



DOWNTOWN **Sault Ste. Marie** TM

AGENDA

Wednesday, March 13, 2024 – 8:30 AM

City Commission Chambers - 225 E. Portage Avenue - Sault Ste. Marie, MI 49783

I. Routine Agenda Items

1. Call to Order
2. Roll Call
3. Approval of Minutes

February 14, 2024, Regular DDA Board Meeting Minutes

4. Approval of Agenda
5. Declaration of Conflicts of Interest

II. Unfinished Business

1. Review of Tax Increment Financing and Development Plans for Development Areas One and Two

III. New Business

1. DDA Underfunded Pension – Approval of Waiver Application
2. Consideration of Board Member Applications
3. Match on Mainstreet Grant Application Updates
4. Recommendation for Portage Street Parking Enforcement and Permit Parking Enforcement
5. Discussion of Potential Sault Ste. Marie Social District Application

IV. Committee Updates

V. Board Comments and Announcements

VI. Public Comment and Announcements

VII. Adjournment

**MAIN STREET/DOWNTOWN DEVELOPMENT AUTHORITY
WEDNESDAY, FEBRUARY 14, 2024 – 8:30 A.M.
MEETING HELD AT CITY HALL – CITY COMMISSION CHAMBERS
City of Sault Ste. Marie, Michigan**

MEETING MINUTES

Present: Ray Bauer – City Commission Liaison
Ray Bell
Brian Chapman
Craig Cooper
Jessica Johnston
Sue Anne Wilks
Mark Savoie
Jordan Chisholm
Wilda Hopper

Absent: N/A

I. Routine Agenda Items

1. Call to Order

Meeting was called to order at 8:34 am.

2. Roll Call

Attendance was taken as noted.

3. Approval of Minutes

January 10, 2024, Regular DDA Board Meeting Minutes

Moved by Ray Bell, supported by Wilda Hopper, to approve the January 10, 2024, regular DDA Board meeting minutes. The motion passed unanimously.

4. Approval of Agenda

Moved by Mark Savoie, supported by Jessica Johnston, to approve the February 14, 2024, DDA Board meeting agenda. The motion passed unanimously.

5. Declaration of Conflicts of Interest.

There were no conflicts of interest.

II. Draft Budget Review RY 24-25

1. Review of Event Calendar – Discussion & Approval

Moved by Jessica Johnston, supported by Wilda Hopper, to have the Music in the Park Series, Halloween Spooktacular (Including Lock City Parade of Frights), Parade of Lights Presented by Parkers' Hardware, SSM New Year's Eve Celebration/Anchor Drop, and Friday Movie Series on the 2024 event calendar. The motion passed unanimously.

2. 2025 Downtown Flowers & Gardens – Discussion

Moved by Sue Anne Wilks, supported by Ray Bell, to move the fundraising for the façade program into an account according to how they were raised and presented to the public. The motion passed unanimously.

The Board came to the consensus to carry the flower and garden program onto the 24/25 budget.

III. Business Items

1. Review Director Job Description & Hiring Process – Discussion & Approval

Moved by Ray Bell, supported by Jessica Johnston, to look into combining the DDA and EDC Director positions and make sure there is proper support staff to assist the Director. The motion passed unanimously.

2. The DDA as a Main Street Organization – Discussion

Moved by Sue Anne Wilks to hire a consultant for TIF – motion failed.

IV. Committee Updates

1. Promotions/Organizations Committee – Jordan Chisholm

Chisholm provided an update on the Promotions/Organizations Committee work.

2. Design/Economic Vitality Committee – Craig Cooper

Cooper provided an update on the Design/Economic Vitality Committee work.

V. Board Comments and Announcements

There were no Board comments or announcements.

VI. Public Comments and Announcements

There were no public comments or announcements.

VII. Adjournment

Moved by Mark Savoie, supported by Brian Chapman, to adjourn the meeting at approximately 9:51 a.m. The motion passed unanimously.

Respectfully submitted,

Craig Cooper, DDA Chair

blm

**TAX INCREMENT FINANCING
AND
DEVELOPMENT PLAN**

**SAULT STE. MARIE
DOWNTOWN DEVELOPMENT AREA
NUMBER ONE**

Prepared by
Sault Ste. Marie Downtown Development Authority
Sault Ste. Marie, Michigan
October 1986
1st Amendment October 1988
2nd Amendment February 1991
3rd Amendment March 1993
4th Amendment March 2004

Adopted by City Commission: November 17, 1986
1st Amendment: November 25, 1988
2nd Amendment: February 4, 1991
3rd Amendment: May 3, 1993
4th Amendment: April 19, 2004

**TAX INCREMENT FINANCING
AND
DEVELOPMENT PLAN**

Sault Ste. Marie Airport Property Area

TABLE OF CONTENTS

PREFACE TO THE AMENDMENT	1
INTRODUCTION	2
Downtown Development Authority Membership	3
AREA ONE DEVELOPMENT PLAN	4
<u>Maps:</u>	
Map 1: Development Area Boundaries	10
Map 2: Existing Land Uses	11
Map 3: Proposed Land Uses	12
Map 4: Completed Improvements	13
Map 5: Priority Three Improvements	14
Map 6: Priority Four Improvements	15
<u>Tables:</u>	
Table 1: Downtown Development Plan Improvements	16
Table 2: Parcel Data	18
TAX INCREMENT FINANCING PLAN	26
<u>Tables:</u>	
Table 1: Tax Increment Projections	29
Table 2: Parcel Data	30
Table 3: Personal Property Data	38
Table 4: Projected Impact of Tax Increment Financing on Taxing Jurisdictions	43
APPENDIX A: Public Act 197 of 1975, as amended	
APPENDIX B: Ordinance to Amend and Approve Area One Development Plan and Tax Increment Financing Plan	

PREFACE TO THE AMENDMENT

In 1993, the Sault Ste. Marie City Commission adopted the 3rd Amendment to the original Development Plan and Tax Increment Financing Plan for Development Area Number One. That amendment was initialed and adopted to reflect both a greater increment than was originally anticipated when the plan was adopted in 1986 as well as to reflect more recent downtown design work that articulated in greater details and with greater cost precision the improvements anticipated in the downtown.

The current amendment to the plan is an effort to bring the plan up to date, and to reflect the current undertaking of developing a badly-needed parking structure in Development Area Number One. This particular parking deck project has received significant support with the recent approval of a CDBG grant obtained by the City. There are also some additional improvements included in the plan that reflect current needs within the plan area.

The original plan was given a 20 year life-span, with the plan set to terminate in 2006. While many of the original improvements have been accomplished, there still remain several improvements not yet accomplished, as well as the new parking deck, and additional time in the plan period will be required to accomplish the goals of the plan. Consequently, the Tax Increment Plan amendment includes provisions that will extend the plan period by another 20 years.

FORMAT NOTES

As this is an amendment to the original plan, most of the language of the original plan is left intact. The original format is retained, and specific language changes (or tables) are highlighted to identify the changes that are incorporated by this amendment.

Specifically, in the Development Plan, changes are made in Section A (a minor adjustment in the Development Plan boundaries), Section C (clarification of the improvements to be undertaken in the plan), Section D clarifying the use of certain Open Space in the plan, Section F (minor clarifications in the zoning changes proposed), Section J (clarification of language), and updates and changes to Map 4 "Proposed Land Uses" and Table 1 "Development Plan Improvements."

In the Tax Increment Plan, changes are made in Section C and Section E (providing for the extended life of the plan), and on Table 1 "Tax Increment Projections" and Table 4 "Projected Impact of Tax Increment Financing Upon Taxing Jurisdictions."

**AREA ONE
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
CITY OF SAULT STE. MARIE**

INTRODUCTION

In 1980, the City Commission of Sault Ste. Marie created a Downtown Development Authority, pursuant to the provisions of Act 197 of the Public Acts of 1975, as amended. In creating the Authority, it recognized the dangers posed by a declining downtown area, and took the first steps in correcting them. This development plan and accompanying tax increment plan is another step.

Property value stagnation and decline is a serious problem in downtown Sault Ste. Marie. For several years the focus of development in the City has been shifting to the I-75 Business Spur. Development of the Business Spur is a positive sign and should be encouraged, but not at the expense of the downtown. If the downtown decays, any gains made elsewhere in the community will be cancelled out, and the City will continue to stagnate. This basic problem is magnified by the importance of the downtown to the City's image. Nearly every visitor to Sault Ste. Marie passes through the downtown, and its condition will play a critical role in his judgment of the City. A healthy downtown will encourage him to recommend a visit to the City to others and increase the likelihood of he himself returning. A memory of decaying facilities and a cheerless atmosphere will cause him to spend his time and money elsewhere.

Any revitalization of the downtown must be a joint public/private venture. Neither entity appears strong enough to succeed on its own. The City took the first step by creating the Downtown Development Authority. The private side began responding in the early 1990s when the City Assessor completed his reassessment project in 1994, property values in the downtown increased slightly. To sustain and expand on this small bit of growth, the Downtown Development Authority outlines a number of public projects in this development plan. These projects will be funded with tax increment financing. This type of financing uses the extra taxes generated by growth in the downtown to build projects needed to support that growth. In other words, the downtown will help revitalize itself. The tax increment procedure is explained later in the plan.

The Area One Development Plan and Tax Increment Financing Plan addresses a specific section of the downtown. The area from the Power canal bridge to the intersection of Ashmun with Ridge and Maple is the retail and office center of the downtown. With the recent and expected growth of the hospital, the downtown and Area Number One are also on the verge of becoming a major medical center of the community. Its needs are different from those of the more tourism-oriented Portage Avenue area. To ensure that both places receive the attention that they deserve, each has its own independent development plan.

With the development projects set forth in this Area One Development Plan and the method to finance them detailed in the accompanying Tax Increment Financing Plan, the Downtown Development Authority believes it has addressed the public's role in the downtown revitalization process, and hereby recommends the Area One Development Plan and Tax Increment Financing Plan to the City Commission.

CITY OF SAULT STE. MARIE
●
DOWNTOWN DEVELOPMENT AUTHORITY

Board of Directors

	<u>At original Adoption November 1986</u>	<u>February 2004</u>
Chairman:	Dr. Tom Robinson	Brenda Ransom
Vice Chairman:	Frank Price	Kristie Anderson
Secretary:	Fred Smith	Erika Craven
Treasurer:	Linda Bell	
	Anthony Andary	Norajean Wilcox
	Carol Askwith	Carol McKay
	Stanley Bright	Don Bentley
	Jack Haller	David Rencher
	Steve Madigan	Maria Lee Brown
	Audrey Ojala	Spencer Nebel
	Warren Parker	City Manager
	Rick Sadler	
	Neal Godby	
	City Manager	
		Lee Shirey
		DDA Director

**AREA ONE
DEVELOPMENT PLAN
City of Sault Ste. Marie**

AREA ONE DEVELOPMENT PLAN CITY OF SAULT STE. MARIE

This development plan specifies the public improvements that the DDA feels will be instrumental in revitalizing Development Area One. The supporting information required by Public Act 197 is also included.

A. Boundaries of the Development Area

The general boundaries of Development Area One may be described as the Edison Sault Power Canal on the south, Bingham Avenue and Court Street on the east, Maple/Ridge Street on the north and Osborn Boulevard on the west, as shown on Map 1. All properties adjoining or abutting Osborn Boulevard are included in Development Area One. The legal description of the area is as follows:

Beginning at the intersection of the North bank of the Edison Sault Power Canal and the East edge of the Bingham Avenue Bridge, thence northerly along the East line of Bingham Avenue to the South line of Carrie Street, thence easterly along said South line to the East boundary line of the West 190 feet of Lot 1, Block 4, Comptroller's Subdivision No. 4 extended, thence northerly along said East property along to the North line of Spruce Street, thence westerly along said North line to the East line of Court Street, thence northerly along said east line to the Centerline of Maple Street. Thence westerly along said centerline of Maple Street to a point where this line becomes the centerline of Ridge Street, continuing westerly along said Centerline to a point where this line intersects the westerly property lines of those properties abutting or adjoining Governor Osborn Boulevard; thence southerly along said westerly property lines of those properties abutting or adjoining Governor Osborn Boulevard to the South line of Peck Street. Thence easterly along said South line of Peck Street to the West line of Lot 479, Assessor's Subdivision No 11, thence southerly along said West property line to the North bank of the Edison Sault Power Canal. Thence easterly in a meandering direction along said North Canal bank to Point of Beginning.

B. Existing Public and Private Land Uses

Map 2 shows the existing public and private land uses in Development Area One as they existed at the original adoption of the plan. Public streets and alleys are left blank except where their extent is unclear. The owners of the land parcels included in Area One as they existed at the original adoption of the plan are listed in Table 2. The various public and private uses are typical of a small town central business district. Commercial and office users are mixed somewhat haphazardly with residential, religious, and public uses. Development Area One contains no industry. The proposed land uses for the development area as they existed at the original adoption of the plan are shown on Map 3.

C. Description of Improvements and Alterations, Timing and Priorities

The proposed improvements and alterations are set forth below. In general, the plan projects are intended to encompass and include a range of streetscape and public improvements as may be necessary, including parking lot and deck development, utility improvements, parking, rear-store access, street resurfacing, curb replacement, drainage, sidewalks and pedestrianways, decorative lights, street trees, landscaping, signing, canopies, street furniture and design detailing such as,

but not limited to, benches, trash container, tree grates, tree lights, indirect lighting, bulletin boards, locator signs and related improvements.

Power Canal Park (Peck Street)

Provide a more positive first impression of downtown and visual access to the Power Canal with improvements to make it a functional pedestrian space, including landscaping, a canal overlook, fountain with sluice to the canal, an orientation marker, informational signing, and visitor parking.

Ashmun Streetscape

Pedestrian improvements to include trees, paving lighting, kiosks, pedestrian signing, street furniture, utilities and resurfacing trash containers, sidewalks, curbs, drainage, underground utilities and resurfacing.

Kiosks/Walkway Extensions

Extend pedestrian walkway areas into the street at key points to indicate pedestrian links between shopping and parking areas and identify them with kiosks, which will be roofed for shelter, and pedestrian improvements including benches, crosswalk buoy markers, lighting, signing, planters and special paving as part of a unified street scape treatment to facilitate pedestrian shopping activity and improve pedestrian links to parking areas.

Pedestrian Links to Parking

Improve pedestrian links between shopping and parking areas behind stores with lighting, signing, paving and landscaping.

Edge Treatment

Organize the traffic circulation to parking lots and improve the appearance of the lots from the street with consistent landscape treatment and signing to improve overall image.

Parking Lots and Pedestrian Rear Access to Stores

Improve rear access and image with sidewalks, trees, special paving, pedestrian lights, parking lot lights, undergrounding of utilities, adjustments to parking layout, edge planting, and storm water systems.

Signing

A unified signing program will provide welcoming, informational and directional signs for the benefit of both vehicular and pedestrian traffic to tourism attractions, shopping areas, and community facilities in Sault Ste. Marie's downtown areas, and community facilities in Sault Ste. Marie's downtown area.

Undergrounding of Utilities

An important part of this development is to place underground most of the overhead utilities in the development area.

Parking Lot Development

In addition to the physical improvements of existing parking areas, the redevelopment of the old Kresge corner on Ashmun at Spruce (now the Avery Center) and the major expansion of War Memorial Hospital dictates the development of additional parking in this

area, including a parking deck on property between Oaka and Osborn Boulevard.

As part of rear store access and parking improvements, lease arrangements, partnership agreements, and/or minor acquisitions of back lots of several businesses may be undertaken, and developed as part of a comprehensive parking improvements in certain blocks, especially the Oaka block.

Facade Improvements

The building facades along the streets in the development area are integral to the visual impact and success of the downtown shopping area, and efforts to assist with appropriate improvements consistent with the plan are considered a public purpose. The plan includes loan and/or grant programs, as well as design workshops, to assist and encourage proper improvements and rehabilitation of the facades.

The general character of design improvements has been derived from the strong industrial, iron, and brick images of the downtown Sault Ste. Marie area, as well as its Great Lakes shipping activity. Materials to be used include strong, sturdy materials, such as stone from commercial buildings and churches, steel from bridges and the Soo Locks area, the massiveness of the passing lake freighters, and lighting reflective of the City's nautical setting.

The palette of design materials begins to suggest a unified design treatments influenced by the characteristics of the downtown and its seaway setting. A channel marker concept of wayfinding, with kiosks, markers and skeleton buoys, indicate pedestrian routes and crossings. Frameworks and support for the signing has an industrial waterway motif. Pedestrian lighting echoes the design of lighthouse lanterns. Copper and brass will be used on light fixtures and for the roofs of kiosks and markers.

As part of the Development Plan, the DDA may provide for DDA administrative costs, financing charges, engineering, design and related expenses, in connection with implementation of the Tax Increment Financing and Development Plan. The DDA may also provide for necessary repair/replacement of Development Plan improvements in Area One during the life of the Plan.

The improvements already constructed and scheduled to be constructed are shown on Maps 4 through 6 and are summarized on Table 1. The maps indicate the location and nature of the improvements in general priority order on the four maps. The table identifies the improvements and their estimated costs in the same priority sequence.

Every project is assigned to one of four priority levels. Projects assigned a higher priority level (Level One being higher than Level Two) are generally expected to be undertaken before lower priority projects are begun. Each priority level also has an estimated construction time frame. These time frames indicate when the DDA estimates the Projects in the levels can be constructed.

It is recognized that circumstances may alter actual construction dates and affect the order in which projects may be undertaken. The DDA may undertake any project contained within the Plan at any time regardless to the priority level when the DDA determines it is in the best interest of the Plan to do so. However, no project can be added without amending the Plan.

It is also recognized that circumstances may require some variation in the precise location of a project or improvement. Some variation in the exact location of a project is acceptable if the DDA determines that variation is still consistent with the intent of the Plan.

The reason for organizing the improvements in this manner is that available financing may vary widely. While the Downtown Development Authority considers its tax increment revenue projections for the development area to be reasonable, such figures are projected estimates only, and the actual amount of tax increment funds generated will vary from the projection. It is recognized that the total funds generated will vary from the projection. It is recognized that the total estimated cost of the development projects is greater than the projected revenues in the Tax Increment Financing Plan. This overrun is deliberate and reflects the possibility that the Authority may receive more funds than it projected and/or actual project costs may be less than anticipated. In the reverse case, if sufficient funds do not become available and/or costs are greater than anticipated so that all projects cannot be completed within the life of the plan, the priority system provides that higher priority projects will be considered first.

Finally, several of the projects outlined in this plan require the participation and cooperation of citizens, businesses and property owners. Such cooperation will affect the timetable and details of the projects. The DDA shall make every effort to complete the plan as outlined, although actual circumstances may dictate otherwise. In such an event, the Development Plan shall be amended as necessary. (Grounds for amending the plan include: adding new projects, or substantially altering the nature or location of a project. All amendments require City Commission approval.)

D. Open Spaces and Uses

Of the 136 parcels in Development Area One that existed at the original adoption of the plan, parcels D-16 and D-30 were used as private open space in 1986, and parcels B-1, B-2, B-3, B-8 and D-34 were used as public open space. Of the private parcels, D-16 is a lawn area used by the adjacent apartment building on parcels D-17 and D-18. D-30 was designated for acquisition in the 1986 original plan, and has been subsequently acquired by the DDA. This parcel is intended to be split, with part of the parcel designated as a public walkway and the remainder sold for retail development. Public parcel D-34 is designated for development as a park facility. Public open spaces B-1, B-2, B-3 and B-8 would be sold for infill retail development under this plan.

E. Transactions between City and Authority

It is the general intent of the Plan that any property acquired and improvements completed as a result of the Plan will become the property of the City. The City will retain full control of all improvements unless it chooses to make arrangements with other parties. The DDA, as a public entity created by the City with its own authority to own land and other property, may elect to be the purchasing or holding party. Subsequent arrangements regarding ownership of such acquired lands and facilities may be made by the City and the DDA as may be in the best interest of both the City and the Development Plan.

In the event there is a dispute between the City and the DDA as to ownership of property, the decision of the City Commission shall prevail and be final.

F. Zoning

In 1986, there was one parcel (F-17) that was incorrectly zoned for the future use. That parcel has since been rezoned. No further zoning changes are necessary.

G. Changes in Streets, Street Levels, Intersections and Utilities

No significant changes were anticipated in 1986 in streets, street levels or intersections, and none were included in the Development Plan for Area One. A subsequent change in the alignment of Governor Osborn Boulevard and the intersection with Spruce Street was deemed needed and appropriate for future development and safety, and was accomplished in 2003 using non-TIFA

funds. Utilities will be placed underground and other utilities, including storm drainage, will be addressed as set forth in Table 1.

H. Cost of Development and Method of Financing the Development

The estimated cost of the development proposed for Development Area One is summarized on Table 1. The Authority intends to finance the improvements through a combination of periodic Tax Increment Revenue Bonds, municipal general obligation bonds, direct payments from available funds and/or any other financing method allowed by law.

I. Residents in Development Area and Number to be Displaced

There are 98 people living in Development Area One as of the 1980 Census . No displacement of residents is anticipated under the development plan.

J. Business in Area to be Displaced

In 1986, there were seven business and one religious organization located on properties designated for acquisition in the Development Plan. Three of those businesses have been relocated and their properties acquired in the years prior to the 1993 amendments. No additional acquisition is planned.

Any acquisition and resulting relocation will be carried out as outlined in the City's Housing Relocation and Uniform Relocation Assistance Plan in accordance with all applicable local, state and federal laws, including Act 227 of the Michigan Compiled Laws and the federal Uniform Relocation Assistance and Real Property Acquisition Act of 1970. The City of Sault Ste. Marie Housing Relocation and Uniform Relocation Assistance Plan is by reference made a part of this document. Provision for relocation expenses has been included in the project cost estimates.

K. All provisions of this Development Plan may be amended by the City Commission, in accordance with law, upon recommendation of the DDA or otherwise. The DDA shall report each year to the City Commission on the status of this development and its accompanying Tax Increment Financing Plan.

MAP 1
DEVELOPMENT AREA ONE
DEVELOPMENT AREA BOUNDARIES
AND PARCEL NUMBERS



**MAP 2
EXISTING LAND USE**



MAP 3 **PROPOSED LAND USE**



- Single Family Residential
- Multiple-Family Residential
- Commercial
- Public Buildings
- Semi-Public/Institutional
- Public Open Space/Parks
- Public Parking
- Vacant

MAP 4
PRIORITY ONE AND TWO PROJECTS (COMPLETED)

-  Streetscape Improvements
-  Pedestrian Walkways
-  Kiosks/Walkway Extensions
- Signing



MAP 5

PRIORITY THREE PROJECTS



Parking Deck Project



Surface Parking



Rear Access Improvements



MAP 6

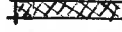
PRIORITY FOUR PROJECTS



Parking Lot Improvements



Rear Access Improvements



Fire Hall Site Improvements



Side Street and Edge Treatments



Table 1
DOWNTOWN DEVELOPMENT IMPROVEMENTS
AREA ONE

THE IMPROVEMENTS SET FORTH IN THE ORIGINAL 1986 PLAN (AS AMENDED) ARE SHOWN BELOW.

	<u>Estimated Costs</u>
<u>Priority One Projects 1986-1992</u>	
a. Tree Base Treatments - Ashmun (Spruce to Maple)	
b. Elevated Electrical Outlets on yellow lights	
c. Decorative lights - Ashmun (Canal to Maple)	
d. Acquisition of Gustafson Lot	
e. Acquisition and development of first phase of Court Street parking lot	
f. Hudson Lot Parking Improvements	-accomplished-
<u>Priority Two Projects 1993-1996</u>	
a. Comprehensive Directional Signing	\$ 38,000
b. Ashmun Streetscape Project - Canal to Maple, encompassing sidewalks, pavers, seat walks, buoy crossings indicators, planters, trees, lights, signs, curbs, trash containers and including pedestrian crossings and kiosks pedestrian walkways to parking areas	
- streetscape	651,500
- kiosks/walkways extensions (4)	240,000
- pedestrian links to parking areas (3)	122,800
	\$1,002,300
<u>Priority Three Projects 1997-2000</u>	
a. Parking lot redevelopment and rear store pedestrian access improvements, Encompassing, paving curbs lights, landscaping, planters, signs sidewalks, trees, benches, trash containers, under grounding of utilities and drainage	
- Hallmark Block	282,000
- Oaka Block	504,000
b. Power Canal Park	188,000
	\$974,000
<u>Priority Four Projects 2001-2006</u>	
a. Parking lot redevelopment and rear store pedestrian access improvements	
- Woolworth Block	280,000
b. Side street streetscapes and edge treatments	
-Spruce: Osborn to Ashmun	232,500
-Spruce: Ashmun to Bingham	173,950
-Dawson: Ashmun to Bingham	123,500
-Arlington: Osborn to Ashmun	171,500
-Peck/Osborn: Ashmun to Ridge	
-Ridge/Maple: South Side	28,000
-Library Drive/Court Street	33,000
	45,000
c. Court Street lot expansion, including acquisition and parking development	500,000
d. Town Center (Ashmun/Arlington, Ridge) including parking lot/deck, site improvements mixed use community structure	
	2,410,000
	\$3,997,450

*These costs are for planning purposes only. Actual costs will vary depending on the timing of project and the specific construction drawings.

At the time of this 2004 amendment, many of the Priority Two Projects, and one of the Priority Three Projects have been accomplished, including the Ashmun Streetscape Project, kiosks and walkway extensions, links to parking areas, and the Power Canal Park. The Priority Three Projects are changed somewhat, with the specific addition of a parking deck in the Oaka lot to address the needed parking space. The Priority Three and Priority Four Projects are amended accordingly in this amendment.

The Amended Development Plan Improvements schedule is set forth below, and addresses these changes as well as the remaining improvements in the Plan area. This schedule supercedes and updates the original schedule above.

DOWNTOWN DEVELOPMENT IMPROVEMENTS AREA ONE (Amended)

Priority Three Projects (2004-2015)

a. Parking deck in Oaka lot block	\$6,400,000	
b. Surface parking improvements in this block, including rear-store pedestrian access improvements, encompassing paving, curbs, lights, landscaping, planters, signs, sidewalks, trees, benches, trash containers, under grounding of utilities and drainage	500,000	
c. Hallmark Block parking improvements, including rear-store pedestrian access improvements, encompassing paving, curbs, lights, landscaping, planters, signs, sidewalks, trees, benches, trash containers, under grounding of utilities and drainage	500,000	
		<u>\$7,400,000</u>

Priority Four Projects (2016-2027)

a. Arlington lot parking improvements	\$500,000	
b. Parking lot improvements and rear store pedestrian access improvements In the Huntington Block	350,000	
c. Court Street parking lot improvements	250,000	
d. Fire Hall structure/site Improvements	500,000	
e. <i>Side street streetscapes and edge treatments</i>		
-Spruce: Osborn to Ashmun	\$300,000	
-Spruce: Ashmun to Bingham	300,000	
-Dawson: Ashmun to Bingham	250,000	
-Arlington: Osborn to Ashmun	280,000	
-Peck/Osborn: Ashmun to Ridge	80,000	
-Ridge/Maple: South Side	200,000	
-Library Drive/Court Street	100,000	
		<u>\$3,110,000</u>

Table 2
PARCEL DATA FOR DEVELOPMENT
AREA 1

<u>SECTION</u>	<u>TAX PARCEL</u>	<u>OWNER</u>	<u>1986 ASSESSED</u>	<u>LAND USE</u>
A-1	17-51-142-064-00	Harry and Rose Forman 105 E. Silver Spring Drive PO Box 17607 Milwaukee, WI 53217	125,930	Public Service
A-2	17-51-142-061-00	City	Except	Public Parking
A-3	17-51-142-033-00	City	Except	Public Service
A-4	17-51-142-056-00	First of America Bank- Sault 320 Ashmun Street	247,590	Commercial
A-5	17-51-142-055-00	First of America Bank- Sault 320 Ashmun Street	18,200	Commercial
B-1	17-51-144-178-00	City	Exempt	Public Open Space
B-2	17-51-144-180-00	City	Exempt	Public Open Space
B-3	17-51-144-181-00	City	Exempt	Public Open Space
B-4	17-51-144-183-00	I.O.O.F Corporation	38,120	Commercial
B-5	17-51-144-184-00	Lawrence Oberman and Max Barish 321 Ashmun Street	81,000	Commercial
B-6	17-51-144-186-50	City	Exempt	Public Alley
B-7	17-51-144-186-00	John P Haller 327 Ashmun Street	39,300	Commercial
B-8	17-51-144-187-00	City	Exempt	Public Open Space
B-9	17-51-144-188-00	National Office Products 322 Court Street	8,000	Commercial
B-10	17-51-144-189-00	Soo Professional Center 1907 Ashmun Street	25,000	Commercial
B-11	17-51-144-190-00	Maltas and Arfstrom 415 Ashmun Street	8,000	Commercial
B-12	17-51-144-190-30	Maltas and Arfstrom 415 Ashmun Street	21,100	Commercial
B-13	17-51-144-190-60	Robert and Bonnie Arfstrom 415 Ashmun Street	20,000	Commercial

B-14	17-51-144-179-00	City	Exempt	Public Parking
B-14	17-51-144-179-50	Edison Sault Electric Company 725 E. Portage	140	Commercial
B-15	17-51-144-199-50	City of Sault Ste. Marie	Exempt	Parking
B-15	17-51-144-199-00	Polyclinic Corporation 300-306 Court Street	86,550	Office
B-16	17-51-144-198-00	City	Exempt	Public Parking
B-17	17-51-144-197-00	City	Exempt	Public Parking
B-18	17-51-144-196-00	City	Exempt	Public Parking
B-19	17-51-144-195-00	City	Exempt	Public Parking
B-20	17-51-144-194-00	City	Exempt	Public Parking
B-21	17-51-144-193-00	John P. and Joan Haller 322 Court Street	4,950	Commercial
B-22	17-51-144-191-00	City	Exempt	Public Alley
B-23	17-51-144-192-00	Central Methodist Church 111 E. Spruce Street	Exempt	Religious
C-1	17-51-142-123-60	War Memorial Hospital 500 Osborn Boulevard	20,000	Vacant Private Building
C-2	17-51-142-123-30	Kevin Light 803 N. Campus Court	17,000	Commercial
C-3	17-51-142-123-00	Chippewa County Health Dept. 140 W. Spruce Street	Exempt	Public Service
C-4	17-51-142-124-00	Salvation Army 132 W. Spruce Street	Exempt	Public Service
C-5	17-51-142-127-00	Weir Properties, Inc. 130 W. Spruce Street	2,320	Commercial
C-6	17-51-142-128-00	Salvation Army 132 W. Spruce Street	Exempt	Public Service
C-7	17-51-142-129-00	Weir Properties, Inc. 130 W. Spruce Street	2,480	Commercial
C-8	17-51-142-130-00	Weir Properties, Inc. 130 W. Spruce Street	19,300	Commercial
C-9	17-51-142-131-00	Fred L. Smith 1907 Ashmun Street	11,000	Mixed
C-9	17-51-142-131-50	Fred L. Smith 1907 Ashmun Street	8,500	Commercial

C-10	17-51-142-132-00	Richard Zabelka PO Box 314	5,600	Commercial
C-11	17-51-142-134-00	Sault News Printing Co. 109 Arlington Street	5,700	Commercial
C-12	17-51-142-135-00	Sault News Printing Co. 109 Arlington Street	42,340	Commercial
C-13	17-51-142-136-00	Norm and Peggy Cardinal 1565 Riverside Drive	20,000	Commercial
C-14	17-51-142-136-50	Lawrence Brownlee Merchants Bar 108 West Spruce Street	270	Commercial
C-15	17-51-142-137-00	James Brownlee Merchants Bar 410 Kimball	12,150	Commercial
C-16	17-51-142-143-00	David J. Adams 223 Ashmun Street	10,530	Office
C-17	17-51-142-143-00	James H. Bourque 209 Hudson Drive	24,400	Mixed
C-18	17-51-142-142-00	William Andary c/o Paul Andary Specht Realty 903 Ashmun Street	17,390	Vacant Private Building
C-19	17-51-142-141-00	James and Eva Lambros 1200 Ashmun Street	20,000	Mixed
C-20	17-51-142-140-00	William and Verna Watson Box 368, Main Street Pickford, MI 49774	9,000	Mixed
C-21	17-51-142-139-00	Masonic Temple Association 414 Ashmun Street	35,000	Mixed
C-22	17-51-148-138-00	Clay F. Wallis 418 Ashmun Street	4,500	Commercial
D-1	17-51-008-027-00	Gertrude Riordan 505 East 10 th	29,000	Mixed
D-2	17-51-008-027-00	Clay Wallis and Barry Newcomb 418 Ashmun Street	5,000	Public Parking
D-3	17-51-008-022-00	Chippewa-Luce-Mackinaw CAA 524 Ashmun Street	Exempt	Vacant Public Building
D-4	17-51-008-024	Montgomery Ward Tax Division 18-N One Montgomery Ward Plaza Chicago, Illinois	95,650	Vacant Private Building

D-5	17-51-008-021-00	City	Exempt	Public Parking
D-6	17-51-008-021-30	City	Exempt	Public Parking
D-7	17-51-008-020-60	Northland Office Supply 329 Ashmun Street	8,100	Vacant Private Building
D-8	17-51-008-020-00	City	Exempt	Public Parking
D-9	17-51-008-020-60	Millie Desormeau, et al 536 Oaka Street	8,850	Single Family Residence
D-10	17-51-008-020-30	City	Exempt	Public Parking
D-11	17-51-008-019-00	City	3,130	Public Parking
D-12	17-51-008-018-00	City	Exempt	Public Parking
D-13	17-51-008-018-50	City	Exempt	Public Parking
D-14	17-51-008-017-00	City	Exempt	Public Parking
D-15	17-51-008-017-50	City	Exempt	Public Parking
D-16	17-51-218-042-50	Jack Ames and Wife 132 Peck Street	300	Private Open Space
D-17	17-51-008-016-00	Jack Ames and Wife 132 Peck Street	1,250	Multi-Family Residence
D-18	17-51-008-015-00	Jack Ames and Wife 132 Peck Street	30,670	Multi-Family Residence
D-19	17-51-008-001-00	B and C Corporation Barry Newcomb and Clay Wallis 418 Ashmun Street	17,800	Commercial
D-20	17-51-008-002-00	Clay Wallis and Barry Newcomb 418 Ashmun Street	10,400	Vacant Private Building
D-21	17-51-008-003-00	MNSS Land Development Corp 1907 Ashmun Street	10,300	Commercial
D-22	17-51-008-004-00	Chippewa-Luce-Mackinaw Community Action Agency 524 Ashmun Street	25,000	Mixed
D-23	17-51-008-005-00	Chippewa-Luce-Mackinaw Community Action Agency 524 Ashmun Street	Exempt	Public Service
D-24	17-51-008-006-00	Chippewa-Luce-Mackinaw Community Action Agency 524 Ashmun Street	Exempt	Public Service
D-25	17-51-008-007-00	DePaul Realty Company 534 Ashmun Street	80,000	Commercial

D-26	17-51-008-009-00	Lillian Roe 538 Ashmun Street	70,000	Mixed
D-27	17-51-008-010-00	James and Eva Lambros 1200 Ashmun Street	20,000	Public Service
D-28	17-51-008-011-00	Bruce and Patricia Waggoner 905 Ashmun Street	25,000	Commercial
D-29	17-51-008-011-50	Frank and Dean Hribar 548 Ashmun Street	15,000	Commercial
D-30	17-51-008-012-00	Manufacturer's National Bank PO Box 659 Trust Real Estate Detroit, MI 48231	6,000	Private Open Space
D-31	17-51-008-013-00	Gillhooley Pharmacy 558 Ashmun Street	25,000	Commercial
D-32	17-51-008-014-50	Gillhooley Pharmacy 558 Ashmun Street	3,730	Commercial
D-33	17-51-008-014-00	Darryl and Lorraine Dalimonte 564 Ashmun Street	15,000	Commercial
D-34	17-51-151-479-00	City	Exempt	Public Open Space
E-1	17-51-291-001-00	Sault Savings Bank 511 Ashmun Street	636,950	Commercial
E-2	17-51-291-024-00	Dean and Leslie Hribar 4041 E. Four Mile Rod	35,000	Commercial
E-2	17-51-291-026-00	City	Exempt	Parking
E-3	17-51-291-005-00	City	Exempt	Public Parking
E-4	17-51-291-022-00	Columbus Club, Inc. PO Box 73 Dafter, Michigan 49724	100,000	Commercial
E-5	17-51-291-006-00	Columbus Club, Inc. PO Box 73 Dafter, Michigan 49724	6,210	Public Parking
E-6	17-51-291-008-00	F.W. Woolworth Company Box 1665 Milwaukee, WI 53201	250,000	Commercial
E-7	17-51-291-010-00	Vanderhook Company PO Box 901	30,000	Mixed
E-8	17-51-291-011-00	William and Carolyn Ayers 204 Ashmun Street	40,000	Mixed

F-1	17-51-292-028-00	Detroit and Northern Savings 400 Quincy Street Hancock, MI 49930	65,600	Commercial
F-2	17-51-292-028-50	Robert L. Fowler PO Box 935	22,650	Mixed
F-3	17-51-292-027-00	Detroit and Northern Savings 400 Quincy Street Hancock, MI 49930	8,320	Commercial
F-4	17-51-292-026-00	St. George Orthodox Hellenic Church - 513 Court Street	Exempt	Religious
F-5	17-51-292-025-00	St. George Orthodox Hellenic Church - 513 Court Street	Exempt	Public Parking
F-6	17-51-292-024-00	Anthony and Carol S. Andary PO Box 915	15,660	Office
F-6	17-51-292-024-50	Stephen H. and Karen Madigan 3326 Lakeshore drive	15,660	Office
F-7	17-51-292-023-00	H. Madigan and P. Housey PO Box 631 Matlacha, FL 33909	6,210	Public Parking
F-8	17-51-292-022-00	First Chruch of Christ Scientist 300 West Spruce Street	Exempt	Religious
F-9	17-51-292-021-00	Peppler, Peppler and Peppler 533 Court Street	14,900	Office
F-10	17-51-292-020-00	Peter J. Arndt PO Box 787	13,400	Office
F-11	17-51-292-019-00	Richard T. and Elizabeth Askwith 3108 Lakeshore Drive	18,150	Office
F-12	17-51-292-001-00	Blarney Castle Oil Company Box 246 Bear Lake, Mi 49614	33,400	Commercial
F-13	17-51-292-003-00	John Paul and Mary J. White 510 Bingham Avenue	14,450	Multi-Family Residence
F-14	17-51-292-004-00	Zandra, Beadle, Moher 512 Bingham Avenue	18,500	Multi-Family Residence
F-15	17-51-292-005-00	Terry and Harriet Moran 812 Seymour	11,950	Multi-Family Residence
F-16	17-51-292-006-00	City	Exempt	Public Parking
F-17	17-51-292-007-00	Ingleson, Vinocur and Connolly PO Box 858	15,600	Office

F-18	17-51-292-008-00	Soo Co-op Credit Union 536 Bingham Avenue	14,250	Commercial
F-19	17-51-292-009-00	Soo Co-op Credit Union 536 Bingham Avenue	14,450	Commercial
F-20	17-51-292-010-00	Soo Co-op Credit Union 220 Osborn Blvd.	86,900	Commercial
F-21	17-51-294-001-00	Central Savings Bank 511 Bingham Avenue	389,000	Commercial
G-1	17-51-291-015-50	James and Eva Lambros 1200 Ashmun Street	35,000	Commercial
G-2	17-51-291-013-00	Everett Vallin 427 Covington Birmingham, MI 48010	52,810	Office
G-3	17-51-291-015-00	Robert H. and Walter Wylie 557 Ashmun Street	15,000	Office
G-4	17-51-291-014-00	City	Exempt	Public Service
G-5	17-51-415-001-20	Archie and Catherine Spring Robert Neal 1114 Washington Way	10,000	Public Service
G-5	17-51-415-001-40	City of SSM	Exempt	Parking
G-5	17-51-415-001-60	City of SSM	Exempt	Parking
G-6	17-51-415-002-00	House of Bargains, Inc. 567 Ashmun Street	5,670	Commercial
G-7	17-51-415-003-00	House of Bargains, Inc. 567 Ashmun Street	25,000	Commercial
H-1	17-51-292-016-00	Bayliss Public Library 541 Court	Exempt	Public Educational
H-2	17-51-292-014-00	Robert J. Hovie 607 Sheridan Drive	14,650	Commercial
H-3	17-51-415-010-00	Bayliss Public Library 541 Court Street	Exempt	Public Educational
H-4	17-51-415-010-50	Robert J. Hovie 607 Sheridan Drive	7,700	Commercial
H-5	17-51-415-009-00	Robert J. Hovie 607 Sheridan Drive	7,600	Commercial
H-6	17-51-415-008-50	Bayliss Public Library 541 Court Street	Exempt	Public Educational

H-7	17-51-415-008-00	Robert J. Hovie 607 Sheridan Drive	55,620	Commercial
-----	------------------	---------------------------------------	--------	------------

Commercial Facilities Roll:

CFT 83-02	Wallis & Newcomb 418 Ashmun Street	92,000
CFT 84-01	Watson, William & Verna Main Street Pickford, MI	91,000
CFT 84-04	Med. L. Smith 1907 Ashmun Street	10,500
CFT 85-01	Patrick Dougherty 322 Court Street	36,080

TOTAL..... \$3,853,280

ADDITIONAL PROPERTIES INCLUDED IN AMENDMENT

<u>SECTION</u>	<u>TAX PARCEL</u>	<u>OWNER</u>	<u>2004 TAXABLE VALUE</u>	<u>LAND USE</u>
I-1	17-51-218-040-00	Heritage Enterprises 208 Peck Street	25,915	Residential
I-2	17-51-218-028-00	Heritage Enterprises 601 Osborn Blvd.	269,728	Commercial
I-3	17-51-036-002-00	War Memorial Hospital 550 Osborn Blvd.	Exempt	Hospital
I-4	17-51-142-117-00	First Church of Christ 308 West Spruce Street	Exempt	Church
I-5	17-51-142-068-00	Theodore E. Maleport Revocable Living Trust 314 Osborn Blvd.	145,562	Commercial

ADDITIONAL..... \$441,205



AREA ONE
TAX INCREMENT FINANCING PLAN
City of Sault Ste. Marie

AREA ONE TAX INCREMENT FINANCING PLAN CITY OF SAULT STE. MARIE

This plan explains the financing procedures that will be used to pay for the projects presented in the development plan for Development Area One. Necessary supporting information is also supplied to the extent possible at this time.

A. Tax Increment Procedure

Tax increment financing is a means by which a city can redistribute tax revenues to an area of special need, for the purpose of revitalizing it. This is the procedure: A specific area within the Downtown Development Authority boundaries is selected for development. A development plan is written which outlines the projects that the Downtown Development Authority believes should be constructed. When a tax increment financing plan is used to raise money for the projects, the Authority measures the total assessed value of all the real and personal property within the development area boundaries. This total is the initial assessed value of the development area. Each year thereafter, the assessed value of the development area is retotalled. If the new total is larger than the initial assessed value (first year of plan), the difference between the two is called the captured assessed value of the downtown area. The captured assessed value is very important, because when it is multiplied by the local tax rate, the resulting tax revenues are transmitted to the Downtown Development Authority for its development plan. These tax revenues are called the tax increment for that year.

An example will help clarify the process. If 1986 is the year in which a tax increment plan is established, and the total assessed value of all properties in the development area is \$1,000,000 then the initial assessed value of the area is \$1,000,000. Let us assume that in 1987 the owners of the properties construct several improvements which brings the total assessed value of the area to \$1,500,000. In this year, then, the captured assessed value is $(\$1,500,000 - \$1,000,000) = \$500,000$. Now if we assume that the local tax rate is 50 mills, then the tax increment revenue for that year will be $(\$500,000 \times .05) = \$25,000$. This \$25,000 is transmitted to the Downtown Development Authority, which then uses it for the public projects it has outlined in its development plan. If more improvements were made in 1988, bringing the total assessed value, say, to \$1,750,000, then the captured assessed value in that year is $(\$1,750,000 - \$1,000,000) = \$750,000$. If the millage remains at 50 mills, then the tax increment revenue for 1988 would be $(\$750,000 \times .05) = \$37,500$. As one can see, tax increment revenues are dependent upon growth in the development area. Growth must come first, but once it has occurred, the property owners will be rewarded by seeing their tax dollars go to improving their surroundings, helping them to continue to grow.

It is important to note that the procedure does not increase taxes in any way. Also, no taxing body ever loses tax revenue. It simply does not get the increase in tax revenue that the improvements generated. During the original 20 years of this plan, there were four taxing jurisdictions that are affected by this procedure - the City, the schools, the Intermediate School District, and the county. Since the development area is itself within the City, the City is merely seeing its tax revenues more sharply focused on an important district. The schools are largely unaffected by the plan, because in the early years, the

state's formula for financial aid to school districts assured that the schools would receive a minimum amount of funds per student per mill levied. The tax increment plan does not change the number of students nor the school millage, so the state compensated the school system for the tax revenues it did not receive. The county is not compensated in any way, so its tax revenues from the development area will remain constant for the duration of the plan. For the additional 20 year extension of this Tax Increment Plan, only the City and the County tax increments are affected. The taxes foregone during this 20 year extension period are shown on Table 4. If the development plan accomplishes its goals of stabilizing property values and attracting new development, then all taxing jurisdictions will see a significant increase in revenues when the plan expires.

Once tax increments have been collected, they can only be spent according to the guidelines in the development plan, in the development area. When the plan expires, its abolished, or its objectives are met, tax patterns return to normal.

For a complete and legal description of the tax increment procedure, see PUBLIC ACT 197 of the MICHIGAN COMPILED LAWS OF 1975, as amended, sections 14 through 16. For the reasoning behind the tax increment plan itself, see the introduction to the accompanying development plan.

B. Bonding and Other Financing Methods

It is the intent of this plan to finance and undertake projects both through long term bonding and/or loan agreements with the City or other financing as provided for in law as well as on a year-to-year basis according to actual annual tax increment revenues received. Any tax increment funds not expended at the end of a given year will be carried over to the next year of the plan and applied to subsequent project expenses.

Some projects may be partially funded from City funds, such as the parking fund or the general fund or from grant funds. However, any project in the Plan may be financed completely by tax increment revenues if other funds are not available. Conversely, should local, state, federal or private sector monies become available for some portion of project financing at any time, such options will be explored. In the case of certain infrastructure loan programs available to the City or the DDA, tax increment funds may be obligated to retire such debt or pay off such loans either directly, or through the City. All other revenues will be generated by tax increment financing.

C. Revenues

Table 1 lists the tax increment projections for the duration of the plan. The Downtown Development Authority will retain all of the captured assessed value in the Development Area for the generation of tax increments. The projections are based upon an estimated tax rate of approximately 56 mills through the fiscal year ending 2007, and then 29 mills for the following 20 years. There may be considerable differences between the projections and actual receipts, since it is very difficult to predict tax rates and economic growth several years into the future. Consequently, the Development Plan allows for a wide variance in revenues during its operation. Tables 2 and 3 show the assessed values of all real and personal property in Development Area One that form the base year figures from which all projections follow.

D. Expenditures

All revenues received by the DDA that pertain to the Development Area One shall be spent

according to the provisions of the Tax Increment Financing and Development Plans for Development Area One. All revenues in excess the needs of the Development Plan shall revert proportionately to the original taxing bodies.

E. Duration of Plan

The Development Plan and Tax Increment Financing Plans for Development Area One shall expire after 40 years, or when all the original and amended projects have been completed, whichever comes first. The City Commission may also elect to abolish both plans at any time, should it determine that the plans goals have been achieved.

F. All provisions of this Tax Increment Financing Plan may be amended by the City Commission, save those required by law, upon notice and after public hearings and agreements as are required for approval of the original plan.

TAX INCREMENT PROJECTIONS

Development Area #1

1986 Base Year	Assessed Value-Real	\$3,853,280
	Assessed Value-Personal	\$608,450
		\$4,461,730
2004 Additions	Taxable Value-Real	\$441,205
	Taxable Value-Personal	\$61,700
		\$502,905
	RECALCULATED BASE YEAR 2005	\$4,964,635

YEAR	TOTAL VALUE	BASE VALUE	VALUE INCREMENT	TAX RATE	TAX INCREMENT	PROTECTED OBLIGATIONS	SCHOOL CAP	AVAILABLE TAX INCREMENT	LESS BONDS	AVAILABLE
2000	\$8,138,463	\$4,461,730	\$3,676,733	0.056	\$205,897	\$136,630	\$95,595	\$205,897	\$136,630	\$69,267
2001	\$8,505,980	\$4,461,730	\$4,044,250	0.056	\$226,478	\$149,798	\$105,151	\$226,478	\$149,798	\$76,680
2002	\$8,561,589	\$4,461,730	\$4,099,859	0.056	\$229,592	\$164,348	\$106,596	\$229,592	\$164,348	\$65,244
2003	\$8,713,057	\$4,461,730	\$4,251,327	0.056	\$238,074	\$172,850	\$110,535	\$238,074	\$172,850	\$65,224
2004	\$8,602,601	\$4,461,730	\$4,140,871	0.056	\$231,889	\$185,218	\$107,663	\$231,889	\$185,218	\$46,671
2005	\$9,287,616	\$4,964,635	\$4,322,981	0.056	\$242,087	\$196,300	\$112,398	\$242,087	\$196,300	\$45,787
2006	\$9,473,368	\$4,964,635	\$4,508,733	0.056	\$252,489	\$206,058	\$117,227	\$252,489	\$206,058	\$46,431
2007	\$9,662,836	\$4,964,635	\$4,698,201	0.029	\$136,248	\$0	na	\$136,248	\$0	\$136,248
2008	\$9,856,093	\$4,964,635	\$4,891,458	0.029	\$141,852	\$0	na	\$141,852	\$0	\$141,852
2009	\$12,093,214	\$4,964,635	\$7,128,579	0.029	\$206,729	\$0	na	\$206,729	\$0	\$206,729
2010	\$12,335,079	\$4,964,635	\$7,370,444	0.029	\$213,743	\$0	na	\$213,743	\$0	\$213,743
2011	\$12,581,780	\$4,964,635	\$7,617,145	0.029	\$220,897	\$0	na	\$220,897	\$0	\$220,897
2012	\$12,833,416	\$4,964,635	\$7,868,781	0.029	\$228,195	\$0	na	\$228,195	\$0	\$228,195
2013	\$13,090,084	\$4,964,635	\$8,125,449	0.029	\$235,638	\$0	na	\$235,638	\$0	\$235,638
2014	\$13,351,886	\$4,964,635	\$8,387,251	0.029	\$243,230	\$0	na	\$243,230	\$0	\$243,230
2015	\$13,618,924	\$4,964,635	\$8,654,289	0.029	\$250,974	\$0	na	\$250,974	\$0	\$250,974
2016	\$13,891,302	\$4,964,635	\$8,926,667	0.029	\$258,873	\$0	na	\$258,873	\$0	\$258,873
2017	\$14,169,128	\$4,964,635	\$9,204,493	0.029	\$266,930	\$0	na	\$266,930	\$0	\$266,930
2018	\$14,452,511	\$4,964,635	\$9,487,876	0.029	\$275,148	\$0	na	\$275,148	\$0	\$275,148
2019	\$14,741,561	\$4,964,635	\$9,776,926	0.029	\$283,531	\$0	na	\$283,531	\$0	\$283,531
2020	\$15,036,392	\$4,964,635	\$10,071,757	0.029	\$292,081	\$0	na	\$292,081	\$0	\$292,081
2021	\$15,337,120	\$4,964,635	\$10,372,485	0.029	\$300,802	\$0	na	\$300,802	\$0	\$300,802
2022	\$15,643,862	\$4,964,635	\$10,679,227	0.029	\$309,698	\$0	na	\$309,698	\$0	\$309,698
2023	\$15,956,740	\$4,964,635	\$10,992,105	0.029	\$318,771	\$0	na	\$318,771	\$0	\$318,771
2024	\$16,275,874	\$4,964,635	\$11,311,239	0.029	\$328,026	\$0	na	\$328,026	\$0	\$328,026
2025	\$16,601,392	\$4,964,635	\$11,636,757	0.029	\$337,466	\$0	na	\$337,466	\$0	\$337,466
2026	\$16,933,420	\$4,964,635	\$11,968,785	0.029	\$347,095	\$0	na	\$347,095	\$0	\$347,095
					TOTAL	2007-2026		\$5,195,927		

**Tax Increment Financing Plan
Table 2
PARCEL DATA FOR DEVELOPMENT
AREA 1**

<u>SECTION</u>	<u>TAX PARCEL</u>	<u>OWNER</u>	<u>1986 ASSESSED</u>	<u>LAND USE</u>
A-1	17-51-142-064-00	Harry and Rose Forman 105 E. Silver Spring Drive PO Box 17607 Milwaukee, WI 53217	125,930	Public Service
A-2	17-51-142-061-00	City	Except	Public Parking
A-3	17-51-142-033-00	City	Except	Public Service
A-4	17-51-142-056-00	First of America Bank- Sault 320 Ashmun Street	247,590	Commercial
A-5	17-51-142-055-00	First of America Bank- Sault 320 Ashmun Street	18,200	Commercial
B-1	17-51-144-178-00	City	Exempt	Public Open Space
B-2	17-51-144-180-00	City	Exempt	Public Open Space
B-3	17-51-144-181-00	City	Exempt	Public Open Space
B-4	17-51-144-183-00	I.O.O.F Corporation	38,120	Commercial
B-5	17-51-144-184-00	Lawrence Oberman and Max Barish 321 Ashmun Street	81,000	Commercial
B-6	17-51-144-186-50	City	Exempt	Public Alley
B-7	17-51-144-186-00	John P Haller 327 Ashmun Street	39,300	Commercial
B-8	17-51-144-187-00	City	Exempt	Public Open Space
B-9	17-51-144-188-00	National Office Products 322 Court Street	8,000	Commercial
B-10	17-51-144-189-00	Soo Professional Center 1907 Ashmun Street	25,000	Commercial
B-11	17-51-144-190-00	Maltas and Arfstrom 415 Ashmun Street	8,000	Commercial
B-12	17-51-144-190-30	Maltas and Arfstrom 415 Ashmun Street	21,100	Commercial
B-13	17-51-144-190-60	Robert and Bonnie Arfstrom 415 Ashmun Street	20,000	Commercial

B-14	17-51-144-179-00	City	Exempt	Public Parking
B-14	17-51-144-179-50	Edison Sault Electric Company 725 E. Portage	140	Commercial
B-15	17-51-144-199-50	City of Sault Ste. Marie	Exempt	Parking
B-15	17-51-144-199-00	Polyclinic Corporation 300-306 Court Street	86,550	Office
B-16	17-51-144-198-00	City	Exempt	Public Parking
B-17	17-51-144-197-00	City	Exempt	Public Parking
B-18	17-51-144-196-00	City	Exempt	Public Parking
B-19	17-51-144-195-00	City	Exempt	Public Parking
B-20	17-51-144-194-00	City	Exempt	Public Parking
B-21	17-51-144-193-00	John P. and Joan Haller 322 Court Street	4,950	Commercial
B-22	17-51-144-191-00	City	Exempt	Public Alley
B-23	17-51-144-192-00	Central Methodist Church 111 E. Spruce Street	Exempt	Religious
C-1	17-51-142-123-60	War Memorial Hospital 500 Osborn Boulevard	20,000	Vacant Private Building
C-2	17-51-142-123-30	Kevin Light 803 N. Campus Court	17,000	Commercial
C-3	17-51-142-123-00	Chippewa County Health Dept. 140 W. Spruce Street	Exempt	Public Service
C-4	17-51-142-124-00	Salvation Army 132 W. Spruce Street	Exempt	Public Service
C-5	17-51-142-127-00	Weir Properties, Inc. 130 W. Spruce Street	2,320	Commercial
C-6	17-51-142-128-00	Salvation Army 132 W. Spruce Street	Exempt	Public Service
C-7	17-51-142-129-00	Weir Properties, Inc. 130 W. Spruce Street	2,480	Commercial
C-8	17-51-142-130-00	Weir Properties, Inc. 130 W. Spruce Street	19,300	Commercial
C-9	17-51-142-131-00	Fred L. Smith 1907 Ashmun Street	11,000	Mixed
C-9	17-51-142-131-50	Fred L. Smith 1907 Ashmun Street	8,500	Commercial

C-10	17-51-142-132-00	Richard Zabelka PO Box 314	5,600	Commercial
C-11	17-51-142-134-00	Sault News Printing Co. 109 Arlington Street	5,700	Commercial
C-12	17-51-142-135-00	Sault News Printing Co. 109 Arlington Street	42,340	Commercial
C-13	17-51-142-136-00	Norm and Peggy Cardinal 1565 Riverside Drive	20,000	Commercial
C-14	17-51-142-136-50	Lawrence Brownlee Merchants Bar 108 West Spruce Street	270	Commercial
C-15	17-51-142-137-00	James Brownlee Merchants Bar 410 Kimball	12,150	Commercial
C-16	17-51-142-143-00	David J. Adams 223 Ashmun Street	10,530	Office
C-17	17-51-142-143-00	James H. Bourque 209 Hudson Drive	24,400	Mixed
C-18	17-51-142-142-00	William Andary c/o Paul Andary Specht Realty 903 Ashmun Street	17,390	Vacant Private Building
C-19	17-51-142-141-00	James and Eva Lambros 1200 Ashmun Street	20,000	Mixed
C-20	17-51-142-140-00	William and Verna Watson Box 368, Main Street Pickford, MI 49774	9,000	Mixed
C-21	17-51-142-139-00	Masonic Temple Association 414 Ashmun Street	35,000	Mixed
C-22	17-51-148-138-00	Clay F. Wallis 418 Ashmun Street	4,500	Commercial
D-1	17-51-008-027-00	Gertrude Riordan 505 East 10 th	29,000	Mixed
D-2	17-51-008-027-00	Clay Wallis and Barry Newcomb 418 Ashmun Street	5,000	Public Parking
D-3	17-51-008-022-00	Chippewa-Luce-Mackinaw CAA 524 Ashmun Street	Exempt	Vacant Public Building
D-4	17-51-008-024	Montgomery Ward Tax Division 18-N One Montgomery Ward Plaza Chicago, Illinois	95,650	Vacant Private Building

D-5	17-51-008-021-00	City	Exempt	Public Parking
D-6	17-51-008-021-30	City	Exempt	Public Parking
D-7	17-51-008-020-60	Northland Office Supply 329 Ashmun Street	8,100	Vacant Private Building
D-8	17-51-008-020-00	City	Exempt	Public Parking
D-9	17-51-008-020-60	Millie Desormeau, et al 536 Oaka Street	8,850	Single Family Residence
D-10	17-51-008-020-30	City	Exempt	Public Parking
D-11	17-51-008-019-00	City	3,130	Public Parking
D-12	17-51-008-018-00	City	Exempt	Public Parking
D-13	17-51-008-018-50	City	Exempt	Public Parking
D-14	17-51-008-017-00	City	Exempt	Public Parking
D-15	17-51-008-017-50	City	Exempt	Pubic Parking
D-16	17-51-218-042-50	Jack Ames and Wife 132 Peck Street	300	Private Open Space
D-17	17-51-008-016-00	Jack Ames and Wife 132 Peck Street	1,250	Multi-Family Residence
D-18	17-51-008-015-00	Jack Ames and Wife 132 Peck Street	30,670	Multi-Family Residence
D-19	17-51-008-001-00	B and C Corporation Barry Newcomb and Clay Wallis 418 Ashmun Street	17,800	Commercial
D-20	17-51-008-002-00	Clay Wallis and Barry Newcomb 418 Ashmun Street	10,400	Vacant Private Building
D-21	17-51-008-003-00	MNSS Land Development Corp 1907 Ashmun Street	10,300	Commercial
D-22	17-51-008-004-00	Chippewa-Luce-Mackinaw Community Action Agency 524 Ashmun Street	25,000	Mixed
D-23	17-51-008-005-00	Chippewa-Luce-Mackinaw Community Action Agency 524 Ashmun Street	Exempt	Pubic Service
D-24	17-51-008-006-00	Chippewa-Luce-Mackinaw Community Action Agency 524 Ashmun Street	Exempt	Public Service
D-25	17-51-008-007-00	DePaul Realty Company 534 Ashmun Street	80,000	Commercial

D-26	17-51-008-009-00	Lillian Roe 538 Ashmun Street	70,000	Mixed
D-27	17-51-008-010-00	James and Eva Lambros 1200 Ashmun Street	20,000	Public Service
D-28	17-51-008-011-00	Bruce and Patricia Waggoner 905 Ashmun Street	25,000	Commercial
D-29	17-51-008-011-50	Frank and Dean Hribar 548 Ashmun Street	15,000	Commercial
D-30	17-51-008-012-00	Manufacturer's National Bank PO Box 659 Trust Real Estate Detroit, MI 48231	6,000	Private Open Space
D-31	17-51-008-013-00	Gillhooley Pharmacy 558 Ashmun Street	25,000	Commercial
D-32	17-51-008-014-50	Gillhooley Pharmacy 558 Ashmun Street	3,730	Commercial
D-33	17-51-008-014-00	Darryl and Lorraine Dalimonte 564 Ashmun Street	15,000	Commercial
D-34	17-51-151-479-00	City	Exempt	Public Open Space
E-1	17-51-291-001-00	Sault Savings Bank 511 Ashmun Street	636,950	Commercial
E-2	17-51-291-024-00	Dean and Leslie Hribar 4041 E. Four Mile Rod	35,000	Commercial
E-2	17-51-291-026-00	City	Exempt	Parking
E-3	17-51-291-005-00	City	Exempt	Public Parking
E-4	17-51-291-022-00	Columbus Club, Inc. PO Box 73 Dafter, Michigan 49724	100,000	Commercial
E-5	17-51-291-006-00	Columbus Club, Inc. PO Box 73 Dafter, Michigan 49724	6,210	Public Parking
E-6	17-51-291-008-00	F.W. Woolworth Company Box 1665 Milwaukee, WI 53201	250,000	Commercial
E-7	17-51-291-010-00	Vanderhook Company PO Box 901	30,000	Mixed
E-8	17-51-291-011-00	William and Carolyn Ayers 204 Ashmun Street	40,000	Mixed

F-1	17-51-292-028-00	Detroit and Northern Savings 400 Quincy Street Hancock, MI 49930	65,600	Commercial
F-2	17-51-292-028-50	Robert L. Fowler PO Box 935	22,650	Mixed
F-3	17-51-292-027-00	Detroit and Northern Savings 400 Quincy Street Hancock, MI 49930	8,320	Commercial
F-4	17-51-292-026-00	St. George Orthodox Hellenic Church - 513 Court Street	Exempt	Religious
F-5	17-51-292-025-00	St. George Orthodox Hellenic Church - 513 Court Street	Exempt	Public Parking
F-6	17-51-292-024-00	Anthony and Carol S. Andary PO Box 915	15,660	Office
F-6	17-51-292-024-50	Stephen H. and Karen Madigan 3326 Lakeshore drive	15,660	Office
F-7	17-51-292-023-00	H. Madigan and P. Housey PO Box 631 Matlacha, FL 33909	6,210	Public Parking
F-8	17-51-292-022-00	First Chruch of Christ Scientist 300 West Spruce Street	Exempt	Religious
F-9	17-51-292-021-00	Peppler, Peppler and Peppler 533 Court Street	14,900	Office
F-10	17-51-292-020-00	Peter J. Arndt PO Box 787	13,400	Office
F-11	17-51-292-019-00	Richard T. and Elizabeth Askwith 3108 Lakeshore Drive	18,150	Office
F-12	17-51-292-001-00	Blarney Castle Oil Company Box 246 Bear Lake, Mi 49614	33,400	Commercial
F-13	17-51-292-003-00	John Paul and Mary J. White 510 Bingham Avenue	14,450	Multi-Family Residence
F-14	17-51-292-004-00	Zandra, Beadle, Moher 512 Bingham Avenue	18,500	Multi-Family Residence
F-15	17-51-292-005-00	Terry and Harriet Moran 812 Seymour	11,950	Multi-Family Residence
F-16	17-51-292-006-00	City	Exempt	Public Parking
F-17	17-51-292-007-00	Ingleson, Vinocur and Connolly PO Box 858	15,600	Office

F-18	17-51-292-008-00	Soo Co-op Credit Union 536 Bingham Avenue	14,250	Commercial
F-19	17-51-292-009-00	Soo Co-op Credit Union 536 Bingham Avenue	14,450	Commercial
F-20	17-51-292-010-00	Soo Co-op Credit Union 220 Osborn Blvd.	86,900	Commercial
F-21	17-51-294-001-00	Central Savings Bank 511 Bingham Avenue	389,000	Commercial
G-1	17-51-291-015-50	James and Eva Lambros 1200 Ashmun Street	35,000	Commercial
G-2	17-51-291-013-00	Everett Vallin 427 Covington Birmingham, MI 48010	52,810	Office
G-3	17-51-291-015-00	Robert H. and Walter Wylie 557 Ashmun Street	15,000	Office
G-4	17-51-291-014-00	City	Exempt	Public Service
G-5	17-51-415-001-20	Archie and Catherine Spring Robert Neal 1114 Washington Way	10,000	Public Service
G-5	17-51-415-001-40	City of SSM	Exempt	Parking
G-5	17-51-415-001-60	City of SSM	Exempt	Parking
G-6	17-51-415-002-00	House of Bargains, Inc. 567 Ashmun Street	5,670	Commercial
G-7	17-51-415-003-00	House of Bargains, Inc. 567 Ashmun Street	25,000	Commercial
H-1	17-51-292-016-00	Bayliss Public Library 541 Court	Exempt	Public Educational
H-2	17-51-292-014-00	Robert J. Hovie 607 Sheridan Drive	14,650	Commercial
H-3	17-51-415-010-00	Bayliss Public Library 541 Court Street	Exempt	Public Educational
H-4	17-51-415-010-50	Robert J. Hovie 607 Sheridan Drive	7,700	Commercial
H-5	17-51-415-009-00	Robert J. Hovie 607 Sheridan Drive	7,600	Commercial
H-6	17-51-415-008-50	Bayliss Public Library 541 Court Street	Exempt	Public Educational

H-7	17-51-415-008-00	Robert J. Hovie 607 Sheridan Drive	55,620	Commercial
-----	------------------	---------------------------------------	--------	------------

Commercial Facilities Roll:

CFT 83-02	Wallis & Newcomb 418 Ashmun Street	92,000
CFT 84-01	Watson, William & Verna Main Street Pickford, MI	91,000
CFT 84-04	Med. L. Smith 1907 Ashmun Street	10,500
CFT 85-01	Patrick Dougherty 322 Court Street	36,080

TOTAL..... \$3,853,280

ADDITIONAL PROPERTIES INCLUDED IN AMENDMENT

<u>SECTION</u>	<u>TAX PARCEL</u>	<u>OWNER</u>	<u>2004 TAXABLE VALUE</u>	<u>LAND USE</u>
I-1	17-51-218-040-00	Heritage Enterprises 208 Peck Street	25,915	Residential
I-2	17-51-218-028-00	Heritage Enterprises 601 Osborn Blvd.	269,728	Commercial
I-3	17-51-036-002-00	War Memorial Hospital 550 Osborn Blvd.	Exempt	Hospital
I-4	17-51-142-117-00	First Church of Christ 308 West Spruce Street	Exempt	Church
I-5	17-51-142-068-00	Theodore E. Maleport Revocable Living Trust 314 Osborn Blvd.	145,562	Commercial

ADDITIONAL..... \$441,205

Tax Increment Financing Plan
Table 3
PERSONAL PROPERTY DATA
FOR DEVELOPMENT AREA ONE

<u>Section</u>	<u>Tax Parcel</u>	<u>Owner</u>	<u>1986 Assessed</u>
A	-	-	0
B-4	17-51-925-235-00	Back Door, Inc. 313 Ashmun Street	6,300
B-5	17-51-925-032-00	Barish Brothers Company 321 Ashmun Street	9,300
B-7	17-51-925-296-00	Hallar's House of Hallmark 327 Ashmun Street	2,650
B-7	17-51-925-209-00	Northland Office Supply 329 Ashmun Street	5,000
B-9	17-51-925-410-00	National Office Products and Printign Company 405 Ashmun Street	3,100
B-9	17-51-925-178-00	The Man Store, Inc. 407 Ashmun Street	1,150
B-10	17-51-925-529-00	Old McDonald's Furniture Barn 409 Ashmun Street	200
B-10	17-51-925-220-00	Dr. James Pierce 409 Ashmun Street	2,200
B-10	17-51-925-537-00	F.W. Myers & Company 409 Ashmun Street	2,300
B-11	17-51-925-440-00	Austin's Pipe Store 413 Ashmun Street	1,550
B-12	17-51-925-177-00	Maltas & Arfstrom Drug Store 415 Ashmun Street	11,950
B-15	17-51-925-227-00	Polyclinic Partnership 300 Court Street	30,000
B-21	17-51-925-245-00	Quick Print 322 Court Street	6,050
C-2	17-51-925-172-00	MacInnis Garden Center 143 Arlington Street	800
C-8	17-51-925-313-00	Weir Moving & Storage, Inc. 605 Ridge Street	6,450
C-9	17-51-925-501-00	Tee 'n Things 126 W. Sprue Street, Suite 3	1,600

C-9	17-51-925-493-00	Professional Business Services 125 Arlington Street	2,550
C-9	17-51-925-492-00	Creative Computer Systems, Inc. 126 W. Sprue Street	150
C-9	17-51-925-244-00	Don's Home Appliance 124 W. Spruce Street	2,600
C-9	17-51-925-058-00	Chippewa Abstract and Title Co. 125 Arlington Street	8,800
C-9	17-51-925-478-00	Northwoods Land Surveying, Inc. 125 Arlington Street	10,650
C-9	17-51-925-534-00	Guy W. Lewinski, PC 125 Arlington Plaza Suite 5	5,000
C-12	17-51-925-037-00	Cardinal's Ship Belvider, Inc. PO Box 747	15,000
C-13	17-51-925-101-00	Evening News 109 Arlington Street	83,200
C-15	17-51-925-189-00	Merchant's Cocktail Bar 108 W. Sprue Street	1,750
C-17	17-51-925-002-00	Adams Insurance Agency 105 Arlington Street	3,850
C-17	17-51-925-143-00	Jean's Jewelry Store 400 Ashmun Street	600
C-19	17-51-925-254-00	St. Mary's Institute, Inc. 406 Ashmun Street	1,600
C-19	17-51-925-161-00	John Lambros, P.C. 406 Ashmun Street	4,900
C-20	17-51-925-545-00	Bulson & Brewster, P.C. 408 Ashmun Street, Suite 101	5,000
C-20	17-51-925-535-00	Farrell E. Elliott, P.C. 408 Ashmun Street	5,000
C-20	17-51-925-315-00	J. David Whyte, P.C. 408 Ashmun Street	900
C-21	17-51-925-335-00	Louis T. Kurtis, DDS 416 Ashmun Street	3,650
C-21	17-51-925-241-00	Thomas G. Robinson, Orthodontist 416 Ashmun Street	8,000
C-21	17-51-925-181-00	Masonic Temple Assn. 414-418 Ashmun Street	450

C-21	17-51-925-045-00	Bourque Dental Lab 416 Ashmun Street	3,000
D-1	17-51-925-556-00	Wright and Filippis, Inc. 127 ½ W. Spruce Street	300
D-19	17-51-925-468-00	Penny's Kitchen 506 Ashmun Street	7,150
D-19	17-51-925-509-00	Soo Bible Book & Music 506 Ashmun Street	2,100
D-19	17-51-925-461-00	Fashion Crossroads 506 Ashmun Street	6,200
D-19	17-51-925-458-00	Copper Kettle 500 Ashmun Street	27,580
D-21	17-51-925-144-00	Jean n' Top Shoppe 512 Ashmun Street	1,350
D-25	17-51-925-098-00	Erard's Jewelry, Inc. 530 Ashmun Street	900
D-25	17-51-925-491-00	Cake and Wedding Center 532 Ashmun Street	1,000
D-25	17-51-925-008-00	American Café 532 ½ Ashmun Street	3,050
D-25	17-51-925-085-00	DePaul Realty Co c/o Joseph and Charles DePaul 534 Ashmun Street	8,700
D-26	17-51-925-173-00	Mackie, AE & Son 536 Ashmun Street	2,500
D-26	17-51-925-073-00	Co-ed Flowers and Gifts 538 Ashmun Street	2,200
D-26	17-51-925-311-00	Peterson's Family Shoes 540 Ashmun Street	1,350
D-29	17-51-925-150-00	Sweet Soo Bakery 548 Ashmun Street	7,550
D-31	17-51-925-344-00	Gillhooley Pharmacy 558 Ashmun Street	1,850
D-33	17-51-925-083-00	Del's Beauty Salon 564 Ashmun Street	1,850
D-33	17-51-925-544-00	Master Muffler & Autobody 564 Ashmun	4,000
E-1	17-51-925-336-00	Sault Vision Clinic 511 Ashmun Street, Suite 201	19,750

E-2	17-51-925-560-00	US Male 519 Ashmun Street	10,000
E-2	17-51-925-280-00	Soo Music Center 519 Ashmun Street	1,000
E-4	17-51-925-218-00	JC Penney Company Tax Dept. PO Box 2429 Pittsburgh, PA 15230	69,000
E-6	17-51-925-322-00	F.W. Woolworth Company Store 741 PO Box 1665 Milwaukee, WI 53201	57,100
E-7	17-51-925-479-00	Maurice's Inc. Store 381 105 W. Superior Street Duluth, MN 55802	9,550
E-8	17-51-925-512-00	Casual Lifestyle 545 Ashmun Street	600
E-8	17-51-925-117-00	Glamour Hair Designs 545 Ashmun Street	6,000
E-8	17-51-925-464-00	Steppin' Out 545 Ashmun Street	450
E-8	17-51-925-082-00	William Ayers & Associates 545 Ashmun Street	1,500
E-8	17-51-925-327-00	Michigan Claims Service, Inc. 111 Dawson	2,000
E-8	17-51-925-563-00	KIS Photo 545 Ashmun Street	6,000
F-2	17-51-925-495-00	Side Street Designs 206 E. Spruce Street	2,500
F-2	17-51-925-183-00	The Matthews Company 204 E. Spruce Street	400
F-2	17-51-925-109-00	Robert L. Fowler Agency 204 E. Spruce Street	800
F-6	17-51-925-016-00	Andary and Andary PC 519 Court Street	12,850
F-6	17-51-925-175-00	Madigan Insurance Agency, Inc. 519 Court Street	9,350
F-9	17-51-925-421-00	Peppler, Peppler and Peppler 533 Court Street	7,500

F-11	17-51-925-103-00	Fenlon, Askwith and Askwith 537 Court Street	10,000
F-12	17-51-925-003-00	Blarney Castle Oil Company Box 246 Bear Lake, MI 49614	17,800
G-1	17-51-925-259-00	Sherwin Williams Company Tax Dept. PO Box 6027 Cleveland, OH 44101	3,150
G-1	17-51-925-323-00	Wylie Loans 557 Ashmun Street	550
G-2	17-51-925-426-00	Spring Insurance Agency 559 Ashmun Street	500
H-6	17-51-925-134-00	Hovie-Lucius Funeral Home, Inc. 558 Bingham Avenue	22,950
Total.....			\$608,450

ADDITIONAL PROPERTIES INCLUDED IN AMENDMENT

<u>SECTION</u>	<u>TAX PARCEL</u>	<u>OWNER</u>	<u>2004 TAXABLE VALUE</u>
I-2	17-51-925-514-00	Heritage Enterprises 601 Osborn Blvd.	26,000
I-2	17-51-925-156-00	Sault Community Pharmacy	400
I-5	17-51-925-252-00	Theodore E. Maleport Revocable Living Trust 314 Osborn Blvd.	36,300
ADDITIONAL.....			\$61,700

Table 4

Total Impacts for 20 year extension

NOTE: (1.) School and ISD are not impacted on the 20 year extension of the TIFA amendment.

**TAX INCREMENT FINANCING
AND
DEVELOPMENT PLAN**

**SAULT STE. MARIE
DOWNTOWN DEVELOPMENT AREA
NUMBER TWO**

Prepared by
Sault Ste. Marie Downtown Development Authority
Sault Ste. Marie, Michigan
October 1986
1st Amendment October 1988
2nd Amendment February 1993
3rd Amendment September 2006

Adopted by City Commission: November 17, 1986
1st Amendment: November 25, 1988
2nd Amendment: May 3, 1993
4th Amendment: _____, 2006

**TAX INCREMENT FINANCING
AND
DEVELOPMENT PLAN**

**Sault Ste. Marie Downtown Development Area
Number Two**

TABLE OF CONTENTS

PREFACE TO THE AMENDMENT	1
INTRODUCTION	2
Downtown Development Authority Membership	3
AREA TWO DEVELOPMENT PLAN	4
<u>Maps:</u>	
Map 1: Development Area Boundaries	9
Map 2: Existing Land Uses	10
Map 3: Proposed Land Uses	11
Map 4: Completed Development Projects	12
Map 5: Proposed Development Projects	13
<u>Tables:</u>	
Table 1: Downtown Development Plan Improvements	14
Table 2: Parcel Data	16
TAX INCREMENT FINANCING PLAN	21
<u>Tables:</u>	
Table 1: Tax Increment Projections	24
Table 2: Parcel Data	25
Table 3: Personal Property Data	30
Table 4: Projected Impact of Tax Increment Financing on Taxing Jurisdictions	33
APPENDIX A: Public Act 197 of 1975, as amended	
APPENDIX B: Ordinance to Amend and Approve Area Two Development Plan and Tax Increment Financing Plan	

PREFACE TO THE AMENDMENT

In 1993, the Sault Ste. Marie City Commission adopted the 2nd Amendment to the original Development Plan and Tax Increment Financing Plan for Development Area Number Two. That amendment was initiated and adopted to reflect both a greater increment than was originally anticipated when the plan was adopted in 1986 as well as to reflect more recent downtown design work that articulated in greater details and with greater cost precision the improvements anticipated in the downtown.

The current amendment to the plan is an effort to bring the plan up to date, and to reflect the current needs in the development area, including support for some specific improvements that benefit both Area One and Two, such as the new Parking Structure and potential public facilities.

The original plan was given a 20 year life-span, with the plan set to terminate in 2006. While many of the original improvements have been accomplished, there still remain several improvements not yet accomplished, and additional time in the plan period will be required to accomplish the goals of the plan. Consequently, the Tax Increment Plan amendment includes provisions that will extend the plan period by another 20 years. In addition, slight boundary modifications in the district boundaries are proposed that will include certain properties in Area One that may benefit from tax increment revenues generated from Area Two.

**AREA TWO
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
CITY OF SAULT STE. MARIE**

INTRODUCTION

In 1980, the City Commission of Sault Ste. Marie created a Downtown Development Authority, pursuant to the provisions of Act 197 of the Public Acts of 1975, as amended. In creating the Authority, it recognized the dangers posed by a declining downtown area, and took the first steps in correcting them. This development plan and accompanying tax increment plan is another step.

Property value stagnation and decline is a serious problem in downtown Sault Ste. Marie. For several years the focus of development in the City has been shifting to the I-75 Business Spur. Development of the Business Spur is a positive sign and should be encouraged, but not at the expense of the downtown. If the downtown decays, any gains made elsewhere in the community will be cancelled out, and the City will continue to stagnate. This basic problem is magnified by the importance of the downtown to the City's image. Nearly every visitor to Sault Ste. Marie passes through the downtown, and its condition will play a critical role in his judgment of the City. A healthy downtown will encourage him to recommend a visit to the City to others and increase the likelihood of he himself returning. A memory of decaying facilities and a cheerless atmosphere will cause him to spend his time and money elsewhere.

Any revitalization of the downtown must be a joint public/private venture. Neither entity appears strong enough to succeed on its own. The City took the first step by creating the Downtown Development Authority. The private side began responding in the early 1990s when the City Assessor completed his reassessment project in 1994, property values in the downtown increased slightly. To sustain and expand on this small bit of growth, the Downtown Development Authority outlines a number of public projects in this development plan. These projects will be funded with tax increment financing. This type of financing uses the extra taxes generated by growth in the downtown to build projects needed to support that growth. In other words, the downtown will help revitalize itself. The tax increment procedure is explained later in the plan.

The Area Two Development Plan and Tax Increment Financing Plan addresses a specific section of the downtown. The Portage Avenue section of the downtown has been specialized toward tourism and entertainment. Its needs have been somewhat different from the retail and office oriented Ashmun Street area, although this Portage area has increasingly become integrated with the overall retail community of the downtown area. With the recent and expected growth of the hospital, the spinoff implications of this magnet will have effects on growth throughout the downtown in both Development areas. Even with this further integration of the downtown areas, each part of downtown still has its own needs and consequently, each remains with its own independent development plan.

With the development projects set forth in this Area Two Development Plan and the method to finance them detailed in the accompanying Tax Increment Financing Plan, the Downtown Development Authority believes it has addressed the public's role in the downtown revitalization process, and hereby recommends the Area Two Development Plan and Tax Increment Financing Plan to the City Commission.

CITY OF SAULT STE. MARIE



DOWNTOWN DEVELOPMENT AUTHORITY

Board of Directors

	<u>At original Adoption November 1986</u>	<u>September 2006</u>
Chairman:	Dr. Tom Robinson	Brenda Ransom
Vice Chairman:	Frank Price	Lee Brown
Secretary:	Fred Smith	Erika Craven
Treasurer:	Linda Bell	
	Anthony Andary	Norajean Wilcox
	Carol Askwith	Kevin Kalchik
	Stanley Bright	Don Bentley
	Jack Haller	Jeff Stefanski
	Steve Madigan	Tammy Cook
	Audrey Ojala	Spencer Nebel City Manager
	Warren Parker	
	Rick Sadler	
	Neal Godby City Manager	Lee Shirey DDA Director

AREA TWO DEVELOPMENT PLAN CITY OF SAULT STE. MARIE

This development plan specifies the public improvements that the DDA feels will be instrumental in revitalizing Development Area Two. The supporting information required by Public Act 197 is also included.

A. Boundaries of the Development Area

The boundaries of Development Area Two may be described generally as Maple/Ridge on the south, Bingham Ave. and the east edge of the old Federal Building property on the east, the St. Mary's River on the north and Osborn Boulevard on the west, excepting a residential area south of Water Street between Ashmun and Bingham and the Corps of Engineers Building as shown on Map 1. Also included in the Development Area is the Parking Structure on the east side of Osborn Boulevard and the Fire hall and Fire Hall parking lot on the south side of Maple Street. The legal description of the area is as follows:

Beginning at the intersection of the Centerline of Maple Street and the east line of Bingham Avenue, thence northerly along said east line to the south line of the public alley running east/west through Block 4, Fort Brady Addition, thence easterly along said south alley line to the east line of Lot 1, Block 4, Fort Brady Addition extended, thence northerly along said east property line to the south line of Portage Avenue, thence easterly along said south line to the west line of Brady Street, thence northerly along said west line of Brady Street to the north line of Water Street, thence easterly along the north line of Water Street to the east end of the Federal property known as Brady Park, thence northerly to the St. Mary's River. Thence westerly along the south shore of the St. Mary's River to the fence line on the western edge of the U.S. Corps of Engineers property known as Brady Park, thence southerly along said fence line extended to the south line of Water Street, thence easterly along said south line to the west line of Bingham Avenue, thence southerly along said west line to the north line of the public alley running east/west through the block containing lots 166-167 of Assessor's Subdivision No. 3 and Block 1 of Fort Brady Addition. Thence westerly along said north alley line to the east line of lot 166, Assessors' Subdivision No. 3, thence northerly along said east property line to the north line of Water Street, thence westerly along said north line to the east line of Ashmun Street extended, thence northerly along said east line extended to the St. Mary's River, thence westerly along the south shore of the St. Mary's River to the west line of Magazine Street extended, thence south along said west line of Magazine Street extended to the north line of Portage Avenue, thence easterly along the north line of Portage Avenue to the west line of Governor Osborn Boulevard. Thence southerly along west line of Governor Osborn Boulevard to the south line of Spruce Street, thence easterly along the south line of Spruce Street to the west line of Osborn Boulevard, thence southerly along the west line of Osborn Boulevard to a point 110 feet north of the north right-of-way line of Peck Street, thence easterly a distance of approximately 200 feet to a point along the south property line of lot 17 of R. H. Carleton's Subdivision of PLC No. 90, 80 feet easterly of the west property line of said lot 17, thence north 350 feet to the north line of lot 23 of R. H. Carleton's Subdivision of PLC No. 90, to a point that is 80 feet easterly of the west property line of said lot, thence westerly along said north property line of lot 23 to the east property line of Division, thence north along the east property line of Division to the North right-of-way boundary of Spruce Street, thence westerly along the north line of Spruce Street to the east line of Governor Osborn Boulevard, thence northerly along the east line of Governor Osborn Boulevard to the centerline of Ridge Street. Thence easterly along said centerline of Ridge Street 146 feet, thence south along the west property line of the Fire Hall parking lot to the north line of Arlington Street, thence east along the north line of Arlington Street to the west line of the Fire hall Parking lot, thence north along this line to the centerline of Ridge Street, thence easterly along this line to a point where this line becomes the centerline of Maple Street, continuing easterly along said centerline to the Point of Beginning.

B. Existing Public and Private Land Uses

Map 2 shows the existing public and private land uses in Development Area Two as they existed at the original adoption of the plan. Public streets and alleys are left blank except where their extent is unclear. The owners of the land parcels included in Area Two, as they existed at the original adoption of the plan, are listed in Table 2. The various public and private uses are typical of a small town central business district. Commercial and office users are mixed somewhat with residential and public uses. Development Area Two contains no industry. The proposed land uses for the development area are shown on Map 3.

C. Description of Improvements and Alterations, Timing and Priorities

The proposed improvements and alterations are set forth below. In general, the plan projects are intended to encompass and include a range of streetscape, public improvements and support to private development as will meet Act 197 requirements and enhance the downtown area. Such improvements include parking lot development and improvements, plaza development, utility improvements, rear-store access, street resurfacing, curb replacement, drainage, sidewalks and pedestrian ways, decorative lights, street trees, landscaping, signing, canopies, street furniture and design detailing such as, but not limited to, benches, trash container, tree grates, tree lights, indirect lighting, bulletin boards, locator signs and related improvements. Improvements also include historical walkway improvements, building assistance with access to second floor apace through elevator assistance, fire code and building code assistance, facade improvements, design assistance, the development of a downtown incubator, a bandshell, financial support for the Parking Structure on Osborn, development and/or renovation of the municipal office space in the area, including renovation as necessary of the Fire Hall, CSO support, assistance to downtown Museums and Historical non-profits, both programming and development and increased downtown services, such as bus service and police patrols.

Portage Ashmun Plaza

This key location will serve as a visual linkage between the Portage and Ashmun shopping districts, and is logical location for a Farmer's market. Appropriate improvements will include parking, sheltered area for the market, landscaping, signage, pedestrian ways and other decorative elements.

Bandshell

Construction (or acquisition) of a bandshell for community promotions and festivities, likely in the Soo Locks park.

Waterfront Walkway Extension

The Waterfront Walkway plan includes two stages in the Area Two Development district: the Locks Park and the Brady park areas. Funding support for the implementation of these sections of the walkway is included.

Municipal Government Facilities

As necessary, funding for relocation or new municipal government facilities in this Area Two is provided, including the possible renovation of the Fire hall as it may fit into the needs. Possible improvements include City Offices, Fire Hall and Police Department.

Moloney Alley Improvements

Completion of the Moloney Alley project, including replacement of the lamps with standard

DDA design lamps, and the implementation of rear-access improvements, including lighting, sidewalks, landscaping and pedestrian improvements.

Parking Structure Support

As necessary, funding support for the Osborn parking Structure.

Commercial Incubator Development

Assistance in the development of building space in the downtown to assist commercial and retail entrepreneurs in business start-up.

Side Street Streetscape and Edge Treatments

Address the various side streets in this Area with streetscape improvements somewhat similar to the main arterial improvements on Ashmun and Portage. Two sections, Ashmun from Portage to Water, and Portage from Ashmun to Brady, would receive more complete development similar to the main streetscape motifs. Elements would include the standard streetscape details: signage, pavers, street trees, trash receptacles, lighting, undergrounding of utilities, etc.

Parking Improvements

Parking improvements, including possible acquisition, maintenance, and funding assistance for improvements on various lots, including Moloney's Alley, Ganzhorn lot, Arfstrom lot, Mariner's Motel property, such as parking and landscaping, and including as appropriate, the improvement of rear access and image with sidewalks, trees, special paving and pedestrian lights.

Federal Building Project

This project would encompass public improvements in connection with the River of History Museum and/or with private development of the property such as parking, landscaping, park development, walkways and related.

Building improvement Incentives

A variety of building incentive programs will be developed to assist in the improvement of private properties in the downtown. Included are: ADA improvements/elevators/fire code improvements on downtown buildings; Facade Improvements, to help address the building facades along the streets in the development area which are integral to the visual impact and success of the downtown shopping area; assistance to property owners in meeting certain Fire and Building codes; and assistance to property owners with selected Professional Design assistance that will incentivize the improvement of downtown buildings. Such programs and efforts to assist with appropriate improvements consistent with the plan will be considered a public purpose to the extent they are consistent with P.A. 197 of 1975. The implementation of these incentives may include loan and/or grant programs, as well as design workshops, to assist and encourage proper improvements and rehabilitation of the facades.

Funding for Arts and Cultural Programs

Funding for Arts and Cultural Programs and Facilities, including building improvements for River of History Museum, Chippewa County Historical Society and current and future museums, cultural events and programs to the extent they are consistent with P.A. 197 of 1975.

General Downtown Improvements

Improvements include downtown signage (way-finding, parking lot, general streetscape signage), downtown banners, street trees and replacements, building demolition, historic plaques for downtown structures, market, engineering and other studies, security and web cameras for downtown surveillance for damage prevention.

Improved Downtown Services

Improvements include increased bussing service downtown, additional police patrols.

CSO funding support

Improvements include possible financial support for sanitary sewer, water, storm sewer and streets in connection with proposed CSO program in this Development Area.

The general character of design improvements has been derived from the strong industrial, iron, and brick images of the downtown Sault Ste. Marie area, as well as its Great Lakes shipping activity. Materials to be used include strong, sturdy materials, such as stone from commercial buildings and churches, steel from bridges and the Soo Locks area, the massiveness of the passing lake freighters, and lighting reflective of the City's nautical setting.

The palette of design materials begins to suggest a unified design treatments influenced by the characteristics of the downtown and its seaway setting. A channel marker concept of way finding, with kiosks, markers and skeleton buoys, indicate pedestrian routes and crossings. Frameworks and support for the signing has an industrial waterway motif. Pedestrian lighting echoes the design of lighthouse lanterns. Copper and brass will be used on light fixtures and for the roofs of kiosks and markers.

As part of the Development Plan, the DDA may provide for DDA administrative costs, financing charges, engineering, design and related expenses, in connection with implementation of the Tax Increment Financing and Development Plan. The DDA may also provide for necessary repair/replacement of Development Plan improvements in Area Two during the life of the Plan.

The improvements already constructed and scheduled to be constructed are shown on Maps 4 and 5 and are summarized on Table 1. The maps indicate the location and nature of the improvements. The table identifies the improvements and their estimated costs.

The DDA may propose to undertake any project contained within the Plan at any time. However, no project can be added without amending the Plan.

It is also recognized that circumstances may require some variation in the precise location of a project or improvement. Some variation in the exact location of a project is acceptable if the DDA determines that variation is still consistent with the intent of the Plan.

The reason for organizing the improvements in this manner is that available financing may vary widely. While the Downtown Development Authority considers its tax increment revenue projections for the development area to be reasonable, such figures are projected estimates only, and the actual amount of tax increment funds generated will vary from the projection. It is recognized that the total funds generated will vary from the projection. It is recognized that the total estimated cost of the development projects is greater than the projected revenues in the Tax Increment Financing Plan. This overrun is deliberate and reflects the possibility that the Authority may receive more funds than it projected and/or actual project costs may be less than anticipated.

Finally, several of the projects outlined in this plan require the participation and cooperation of citizens, businesses and property owners. The DDA shall make every effort to complete the plan as outlined, although actual circumstances may dictate otherwise. In such an event, the Development Plan shall be amended as necessary. (Grounds for amending the plan include: adding new projects, or substantially altering the nature or location of a project. All amendments require City Commission approval.)

D. Open Spaces and Uses

Of the 76 parcels in Development Area Two that existed at the original adoption of the plan, the Corps of Engineers property north of Water Street constituted the only public open space in Area Two.

E. Transactions between City and Authority

It is the general intent of the Plan that any property acquired and improvements completed as a result of the Plan will become the property of the City. The City will retain full control of all improvements unless it chooses to make arrangements with other parties. The DDA, as a public entity created by the City with its own authority to own land and other property, may elect to be the purchasing or holding party. Subsequent arrangements regarding ownership of such acquired lands and facilities may be made by the City and the DDA as may be in the best interest of both the City and the Development Plan.

In the event there is a dispute between the City and the DDA as to ownership of property, the decision of the City Commission shall prevail and be final.

F. Zoning

Present zoning is compatible with all proposed land uses.

G. Changes in Streets, Street Levels, Intersections and Utilities

No significant changes in streets, street levels or intersections, are included in the Development Plan for Area Two. Utilities will be placed underground and other utilities, including storm drainage, will be addressed as set forth in Table 1.

H. Cost of Development and Method of Financing the Development

The estimated cost of the development proposed for Development Area Two is summarized on Table 1. The Authority intends to finance the improvements through a combination of periodic Tax Increment Revenue Bonds, municipal general obligation bonds, direct payments from available funds and/or any other financing method allowed by law.

I. Residents in Development Area and Number to be Displaced

There were 70 people living in Development Area Two as of the 1980 Census. No displacement of residents is anticipated under the development plan.

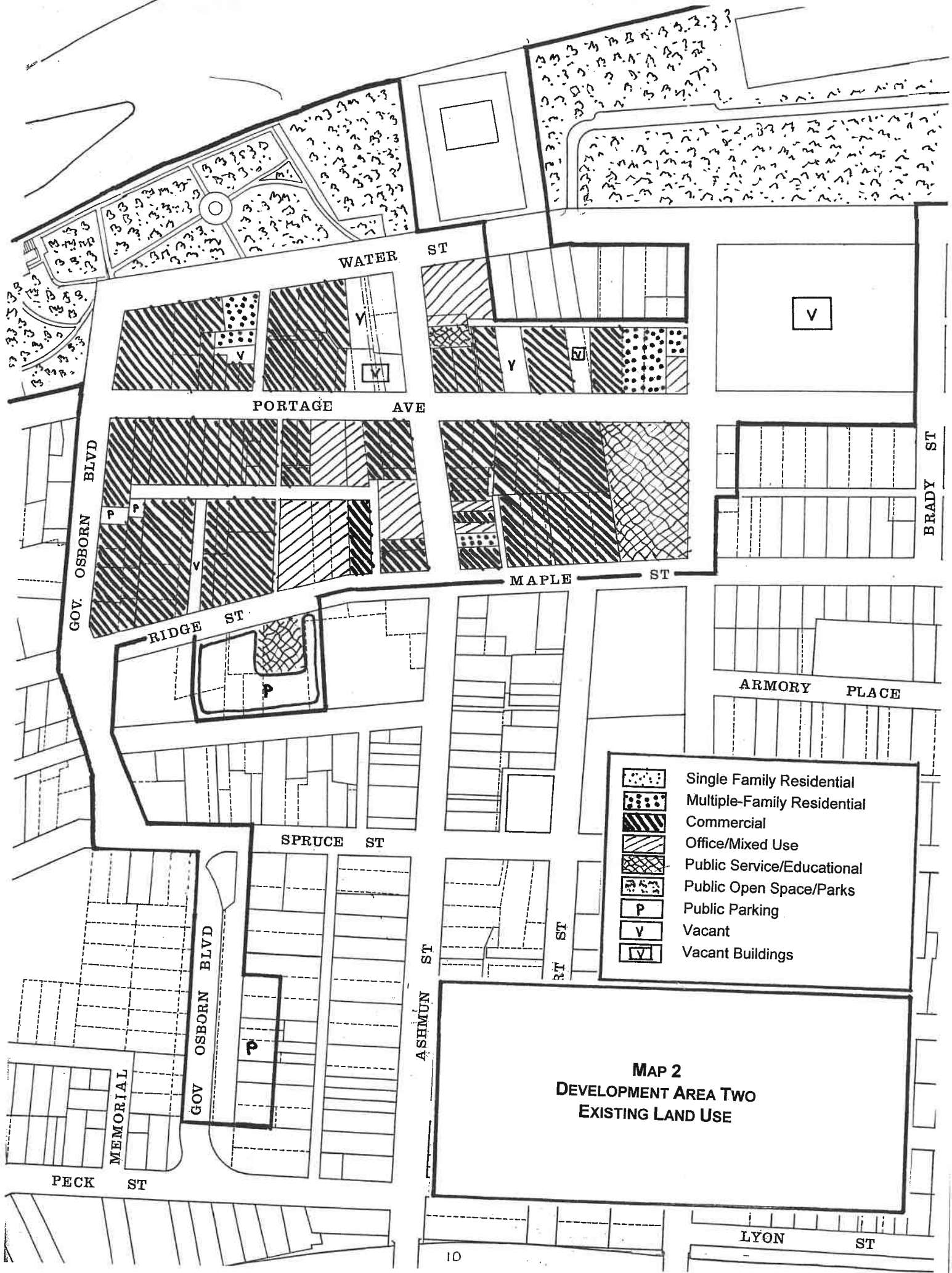
J. Business in Area to be Displaced

No displacement of business is anticipated under this development plan.

K. All provisions of this Development Plan may be amended by the City Commission, in accordance with law, upon recommendation of the DDA or otherwise. The DDA shall report each year to the City Commission on the status of this development and its accompanying Tax Increment Financing Plan.

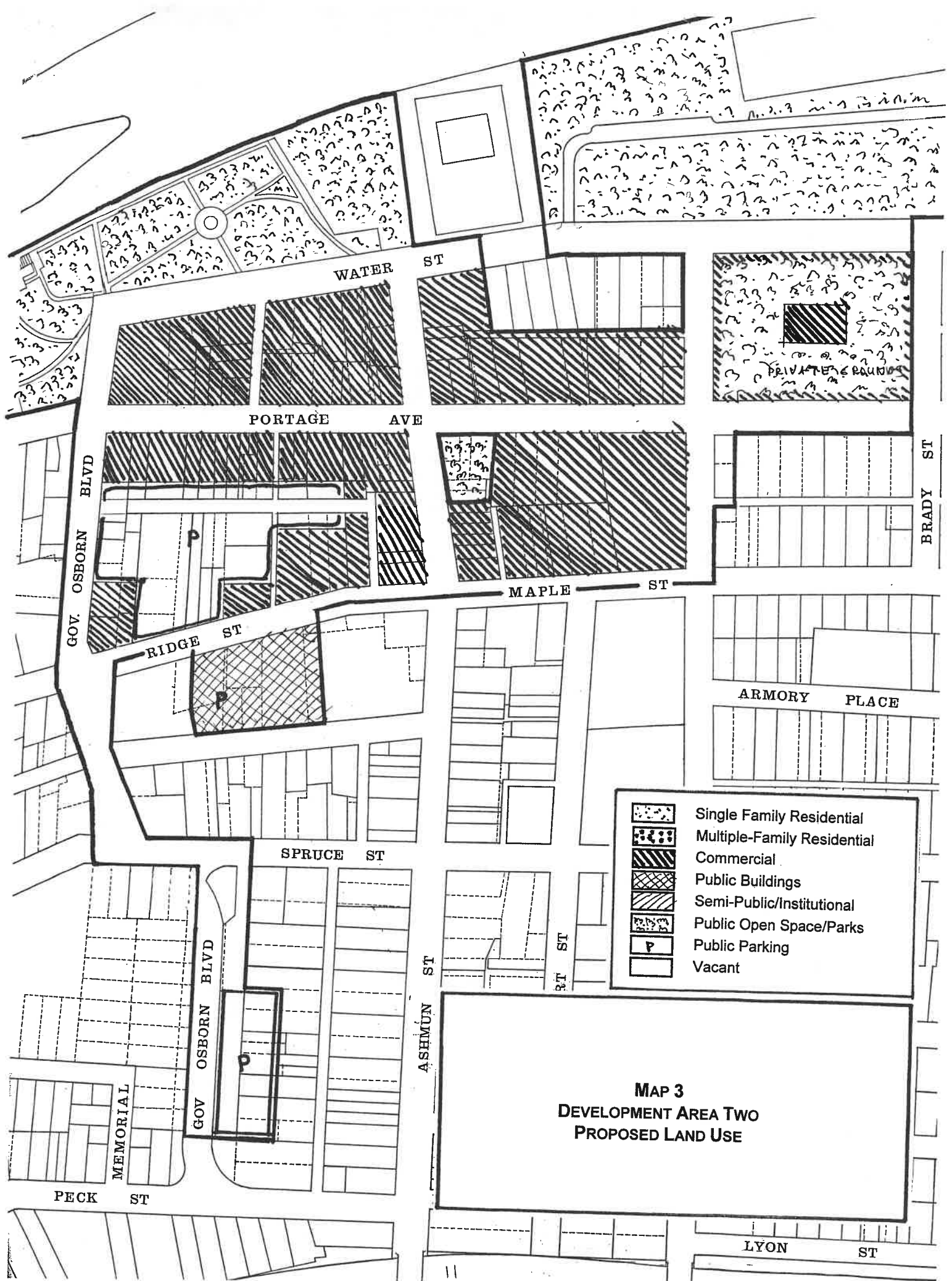


MAP 1
DEVELOPMENT AREA TWO
DEVELOPMENT AREA BOUNDARIES
AND PARCEL NUMBERS

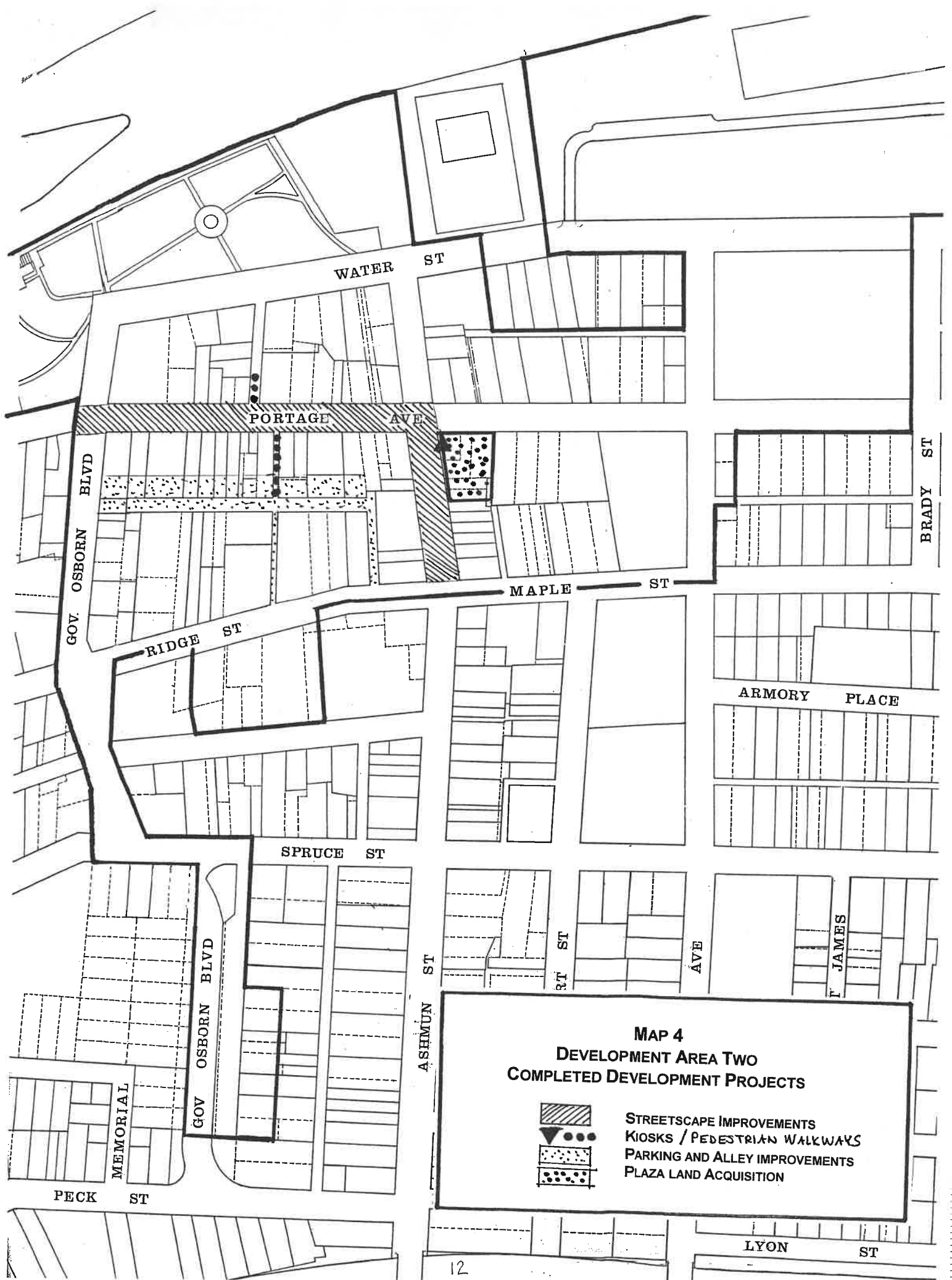


- | | |
|--|-----------------------------|
| | Single Family Residential |
| | Multiple-Family Residential |
| | Commercial |
| | Office/Mixed Use |
| | Public Service/Educational |
| | Public Open Space/Parks |
| | Public Parking |
| | Vacant |
| | Vacant Buildings |

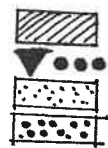
MAP 2
DEVELOPMENT AREA TWO
EXISTING LAND USE



MAP 3
DEVELOPMENT AREA TWO
PROPOSED LAND USE



MAP 4
DEVELOPMENT AREA TWO
COMPLETED DEVELOPMENT PROJECTS



- STREETSCAPE IMPROVEMENTS
- KIOSKS / PEDESTRIAN WALKWAYS
- PARKING AND ALLEY IMPROVEMENTS
- PLAZA LAND ACQUISITION

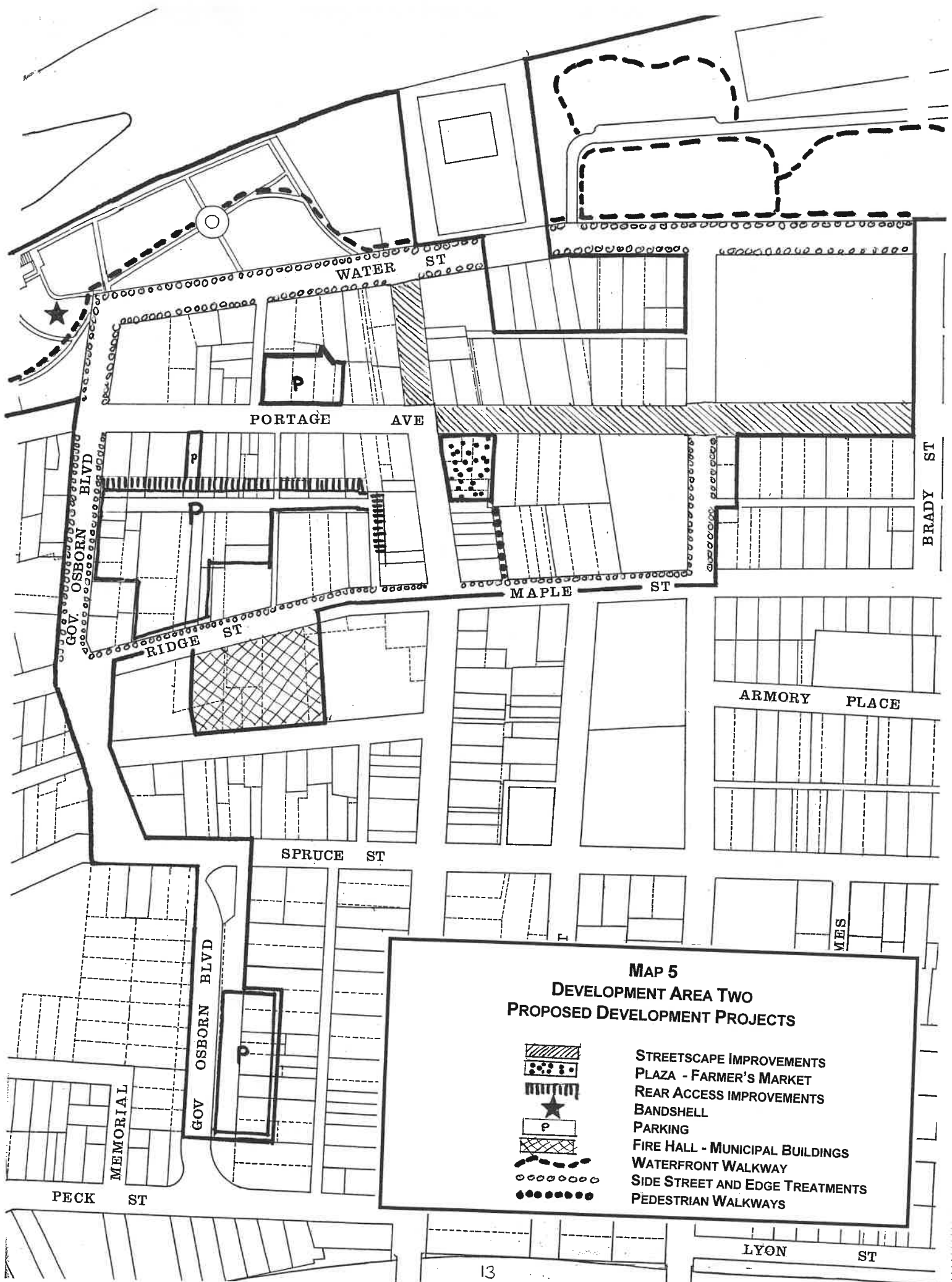


Table 1
DOWNTOWN DEVELOPMENT IMPROVEMENTS
AREA TWO

THE IMPROVEMENTS SET FORTH IN THE ORIGINAL 1986 PLAN (AS AMENDED) ARE SHOWN BELOW.
For reference only

	<u>Estimated Costs</u>	
<u>Priority One Projects 1986-1992</u>		
a. Tree Base Treatments - Ashmun (Maple to Portage)	\$15,000	accomplished
b. Parking and Moloney Alley Improvements, including lighting, undergrounding of utilities, paving, landscaping and drainage	\$500,000	accomplished
<u>Priority Two Projects 1993-1996</u>		
a. Comprehensive Directional Signing	\$ 38,000	accomplished
b. Ashmun Streetscape Project - Maple to Portage, encompassing sidewalks, pavers, seat walks, buoy crossing indicators, planters, trees, lights, signs, curbs, trash containers and including pedestrian crossings, electrical work and required underground work	345,000	accomplished
c. Portage Ashmun Orientation Plaza - acquisition	110,000	accomplished
d. Moloney Alley Rear Store access improvements (stage 1)	70,000	
<u>Priority Three Projects 1997-2000</u>		
a. Portage Avenue Streetscape Project - Ashmun to Osborn, encompassing sidewalks, pavers, seat walks, buoy crossing indicators, planters, trees, lights, signs, curbs, trash containers and including pedestrian crossings, pedestrian walkways to parking areas, electrical work and required underground work	722,000	accomplished
b. Portage/Ashmun Corner plaza development	140,000	
<u>Priority Four Projects 2001-2006</u>		
a. Moloney Alley Rear Store access improvements (stage 2)	90,000	
b. Side street Streetscape and edge treatments		
-Osborn: Ridge to Portage	25,000	
-Ridge/Maple: North side	35,000	
-Portage: Ashmun to Brady	300,000	
-Ashmun: Portage to Water	110,000	
-Bingham: Maple to Portage	12,000	
-Water: Osborn to Brady	75,000	
e. Parking improvements, including acquisition, possible deck and related improvements in connection with development of the the property such as parking, landscaping, park development, walkways and related public improvements in connection with private development in Moloney Alley Block	1,700,000	
f. Federal Building project, encompassing public improvements in connection with private development of the property such as parking, landscaping, park development, walkways and related	300,000	

*These costs are for planning purposes only. Actual costs will vary depending on the timing of project and the specific construction drawings.

At the time of this 2006 amendment, most of the Priority Two Projects, and one of the Priority Three Projects have been accomplished.

The Amended Development Plan Improvements schedule is set forth below. This schedule supercedes and updates the original schedule above.

**DOWNTOWN DEVELOPMENT IMPROVEMENTS
AREA TWO (Amended)**
[NOTE: There is no established priority for the following projects.]

	<u>Estimated costs</u>
• Portage/Ashmun corner plaza development-Framer's Market parking, informational kiosk, alley way improvements to Maple Street, and related	\$220,000
• Bandshell: acquisition or construction of a bandshell	50,000
• Waterfront Walkway development - displays, walkway improvements, signage, sidewalks, landscaping and related walkway improvements in the Brady Park and Corps Park areas	458,000
• Municipal Government facilities	3,500,000
• Fire Hall Improvements and revitalization	500,000
• Moloney Alley improvements, including lighting, landscaping and pedestrian improvements	250,000
• Parking Structure; backup funding for parking structure	500,000
• Commercial Incubator Development	200,000
• <u>Side street Streetscape and edge treatments</u>	
-Osborn: Ridge to Portage	35,000
-Ridge/Maple: North side	35,000
-Portage: Ashmun to Brady	300,000
-Ashmun: Portage to Water	250,000
-Bingham: Maple to Portage	20,000
-Water: Osborn to Brady	100,000
• Parking improvements, including possible acquisition, maintenance, and funding assistance for improvements on various lots, including Moloney's Alley, Ganzhorn lot, Arfstrom lot, Mariner's Motel property, such as parking and landscaping	500,000
• Federal Building project, encompassing public improvements in connection with the River of History Museum and/or with private development of the property such as parking, landscaping, park development, walkways and related	300,000
• <u>Building Improvement Incentives</u>	
ADA improvements/elevators/fire code improvements on downtown buildings	200,000
Facade Improvement Program - assistance to property owners	150,000
Fire and Building code Assistance - assistance to property owners	100,000
Professional Design assistance - - assistance to property owners	100,000
• Funding for Arts and Cultural Programs and Facilities, including building improvements for River of History Museum, Chippewa County Historical Society and current and future museums, cultural events and programs	200,000
• <u>General Downtown Improvements</u>	
Downtown signage (Way-finding, parking lot, general streetscape signage), downtown banners, street trees and replacements, building demolition, historic plaques for downtown structures, market, engineering and other studies, security and web cameras for downtown surveillance for damage prevention	150,000
• <u>Improved Downtown Services</u>	
Increased bussing service downtown, additional police patrols	100,000
• CSO funding support, including sanitary sewer, water, storm sewer, streets	500,000
TOTAL (estimated) ALL PROJECTS	\$8,718,000

Table 2
PARCEL DATA FOR DEVELOPMENT
AREA 2

<u>SECTION</u>	<u>TAX PARCEL</u>	<u>OWNER</u>	<u>1986 ASSESSED</u>	<u>LAND USE</u>
A-1	17-51-143-144-00	Michigan North Construction Co. 1231 U.S. 31 North Petoskey, MI 49770	58,350	Commercial
A-2	17-51-143-148-00	Samuel and Raymond Kokko 201 W. Water Street	13,250	Single Family Residence
A-3	17-51-143-154-00	Cecil Ojala 119 W Park Place	49,300	Commercial
A-4	17-51-143-160-00	Phil Jacobs, Jr. 900 E Spruce Street	20,000	Private Open Space
A-5	17-51-143-146-00	Alexander M Butcher and Ralph Bergsma 1231 U.S. 31 North Petoskey, MI 49770	5,700	Commercial
A-6	17-51-143-149-00	John T. Venious 108 River Street	11,700	Single Family Residence
A-7	17-51-143-150-00	Bonnie Krempel 200 W. Portage Avenue	3,500	Private Open Space
A-8	17-51-143-151-00	Richard and Doris Ganzhorn 550 Osborn Boulevard	6,200	Commercial
A-9	17-51-143-152-00	Bonnie Krempel 200 West Portage Avenue	40,800	Commercial
A-10	17-51-143-154-00	Richard and Nichola Templeton 118 West Portage Avenue	186,300	Commercial
A-11	17-51-143-161-00	Richard and Nichola Templeton 2455 Forest Lodge Traverse City, Mi 49684	25,000	Vacant Private Building
B-1	17-51-143-166-00	John Old, III 101 Ashmun Street	27,320	Office
B-2	17-51-143-167-00	Ingleson, Vinocur and Connolly 111 Ashmun Stree	23,750	Office
B-3	17-51-143-168-00	Norm and Peggy Cardinal 2565 Riverside Drive	17,200	Public Educational
B-4	17-51-143-169-00	Traverse Bay Realty Company Box 879, U.S. 31 North Traverse City, Mi 49684	56,100	Commercial
B-5	17-51-143-170-00	Norman and Peggy Cardinal 2565 Riverside Drive	75,000	Commercial

B-6	17-51-143-171-00	Norman and Peggy Cardinal 2565 Riverside Drive	5,000	Commercial
B-7	17-51-143-172-00	George, June and John Bosbous 320 Maple Street	6,250	Private Open Space
B-8	17-51-143-175-00	Harold and Elizabeth Grugel 3100 Hawthorne, Lot 229 Sarasota, Florida	30,000	Commercial
B-9	17-51-143-176-00	Soo Coin Wholesale & Vending Co. 120 Ridge Street	13,770	Private Vacant Bldg.
B-10	17-51-356-009-00	Charles Myotte and Clyde VanDusen 807 Cedar Street	15,390	Commercial
B-11	17-51-356-007-00	Charles Myotte and Clyde VanDusen 807 Cedar Street	18,630	Multi-Family Res.
B-12	17-51-356-006-00	Susan Clark 310 West Easterday Avenue	18,200	Multi-Family Res.
B-13	17-51-356-006-00	Norman Marsh 149 E. Portage Avenue	17,650	Mixed
C-1	17-51-360-102-00	Delbert W. Zimmerman and Wife PO Box 857 Leesburg, FL 32748	55,000	Vacant Private Bldg
D-1	17-51-141-002-00	Theodore and Florence Caffey 3352 Lakeshore Drive	52,330	Commercial
D-2	17-51-141-003-00	Bob Gimple, L/C from E. Shackleton B-12 Sandy Avenue	26,550	Commercial
D-3	17-51-141-004-00	Viola L. Risik 3448 Lakeshore Drive	34,750,	Commercial
D-4	17-51-141-005-00	Raymond Kay 213 East 13 th Avenue	23,300	Commercial
D-5	17-51-141-006-00	Richard and Doris Ganzhorn 550 Osborn Boulevard	6,370	Commercial
D-6	17-51-141-007-00	Richard and Doris Ganzhorn 550 Osborn Boulevard	5,400	Commercial
D-7	17-51-141-008-00	Edward A. and Penney L. Joss Horney Toad Lounge 804 West 25 th	21,380	Commercial
D-8	17-51-141-009-00	Edward A. and Penney L. Joss Horney Toad Lounge 804 West 25 th	7,950	Commercial
D-9	17-51-141-010-00	William and Verna M. Watson Box 363, Main Street Pickford, Michigan	9,150	Commercial

D-10	17-51-141-009-50	William J. and Verna M. Watson Box 368, Main Street Pickford, Michigan	3,000	Commercial
D-11	17-51-141-013-00	Sharon Ann MacLaren and Arline Marie Fitzmaurice 813 Minneapolis Street	6,450	Commercial
D-12	17-51-141-015-00	Patrick and Mrs. Cleary 120 Ridge Street	12,310	Commercial
D-13	17-51-141-016-00	Charles Rosini 123 West Portage Avenue	23,300	Commercial
D-14	17-51-141-019-00	William and Irene Mourufas 218 West Portage Avenue	14,300	Mixed
D-15	17-51-141-020-00	William F. Kritselis and Wife 665 Bingham Avenue	25,000	Mixed
D-16	17-51-141-021-00	William F. Kritselis and Wife 665 Bingham Avenue	10,000	Commercial
D-17	17-51-141-022-00	William F. Kritselis and Wife 665 Bingham Avenue	20,700	Commercial
D-18	17-51-141-023-00	William F. Kritselis and Wife 665 Bingham Avenue	6,000	Commercial
D-19	17-51-141-025-00	Patrick W. Cleary and Charles DePaul 120 Ridge	7,650	Commercial
D-20	17-51-141-002-00	City	Exempt	Public Parking
D-21	17-51-141-045-00	City	Exempt	Public Parking
D-22	17-51-141-044-00	Florence Caffey 3300 Sherman Park Drive	4,970	Commercial
D-23	17-51-141-043-00	Jan and Cheslawa Wojtowicz 160 Ridge Street	6,480	Commercial
D-24	17-51-141-042-00	Jan and Cheslawa Wojtowicz 160 Ridge Street	11,180	Commercial
D-25	17-51-141-038-00	Richard and Conrad III Ganzhorn 550 Osborn Boulevard	36,500	Commercial
D-26	17-51-141-037-00	Richard and Conrad III Ganzhorn 550 Osborn Boulevard	4,000	Private Open Space
D-27	17-51-141-033-00	Richard and Conrad III Ganzhorn 550 Osborn Boulevard	6,260	Commercial
D-28	17-51-141-034-00	John Frost 110 Bingham Avenue	31,000	Commercial
D-29	17-51-141-030-00	William and Irene Cleary 112 Ridge Street	50,000	Mixed

D-30	17-51-141-029-00	Patrick W. Cleary 612 Dillon	8,690	Commercial
D-31	17-51-141-026-00	Patrick W. Cleary and Charles DePaul 120 Ridge Street	31,350	Mixed
D-32	17-51-141-027-00	Mark and Janice Veit 226 Ashmun Street	4,200	Commercial
D-33	17-51-141-028-00	Mark and Janice Veit 226 Ashmun Street	7,400	Commercial
E-1	17-51-278-005-00	William Kritselis 665 Bingham Avenue	24,950	Commercial
E-2	17-51-278-010-00	Jerome Keller PO Box 177 Escanaba, MI 49829	18,450	Mixed
E-3	17-51-278-011-00	Louis V. Perrory and Wife 1510 West 4 th Avenue	15,650	Commercial
E-4	17-51-278-011-50	Dr. and Mrs. G.W. Mullin 221 Ashmun Street	10,580	Office
E-5	17-51-278-012-00	Walter and Janet Dolozel 504 E. 10 th Street	15,550	Multi-Family Residence
E-6	17-51-278-013-00	Clyde's Restaurant, Inc. 224 Ashmun Street	65,000	Commercial
E-7	17-51-278-004-00	Norman and Peggy Cardinal 2565 Riverside Drive	7,000	Commercial
E-8	17-51-278-002-00	Lynn Auto, Inc. 128 East Portage Avenue	9,650	Commercial
E-9	17-51-278-001-00	Lynn Auto, Inc. 127 East Portage Avenue	40,000	Commercial
E-10	17-51-278-014-00	V. Brownlee and K. Bailey 212 Parkway Avenue	54,350	Commercial
E-11	17-51-278-017-00	Steve Hillman 1004 Lizzie	32,500	Commercial
E-12	17-51-278-000-00	Manufacturer's National Bank Of Detroit Trustee for Richard D. Gustafson Estate Trust Box 659, Trust Real Estate Detroit, Mi 48237	138,700	Public Service
E-13	17-51-359-001-50	Dewey L. Baldwin 200 E. Portage Avenue	14,900	Commercial
E-14	17-51-359-001-00	Gerald T. VanLuven, Jr. & Wife 427 Dillon	11,850	Commercial

Commercial Facilities Roll:

CFT 84-02	Ojibway Investments 240 W. Portage Avenue	51,560
CFT 84-03	Mourufas, William and Irene 218 West Portage Avenue	15,700
CFT 83-01	Viet, D. Mark and Janice 226 Ashmun Street	14,550
CFT 85-02	MacLaren, Sharon and Fitzmaurice, Arline 201-203 West. Portage Avenue	8,550

TOTAL **\$1,866,620**

.....

ADDITIONAL PROPERTIES INCLUDED IN AMENDMENT

<u>SECTION</u>	<u>TAX PARCEL</u>	<u>OWNER</u>	<u>2006 TAXABLE VALUE</u>	<u>LAND USE</u>
F-1	17-51-008-017-00	City	Exempt	Parking Garage
F-2	17-51-008-021-00	City	Exempt	Parking Garage
F-3	17-51-008-002-00	Chippewa-Luce-Mackinac CAA 524 Ashmun	Exempt	Parking Garage (Easement)
G-1	17-51-142-061-00	City	Exempt	Public Parking
G-2	17-51-142-033-00	City	Exempt	Public Service

ADDITIONAL..... \$0

The first part of the paper discusses the importance of understanding the local context in which a project is implemented. This includes a thorough analysis of the social, economic, and cultural factors that may influence the success or failure of the intervention. It is essential to engage with the community from the outset, ensuring that their voices are heard and their needs are addressed. This participatory approach not only fosters a sense of ownership and commitment among the community members but also allows for the identification of potential challenges and the development of strategies to mitigate them.

The second part of the paper explores the role of leadership in driving change. Effective leaders are those who are able to inspire and motivate others, to set a clear vision, and to create a supportive environment for innovation and growth. They must also be able to build strong relationships with stakeholders, both within and outside the organization. Leadership is not a static role; it evolves over time and across different contexts. Therefore, it is crucial for leaders to be adaptable and to continuously learn from their experiences and from the feedback of others.

The third part of the paper focuses on the importance of monitoring and evaluation (M&E) in assessing the impact of a project. M&E is a systematic process that involves the collection, analysis, and use of data to measure the progress and outcomes of a project. It provides a means of accountability and a way to learn from what works and what does not. However, M&E is not just a technical exercise; it is also a social process that requires the active participation of all stakeholders. By involving the community in the M&E process, we can ensure that the data collected is relevant and useful, and that the findings are used to inform decision-making and to improve the project.

In conclusion, the paper argues that successful development projects are those that are grounded in a deep understanding of the local context, that are led by committed and effective leaders, and that are supported by a robust M&E system. By adopting these principles, we can increase the likelihood of achieving sustainable and positive outcomes for the communities we serve.

AREA TWO
TAX INCREMENT FINANCING PLAN
City of Sault Ste. Marie

AREA TWO TAX INCREMENT FINANCING PLAN CITY OF SAULT STE. MARIE

This plan explains the financing procedures that will be used to pay for the projects presented in the development plan for Development Area Two. Necessary supporting information is also supplied to the extent possible at this time.

A. Tax Increment Procedure

Tax increment financing is a means by which a city can redistribute tax revenues to an area of special need, for the purpose of revitalizing it. This is the procedure: A specific area within the Downtown Development Authority boundaries is selected for development. A development plan is written which outlines the projects that the Downtown Development Authority believes should be constructed. When a tax increment financing plan is used to raise money for the projects, the Authority measures the total assessed value of all the real and personal property within the development area boundaries. This total is the initial assessed value of the development area. Each year thereafter, the assessed value of the development area is re-totaled. If the new total is larger than the initial assessed value (first year of plan), the difference between the two is called the captured assessed value of the downtown area. The captured assessed value is very important, because when it is multiplied by the local tax rate, the resulting tax revenues are transmitted to the Downtown Development Authority for its development plan. These tax revenues are called the tax increment for that year.

An example will help clarify the process. If 1986 is the year in which a tax increment plan is established, and the total assessed value of all properties in the development area is \$1,000,000 then the initial assessed value of the area is \$1,000,000. Let us assume that in 1987 the owners of the properties construct several improvements which bring the total assessed value of the area to \$1,500,000. In this year, then, the captured assessed value is $(\$1,500,000 - \$1,000,000) = \$500,000$. Now if we assume that the local tax rate is 50 mills, then the tax increment revenue for that year will be $(\$500,000 \times .05) = \$25,000$. This \$25,000 is transmitted to the Downtown Development Authority, which then uses it for the public projects it has outlined in its development plan. If more improvements were made in 1988, bringing the total assessed value, say, to \$1,750,000, then the captured assessed value in that year is $(\$1,750,000 - \$1,000,000) = \$750,000$. If the millage remains at 50 mills, then the tax increment revenue for 1988 would be $(\$750,000 \times .05) = \$37,500$. As one can see, tax increment revenues are dependent upon growth in the development area. Growth must come first, but once it has occurred, the property owners will be rewarded by seeing their tax dollars go to improving their surroundings, helping them to continue to grow.

It is important to note that the procedure does not increase taxes in any way. Also, no taxing body ever loses tax revenue. It simply does not get the increase in tax revenue that the improvements generated. During the original 20 years of this plan, there were primarily four taxing jurisdictions that were affected by this procedure - the City, the schools, the Intermediate School District, and the county. (The State Education Tax (SET) was added during the plan as another method of school financing.) Since the development area is itself within the City, the City is merely seeing its tax revenues more sharply focused on an

important district. The schools are largely unaffected by the plan, because in the early years, the state's formula for financial aid to school districts assured that the schools would receive a minimum amount of funds per student per mill levied. The tax increment plan does not change the number of students nor the school millage, so the state compensated the school system for the tax revenues it did not receive. The county is not compensated in any way, so its tax revenues from the development area will remain constant for the duration of the plan. For the additional 20 year extension of this Tax Increment Plan, only the City and the County tax increments are affected. The taxes foregone during this 20 year extension period are shown on Table 4. If the development plan accomplishes its goals of stabilizing property values and attracting new development, then all taxing jurisdictions will see a significant increase in revenues when the plan expires.

Once tax increments have been collected, they can only be spent according to the guidelines in the development plan. When the plan expires, is abolished, or its objectives are met, tax patterns return to normal.

For a complete and legal description of the tax increment procedure, see PUBLIC ACT 197 of the MICHIGAN COMPILED LAWS OF 1975, as amended, sections 14 through 16. For the reasoning behind the tax increment plan itself, see the introduction to the accompanying development plan.

B. Bonding and Other Financing Methods

It is the intent of this plan to finance and undertake projects both through long term bonding and/or loan agreements with the City or other financing as provided for in law as well as on a year-to-year basis according to actual annual tax increment revenues received. Any tax increment funds not expended at the end of a given year will be carried over to the next year of the plan and applied to subsequent project expenses.

Some projects may be partially funded from City funds, such as the parking fund or the general fund or from grant funds. However, any project in the Plan may be financed completely by tax increment revenues if other funds are not available. Conversely, should local, state, federal or private sector monies become available for some portion of project financing at any time, such options will be explored. In the case of certain infrastructure loan programs available to the City or the DDA, tax increment funds may be obligated to retire such debt or pay off such loans either directly, or through the City. All other revenues will be generated by tax increment financing.

C. Revenues

Table 1 lists the tax increment projections for the duration of the plan. The Downtown Development Authority will retain all of the captured assessed value in the Development Area for the generation of tax increments. The projections are based upon an estimated tax rate of approximately 56 mills through the fiscal year ending 2007, and then 29 mills for the following 20 years. There may be considerable differences between the projections and actual receipts, since it is very difficult to predict tax rates and economic growth several years into the future. Consequently, the Development Plan allows for a wide variance in revenues during its operation. Tables 2 and 3 show the assessed values of all real and personal property in Development Area Two that form the base year figures from which all projections follow.

D. Expenditures

All revenues received by the DDA that pertain to the Development Area Two shall be spent

according to the provisions of the Tax Increment Financing and Development Plans for Development Area Two. All revenues in excess the needs of the Development Plan shall revert proportionately to the original taxing bodies.

E. Duration of Plan

The Development Plan and Tax Increment Financing Plans for Development Area Two shall expire after 40 years, or when all the original and amended projects have been completed, whichever comes first. The City Commission may also elect to abolish both plans at any time, should it determine that the plans goals have been achieved.

F. All provisions of this Tax Increment Financing Plan may be amended by the City Commission, save those required by law, upon notice and after public hearings and agreements as are required for approval of the original plan.

TAX INCREMENT PROJECTIONS

Development Area #2

1986 Base Year	Assessed Value - Real	\$1,866,710
	Assessed Value-Personal	\$341,650
		<u>\$2,208,360</u>
12006 Additions	Taxable Value - Real	\$0
	Taxable Value-Personal	\$0
		<u>\$0</u>

RECALCULATED 2006 BASE YEAR \$2,208,360

YEAR	TOTAL VALUE	BASE VALUE	VALUE INCREMENT	TAX RATE	TAX INCREMENT	TAX	PROTECTED OBLIGATIONS	SCHOOL CAP	SCHOOL OVERAGE	AVAILABLE TAX INCREMENT	LESS BONDS	AVAILABLE
2001	\$7,814,308	\$2,208,360	\$5,605,948	actual	\$308,846	\$85,750	\$0	-	\$45,029	\$263,817	\$85,750	\$178,067
2002	\$7,426,893	\$2,208,360	\$5,218,533	actual	\$282,474	\$106,681	\$0	-	\$67,922	\$214,552	\$106,681	\$107,871
2003	\$6,803,939	\$2,208,360	\$4,595,014	actual	\$245,109	\$106,550	\$0	-	\$32,097	\$213,012	\$106,550	\$106,462
2004	\$7,028,799	\$2,208,360	\$4,793,874	actual	\$262,512	\$106,105	\$0	-	\$11,532	\$250,980	\$106,105	\$144,875
2005	\$7,028,799	\$2,208,360	\$4,793,874	0.056	\$268,457	\$110,140	\$0	\$124,641	\$14,501	\$253,956	\$110,140	\$143,816
2006	\$7,169,375	\$2,208,360	\$4,934,450	0.056	\$276,329	\$113,495	\$0	\$128,296	\$14,801	\$261,528	\$113,495	\$148,033
2007	\$7,312,762	\$2,208,360	\$5,104,402	0.029	\$148,028	\$0	\$0	na		\$148,028		\$148,028
2008	\$7,459,018	\$2,208,360	\$5,250,658	0.029	\$152,269	\$0	\$0	na		\$152,269		\$152,269
2009	\$7,608,198	\$2,208,360	\$5,399,838	0.029	\$156,595	\$0	\$0	na		\$156,595		\$156,595
2010	\$7,760,362	\$2,208,360	\$5,552,002	0.029	\$161,008	\$0	\$0	na		\$161,008		\$161,008
2011	\$7,915,569	\$2,208,360	\$5,707,209	0.029	\$165,509	\$0	\$0	na		\$165,509		\$165,509
2012	\$8,073,881	\$2,208,360	\$5,865,521	0.029	\$170,100	\$0	\$0	na		\$170,100		\$170,100
2013	\$8,235,358	\$2,208,360	\$6,026,998	0.029	\$174,783	\$0	\$0	na		\$174,783		\$174,783
2014	\$8,400,065	\$2,208,360	\$6,191,705	0.029	\$179,559	\$0	\$0	na		\$179,559		\$179,559
2015	\$8,568,067	\$2,208,360	\$6,359,707	0.029	\$184,431	\$0	\$0	na		\$184,431		\$184,431
2016	\$8,739,428	\$2,208,360	\$6,531,068	0.029	\$189,401	\$0	\$0	na		\$189,401		\$189,401
2017	\$8,914,217	\$2,208,360	\$6,705,857	0.029	\$194,470	\$0	\$0	na		\$194,470		\$194,470
2018	\$9,092,501	\$2,208,360	\$6,884,141	0.029	\$199,640	\$0	\$0	na		\$199,640		\$199,640
2019	\$9,274,351	\$2,208,360	\$7,065,991	0.029	\$204,914	\$0	\$0	na		\$204,914		\$204,914
2020	\$9,459,838	\$2,208,360	\$7,251,478	0.029	\$210,293	\$0	\$0	na		\$210,293		\$210,293
2021	\$9,649,035	\$2,208,360	\$7,440,675	0.029	\$215,780	\$0	\$0	na		\$215,780		\$215,780
2022	\$9,842,015	\$2,208,360	\$7,633,655	0.029	\$221,376	\$0	\$0	na		\$221,376		\$221,376
2023	\$10,038,856	\$2,208,360	\$7,830,496	0.029	\$227,084	\$0	\$0	na		\$227,084		\$227,084
2024	\$10,239,633	\$2,208,360	\$8,031,273	0.029	\$232,907	\$0	\$0	na		\$232,907		\$232,907
2025	\$10,444,426	\$2,208,360	\$8,236,066	0.029	\$238,846	\$0	\$0	na		\$238,846		\$238,846
2026	\$10,653,314	\$2,208,360	\$8,444,954	0.029	\$244,904	\$0	\$0	na		\$244,904		\$244,904
TOTAL 2007-2026											\$3,871,897	\$3,871,897

Tax Increment Financing Plan
Table 2
PARCEL DATA FOR DEVELOPMENT
AREA 2

<u>SECTION</u>	<u>TAX PARCEL</u>	<u>OWNER</u>	<u>1986 ASSESSED</u>	<u>LAND USE</u>
A-1	17-51-143-144-00	Michigan North Construction Co. 1231 U.S. 31 North Petoskey, MI 49770	58,350	Commercial
A-2	17-51-143-148-00	Samuel and Raymond Kokko 201 W. Water Street	13,250	Single Family Residence
A-3	17-51-143-154-00	Cecil Ojala 119 W Park Place	49,300	Commercial
A-4	17-51-143-160-00	Phil Jacobs, Jr. 900 E Spruce Street	20,000	Private Open Space
A-5	17-51-143-146-00	Alexander M Butcher and Ralph Bergsma 1231 U.S. 31 North Petoskey, MI 49770	5,700	Commercial
A-6	17-51-143-149-00	John T. Venious 108 River Street	11,700	Single Family Residence
A-7	17-51-143-150-00	Bonnie Krempel 200 W. Portage Avenue	3,500	Private Open Space
A-8	17-51-143-151-00	Richard and Doris Ganzhorn 550 Osborn Boulevard	6,200	Commercial
A-9	17-51-143-152-00	Bonnie Krempel 200 West Portage Avenue	40,800	Commercial
A-10	17-51-143-154-00	Richard and Nichola Templeton 118 West Portage Avenue	186,300	Commercial
A-11	17-51-143-161-00	Richard and Nichola Templeton 2455 Forest Lodge Traverse City, Mi 49684	25,000	Vacant Private Building
B-1	17-51-143-166-00	John Old, III 101 Ashmun Street	27,320	Office
B-2	17-51-143-167-00	Ingleson, Vinocur and Connolly 111 Ashmun Stree	23,750	Office
B-3	17-51-143-168-00	Norm and Peggy Cardinal 2565 Riverside Drive	17,200	Public Educational
B-4	17-51-143-169-00	Traverse Bay Realty Company Box 879, U.S. 31 North Traverse City, Mi 49684	56,100	Commercial
B-5	17-51-143-170-00	Norman and Peggy Cardinal 2565 Riverside Drive	75,000	Commercial

B-6	17-51-143-171-00	Norman and Peggy Cardinal 2565 Riverside Drive	5,000	Commercial
B-7	17-51-143-172-00	George, June and John Bosbous 320 Maple Street	6,250	Private Open Space
B-8	17-51-143-175-00	Harold and Elizabeth Grugel 3100 Hawthorne, Lot 229 Sarasota, Florida	30,000	Commercial
B-9	17-51-143-176-00	Soo Coin Wholesale & Vending Co. 120 Ridge Street	13,770	Private Vacant Bldg.
B-10	17-51-356-009-00	Charles Myotte and Clyde VanDusen 807 Cedar Street	15,390	Commercial
B-11	17-51-356-007-00	Charles Myotte and Clyde VanDusen 807 Cedar Street	18,630	Multi-Family Res.
B-12	17-51-356-006-00	Susan Clark 310 West Easterday Avenue	18,200	Multi-Family Res.
B-13	17-51-356-006-00	Norman Marsh 149 E. Portage Avenue	17,650	Mixed
C-1	17-51-360-102-00	Delbert W. Zimmerman and Wife PO Box 857 Leesburg, FL 32748	55,000	Vacant Private Bldg
D-1	17-51-141-002-00	Theodore and Florence Caffey 3352 Lakeshore Drive	52,330	Commercial
D-2	17-51-141-003-00	Bob Gimple, L/C from E. Shackleton B-12 Sandy Avenue	26,550	Commercial
D-3	17-51-141-004-00	Viola L. Risik 3448 Lakeshore Drive	34,750,	Commercial
D-4	17-51-141-005-00	Raymond Kay 213 East 13 th Avenue	23,300	Commercial
D-5	17-51-141-006-00	Richard and Doris Ganzhorn 550 Osborn Boulevard	6,370	Commercial
D-6	17-51-141-007-00	Richard and Doris Ganzhorn 550 Osborn Boulevard	5,400	Commercial
D-7	17-51-141-008-00	Edward A. and Penney L. Joss Horney Toad Lounge 804 West 25 th	21,380	Commercial
D-8	17-51-141-009-00	Edward A. and Penney L. Joss Horney Toad Lounge 804 West 25 th	7,950	Commercial
D-9	17-51-141-010-00	William and Verna M. Watson Box 363, Main Street	9,150	Commercial

Pickford, Michigan

D-10	17-51-141-009-50	William J. and Verna M. Watson Box 368, Main Street Pickford, Michigan	3,000	Commercial
D-11	17-51-141-013-00	Sharon Ann MacLaren and Arline Marie Fitzmaurice 813 Minneapolis Street	6,450	Commercial
D-12	17-51-141-015-00	Patrick and Mrs. Cleary 120 Ridge Street	12,310	Commercial
D-13	17-51-141-016-00	Charles Rosini 123 West Portage Avenue	23,300	Commercial
D-14	17-51-141-019-00	William and Irene Mourufas 218 West Portage Avenue	14,300	Mixed
D-15	17-51-141-020-00	William F. Kritselis and Wife 665 Bingham Avenue	25,000	Mixed
D-16	17-51-141-021-00	William F. Kritselis and Wife 665 Bingham Avenue	10,000	Commercial
D-17	17-51-141-022-00	William F. Kritselis and Wife 665 Bingham Avenue	20,700	Commercial
D-18	17-51-141-023-00	William F. Kritselis and Wife 665 Bingham Avenue	6,000	Commercial
D-19	17-51-141-025-00	Patrick W. Cleary and Charles DePaul 120 Ridge	7,650	Commercial
D-20	17-51-141-002-00	City	Exempt	Public Parking
D-21	17-51-141-045-00	City	Exempt	Public Parking
D-22	17-51-141-044-00	Florence Caffey 3300 Sherman Park Drive	4,970	Commercial
D-23	17-51-141-043-00	Jan and Cheslawa Wojtowicz 160 Ridge Street	6,480	Commercial
D-24	17-51-141-042-00	Jan and Cheslawa Wojtowicz 160 Ridge Street	11,180	Commercial
D-25	17-51-141-038-00	Richard and Conrad III Ganzhorn 550 Osborn Boulevard	36,500	Commercial
D-26	17-51-141-037-00	Richard and Conrad III Ganzhorn 550 Osborn Boulevard	4,000	Private Open Space
D-27	17-51-141-033-00	Richard and Conrad III Ganzhorn 550 Osborn Boulevard	6,260	Commercial
D-28	17-51-141-034-00	John Frost 110 Bingham Avenue	31,000	Commercial

D-29	17-51-141-030-00	William and Irene Cleary 112 Ridge Street	50,000	Mixed
D-30	17-51-141-029-00	Patrick W. Cleary 612 Dillon	8,690	Commercial
D-31	17-51-141-026-00	Patrick W. Cleary and Charles DePaul 120 Ridge Street	31,350	Mixed
D-32	17-51-141-027-00	Mark and Janice Veit 226 Ashmun Street	4,200	Commercial
D-33	17-51-141-028-00	Mark and Janice Veit 226 Ashmun Street	7,400	Commercial
E-1	17-51-278-005-00	William Kritselis 665 Bingham Avenue	24,950	Commercial
E-2	17-51-278-010-00	Jerome Keller PO Box 177 Escanaba, MI 49829	18,450	Mixed
E-3	17-51-278-011-00	Louis V. Perrory and Wife 1510 West 4 th Avenue	15,650	Commercial
E-4	17-51-278-011-50	Dr. and Mrs. G.W. Mullin 221 Ashmun Street	10,580	Office
E-5	17-51-278-012-00	Walter and Janet Dolozel 504 E. 10 th Street	15,550	Multi-Family Residence
E-6	17-51-278-013-00	Clyde's Restaurant, Inc. 224 Ashmun Street	65,000	Commercial
E-7	17-51-278-004-00	Norman and Peggy Cardinal 2565 Riverside Drive	7,000	Commercial
E-8	17-51-278-002-00	Lynn Auto, Inc. 128 East Portage Avenue	9,650	Commercial
E-9	17-51-278-001-00	Lynn Auto, Inc. 127 East Portage Avenue	40,000	Commercial
E-10	17-51-278-014-00	V. Brownlee and K. Bailey 212 Parkway Avenue	54,350	Commercial
E-11	17-51-278-017-00	Steve Hillman 1004 Lizzie	32,500	Commercial
E-12	17-51-278-000-00	Manufacturer's National Bank Of Detroit Trustee for Richard D. Gustafson Estate Trust Box 659, Trust Real Estate Detroit, Mi 48237	138,700	Public Service
E-13	17-51-359-001-50	Dewey L. Baldwin 200 E. Portage Avenue	14,900	Commercial

E-14	17-51-359-001-00	Gerald T. VanLuyen, Jr. & Wife 427 Dillon	11,850	Commercial
------	------------------	--	--------	------------

Commercial Facilities Roll:

CFT 84-02	Ojibway Investments 240 W. Portage Avenue	51,560
CFT 84-03	Mourufas, William and Irene 218 West Portage Avenue	15,700
CFT 83-01	Viet, D. Mark and Janice 226 Ashmun Street	14,550
CFT 85-02	MacLaren, Sharon and Fitzmaurice, Arline 201-203 West. Portage Avenue	8,550

TOTAL	\$1,866,620
--------------	--------------------

ADDITIONAL PROPERTIES INCLUDED IN AMENDMENT

<u>SECTION</u>	<u>TAX PARCEL</u>	<u>OWNER</u>	<u>2006 TAXABLE VALUE</u>	<u>LAND USE</u>
F-1	17-51-008-017-00	City	Exempt	Parking Garage
F-2	17-51-008-021-00	City	Exempt	Parking Garage
F-3	17-51-008-002-00	Chippewa-Luce-Mackinac CAA 524 Ashmun	Exempt	Parking Garage (Easement)
G-1	17-51-142-061-00	City	Exempt	Public Parking
G-2	17-51-142-033-00	City	Exempt	Public Service

ADDITIONAL.....	\$0
------------------------	------------

**Tax Increment Financing Plan
Table 3
PERSONAL PROPERTY DATA
FOR DEVELOPMENT AREA ONE**

<u>Section</u>	<u>Tax Parcel</u>	<u>Owner</u>	<u>1986 Assessed</u>
A-1	17-51-925-210-00	Ojibway Hotel 240 West Portage Avenue	25,000
A-3	17-51-925-216-00	Parkway Motel 119 West Park Place	4,650
A-9	17-51-925-047-00	Palace Saloon c/o Bonnie Krempel 200 West Portage Avenue	6,750
A-10	17-51-925-138-00	Mariner Motel 118 West Portage Avenue	32,850
B-1	17-51-925-211-00	Old Agency Insurance 101 Ashmun Street	3,400
B-2	17-51-925-225-00	Peacock, Ingelson & Vinocur, PC 111 Ashmun Street	35,000
B-4	17-51-925-302-00	Traverse Bay Woolen Company 101 E. Portage Avenue	4,300
B-5	17-51-925-398-00	Cardinal's Red Bird Inn 107 East Portage Avenue	10,050
B-8	17-51-925-018-00	Arcade Bowling Center 123 East Portage Avenue	35,000
B-10	17-51-925-319-00	Norm Butsch Appliance & Service 129 East Portage Avenue	1,000
B-13	17-51-925-340-00	Norman Marsh, PC 149 East Portage Avenue	5,000
C	-	-	-
D-1	17-51-925-567-00	Mole Hole 201 Osborn Boulevard	4,000
D-2	17-51-925-264-00	Office Lounge 227 West Portage Avenue	2,150
D-2	17-51-925-104-00	Flint Wholesale 229 W. Portage Avenue	5,000
D-3	17-51-925-510-00	Portage Avenue Emporium 223 West Portage Avenue	550
D-4	17-51-925-339-00	Brass Lantern c/o Kay R. Earl 213 E. 13 th Avenue	1,600

D-6	17-51-925-381-00	Horney Toad Lounge c/o Edward and Pnney Joss 804 W. 25 th Street	7,500
D-8	17-51-925-418-00	Café du Voyageur 205 W. Portage Avenue	6,000
D-12	17-51-925-147-00	Cracker Barrel 125 West Portage Avenue	3,100
D-13	17-51-925-247-00	Rosini's Restaurant 123 W. Portage Avenue	1,550
D-14	17-51-925-233-00	Rapids Restaurant 160 Ridge Street	4,000
D-15	17-51-925-005-00	Alpha Bar 105 W. Portage Avenue	9,250
D-24	17-51-925-513-00	Ridge Washeteria 160 Ridge Street	3,450
D-24	17-51-925-513-00	Materna Photo Osborn Boulevard	1,000
D-25	17-51-925-305-00	U.P. Special Delivery, Inc. 146 Ridge Street	1,050
D-29	17-51-925-273-00	Soo Coin Wholesale and Vending Co. 126 Ridge Street	25,000
D-29	17-51-925-349-00	Apple Blossom Shoppe 110 Ridge Street	1,150
D-31	17-51-925-055-00	Soo Billiards 214 Ashmun Street	2,000
D-31	17-51-925-306-00	Thomas Veum, PC 216 Ashmun Street	2,500
D-31	17-51-925-428-00	Savoy Bar 218 Ashmun Street	900
D-33	17-51-925-106-00	Potbelly Restaurant 226 Ashmun Street	2,000
E-2	17-51-925-034-00	The Farol Corporation Box 177 Escanaba, MI 49829	2,500
E-5	17-51-925-197-00	G.W. Mullin, DDS 221 Ashmun	3,500
E-6	17-51-925-436-00	Clyde's Restaurant, Inc. 224 Ashmun Street	40,700

E-9	17-51-925-171-00	Lynn Auto Parts, Inc. 128 East Portage Avenue	16,000
E-10	17-51-925-027-00	Bailey-Newhouse Funderal Home 113 Maple Street	10,450
E-11	17-51-925-043-00	Bonacci-Pingatore Associates 121 Maple Street	6,200
E-11	17-51-925-125-00	Hank's Sport Shop 119 Maple Street	500
E-11	17-51-925-516-00	Precision Automotive 123 Maple Street	5,000
E-13	17-51-925-275-00	Soo Corner Store 200 E. Portage Avenue	4,900
E-14	17-51-925-350-00	Dairy Freeze 205 Bingham Avenue	5,150
TOTAL			\$341,650

Table 4
PROJECTED IMPACT OF TAX INCREMENTS
UPON TAXING JURISDICTIONS

Tax Year	FY Ending	Total Assessed	Base Year Assessed	Captured Assessed	Millage	Captured Taxes	1. School Impact	1. ISD Impact	County Impact	City Impact
Base 1986										
2007	2008	\$7,312,762	\$2,208,360	\$5,104,402	0.029	\$148,028	0	0	\$43,387	\$104,640
2008	2009	\$7,459,018	\$2,208,360	\$5,250,658	0.029	\$152,269	0	0	\$44,631	\$107,638
2009	2010	\$7,608,198	\$2,208,360	\$5,399,838	0.029	\$156,595	0	0	\$45,899	\$110,697
2010	2011	\$7,760,362	\$2,208,360	\$5,552,002	0.029	\$161,008	0	0	\$47,192	\$113,816
2011	2012	\$7,915,569	\$2,208,360	\$5,707,209	0.029	\$165,509	0	0	\$48,511	\$116,998
2012	2013	\$8,073,881	\$2,208,360	\$5,865,521	0.029	\$170,100	0	0	\$49,857	\$120,243
2013	2014	\$8,235,358	\$2,208,360	\$6,026,998	0.029	\$174,783	0	0	\$51,229	\$123,553
2014	2015	\$8,400,065	\$2,208,360	\$6,191,705	0.029	\$179,559	0	0	\$52,629	\$126,930
2015	2016	\$8,568,067	\$2,208,360	\$6,359,707	0.029	\$184,431	0	0	\$54,058	\$130,374
2016	2017	\$8,739,428	\$2,208,360	\$6,531,068	0.029	\$189,401	0	0	\$55,514	\$133,887
2017	2018	\$8,914,217	\$2,208,360	\$6,705,857	0.029	\$194,470	0	0	\$57,000	\$137,470
2018	2019	\$9,092,501	\$2,208,360	\$6,884,141	0.029	\$199,640	0	0	\$58,515	\$141,125
2019	2020	\$9,274,351	\$2,208,360	\$7,065,991	0.029	\$204,914	0	0	\$60,061	\$144,853
2020	2021	\$9,459,838	\$2,208,360	\$7,251,478	0.029	\$210,293	0	0	\$61,638	\$148,655
2021	2022	\$9,649,035	\$2,208,360	\$7,440,675	0.029	\$215,780	0	0	\$63,246	\$152,534
2022	2023	\$9,842,015	\$2,208,360	\$7,633,655	0.029	\$221,376	0	0	\$64,886	\$156,490
2023	2024	\$10,038,856	\$2,208,360	\$7,830,496	0.029	\$227,084	0	0	\$66,559	\$160,525
2024	2025	\$10,239,633	\$2,208,360	\$8,031,273	0.029	\$232,907	0	0	\$68,266	\$164,641
2025	2026	\$10,444,426	\$2,208,360	\$8,236,066	0.029	\$238,846	0	0	\$70,007	\$168,839
2026	2027	\$10,653,314	\$2,208,360	\$8,444,954	0.029	\$244,904	0	0	\$71,782	\$173,122
Total Impacts for 20 year extension							\$3,871,897			
							\$1,134,866			
							\$2,737,031			

NOTE: (1.) School and ISD are not impacted on the 20 year extension of the TIFA amendment.

APPENDICES

**Downtown Development Authority
Public Act 197 of 1975**

**Ordinance to Amend and Approve
Area Two Development Plan
and Tax Increment Financing Plan**

DOWNTOWN DEVELOPMENT AUTHORITY
Act 197 of 1975

AN ACT to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: Downtown Development Authority Act

Popular name: DDA

The People of the State of Michigan enact:

125.1651 Definitions.

Sec. 1. As used in this act:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.

(b) "Assessed value" means 1 of the following:

(i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157.

(ii) For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a downtown development authority created pursuant to this act.

(d) "Board" means the governing body of an authority.

(e) "Business district" means an area in the downtown of a municipality zoned and used principally for business.

(f) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (y), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(g) "Chief executive officer" means the mayor or city manager of a city, the president or village manager of a village, or the supervisor of a township or, if designated by the township board for purposes of this act, the township superintendent or township manager of a township.

(h) "Development area" means that area to which a development plan is applicable.

(i) "Development plan" means that information and those requirements for a development plan set forth in section 17.

(j) "Development program" means the implementation of the development plan.

(k) "Downtown district" means that part of an area in a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to this act. A downtown district may include 1 or more separate and distinct geographic areas in a business district as determined by the municipality if the municipality enters into an agreement with a qualified township under section 3(7) or if the municipality is a city that surrounds another city and that other city lies between the 2 separate and distinct geographic areas. If the downtown district contains more than 1 separate and distinct geographic area in the downtown district, the separate and distinct geographic areas shall be considered 1 downtown district.

(l) "Eligible advance" means an advance made before August 19, 1993.

(m) "Eligible obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993 and its subsequent refunding by a qualified refunding obligation. Eligible obligation includes an authority's written agreement entered into before August 19, 1993 to pay an obligation issued after August 18, 1993 and before December 31, 1996 by another entity on behalf of the authority.

(n) "Fire alarm system" means a system designed to detect and annunciate the presence of fire, or

by-products of fire. Fire alarm system includes smoke detectors.

(o) "Fiscal year" means the fiscal year of the authority.

(p) "Governing body of a municipality" means the elected body of a municipality having legislative powers.

(q) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision (y). In the case of a municipality having a population of less than 35,000 that established an authority prior to 1985, created a district or districts, and approved a development plan or tax increment financing plan or amendments to a plan, and which plan or tax increment financing plan or amendments to a plan, and which plan expired by its terms December 31, 1991, the initial assessed value for the purpose of any plan or plan amendment adopted as an extension of the expired plan shall be determined as if the plan had not expired December 31, 1991. For a development area designated before 1997 in which a renaissance zone has subsequently been designated pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, the initial assessed value of the development area otherwise determined under this subdivision shall be reduced by the amount by which the current assessed value of the development area was reduced in 1997 due to the exemption of property under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, but in no case shall the initial assessed value be less than zero.

(r) "Municipality" means a city, village, or township.

(s) "Obligation" means a written promise to pay, whether evidenced by a contract, agreement, lease, sublease, bond, or note, or a requirement to pay imposed by law. An obligation does not include a payment required solely because of default upon an obligation, employee salaries, or consideration paid for the use of municipal offices. An obligation does not include those bonds that have been economically defeased by refunding bonds issued under this act. Obligation includes, but is not limited to, the following:

(i) A requirement to pay proceeds derived from ad valorem property taxes or taxes levied in lieu of ad valorem property taxes.

(ii) A management contract or a contract for professional services.

(iii) A payment required on a contract, agreement, bond, or note if the requirement to make or assume the payment arose before August 19, 1993.

(iv) A requirement to pay or reimburse a person for the cost of insurance for, or to maintain, property subject to a lease, land contract, purchase agreement, or other agreement.

(v) A letter of credit, paying agent, transfer agent, bond registrar, or trustee fee associated with a contract, agreement, bond, or note.

(t) "On behalf of an authority", in relation to an eligible advance made by a municipality, or an eligible obligation or other protected obligation issued or incurred by a municipality, means in anticipation that an authority would transfer tax increment revenues or reimburse the municipality from tax increment revenues in an amount sufficient to fully make payment required by the eligible advance made by the municipality, or eligible obligation or other protected obligation issued or incurred by the municipality, if the anticipation of the transfer or receipt of tax increment revenues from the authority is pursuant to or evidenced by 1 or more of the following:

(i) A reimbursement agreement between the municipality and an authority it established.

(ii) A requirement imposed by law that the authority transfer tax increment revenues to the municipality.

(iii) A resolution of the authority agreeing to make payments to the incorporating unit.

(iv) Provisions in a tax increment financing plan describing the project for which the obligation was incurred.

(u) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.

(v) "Other protected obligation" means:

(i) A qualified refunding obligation issued to refund an obligation described in subparagraph (ii), (iii), or (iv), an obligation that is not a qualified refunding obligation that is issued to refund an eligible obligation, or a qualified refunding obligation issued to refund an obligation described in this subparagraph.

(ii) An obligation issued or incurred by an authority or by a municipality on behalf of an authority after August 19, 1993, but before December 31, 1994, to finance a project described in a tax increment finance plan approved by the municipality in accordance with this act before December 31, 1993, for which a contract for final design is entered into by or on behalf of the municipality or authority before March 1, 1994 or for which a written agreement with a developer, titled preferred development agreement, was entered into by or on behalf of the municipality or authority in July 1993.

(iii) An obligation incurred by an authority or municipality after August 19, 1993, to reimburse a party to a development agreement entered into by a municipality or authority before August 19, 1993, for a project described in a tax increment financing plan approved in accordance with this act before August 19, 1993, and undertaken and installed by that party in accordance with the development agreement.

(iv) An obligation incurred by the authority evidenced by or to finance a contract to purchase real property within a development area or a contract to develop that property within the development area, or both, if all of the following requirements are met:

(A) The authority purchased the real property in 1993.

(B) Before June 30, 1995, the authority enters a contract for the development of the real property located within the development area.

(C) In 1993, the authority or municipality on behalf of the authority received approval for a grant from both of the following:

(I) The department of natural resources for site reclamation of the real property.

(II) The department of consumer and industry services for development of the real property.

(v) An ongoing management or professional services contract with the governing body of a county which was entered into before March 1, 1994 and which was preceded by a series of limited term management or professional services contracts with the governing body of the county, the last of which was entered into before August 19, 1993.

(vi) A loan from a municipality to an authority if the loan was approved by the legislative body of the municipality on April 18, 1994.

(vii) Funds expended to match a grant received by a municipality on behalf of an authority for sidewalk improvements from the Michigan department of transportation if the legislative body of the municipality approved the grant application on April 5, 1993 and the grant was received by the municipality in June 1993.

(viii) For taxes captured in 1994, an obligation described in this subparagraph issued or incurred to finance a project. An obligation is considered issued or incurred to finance a project described in this subparagraph only if all of the following are met:

(A) The obligation requires raising capital for the project or paying for the project, whether or not a borrowing is involved.

(B) The obligation was part of a development plan and the tax increment financing plan was approved by a municipality on May 6, 1991.

(C) The obligation is in the form of a written memorandum of understanding between a municipality and a public utility dated October 27, 1994.

(D) The authority or municipality captured school taxes during 1994.

(w) "Public facility" means a street, plaza, pedestrian mall, and any improvements to a street, plaza, or pedestrian mall including street furniture and beautification, park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, building, and access routes to any of the foregoing, designed and dedicated to use by the public generally, or used by a public agency. Public facility includes an improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(x) "Qualified refunding obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority to refund an obligation if the obligation is issued to refund a qualified refunding obligation issued in November 1997 and any subsequent refundings of that obligation issued before January 1, 2010 or the refunding obligation meets both of the following:

(i) The net present value of the principal and interest to be paid on the refunding obligation, including the cost of issuance, will be less than the net present value of the principal and interest to be paid on the obligation being refunded, as calculated using a method approved by the department of treasury.

(ii) The net present value of the sum of the tax increment revenues described in subdivision (bb)(ii) and the distributions under section 13b to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (bb)(ii) and the distributions under section 13b to repay the obligation being refunded, as calculated using a method approved by the department of

treasury.

(y) "Qualified township" means a township that meets all of the following requirements:

(i) Was not eligible to create an authority prior to January 3, 2005.

(ii) Adjoins a municipality that previously created an authority.

(iii) Along with the adjoining municipality that previously created an authority, is a member of the same joint planning commission under the joint municipal planning act, 2003 PA 226, MCL 125.131 to 125.143.

(z) "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(aa) "State fiscal year" means the annual period commencing October 1 of each year.

(bb) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:

(i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.

(ii) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.

(iii) Tax increment revenues do not include any of the following:

(A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.

(B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.

(C) Ad valorem property taxes exempted from capture under section 3(3) or specific local taxes attributable to such ad valorem property taxes.

(iv) The amount of tax increment revenues authorized to be included under subparagraph (ii) or (v), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

(A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.

(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii) or (v).

(v) Tax increment revenues include ad valorem property taxes and specific local taxes, in an annual amount and for each year approved by the state treasurer, attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and by local or intermediate school districts, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 750,000 or more to pay for, or reimburse an advance for, not more than \$8,000,000.00 for the demolition of buildings or structures on public or privately owned property within a development area that commences in 2005, or to pay the annual principal of or interest on an obligation, the terms of which are approved by the state treasurer, issued by an authority, or by a city on behalf of an authority, to pay not more than \$8,000,000.00 of the costs to demolish buildings or structures on public or privately owned property within a development area that commences in 2005.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1985, Act 221, Imd. Eff. Jan. 10, 1986;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1994, Act 280, Imd. Eff. July 11, 1994;—Am. 1994, Act 330, Imd. Eff. Oct. 14, 1994;—Am. 1994, Act 381, Imd. Eff. Dec. 28, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 1996, Act 454, Imd. Eff. Dec. 19, 1996;—Am. 1997, Act 202, Imd. Eff. Jan. 13, 1998;—Am. 2003, Act 136, Imd. Eff. Aug. 1, 2003;—Am. 2004, Act 66, Imd. Eff. Apr. 20, 2004;—Am. 2004, Act 158, Imd. Eff. June 17, 2004;—Am. 2004, Act 196, Imd. Eff. July 8, 2004;—Am. 2005, Act 13, Imd. Eff. May 4, 2005;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005.

Compiler's note: Enacting section 1 of Act 202 of 1997 provides:

"The provisions of section 1 and section 13b, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993."

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1651a Legislative findings.

Sec. 1a. The legislature finds all of the following:

(a) That there exists in this state conditions of property value deterioration detrimental to the state economy and the economic growth of the state and its local units of government.

(b) That government programs are desirable and necessary to eliminate the causes of property value deterioration thereby benefiting the economic growth of the state.

(c) That it is appropriate to finance these government programs by means available to the state and local units of government in the state, including tax increment financing.

(d) That tax increment financing is a government financing program that contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from economic growth and development to facilities, structures, or improvements within a development area thereby facilitating economic growth and development.

(e) That it is necessary for the legislature to exercise its power to legislate tax increment financing as authorized in this act and in the exercise of this power to mandate the transfer of tax increment revenues by city, village, township, school district, and county treasurers to authorities created under this act in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.

(f) That halting property value deterioration and promoting economic growth in the state are essential governmental functions and constitute essential public purposes.

(g) That economic development strengthens the tax base upon which local units of government rely and that government programs to eliminate property value deterioration benefit local units of government and are for the use of the local units of government.

(h) That the provisions of this act are enacted to provide a means for local units of government to eliminate property value deterioration and to promote economic growth in the communities served by those local units of government.

History: Add. 1988, Act 425, Imd. Eff. Dec. 27, 1988.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1652 Authority; establishment; restriction; public body corporate; powers generally.

Sec. 2. (1) Except as otherwise provided in this subsection, a municipality may establish 1 authority. If, before November 1, 1985, a municipality establishes more than 1 authority, those authorities may continue to exist as separate authorities. Under the conditions described in section 3a, a municipality may have more than 1 authority within that municipality's boundaries. A parcel of property shall not be included in more than 1 authority created by this act.

(2) An authority shall be a public body corporate which may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this act shall not be construed as a limitation upon the general powers of an authority.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1653 Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown

Rendered Wednesday, March 08, 2006

Page 5

Michigan Compiled Laws Complete Through PA 46 of 2006

© Legislative Council, State of Michigan

Courtesy of www.legislature.mi.gov

district; notice; exemption of taxes from capture; adoption, filing, and publication of ordinance; altering or amending boundaries; agreement with adjoining municipality; agreement with qualified township.

Sec. 3. (1) When the governing body of a municipality determines that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the downtown district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed district and for a public hearing to be held after February 15, 1994 to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure of a property taxpayer to receive the notice shall not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed downtown district. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district. The governing body of the municipality shall not incorporate land into the downtown district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the downtown district in the final determination of the boundaries.

(3) Not more than 60 days after a public hearing held after February 15, 1994, the governing body of a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. The resolution takes effect when filed with that clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk.

(4) Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the downtown district within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his or her veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(5) The governing body of the municipality may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district pursuant to the same requirements for adopting the ordinance creating the authority.

(6) A municipality that has created an authority may enter into an agreement with an adjoining municipality that has created an authority to jointly operate and administer those authorities under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(7) A municipality that has created an authority may enter into an agreement with a qualified township to operate its authority in a downtown district in the qualified township under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement between the municipality and the qualified township shall provide for, but is not limited to, all of the following:

- (a) Size and makeup of the board.
- (b) Determination and modification of downtown district, business district, and development area.
- (c) Modification of development area and development plan.
- (d) Issuance and repayment of obligations.
- (e) Capture of taxes.

(f) Notice, hearing, and exemption of taxes from capture provisions described in this section.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 2004, Act 521, Imd. Eff. Jan. 3, 2005;—Am. 2005, Act 13, Imd. Eff. May 4, 2005;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1653a Authority of annexing or consolidated municipality; obligations, agreements, and bonds.

Sec. 3a. If a downtown district is part of an area annexed to or consolidated with another municipality, the authority managing that district shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this act shall remain in effect following the annexation or consolidation.

History: Add. 1985, Act 159, Imd. Eff. Nov. 15, 1985.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1653b Ratification and validation of ordinance and actions; applicability of section.

Sec. 3b. (1) An ordinance enacted by a municipality that has a population of less than 50,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken under that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, if the notice was published or posted at least 15 days before the hearing or the authority was established in 1984 by a village that filed the ordinance with the secretary of state not later than March, 1986. This section applies only to an ordinance adopted by a municipality before February 1, 1991, and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority, the incorporating municipality, or a county on behalf of the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 3(4) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before October 1, 1991. As used in this section, "notice was published" means publication of the notice occurred at least once.

(2) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 3,000 before June 15, 1988 rather than by adoption of an ordinance is ratified and validated, if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.

History: Add. 1989, Act 242, Imd. Eff. Dec. 21, 1989;—Am. 1991, Act 66, Imd. Eff. July 3, 1991;—Am. 1993, Act 42, Imd. Eff. May 27, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1653c Proceedings or findings; validity.

Sec. 3c. The validity of the proceedings or findings establishing an authority, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan is conclusive with respect to the capture of tax increment revenues for an other protected obligation that is a bond issued after October 1, 1994.

History: Add. 1994, Act 381, Imd. Eff. Dec. 28, 1994.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1653d Establishment or amendment of authority, district, or plan; notice; publication or posting.

Sec. 3d. An ordinance enacted by a municipality that has a population of greater than 1,000 and less than 2,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken or to be taken under

that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, provided that the notice was either published or posted at least 10 days before the hearing or that the authority was established in 1990 by a municipality that filed the ordinance with the secretary of state not later than July 1991. This section applies only to an ordinance or an amendment adopted by a municipality before January 1, 1999 and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority or the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 3(3) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before December 31, 2002. The validity of the proceedings or findings establishing an authority described in this section, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan for an authority described in this section is conclusive with respect to the capture of tax increment revenues for a bond issued after June 1, 2002 and before June 1, 2006. As used in this section, "notice was either published or posted" means either publication or posting of the notice occurred at least once.

History: Add. 2002, Act 460, Imd. Eff. June 21, 2002.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1654 Board; appointment, terms, and qualifications of members; vacancy; compensation and expenses; election of chairperson; oath; conducting business at public meeting; public notice; special meetings; removal of members; review; expense items and financial records; availability of writings to public; single board governing all authorities; member as resident or having interest in property; planning commission serving as board in certain municipalities; modification by interlocal agreement.

Sec. 4. (1) Except as provided in subsections (7), (8), and (9), an authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality and not less than 8 or more than 12 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an interest in property located in the downtown district. Not less than 1 of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.

(2) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(3) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall adopt rules consistent with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(4) Pursuant to notice and after having been given an opportunity to be heard, a member of the board may be removed for cause by the governing body. Removal of a member is subject to review by the circuit court.

(5) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.

(6) In addition to the items and records prescribed in subsection (5), a writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(7) By resolution of its governing body, a municipality having more than 1 authority may establish a single board to govern all authorities in the municipality. The governing body may designate the board of an existing authority as the board for all authorities or may establish by resolution a new board in the same manner as

provided in subsection (1). A member of a board governing more than 1 authority may be a resident of or have an interest in property in any of the downtown districts controlled by the board in order to meet the requirements of this section.

(8) By ordinance, the governing body of a municipality that has a population of less than 5,000 may have the municipality's planning commission created pursuant to 1931 PA 285, MCL 125.31 to 125.45, serve as the board provided for in subsection (1).

(9) If a municipality enters into an agreement with a qualified township under section 3(7), the membership of the board may be modified by the interlocal agreement described in section 3(7).

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1978, Act 521, Imd. Eff. Dec. 20, 1978;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;—Am. 1987, Act 66, Imd. Eff. June 25, 1987;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1655 Director, acting director, treasurer, secretary, legal counsel, and other personnel.

Sec. 5. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. 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 his office, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the penal sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. 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. The director shall be the chief executive officer of the authority. 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 this act. The director shall attend the meetings of the board, and shall render to the board and to the governing body of the municipality a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may employ and fix the compensation of a treasurer, 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 treasurer shall perform such other duties as may be delegated to him by the board and shall furnish bond in an amount as prescribed by the board.

(3) 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 treasurer. 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.

(4) 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.

(5) The board may employ other personnel deemed necessary by the board.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1656 Participation of employees in municipal retirement and insurance programs.

Sec. 6. The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1657 Powers of board.

Sec. 7. The board may:

(a) Prepare an analysis of economic changes taking place in the downtown district.

(b) Study and analyze the impact of metropolitan growth upon the downtown district.

(c) Plan and propose the construction, 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.

(d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.

(e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(f) 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.

(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties:

(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in property, 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 to that property.

(i) 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 to that property, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination of them.

(j) 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.

(k) Lease any building or property under its control, or any part of a building or property.

(l) Accept grants and donations of property, labor, or other things of value from a public or private source.

(m) Acquire and construct public facilities.

(n) Create, operate, and fund marketing initiatives that benefit only retail and general marketing of the downtown district.

(o) Contract for broadband service and wireless technology service in the downtown district.

(p) Operate and perform all duties and exercise all responsibilities described in this section in a qualified township if the qualified township has entered into an agreement with the municipality under section 3(7).

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1985, Act 221, Imd. Eff. Jan. 10, 1986;—Am. 2004, Act 196, Imd. Eff. July 8, 2004;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1658 Board serving as planning commission; agenda.

Sec. 8. If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include planning commission business in its agenda.

History: Add. 1987, Act 66, Imd. Eff. June 25, 1987.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1659 Authority as instrumentality of political subdivision.

Sec. 9. The authority shall be deemed an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1660 Taking, transfer, and use of private property.

Sec. 10. A municipality may take private property under Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41 of the Michigan Compiled Laws, for the purpose of transfer to the authority, and may transfer the property to the authority for use in an approved development, on terms and conditions it deems appropriate, and the taking, transfer, and use shall be considered necessary for public

Rendered Wednesday, March 08, 2006

Page 10

Michigan Compiled Laws Complete Through PA 46 of 2006

purposes and for the benefit of the public.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1661 Financing activities of authority; disposition of money received by authority; municipal obligations.

Sec. 11. (1) The activities of the authority shall be financed from 1 or more of the following sources:

- (a) Donations to the authority for the performance of its functions.
- (b) Proceeds of a tax imposed pursuant to section 12.
- (c) Money borrowed and to be repaid as authorized by sections 13 and 13a.
- (d) Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.
- (e) Proceeds of a tax increment financing plan, established under sections 14 to 16.
- (f) Proceeds from a special assessment district created as provided by law.
- (g) Money obtained from other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.
- (h) Money obtained pursuant to section 13b.
- (i) Revenue from the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11a of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611a of the Michigan Compiled Laws.
- (j) Revenue from the federal data facility act, Act No. 126 of the Public Acts of 1993, being sections 3.951 to 3.961 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11b of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611b of the Michigan Compiled Laws.

(2) Money received by the authority and not covered under subsection (1) shall immediately be deposited to the credit of the authority, subject to disbursement pursuant to this act. Except as provided in this act, the municipality shall not obligate itself, nor shall it ever be obligated to pay any sums from public funds, other than money received by the municipality pursuant to this section, for or on account of the activities of the authority.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1662 Ad valorem tax; borrowing in anticipation of collection.

Sec. 12. (1) An authority with the approval of the municipal governing body may levy an ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the downtown district. The tax shall not be more than 1 mill if the downtown district is in a municipality having a population of 1,000,000 or more, or not more than 2 mills if the downtown district is in a municipality having a population of less than 1,000,000. The tax shall be collected by the municipality creating the authority levying the tax. The municipality shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes. The tax shall be paid to the treasurer of the authority and credited to the general fund of the authority for purposes of the authority.

(2) The municipality may at the request of the authority borrow money and issue its notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation of collection of the ad valorem tax authorized in this section.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1983, Act 86, Imd. Eff. June 16, 1983;—Am. 2002, Act 234, Imd. Eff. Apr. 29, 2002.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1663 Revenue bonds.

Sec. 13. The authority may borrow money and issue its negotiable revenue bonds therefor pursuant to Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the authority shall not except as hereinafter provided be deemed a debt of the municipality or the state. The municipality by majority vote of the members of its governing body may pledge

Rendered Wednesday, March 08, 2006

Page 11

Michigan Compiled Laws Complete Through PA 46 of 2006

its full faith and credit to support the authority's revenue bonds.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1663a Borrowing money; issuing revenue bonds or notes; purpose; costs; security; pledge and lien of pledge valid and binding; filing or recordation not required; tax exemption; bonds or notes neither liability nor debt of municipality; statement; investment and deposit of bonds and notes.

Sec. 13a. (1) The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of acquiring or constructing property in connection with the implementation of a development plan in the downtown district or to refund or refund in advance bonds or notes issued pursuant to this section. The costs which may be financed by the issuance of revenue bonds or notes may include the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the downtown district; any engineering, architectural, legal, accounting, or financial expenses; the costs necessary or incidental to the borrowing of money; interest on the bonds or notes during the period of construction; a reserve for payment of principal and interest on the bonds or notes; and a reserve for operation and maintenance until sufficient revenues have developed. The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and any money, revenues, or income received in connection therewith.

(2) A pledge made by the authority shall be valid and binding from the time the pledge is made. The money or property pledged by the authority immediately shall be subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of such a pledge shall be valid and binding as against parties having claims of any kind in tort, contract, or otherwise, against the authority, irrespective of whether the parties have notice of the lien. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created need be filed or recorded.

(3) Bonds or notes issued pursuant to this section shall be exempt from all taxation in this state except inheritance and transfer taxes, and the interest on the bonds or notes shall be exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(4) The municipality shall not be liable on bonds or notes of the authority issued pursuant to this section and the bonds or notes shall not be a debt of the municipality. The bonds or notes shall contain on their face a statement to that effect.

(5) The bonds and notes of the authority may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

History: Add. 1981, Act 151, Imd. Eff. Nov. 19, 1981.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1663b Insufficient tax increment revenues to repay advance or pay obligation; contents, time, and payment of claim; appropriation and distribution of aggregate amount; limitations; distribution subject to lien; obligation as debt or liability; certification of distribution amount; basis for calculation of distributions and claim reports.

Sec. 13b. (1) If the amount of tax increment revenues lost as a result of the reduction of taxes levied by local school districts for school operating purposes required by the millage limitations under section 1211 of the school code of 1976, 1976 PA 451, MCL 380.1211, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause the tax increment revenues received in a fiscal year by an authority under section 15 to be insufficient to repay an eligible advance or to pay an eligible obligation, the legislature shall appropriate and distribute to the authority the amount described in subsection (5).

(2) Not less than 30 days before the first day of a fiscal year, an authority eligible to retain tax increment revenues from taxes levied by a local or intermediate school district or this state or to receive a distribution under this section for that fiscal year shall file a claim with the department of treasury. The claim shall include the following information:

(a) The property tax millage rates levied in 1993 by local school districts within the jurisdictional area of the authority for school operating purposes.

(b) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(c) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.

(d) The tax increment revenues the authority estimates it would have received for that fiscal year if property taxes were levied by local school districts within the jurisdictional area of the authority for school operating purposes at the millage rates described in subdivision (a) and if no property taxes were levied by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(e) A list and documentation of eligible obligations and eligible advances and the payments due on each of those eligible obligations or eligible advances in that fiscal year, and the total amount of all the payments due on those eligible obligations and eligible advances in that fiscal year.

(f) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation or the repayment of an eligible advance. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development project.

(g) The amount of a distribution received pursuant to this act for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(h) A list and documentation of other protected obligations and the payments due on each of those other protected obligations in that fiscal year, and the total amount of all the payments due on those other protected obligations in that fiscal year.

(3) For the fiscal year that commences after September 30, 1993 and before October 1, 1994, an authority may make a claim with all information required by subsection (2) at any time after March 15, 1994.

(4) After review and verification of claims submitted pursuant to this section, amounts appropriated by the state in compliance with this act shall be distributed as 2 equal payments on March 1 and September 1 after receipt of a claim. An authority shall allocate a distribution it receives for an eligible obligation issued on behalf of a municipality to the municipality.

(5) Subject to subsections (6) and (7), the aggregate amount to be appropriated and distributed pursuant to this section to an authority shall be the sum of the amounts determined pursuant to subdivisions (a) and (b) minus the amount determined pursuant to subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received for the fiscal year, excluding taxes exempt under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, if property taxes were levied by local school districts for school operating purposes at the millage rates described in subsection (2)(a) and if no property taxes were levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, exceed the tax increment revenues the authority actually received for the fiscal year.

(b) A shortfall required to be reported pursuant to subsection (2)(g) that had not previously increased a distribution.

(c) An excess amount required to be reported pursuant to subsection (2)(g) that had not previously decreased a distribution.

(6) The amount distributed under subsection (5) shall not exceed the difference between the amount described in subsection (2)(e) and the sum of the amounts described in subsection (2)(c) and (f).

(7) If, based upon the tax increment financing plan in effect on August 19, 1993, the payment due on eligible obligations or eligible advances anticipates the use of excess prior year tax increment revenues permitted by law to be retained by the authority, and if the sum of the amounts described in subsection (2)(c) and (f) plus the amount to be distributed under subsections (5) and (6) is less than the amount described in subsection (2)(e), the amount to be distributed under subsections (5) and (6) shall be increased by the amount of the shortfall. However, the amount authorized to be distributed pursuant to this section shall not exceed that portion of the cumulative difference, for each preceding fiscal year, between the amount that could have been distributed pursuant to subsection (5) and the amount actually distributed pursuant to subsections (5) and (6) and this subsection.

(8) A distribution under this section replacing tax increment revenues pledged by an authority or a municipality is subject to the lien of the pledge, whether or not there has been physical delivery of the distribution.

(9) Obligations for which distributions are made pursuant to this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(10) Not later than July 1 of each year, the authority shall certify to the local tax collecting treasurer the amount of the distribution required under subsection (5), calculated without regard to the receipt of tax increment revenues attributable to local or intermediate school district taxes or attributable to taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(11) Calculations of distributions under this section and claims reports required to be made under subsection (2) shall be made on the basis of each development area of the authority.

(12) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

History: Add. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1994, Act 280, Imd. Eff. July 11, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 1996, Act 454, Imd. Eff. Dec. 19, 1996;—Am. 1997, Act 202, Imd. Eff. Jan. 13, 1998.

Compiler's note: Enacting section 1 of Act 202 of 1997 provides:

"The provisions of section 1 and section 13b, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993."

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1664 Tax increment financing plan; preparation and contents; limitation; definition; public hearing; fiscal and economic implications; recommendations; agreements; modification of plan.

Sec. 14. (1) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 17, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 15. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(2) The percentage of taxes levied for school operating purposes that is captured and used by the tax increment financing plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws. For purposes of this subsection, tax increment revenues used to pay bonds issued by a municipality under section 16(1) shall be considered to be used by the tax increment financing plan rather than shared with the municipality. The limitation of this subsection does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, Act No. 224 of the Public Acts of 1985, being section 125.2113 of the Michigan Compiled Laws.

(3) Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 18. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(4) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to meet with the governing body. The authority shall fully inform the taxing jurisdictions of the fiscal and economic implications of the proposed development area. The taxing jurisdictions may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the district.

(5) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearings and agreements as are required for approval of the original plan.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1979, Act 26, Imd. Eff. June 6, 1979;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1986, Act 229, Imd. Eff. Oct. 1, 1986;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1989, Act 108, Imd. Eff. June 23, 1989;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1665 Transmitting and expending tax increments revenues; reversion of surplus funds; abolition of tax increment financing plan; conditions; annual report on status of tax increment financing account; contents; publication.

Sec. 15. (1) The municipal and county treasurers shall transmit to the authority tax increment revenues.

(2) The authority shall expend the tax increment revenues received for the development program only pursuant to the tax increment financing plan. Surplus funds shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan when it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished until the principal of, and interest on, bonds issued pursuant to section 16 have been paid or funds sufficient to make the payment have been segregated.

(3) Annually the authority shall submit to the governing body of the municipality and the state tax commission a report on the status of the tax increment financing account. The report shall be published in a newspaper of general circulation in the municipality and shall include the following:

- (a) The amount and source of revenue in the account.
- (b) The amount in any bond reserve account.
- (c) The amount and purpose of expenditures from the account.
- (d) The amount of principal and interest on any outstanding bonded indebtedness.
- (e) The initial assessed value of the project area.
- (f) The captured assessed value retained by the authority.
- (g) The tax increment revenues received.
- (h) The number of jobs created as a result of the implementation of the tax increment financing plan.
- (i) Any additional information the governing body or the state tax commission considers necessary.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1979, Act 26, Imd. Eff. June 6, 1979;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1986, Act 229, Imd. Eff. Oct. 1, 1986;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1666 General obligation bonds and tax increment bonds; qualified refunding obligation.

Sec. 16. (1) The municipality may by resolution of its governing body authorize, issue, and sell general obligation bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan and shall pledge its full faith and credit for the payment of the bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 11. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Before the municipality may authorize the borrowing, the authority shall submit an estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds, to the governing body of the municipality. This estimate shall be approved by the governing body of the municipality by resolution adopted by majority vote of the members of the governing body in the resolution authorizing the bonds. If the governing body of the municipality adopts the resolution authorizing the bonds, the estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds shall be conclusive for purposes of this section. The bonds issued under this subsection shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2801.

(2) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increment revenues of a development area in which the project is located or a development area from which tax increment revenues may be used for this project, or both. In addition or in the alternative, the bonds issued by the authority pursuant to this subsection may be secured by any other revenues identified in section 11 as sources of financing for activities of the authority that the authority shall specifically pledge in the resolution. However, the full faith and credit of the municipality shall not be pledged to secure bonds issued pursuant to this subsection. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increment revenues from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution. Bonds issued under this subsection that pledge revenue received under section 11 for repayment of the bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) Notwithstanding any other provision of this act, if the state treasurer determines that an authority or municipality can issue a qualified refunding obligation and the authority or municipality does not make a good faith effort to issue the qualified refunding obligation as determined by the state treasurer, the state treasurer may reduce the amount claimed by the authority or municipality under section 13b by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation or the state treasurer may require a reduction in the capture of tax increment revenues from taxes levied by a local or intermediate school district or this state by an amount equal to the net present value savings that would have been realized had the authority or municipality refunded the obligation. This subsection does not authorize the state treasurer to require the authority or municipality to pledge security greater than the security pledged for the obligation being refunded.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1983, Act 34, Imd. Eff. May 10, 1983;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 2002, Act 234, Imd. Eff. Apr. 29, 2002.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1667 Development plan; preparation; contents; improvements related to qualified facility.

Sec. 17. (1) When a board decides to finance a project in the downtown district by the use of revenue bonds as authorized in section 13 or tax increment financing as authorized in sections 14, 15, and 16, it shall prepare a development plan.

(2) The development plan shall contain all of the following:

(a) The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

(b) The location and extent of existing streets and other public facilities within the development area, shall designate the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and shall include a legal description of the development area.

(c) A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion.

(d) The location, extent, character, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

(f) A description of any parts of the development area to be left as open space and the use contemplated for the space.

(g) A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, or utilities.

(i) An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

(j) Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority.

(k) The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

(l) Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence or under construction, the condition of those units in existence, the number of owner-occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

(m) A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

(n) Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, being Public Law 91-646, 42 U.S.C. sections 4601, et seq.

(o) A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

(p) Other material that the authority, local public agency, or governing body considers pertinent.

(3) A development plan may provide for improvements related to a qualified facility, as defined in the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, that is located outside of the boundaries of the development area but within the district, including the cost of construction, renovation, rehabilitation, or acquisition of that qualified facility or of public facilities and improvements related to that qualified facility.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1668 Ordinance approving development plan or tax increment financing plan; public hearing; notice; record.

Sec. 18. (1) The governing body, before adoption of an ordinance approving or amending a development plan or approving or amending a tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the downtown district not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the downtown district not less than 20 days before the hearing. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the development plan or the tax increment financing plan is approved or amended.

(2) Notice of the time and place of hearing on a development plan shall contain: a description of the proposed development area in relation to highways, streets, streams, or otherwise; a statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing; and other information that the governing body considers appropriate. At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference to the development plan. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to

the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented thereat.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 2005, Act 13, Imd. Eff. May 4, 2005.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1669 Development plan or tax increment financing plan as constituting public purpose; determination; ordinance; considerations.

Sec. 19. (1) The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice thereof given in accordance with section 18, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall then approve or reject the plan, or approve it with modification, by ordinance based on the following considerations:

(a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.

(b) The plan meets the requirements set forth in section 17 (2).

(c) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(d) The development is reasonable and necessary to carry out the purposes of this act.

(e) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this act in an efficient and economically satisfactory manner.

(f) The development plan is in reasonable accord with the master plan of the municipality.

(g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.

(h) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

(2) Amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1670 Notice to vacate.

Sec. 20. A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1671 Development area citizens council; establishment; appointment and qualifications of members; representative of development area.

Sec. 21. (1) If a proposed development area has residing within it 100 or more residents, a development area citizens council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The development area citizens council shall be established by the governing body and shall consist of not less than 9 members. The members of the development area citizens council shall be residents of the development area and shall be appointed by the governing body. A member of a development area citizens council shall be at least 18 years of age.

(2) A development area citizens council shall be representative of the development area.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1672 Development area citizens council; advisory body.

Sec. 22. A development area citizens council established pursuant to this act shall act an advisory body to the authority and the governing body in the adoption of the development or tax increment financing plans.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1673 Consultation.

Sec. 23. Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1674 Development area citizens council; meetings; notice; record; information and technical assistance; failure to organize, consult, or advise.

Sec. 24. (1) Meetings of the development area citizens council shall be open to the public. Notice of the time and place of the meetings shall be given by publication in a newspaper of general circulation not less than 5 days before the dates set for meetings of the development area citizens council. A person present at those meetings shall have reasonable opportunity to be heard.

(2) A record of the meetings of a development area citizens council, including information and data presented, shall be maintained by the council.

(3) A development area citizens council may request of and receive from the authority information and technical assistance relevant to the preparation of the development plan for the development area.

(4) Failure of a development area citizens council to organize or to consult with and be advised by the authority, or failure to advise the governing body, as provided in this act, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this act.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1675 Citizens district council as development area citizens council.

Sec. 25. In a development area where a citizens district council established according to Act No. 344 of the Public Acts of 1945, as amended, being sections 125.71 to 125.84 of the Michigan Compiled Laws, already exists the governing body may designate it as the development area citizens council authorized by this act.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1676 Notice of findings and recommendations.

Sec. 26. Within 20 days after the public hearing on a development or tax increment financing plan, the development area citizens council shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1677 Development area citizens council; dissolution.

Sec. 27. A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice thereof given in accordance with section 18 and by a 2/3 vote, may adopt an ordinance for the development area to eliminate the necessity of a development area citizens council.

(b) When there are less than 18 residents, real property owners, or representatives of establishments located in the development area eligible to serve on the development area citizens council.

(c) Upon termination of the authority by ordinance of the governing body.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1678 Budget; cost of handling and auditing funds.

Sec. 28. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body of the municipality. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this act or by the governing body of the municipality.

(2) The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1679 Historic sites.

Sec. 29. (1) A public facility, building, or structure that is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites. The preservation of facilities, buildings, or structures determined to be historic sites by a municipality shall include, at a minimum, equipping the historic site with a fire alarm system.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the national register of historic places to the applicable historic district commission created under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, or the department of history, arts, and libraries for review.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 2001, Act 68, Imd. Eff. July 24, 2001;—Am. 2004, Act 66, Imd. Eff. Apr. 20, 2004.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1680 Dissolution of authority; disposition of property and assets; reinstatement of authority; contesting validity of proceedings, findings, and determinations.

Sec. 30. (1) An authority that has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.

(2) An authority established under this act before December 31, 1988, that is dissolved by ordinance of the governing body before September 30, 1990 and that is reinstated by ordinance of the governing body after notice and public hearing as provided in section 3(2) shall not be invalidated pursuant to a claim that, based upon the standards set forth in section 3(1), a governing body improperly determined that the necessary conditions existed for the reinstatement of an authority under the act if at the time the governing body established the authority the governing body determined or could have determined that the necessary conditions existed for the establishment of an authority under this act or could have determined that establishment of an authority under this act would serve to promote economic growth and notwithstanding that the boundaries of the downtown district are altered at the time of reinstatement of the authority.

(3) In the resolution of intent, the municipality shall set a date for the holding of a public hearing on the adoption of a proposed ordinance reinstating the authority. The procedure for publishing the notice of hearing, holding the hearing, and adopting the ordinance reinstating the authority shall be as provided in section 3(2), (4), and (5).

(4) The validity of the proceedings, findings, and determinations reinstating an authority shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the last of the following occurs:

(a) Publication of the ordinance reinstating the authority as adopted.

(b) Filing of the ordinance reinstating the authority with the secretary of state.

(c) May 27, 1993.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1993, Act 42, Imd. Eff. May 27, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: Downtown Development Authority Act

Popular name: DDA

125.1681 Proceedings to compel enforcement of act; rules.

Sec. 31. (1) The state tax commission may institute proceedings to compel enforcement of this act.

(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: Add. 1988, Act 425, Imd. Eff. Dec. 27, 1988.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: Downtown Development Authority Act

Popular name: DDA

ORDINANCE NO. _____

AN ORDINANCE of the City of Sault Ste. Marie, Michigan, providing for comprehensive amendments to the Development Plan and Tax Increment Financing Plan for the City of Sault Ste. Marie Downtown Area No. Two, originally adopted by the City Commission on November 17, 1986, as Ordinance No. 259-86, and as amended, all pursuant to the provisions of Act 197, Public Acts of Michigan of 1975, as amended, and to provide for all matters related thereto.

PREAMBLE

The Purpose of this ordinance is to approve and adopt comprehensive amendments to the approved Development Plan and Tax Increment Financing Plan for the City of Sault Ste. Marie Downtown Area No. Two, generally described as Maple/Ridge Street on the South, Bingham Avenue, Brady Street on the east, the St. Mary's River on the north and Osborn Boulevard on the west, excepting a residential area south of Water Street between Ashmun and the Corps of Engineers Building, but including the Parking Structure on the east side of Osborn Boulevard and the Fire Hall and Fire Hall parking lot south of Ridge Street.

THE CITY OF SAULT STE. MARIE ORDAINS:

The comprehensive amendments to the Development Plan and the Tax Increment Financing Plan for the City of Sault Ste. Marie Downtown Development Area No. two provides that the method of financing the development is feasible, and the Downtown Development Authority has the ability to arrange the necessary financing; that the proposed developments is reasonable and necessary to carry out the purpose of the act; that the land included within the Development Area to be acquired is reasonably necessary to carry out the purpose of the Development Plan and the Act in an efficient and economically satisfactory manner; that the Development Plan is in reasonable accord with the Master Plan of the City of Sault Ste. Marie; that public services are adequate to protect the area; and that any changes in zoning, streets, street levels, intersections and utilities proposed are reasonably necessary for the development and for the City of Sault Ste. Marie.

The duration of the Plan shall be 40 years from the date of original adoption (November 17, 1986) or until such time that all planned improvements are completed, whichever comes first.

The Plan provides for the Preparation of a Base Year Assessment Roll; the preparation on an Annual Captured Assessment Value Assessment Roll; Establishment of a Development Fund; Payment of Tax Increments to Downtown Development Authority; for Use of monies in the Development Fund; an Annual Report: Downtown Development Authority Budget; and an annual audit.

This ordinance shall take effect ten (10) days after enactment and publication.

Printed copies of the full text of the ordinance are available for inspection at the office of the City Clerk.

We hereby certify that the foregoing ordinance was adopted by the City Commission of the City of Sault Ste. Marie, Michigan on the _____ day of _____, 2006.

Anthony Bosbous, Mayor

Lori Clarke, City Clerk

I HEREBY CERTIFY that the foregoing ordinance was published in the *Evening News*, a newspaper printed and circulated in the City of Sault Ste. Marie, Michigan on _____, 2006.

Lori Clarke
City Clerk



STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

GRETCHEN WHITMER
GOVERNOR

RACHAEL EUBANKS
STATE TREASURER

February 9, 2024

**Retirement System Annual Report:
Preliminary Review of Underfunded Status**

Fiscal Year: 2023
Municipality Code: 177506
Report ID Number: 151140

Sent Via Email

Sault Ste Marie Downtown Development Authority
kcollins@saultcity.com

Dear Administrative Officer or Designee:

Based upon review of your most recently submitted Retirement System Annual Report (Form 5572) and pursuant to Public Act 202 of 2017 (the Act), one (or more) of your retirement systems has triggered a preliminary review of underfunded status, in addition to the underfunded system(s) identified in the prior fiscal year. Unless you apply for a waiver within **45 days** and your application is granted, your local government will receive a determination of underfunded status. If you have any questions or concerns, please contact our office at LocalRetirementReporting@michigan.gov. If you would prefer to speak with a member of our team, please schedule a phone call appointment using the [Local Retirement Calendar](#). A team member will email you a conference number to call at your scheduled time.

The following system(s) are underfunded:

MERS

Optional: How to Apply for a Waiver of Underfunded Status

In accordance with the Act, you **may** apply for a waiver for each preliminarily underfunded system. The attached Application for Waiver has detailed instructions on how to complete the application, as well as [waiver criteria](#). The completed application is due back to the Department of Treasury (Treasury) within **45 days** from the date of this letter, via email to LocalRetirementReporting@Michigan.gov.

If you have multiple underfunded retirement systems, you are required to complete a separate waiver application for each system and send a separate email for each system. Please attach each application as a separate PDF document, in addition to all applicable supporting documentation. The subject line of the email should be in the following format: **Waiver-20XX, Local Government Name, Retirement System Name** (e.g. Waiver-2019, City of Lansing, Employees' Retirement System Pension Plan).

Early submission of your Application for Waiver allows greater opportunity for conversation and clarification with Treasury and is strongly encouraged.

If the state treasurer determines that the underfunded status is adequately being addressed by the local government, the state treasurer shall issue a waiver of the determination of underfunded status.

Treasury will send a letter informing your local government if the waiver is granted. If the waiver is not granted, Treasury will provide a letter detailing the reasons for disapproval.

Next Steps: If a Waiver is Disapproved or You Do Not Apply for a Waiver

- Treasury will notify the local government and request a corrective action plan for the Municipal Stability Board (the Board) to review;
- After receipt of this notification, your local government must develop a corrective action plan for each underfunded system to submit to the Board for review. The local government is responsible for determining the components of the corrective action plan(s). The governing body of the local government must approve the corrective action plan(s) before submission to the Board;
- The corrective action plan(s) must be submitted to the Board within 180 days after the notification of a determination underfunded status;
- Once your corrective action plan(s) is submitted, the Board will officially receive your plan at their next scheduled meeting;
- The Board shall then approve or disapprove a corrective action plan(s) within 45 days after it is received.

Locating Retirement Data Online

The Michigan Department of Treasury (Treasury) posts Form 5572 data online as well as the funding status of each local government under the Act. This can be viewed by visiting our [website](#), selecting the applicable fiscal year under the "Reports and Documents" header, and selecting the "Local Retirement System Status Report." Your local government information may not be immediately available. In general, the Form 5572 data is updated weekly.

You may notice variations in the data your local government submitted to Treasury compared to the data found online. Data modifications may be a result of Treasury reviewing your Form 5572 and making corrections based on information found in the local government's audited financial statement. **Please note, if your local government's data has been corrected, you do not need to resubmit your Form 5572.**

Required Payments for Retirement Health Benefits

Pursuant to Section 4(1)(a) of the Act, local governments that offer a retirement health benefit system are required to pay the following:

- 1.) **Normal costs for employees first hired after June 30, 2018.**
- 2.) Any retiree premiums that are due for retirants in the retirement system.

Thank you for your commitment to fiscal stability and compliance with the Act. For more information regarding the Act, please visit Michigan.gov/LocalRetirementReporting for step-by-step reporting instructions and helpful FAQs. If you would like to speak with a member of our team, please email our office at LocalRetirementReporting@michigan.gov or schedule a phone call appointment using the [Local Retirement Calendar](#). A team member will contact you with a conference number to call at your scheduled time.

Sincerely,

Local Retirement Reporting Team
Community Engagement and Finance Division

Protecting Local Government Retirement and Benefits Act

Application for Waiver:

Defined Benefit Pension Retirement Systems

Issued under authority of Public Act 202 of 2017.

1. LOCAL GOVERNMENT INFORMATION

Local Government Name: _____ Six-Digit Muni Code: _____

Defined Benefit Pension System Name: _____

Contact Name (Administrative Officer): _____

Title if not Administrative Officer: _____

Email: _____ Telephone: _____

Fiscal Year: _____

2. GENERAL INFORMATION

Application for Waiver: This Application for Waiver may be filed by any local government with at least one defined benefit pension retirement system that has triggered a preliminary review of underfunded status. In accordance with Public Act 202 of 2017 (the Act), if the State Treasurer determines that the underfunded status is adequately being addressed by the local government, the State Treasurer shall issue a waiver of the determination of underfunded status. If requesting a waiver, you must submit a separate and unique application for each underfunded retirement system as determined by your most recent *Retirement System Annual Report (Form 5572)*.

Due Date: The local government has **45 days from the date of notification** to complete and file the Application for Waiver. Failure to file within 45 days will result in a determination of underfunded status for your local government as defined by the Act, and your local government will be required to submit a corrective action plan to the Municipal Stability Board for approval.

Filing: This Application for Waiver must be approved by the local government's administrative officer and its governing body. **You must provide proof of your governing body approving this Application for Waiver and attach the documentation as a separate PDF document.** Failure to provide documentation that demonstrates approval from your governing body will automatically result in a disapproval of the waiver application.

The completed application must be submitted via email to LocalRetirementReporting@michigan.gov. **If you have multiple underfunded retirement systems, you are required to complete separate applications and send a separate email for each underfunded system.** Please attach each application as a separate PDF document in addition to all applicable supporting documentation.

The subject line of the email(s) should be in the following format: **Waiver-20XX, Local Government Name, Retirement System Name** (e.g. Waiver-2018, City of Lansing, Employees' Retirement System Pension Plan). Treasury will send an automatic reply acknowledging receipt of the email. Your individual email settings must allow for receipt of Treasury's automatic reply. This will be the only notification confirming receipt of the application(s).

Considerations for Waiver: A successful Application for Waiver will demonstrate what your local government **has already done** to adequately address its underfunded status. Prospective solutions will not be granted merit in determining the outcome of the waiver application (e.g. future amendments to collective bargaining agreements, upcoming millage proposals, potential budget changes, etc.). However, Treasury may consider additional ongoing funding dedicated to your retirement system if those commitments have been formally enacted by the governing body and can be documented. Section three of this waiver application allows the local government to enter a brief description of prior

actions that have already been implemented to adequately address its underfunded status. For purposes of Sec. 6.(1) of the Act, this application will also be considered the plan.

Underfunded status for a defined benefit pension system is defined as being less than 60% funded according to the most recent audited financial statements, and, if the local government is a city, village, township, or county, the actuarially determined contribution (ADC) for all of the defined benefit pension retirement systems of the local government is greater than 10% of the local government's annual governmental fund revenues, based on the most recent fiscal year.

General guidelines are listed below to help your local government decide whether to apply for a waiver. Ultimately, waiver approval or disapproval is at the discretion of the State Treasurer; however, waiver applications should generally demonstrate at least one of the following seven criteria. Please check all that apply:

- In general, local governments that were previously granted a waiver should demonstrate improvement in their underfunded status in the subsequent year. Improvement can be measured by an increase in the funded ratio and/or a decrease in the ADC as a percentage of governmental revenue;
- There was a mistake in the filing process and the local government is not actually underfunded;
- Using updated data, such as a more recent actuarial valuation, the local government is not underfunded;
- If a local government fails to calculate an ADC within their audited financial statement and triggers underfunded status, the local government may file a waiver application to Treasury that includes the calculated ADC;
- The local government demonstrates their underfunded status will be addressed within four years;
- The local government is a non-primary government (e.g. road commission, authority, etc.) and demonstrates their ADC for pension is less than 10% of governmental revenues;
- When adding enterprise fund revenues used specifically to pay retirement costs with governmental fund revenues, your ADC as a percentage of combined revenues is below 10%.

3. DESCRIPTION OF PRIOR ACTIONS

Prior actions are separated into three categories below: System Design Changes, Additional Funding, and Other Considerations. Please provide a brief description of the prior actions implemented by the local government to address the retirement system's underfunded status within the appropriate category section. Within each category are sample statements that you may choose to use to indicate the changes to your system that will positively affect your funded status. For retirement systems that have multiple divisions, departments, or plans within the same retirement system, please indicate how these changes impact the retirement system as a whole.

Please indicate where in the attached supporting documentation these changes are described and the impact of those changes (i.e. what has the local government done to improve its underfunded status, and where can we find the proof of these changes in the supporting documentation?).

Note: Please provide the name of the system impacted, the date you made the change, the relevant page number(s) within the supporting documentation, and the resulting change to the system's funded ratio.

Category of Prior Actions:

- ☐ **System Design Changes** - System design changes may include the following: Lower tier of benefits for new hires, final average compensation limitations, freeze future benefit accruals for active employees in the defined benefit system, defined contribution system for new hires, hybrid system for new hires, bridged multiplier for active employees, etc.

Sample Statement: The system's multiplier for current employees was lowered from 2.5X to 2X for the **General Employees' Retirement System** on **January 1, 2018**. On page 8 of the attached actuarial supplemental valuation, it shows our funded ratio will be **60%** by fiscal year **2021**.

- ☐ **Additional Funding** – Additional funding may include the following: voluntary contributions above the ADC, bonding, millage increases, restricted funds, etc.

Sample Statement: The local government provided a lump sum payment of **\$1 million** to the **General Employees' Retirement System** on **January 1, 2018**. This lump sum payment was in addition to the ADC of the system. The additional contribution will increase the retirement system's funded ratio to **61% by 2022**. Please see page **10** of the attached enacted budget, which highlights this contribution of **\$1 million**.

- ☐ **Other Considerations** – Other considerations may include the following: outdated Form 5572 information, enterprise fund revenue considerations, actuarial assumption changes, amortization policy changes, etc.

Sample Statement: The information provided on the Form 5572 from the audit used actuarial data from **2016**. Attached is an updated actuarial valuation for **2018** that shows our funded ratio has improved to **62%** as indicated on page **13**.

Sample Statement: **\$400,000** of expenditures are directly tied to expenses for retirement obligations from our water and sewer fund. The attached analysis shows that our revenue ratio (ADC / Combined Funds) would only be **9%** when including applicable enterprise fund revenue within the calculation. Additionally, attached are two invoices from MERS showing distributions to our pension fund from the enterprise fund totaling **\$400,000**. As a result, **\$400,000** of our enterprise fund revenues should be combined with our governmental fund revenues to properly demonstrate total available funding.

4. DOCUMENTATION ATTACHED TO THIS WAIVER APPLICATION

Documentation must be attached as a PDF to this waiver application. The documentation must demonstrate the prior actions that have already been implemented to adequately address the local government's underfunded status. Please ensure this documentation directly supports and highlights the systems funded ratio as entered in section three of the waiver application above. Please check all documents that are included as part of this application and attach in successive order as provided below:

Naming convention: When attaching documents please use the naming convention shown below. If there is more than one document in a specific category that needs to be submitted, include a, b, or c for each document. For example, if you are submitting two supplemental valuations, you would name the first document "Attachment 2a" and the second document "Attachment 2b".

Naming Convention	Type of Document
☐ Attachment – 1	This waiver application (required);
☐ Attachment – 2	Documentation from the governing body approving the waiver application (required);
☐ Attachment – 3	Actuarial analysis (annual valuation, supplemental valuation, projection);
☐ Attachment – 4	An internally developed study, in accordance with GASB and/or actuarial standards of practice, that projects assets and liabilities into the future;
☐ Attachment – 5	Documentation of additional payments in past years that is not reflected in your audited financial statements (e.g. enacted budget, system provided information);
☐ Attachment – 6	Documentation of commitment to additional payments in future years (e.g. resolution, ordinance);
☐ Attachment – 7	A plan that the local government has already approved to address its underfunded status, which includes documentation of prior actions and the positive impact on the system's funded ratio;
☐ Attachment – 8	Enterprise fund revenues: Analysis of retirement costs paid using enterprise fund revenues, as well as applicable financial documents (e.g. proof of payment, invoices from retirement plan, bank transactions, general ledger reimbursement transactions);
☐ Attachment – 9	Other documentation, not categorized above.

6. LOCAL GOVERNMENT'S ADMINISTRATIVE OFFICER APPROVAL OF WAIVER APPLICATION

I, **<insert name>**, as the government's administrative officer (Ex. City/Township Manager, Executive Director, Chief Executive Officer, etc.) **(insert title)** approve this Application for Waiver. We are requesting a waiver of underfunded status because we have already implemented substantial changes to our retirement system as described above.

I confirm to the best of my knowledge that because of the changes listed above the following statement will occur:

Using the waiver criteria checked in Section 2 of this application, the **<insert Retirement Pension System Name>** **(Retirement Pension System Name)** will have addressed its underfunded status by fiscal year -----.

Signature: **<insert signature>**

Date: **<insert date>**

**Agenda Item Details**

Meeting	Mar 18, 2024 - Regular City Commission Meeting
Category	G. BUSINESS ITEMS
Subject	Consideration of Application for Waiver for Underfunded Status for the DDA's MERS Plan.
Access	Public
Type	Action
Absolute Date	Mar 18, 2024
Fiscal Impact	No
Recommended Action	Motion to approve form 5583 Application for Waiver of Underfunded Status for the DDA's MERS pension plan and authorize the City Manager to sign.

Public Content**BACKGROUND:**

Protecting Local Government Retirement and Benefits Act [PA 202 of 2017] requires annual reporting to the State Department of Treasury for all public pension plans and other pension benefit plans [OPEB, generally healthcare]. Form 5572 is filed for the City along with all other financial reporting within six months of the end of each fiscal year. Pension assets and liabilities are calculated separately for the City and each component unit, including the Downtown Development Authority [DDA] and the Economic Development Corporation [EDC] and this report must be filed for each unit. The City, as the primary government has two pension plans, with public safety under the Police and Firefighters Pension Plan and the general employees under MERS. Employees for both component units are under the MERS plan.

Commissioners may remember that the Police and Firefighters plan was determined to be underfunded in the first year, 2017. At that time, MERS was 66.6% funded and the Police and Fire plan 50.6%. 60% is Treasury's threshold for underfunded determinations. At that time, pension funding was a hot topic but the City had been working with MERS to get ahead of the issue for many years. In 2012, the City, with assistance and support from MERS, closed all plan divisions that had a multiplier of 2.25%, and replaced it with a hybrid plan for all hires after 9/1/2012. The new plans would include a defined benefit plan with a multiplier of 1.5% and a defined contribution plan with an employer match between 2% and 4%. Steps taken by the City [and its component units] are evidence of its good faith effort to resolve the issue, but it will take time. The fourth attachment is the most recent annual actuarial valuation [AAV] on the City's MERS plan with documentation of changes as described.

ANALYSIS:

On February 9th, we received a notice from the Department of Treasury that the DDA's form 5572 as of 6/30/23 triggered a preliminary review of underfunded status. A copy of this letter and City and DDA forms 5572 are attached for your reference. It is unclear why the DDA, with its 0.42% of the City's MERS pension, has received this notice but the City has not. The first step in the process is to request a waiver. Compelling reasons for the waiver to be approved by Treasury is the clear steps the City has taken to limit future liabilities, adherence to the aggressive schedule of contributions and projections showing a resolution of underfunded status is fiscal 2029-2030. Additional grounds for a waiver is that the DDA component unit is not the primary government and has only a small portion of the liability.

It is possible that the next valuation as of 12/31/23 will show an improvement due to the positive investment market conditions of this past year. That report is usually released in May. For consideration, the waiver with authorization of the governing body, must be submitted by March 25th. The DDA board will consider the waiver at its March meeting.

COMMUNITY OUTREACH: (if applicable)

n/a

FISCAL IMPACT:

Employer contributions and pension liability for the new plans would go down, however employer contributions to the old plans would increase dramatically.

Contributions for non-union closed division is \$42,275 per month as compared to just \$4,546 for the new post 9/1/2012 division [page 13 of the AAV]. While this has reduced pension liability well into the future, it has increased the contribution for closed divisions in the short term. Total actuarially determined contributions to MERS increased from \$338,680 as of the 2013 valuation to \$1,175,083 at 2022 [page 41], and MERS has projected it to be \$1,830,000 in 2029 [page 11]. The unfunded liability was amortized to spread it out, and 10 years remain as of this valuation. As shown by the chart on page 12, the funded percent is projected to dip below for a few years and reach 60% in 2029.

Payment of all City pension obligations are planned and incorporated into the budget each year. The City has never failed to make contributions to its pensions in a timely manner. For comprehensive information about the fiscal health of the City's pension systems, please refer to the City's audited financial statements which are published on the City website. More specifically Note 10 beginning on page 35 as well as Required Supplementary Information that shows the plans over balances over ten years beginning on page 56 of the report. The audited financial report can be found on the City's site at <https://www.saultcity.com/finance/page/city-sault-ste-marie>.

ALTERNATIVES:

List alternatives to the recommended action.

The City Commission has the following options to consider on this matter:

1. Adopt resolution with modifications.
2. Direct staff to return with more information.
3. Other Alternative
4. Take no action.

[1775062023Ret-UndFun.pdf \(162 KB\)](#)

[City 2023 Pension_and_OPEB__Reporting_Template \(1\).pdf \(49 KB\)](#)

[DDA 2023 Pension_and_OPEB__Reporting_Template \(1\).pdf \(48 KB\)](#)

[1701_Sault Ste. Marie City of_2022 \(1\).pdf \(588 KB\)](#)

[Pension Waiver 5583 2023 City SSM DDA #177506.pdf \(298 KB\)](#)

Administrative Content

Executive Content