – East to Grand River Avenue.
- Construction and landscaping of a roundabout at the intersection of Lyon Center Drive-East and Grand River Avenue.
- Extension of the southwest leg of the ring road from Grand River Avenue to Milford Rd., with a roundabout at the Pontiac Trail intersection.
- Preparation of the Lyon Center Vision Plan, a plan for the development of New Hudson.
- Acquisition and demolition of blighted buildings.

#### Technology Park Development Act

Michigan Public Act 385 of 1984 provides for the establishment of technology park districts and exemption from certain property taxes for qualified research and development and high technology uses. High technology service activity is defined in the act as a use that "has as its principal function the providing of services including computer, information transfer, communication, distribution, processing, administrative, laboratory, experimental, developmental, technical, or testing services." This act might be an effective inducement for development of the Walbridge property.

### 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).