

DOWNTOWN DEVELOPMENT AUTHORITY OF THE VILLAGE OF GRASS LAKE
GRASS LAKE, MICHIGAN

BYLAWS

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Amended January 2024 (Conflicts of Interest)

Article 1. Purposes and Powers

The Village of Grass Lake Downtown Development Authority (“Authority”) is established and provided for by an ordinance of the Village of Grass Lake to act as a Downtown Development Authority (DDA). This Authority is in accordance with Public Act 57 of 2018, as amended, including, but not limited to: correct and prevent deterioration in the Downtown Development District, to encourage historic preservation, to create and implement development plans, and to promote economic growth. In furtherance of these purposes, the Authority shall have all of the powers which now or hereafter may be conferred by law on Authorities organized under Public Act 57 of 2018, including:

- (a) Prepare an analysis of economic changes taking place in the downtown district.
- (b) Plan and propose the construction, the renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.
- (c) Develop long-range plans, in cooperation with the Grass Lake Planning Commission, designed to halt the deterioration of property values in the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.
- (d) Implement any plan of development in the downtown district necessary to achieve the purposes of this act, in accordance with the powers of the Authority as granted by this act.
- (e) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
- (f) Acquire by purchase or otherwise, on terms and conditions and in a manner the Authority deems proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land or other property, real or personal, or rights of interests therein, which the Authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.
- (g) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances thereto, within the downtown district for the use in whole or in part, of any public or private person or corporation or a combination thereof.
- (h) Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.
- (i) Lease any building or property under its control or any part thereof.
- (j) Accept grants and donations of property, labor or other things of value from a public or private source.
- (k) Acquire and construct public facilities.

Article 2. Board

Section 1. Authority Supervision

The Authority shall be under the supervision and control of a board.

Section 2. Board Mission

Our DDA exists to lead in the preservation and enhancement of downtown Grass Lake. We provide guidance and resources to our downtown community to ensure a resilient economy and the protection of our historical and natural/recreational resources.

Section 3. Number, Tenure and Qualifications

The board of the Authority shall consist of thirteen persons: the President of the Village of Grass Lake, or their designee; an appointee to represent the Grass Lake Charter Township (so long as the Township continues to opt in to funding the Authority); and eleven members. A general member of the Authority shall be a registered voter of the Village of Grass Lake; and/or have an ownership interest in taxable property located within the Village; and/or be an owner-designated employee from a for-profit company within the district. The members shall generally be appointed for a term of four years except when adding three or more members in one year, at which time staggered appointment terms may be used. At least seven of the members shall be persons having an interest in property located in the downtown district or be officers, members, trustees, principals or employees of a legal entity having an interest in property in the downtown district. At least one of the members shall be a resident of the downtown district.

Section 4. Selection of Members

The President of the Village of Grass Lake with the advice and consent of the Village Council shall appoint the members of the board. Subsequent board members shall be appointed in the same manner as the original appointments at the expiration of each member's term of office. Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

Section 5. Compensation of Members

Members of the board shall serve without compensation but shall be reimbursed for actual and necessary expenses.

Section 6. Expiration of Term and Filling Vacancies

Members whose terms of office have expired shall continue to hold office until a successor has been appointed. If a vacancy is created by the death, resignation, or removal of a member, a successor shall be appointed with the advice and consent of the Village Council within thirty days to hold office for the remainder of the term so vacated.

Section 7. Removal

Pursuant to proper notice and an opportunity to be heard, a member may be removed from office for neglect of duty including nonattendance at meetings, misconduct, malfeasance, or any other good cause by a majority vote of the Village Council. Removal of a member is subject to review by the circuit court.

Section 8. Disclosure of Interest / Conflict of Interest

DDA Board members shall disclose any pecuniary, contractual, business, employment or personal interest that the member may have in a contract, grant, loan, or other matter before the Board. A Board member who is or whose immediate family member is a director, officer, direct or indirect shareholder, or employee or member of an entity that is to be awarded a contract, grant, or loan by the Board is hereby deemed to have an interest that warrants

disclosure. For purposes of this policy, “immediate family member” means a Board member’s grandparent, parent, parent-in-law, stepparent, sibling, spouse, child, stepchild or household member. If there is a question whether a conflict of interest exists or not, the question shall be put before the Board and shall be determined by a majority vote of the remaining members of the Board.

When a conflict of interest exists, the member of the Board shall declare the conflict at the noted point of the agenda. During deliberation of the agenda item(s) before the Board or committee, the member is to leave the meeting until that agenda item is concluded.

Free and open debate on actions should take place at meetings of the Board. Regarding Ex Parte contact, members shall avoid private conversations outside of a public meeting about items where an administrative decision is before the Board. Despite one’s best efforts it is sometimes not possible to avoid Ex Parte contact. When that happens, the member should take detailed notes on what was said and report to the Board at a public meeting what was said, so that every member and other interested parties are made aware. Once a vote is taken and an issue is decided by vote, the duty of each member of the Board is to represent the position reflected by the outcome of the vote. Minority reports and requests for reconsideration may take place only at an open meeting of the Board.

Regarding acceptance of gifts, it is acceptable for small gifts to be received (a box of candy for example), but not something that might be viewed by the public as a bribe. Gifts shall not be accepted by a member of the Board or liaisons from anyone connected with an agenda item before the Board. As used here, gifts shall mean cash, any tangible item, or service, regardless of value; and food valued over \$25.

In summary, DDA Board members shall use Village resources, property, and funds under the Board member’s official care and control judiciously and solely in accordance with prescribed constitutional, statutory, and regulatory procedures and not for personal gain or benefit.

Article 3. Officers

Section 1. Officers Election and Term of Office

The officers of the Authority shall be a Chair, Vice Chair, Secretary and Treasurer. Each shall be elected from among the board of directors by the affirmative vote of a quorum at the first meeting of the calendar year. Each officer shall hold office for the term of one year and until their successor is elected and qualified, or until their resignation or removal. If needed, the same person may hold two offices, but said officer shall not execute, acknowledge or verify an instrument if required by the law or the bylaws to be executed, acknowledged or verified by two or more officers.

Section 2. Removal of Officers

An officer may be removed by the board with or without cause, whenever in its judgment the best interest of the Authority would be served thereby.

Section 3. Filling of Vacancies

An officer vacancy may be filled at any meeting of the board of directors for the unexpired portion of the term.

Section 4. Chair

The Chair shall preside at all meetings of the board and shall discharge the duties of a presiding officer. The Chair shall ensure that all orders and resolutions of the board are carried into effect. They shall execute all bonds, mortgages, conveyances and other instruments pursuant to the powers of the Authority as stated herein. Duties may be delegated to the Vice Chair or to another board member, at the discretion of the Chair. The President of the Village shall not simultaneously hold the office of Chair.

Section 5. Vice Chair

In the absence of the Chair or in the event of their inability or refusal to act, the Vice Chair shall perform the duties of the Chair and when so acting shall have all the powers and be subject to all restrictions of the role.

Section 6. Secretary

The Secretary shall attend all meetings of the Board and record all votes and the minutes of all proceedings and shall perform like duties for the standing committees when required. They shall give, or cause to be given, notice of all meetings of the board of directors, and shall perform such other duties as prescribed by the board of directors. They shall keep in safe custody the seal of the Authority, and when authorized by the Board, affix the same to any instrument requiring it, and when so affixed it shall be attested by his/her signature or by the signature of the Treasurer. They shall be sworn to the faithful discharge their duties. They will prepare meeting minutes and deliver electronically to the board within 8 business days. The board may enter into contracts with individuals to assist in the duties and functions of the Secretary of the Authority.

Section 7. Treasurer

The Treasurer shall have custody of the corporate funds and securities and shall keep, or cause to be kept, full and accurate accounts of receipts and disbursements in books belonging to the Authority and shall deposit all moneys and other valuable effects in the name and to the credit of the Authority in such depositories as may be designated by the board of directors. They shall disburse funds of the Authority as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the Chair and directors, at the regular meetings of the Board, or whenever they may require an account of all the transactions as Treasurer and of the financial condition of the Authority. They shall give the Authority a bond of \$ 5,000 for the faithful performance of the duties of the office and for the restoration to the Authority, in case of death, resignation, retirement, or removal from office, of all books, papers, vouchers, money, and other property of whatever kind in their possession or under their control belonging to the Authority. Payment on the bond shall be the financial responsibility of the Authority. The board may enter contracts with individuals to assist in the duties and functions of the Treasurer of the Authority.

Article 4. Meetings

Section 1. Annual Meeting

The annual meeting shall be held concurrent with the first regular board meeting of the calendar year.

Section 2. Regular Meetings

Regular meetings of the board shall be once per month. Meeting day and time shall be agreed by all incoming board members and communicated in all methods required by the Public Meetings Act. At its regular meeting all expense items and the financial records of the Authority shall be publicized. These records shall always be open to the public. Any regularly scheduled meeting may be canceled for lack of quorum.

Section 3. Special Meetings

Special meetings of the board may be called by the Chair, by the Vice Chair in the absence of the Chair, by the Executive Director, by the Executive Committee (reference Article 6, Section 3), or by the Village Council by giving twenty-four hours' notice of the meeting stating the purpose of the meeting and by posting the notice eighteen hours prior to the meeting.

Section 4. Informational Meetings

Pursuant to Public Act 57 of 2018, two informational meetings shall be held each year, where no policy, budget, or operational matters are voted on and where information regarding the goals, direction, and projects of the authority is shared.

Section 5. Notice of Meeting

All meetings shall be preceded by public notice posted eighteen hours prior to the meeting in accordance with Act 267 of the Public Acts of 1976, as amended.

Section 6. Agenda

The Chair may direct the Executive Director to prepare the agendas for all meetings and send them to the Authority members at least twenty-four hours prior to a meeting. Any member of the Authority may request an item to be placed upon the agenda, prior to agenda approval at the meeting.

Section 7. Quorum and Voting

A majority of the members of the board in office shall constitute a quorum for the transaction of business and shall constitute the action of the board unless the vote of a larger number is required by statute or elsewhere in these rules. Should effective membership be reduced because of disclosure of interest (Article 2, Section 8), a majority of the remaining members eligible to vote shall constitute the action of the board.

Section 8. Rules of Order

Parliamentary procedure in board meetings will generally be guided by the latest revised version of Robert's Rules of Order. However, a meeting need not become unduly cumbersome due to strict adherence to Robert's Rules of Order.

Section 9. Public Comment

Comments on matters before the board will be accepted from the public during the portions set aside for such purpose, both at the beginning and at the end of board meetings. Said comments will be accepted for a period not to exceed three minutes per individual per meeting. Extension beyond three minutes, will be allowed only by general consent of the board. The Chair shall interrupt any person or persons going beyond the time limit or giving testimony that is considered to be slanderous, injurious or outside the norms of civility. Board response to comments made during the public comment period will be limited to asking a clarifying question, correcting a factual error, or providing specific factual information.

Article 5. Employment of Personnel

Section 1. Executive Director

The board may employ and fix the compensation of a director, subject to the approval of the Village Council. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of their office, the director shall take and subscribe to the constitutional oath and

post bond in the penal sum of \$2,000. The premium on the bond shall be deemed an operating expense of the Authority, payable from funds available to the Authority for expenses of operation. Subject to the approval of the board, the director shall supervise, and be responsible for, the preparation of plans and the performance of the functions of the Authority in the manner authorized by Public Act 57 of 2018, as amended. The director shall attend the meetings of the board and shall render to the board and to the Village Council a regular report covering the activities and financial condition of the Authority. The director shall furnish the board with information or reports governing the operation of the Authority, as the board requires. The director may be removed from office by majority vote of the Village Council.

Section 2. Controller

The board may employ and fix the compensation of a controller if he or she is not a board member, who shall keep the financial records of the authority and who, together with the director shall approve all vouchers for the expenditure of funds of the authority. The controller shall perform such other duties as may be delegated by the board and shall furnish bond in an amount as prescribed by the board.

Section 3. Secretary

The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the controller. The secretary shall attend meetings of the board and keep a record of its proceedings and shall perform such other duties delegated by the board.

Section 4. Legal Counsel

The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the Authority in actions brought by or against the Authority.

Section 5. Other Personnel

The board may employ other personnel deemed necessary by the board.

Article 6. Committees and Advisory Boards

Section 1. Committee Structure

The Authority shall have standing committees as the board of directors determines it necessary to carry out the business of the Authority. No fewer than three (3) individuals shall serve on each committee/advisory board. The maximum number of individuals allowed to serve on each committee/advisory board shall be at the discretion of the individual committee/advisory board's Chair. The committee/advisory boards may include outside consultants, residents of the village, business representatives of the DDA district and others who can contribute to the committee purpose.

Each committee shall include at least one (1) board member of the DDA, but no more than five (5) DDA board members. If the number of board members interested in a committee exceeds the maximum allowable number of board members, committee membership will be rotated at the annual meeting. The DDA Executive Director shall act as a permanent consultant to each committee/advisory board without needing to attend all meetings.

Section 2. Responsibility and Authority

Unless otherwise directed by the DDA Board, standing committee/advisory boards shall determine and schedule their meeting times, dates and locations and notify the Executive Director and Board Chair; consult with outside sources; and interface with other appointed boards and commissions for an exchange of ideas that would then be presented to the board prior to any action of the board. Standing committee/advisory boards do not have the authority to act without the approval of the board; make decisions without the approval of the board; act on proposed plans without approval from the board; or enter into contracts or purchase agreements. Committee updates shall be presented at Board regular meetings if the Committee met in the preceding month. Committees shall act in the best interest of the Board at all times.

Section 3. Executive Committee

The Board of Directors has appointed an Executive Committee consisting of five (5) members of the Board of Directors. Members are the Chair, Treasurer, Council liaison, Vice President, and Secretary. Other Board members may be designated to replace any of these persons, if determined appropriate by the Chair and Board.

The Executive Committee acts as a steering committee for the full board and serves to facilitate decision-making between board meetings, or in urgent circumstances. To the extent permitted by law and as specified by resolution of the Board of Directors, the committee has and may exercise all the powers and authority of the Board of Directors in the management of the specified business and affairs of the Authority. Financial commitments are limited to \$5,000 and items must be within the approved budget.

Section 4. Standing Committees

Standing committees are committees established to perform a continuing function and remain in existence until the board resolves otherwise. Standing committees are expected to meet a minimum of twice per year, and to meet as frequently as needed to complete committed tasks. The current standing committees for the DDA Board are the Governance Committee, the Development Plan Committee and the DDA Properties Committee. Additional standing committees may be established at the board's discretion.

Section 5. Ad Hoc Committees

An ad hoc committee is a committee appointed as the need arises, to complete a specific task. The committee is dissolved after the task is complete and report is made to the full board.

Article 7. Contracts and Funds

Section 1. Contracts

The board may authorize the Chair, Vice Chair, Executive Director or an agent or agents of the Authority to enter into any contract or execute and deliver any instrument on behalf of the Authority within the limits authorized by Public Act 57. The authorization may be general or confined to specific instances.

Section 2. Funds

All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the Authority shall be signed by two of the Authority approved check signers. Approved check signers can include the Chair, Vice Chair, Treasurer, Secretary, Immediate Past Chair, and Executive Director. All funds of the Authority shall be placed in such banks, trust companies or other depositories as selected by the board. All accounting processes should follow the Authority approved Accounting Policy.

Section 3. Contributions of Gifts

The board may accept on behalf of the Authority any contribution, gift, bequest or device for the general purposes or for any special purpose of the Authority.

Article 8. Tax Increment Financing

To achieve the purposes of Public Act 57 of 2018, the Authority shall continue with the updated tax increment financing plan approved in 2014 by the Village Council, but shall submit an updated development plan in 2023, no later than November 30th. The development plan will be reviewed annually by the Board and the Village Council.

Article 9. Books and Records

Section 1. Books and Records

The Authority shall keep correct and complete records of books and accounts and minutes of the meetings. The records shall be kept at the principal office of the Authority, which will have a record of the names and addresses of the members of the Authority. All books and records of the Authority shall be open to the public.

Section 2. Fiscal Year

The fiscal year of the Authority shall begin on the first day of March and end on the last day of February each year.

Section 3. Annual Financial Report

The Authority shall submit annually at the Village Council July regular meeting a report on the financial status and activities of the Authority. A copy of this report shall be published on the website and shall include:

- The amount and source of revenue in the account
- The amounts and purposes of expenditures from the account
- The amount of principal and interest on any outstanding bonded indebtedness
- The initial assessed value of the project area
- The captured assessed value retained by the Authority
- The tax increments received
- Any additional information the Village Council deems necessary

Section 4. Annual Budget

The Authority shall prepare and submit a budget for approval by the Village Council at the same regular meeting required of other municipal departments of the Village Council, being generally the first week of February of each year. The budget shall be for the operation of the Authority for the ensuing year and be prepared in a manner required by the municipality. Following the approval of the budget by the Village Council, the budget shall be adopted by the Board of the Authority.

Section 5. Annual Audit

An annual audit by an independent certified public accountant will be conducted. The audit may be conducted separately or in conjunction with the Village offices audit. The Authority shall budget, each year, an amount necessary to cover such costs of the audit.

Article 10. District Boundaries

The District boundaries were established in the original Tax Increment Financing plan. District boundaries will be reviewed annually as part of the annual Development Plan review.

Article 11. Indemnification

The Authority shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that they are or were a director or officer of the Authority and, with respect to any criminal action or proceeding, had no reasonable cause to believe his/her conduct was unlawful. The termination of the action, suit, or proceeding by judgement, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which they reasonably believed to be in or not opposed to the best interests of the Authority and, with respect to any criminal action or proceeding, had reasonable cause to believe that his/her conduct was unlawful.

To the extent that a director or officer of the Authority has been successful on the merits or otherwise in defense of any claim, issue, or matter therein, they shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by them in connection therewith. Expenses incurred in defending a civil or criminal action, suit, or proceeding as described may be paid by the Authority in advance of the final disposition of such action, suit, or proceeding upon receipt of and undertaking by or on behalf of the director or officer to repay such amount, unless it shall ultimately be determined that they are entitled to be indemnified by the Authority.

The Authority shall make no provision to indemnify directors or officers in any action, suit or proceeding which shall be in conflict with the provisions of this article.

The board of directors may, in the exercise of its discretion, from time to time authorize by ordinance duly adopted, purchase, and maintain insurance on behalf of any person who is or was a director or officer of the Authority against any liability asserted against him/her and incurred by him/her in any such capacity or arising out of his/her status as such, whether or not the Authority would have power to indemnify him/her against such liability under this article.