

MEMORANDUM

To: Mr. Brian Saha
PINCONNING DOWNTOWN DEVELOPMENT AUTHORITY
From: William H. Darbee
RE: Procedure to amend Development Plan
October 17, 2013

The general procedure of amending a Development Plan is to follow the procedure required in creating the plan in the initial instance. Thus, initially, I would recommend: The DDA adopts the proposed Development Plan Amendment and recommend it to the City Commission to hold a public hearing on the amendment and to adopt the same.

- A. Prior to the public hearing, the City Commission must provide a reasonable opportunity to the taxing jurisdictions to meet with the City Commission to discuss the fiscal and economic implications of the proposed plans. The taxing jurisdictions may make recommendations to the proposed plans. (See 4.D. below)
- B. A public notice must be prepared which will 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.”
 1. The public notice will need to be:
 - i. Published two times with the first publication being more than 20 days prior to the hearing and the second publication being less than 20 days prior to the public hearing;
 - ii. Posted in 20 public locations within the district not less than 20 days prior to the hearing;
 - iii. Mailed to all property owners within the district not less than 20 days prior to the hearing;
 - iv. Sent by certified mail to each taxing jurisdiction not less than 20 days prior to the hearing which can also set a date for a meeting; and,
 - v. Assuming that the City Commission after the close of the public hearing and any meeting with the taxing jurisdictions, desires to adopt the Development Plan Amendment without further amendment, then the Commission adopts an ordinance which includes the following:
 - 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) of the Act;
 - 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

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

Once an Ordinance is finally adopted, then a certified copy needs to be sent to the Secretary of State.

I enclose a copy of a proposed draft of an amendment for your re

**AN AMENDMENT
TO THE
CITY OF PINCONNING
DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT PLAN**

The City of Pinconning Downtown Development Authority Development Plan as amended on May 18, 2009 is amended to add the following paragraph K to the Project Plan being Exhibit C:

- K. The Downtown Development Authority (hereinafter referred to as the "DDA") will join with local area banks to create a Business Improvement Loan Program (BILP) the intent of which will be to encourage owners of improvements within the Downtown Development District to improve existing buildings and/or the purchase of equipment and/or provide landscaping for businesses whose properties which are within the downtown DDA district. These improvements should preserve the private investment in the area, improve the viability of businesses within the DDA District and improve the overall community's appearance. The BILP encourages the use of loans through the business owner's own bank at preferable terms which will be combined with a possible grant and/or low-interest loan through the DDA. Improvements are intended to include, but not be limited to improving existing buildings, landscaping, curb appeal, signage, roofs, windows, entrances and updating equipment used in the particular business. The program is to be used for the improvement of existing facilities and not for new buildings.

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**The City of Pinconning
Downtown Development Authority's
BUSINESS IMPROVEMENT LOAN PROGRAM
(BILP)
PROGRAM**

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Program Background

The City of Pinconning Downtown Development Authority (hereinafter referred to as the "DDA") and area banks have established its Business Improvement Loan Program (BILP) to encourage improvements to existing buildings and/or the purchase of equipment used in the business for those properties which are within the downtown DDA district. These improvements should preserve the private investment in the area, improve the viability of businesses within the DDA District and improve the overall community's appearance. The BILP encourages the use of loans through the participant's own bank at preferable terms combined with a possible grant or low-interest loan through the DDA. Improvements are intended to include, but not be limited to improving existing buildings, landscaping, curb appeal, signage, roofs, windows, entrances and updating equipment used in the particular business. The program is to be used for the improvement of existing facilities and not for new buildings.

Program Eligibility Requirements

- a. Properties must be located within the legal boundary of Pinconning's downtown district and are engaged in retail, commercial, entertainment or office services (no residential improvements) shall be deemed eligible for a grant and/or preferred loan program through its own bank. Any question concerning the eligibility of a specific property may be answered by contacting the DDA or a business's own banking institution.
- b. All property taxes and installments of special assessments must be paid to date for any property that would be under consideration for a grant. Additionally, all city utility accounts for the property must be current.
- c. Grant funding may be requested for any aspect of the business (building, landscaping, signage, including any aspect of its interior or exterior) that fronts on a public right-of-way (street, alley or public parking lot). More consideration for grant funding will be given for work visible from a public street.
- d. Buildings that have improvements proposed under a BILP grant application must have basic structural integrity and an intact roof such that the applicant is able to obtain a basic building permit for the proposed work thereby protecting the DDA's possible investment in it.

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- e. Applicant must have insurance coverage on the property to receive the BILP grant and must provide a certificate of that coverage to the DDA with the application. The DDA will be a named insured on all insurance policies.

Ineligible Uses of BILP Funds

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- a. Payment on existing indebtedness;
 - b. Property acquisition;
 - c. Site plans, building permits or sign permit fees;
 - d. Property appraisal costs, legal fees or loan origination fees; and/or
 - e. Labor costs paid to the owner/applicant or their relatives unless they are a licensed contractor and specific approval is granted as part of the application review process.

Awards

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The DDA may award grants in amounts ranging from a minimum grant award of \$1,500.00 up to a maximum award of one-half (½) of the cost for the improvement or restoration project to a maximum of \$_____. Applicants for a grant must provide a matching amount to their grant request based on a dollar for dollar basis. An applicant's proposed improvement project total can exceed \$_____;

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however the DDA's participation will still be limited to a maximum amount of \$_____. Grant amounts may be affected by the number of applicants or approved projects. In addition to or in lieu of a grant, the DDA may loan up to 75% of the cost of a project, but no loan will exceed \$_____. Typical terms shall provide for an interest rate of 2% below prime and a 7-year amortization period. The entire outstanding balance of the loan will become due and owing upon a transfer of ownership during the time period a balance is owing to the DDA.

Work Completion Schedule/Extensions

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All projects awarded funding must have the proposed work completed within 1 year, beginning with a written notification of the award, unless a specific written extension has been requested by the applicant and approved by the DDA due to extenuating circumstances that were out of their control such as inclement weather, contractor scheduling, etc., and will be determined on a case-by-case basis. The failure

D to have the proposed work completed within the allotted time period will make the entire outstanding balance become due and owing to the DDA.

Application Process

R Applications will be accepted during each calendar year when the DDA determines that funding for projects is available. Property owners interested in applying for a grant, loan or combined grant/loan under the DDA's BILP Program must submit their application to the Building Department before any work has been done on the project. Persons applying for a grant, loan or a combination grant/loan can be either a property owner or a tenant, but the tenant must have the property owner's written permission to make the desired improvements to the building. The Building Department will forward the application to the DDA BILP Program Committee for review.

Submittal Requirements

A The DDA's BILP Program Committee will review all applications submitted under the program and make a final determination of approval or denial of a grant, loan or combined award. The following information must be submitted with the application:

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1. Grant/loan application form, signed and executed.
 2. Detailed description of the work proposed and justification as to why the request meets the DDA's desired intent of preserving or enhancing the building or property in the downtown district.
 3. Detailed cost estimate from a minimum of two (2) qualified contractors for the work proposed and the name, address and phone number of the person responsible for the preparation of the estimate.
 4. Any architectural plans and/or sketches and specifications needed to understand the scope of the work proposed.
 5. Color schemes and materials proposed for the exterior improvements, including painting work, brick replacement work, signage, windows, awnings, etc.
 6. A description of the long term maintenance plan proposed by the grantee for the building's exterior once the grant funded improvements are completed.
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7. List of the Federal, State and Local permits required for the proposed work.
8. For work proposed by a building tenant, property owner's written permission.
9. Copy of certificate of property insurance shall be provided.
10. A project time line or schedule shall be provided detailing the applicant's expected progress in completing the requested improvements.

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Review Process/Evaluation of Applications

The DDA's BILP Committee will review all applications and inform all applicants if their application has been approved or denied. An applicant may obtain only a single loan, grant or combination of same in one calendar year for a single location, but may submit more than one application for a single location or for multiple locations. All applications will be based upon the following criteria:

The visual improvement or impact of the project.

1. The amount of owner/tenant investment.
2. The life expectancy of the improvement.
3. The visual prominence of the building and its location within the downtown district.
4. The long term maintenance plan for the building's exterior once the proposed improvements are completed.
5. The completeness of the application package presented, and meets eligibility criteria.
6. The applicant took into consideration utilizing local contractors/materials.

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Rights Reserved

The DDA BILP Committee reserves the right to reject any and/or all applications submitted for consideration under this program. The DDA reserves the right to modify or amend the program guidelines at any time deemed desirable by the DDA. The DDA reserves the right to discontinue funding for this program at any time.

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Project Amendments

Any design changes proposed by the applicant after the award of a monetary

D amount under this program (if no change in the amount is proposed), must be submitted to the DDA's BILP Committee and approved prior to any work being completed, to remain eligible for the original funding. Failure to obtain approval for any changes undertaken for an approved project will result in the disqualification of the applicant from the program and the loss of the entire funding.

R For design changes requested after work has started which would require additional funds (only for original project awards less than the \$ _____ maximum amount), applicants must submit all necessary information (review applicable requirements of original grant) for review by the DDA's BILP Committee. A determination of approval for an amended grant amount will be made within 15 days of receipt of all required submittal data.

Project Inspections

A Upon receiving a funding award under this program, the applicant agrees to provide access to their building for the DDA's representative for purposes of inspecting the work being completed by the applicant and/or their contractor. It is not the intent of the DDA to become construction inspectors during the applicant's project and as such, they will not be conferring with or advising the applicant's contractor of deficiencies during the course of the work. If, during any visit to the site, an issue of non-compliance is noted by the DDA's representative, the applicant will be immediately advised of the problem in writing. The applicant is required to respond to the DDA within 24 hours to provide an explanation of their review of the problem and what is being done to correct it.

Disbursement of Grant Funds

F Applicants, shall submit one request for full payment of the funds once all project improvements have been completed and the DDA has conducted a final inspection verifying their compliance with the original grant requirements.

T The applicant must contact the DDA when ready to submit a request for payment of the funding. The BILP Program Committee will arrange to have the completed work inspected for compliance with the project description and drawings submitted by the applicant with the program application. If the work is found to be in compliance, the DDA shall provide payment of the funding within 30 business days of the date of receipt of the request for payment.

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If any of the applicant's completed work is found to be in non-compliance with the program requirements during any site visit by DDA representatives, the applicant will be sent a letter from the DDA within 3 business days describing the item(s) of non-compliance. The letter will require the applicant to provide the DDA with a written plan of action describing what actions will be taken to bring the project into compliance with the applicant's original grant proposal. Final payment of funding will be withheld until all areas of non-compliance are brought into compliance, inspected, and approved by the DDA.

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**CITY OF PINCONNING
DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT PLAN
PROJECT ACTIVITIES**

This Development Area project activities list embraces the same boundaries as the DDA Development District. No prior development plans have been prepared in the DDA district. The planned activities are not in any order of priority.

A. Maintain Streetscape Plan and Beautification Program:

A consistent streetscape plan with appropriate signing and business clean up throughout the district will encourage greater tourism activity for the area. Certain carefully selected and placed streetscape improvements such as sidewalks, lighting, seasonal decorations, trash receptacles, benches, plantings, maintenance of plants and sidewalks, signage (directional, informational and gateway), business district gateway and point of entry development, facade theme development and kiosks placements can serve to enhance the overall appearance of the district and properly direct traffic to the business centers within the district. Streetscape improvements are to follow and complement the current design and facade themes in place for the Mable and Kaiser Street business district corridor. In order to encourage business and property owners to improve and maintain building facades, condition and blight, within the dda district, the DDA may offer a variety of "business support programs" designed to enhance the commercial core of the community.

B. Public Works Program:

Assist the City of Pinconning with Long Range Planning, Capital Improvement Projects and Public Works Maintenance programs that will enhance the DDA district. This program to include but not limited to cooperative engineering studies, street improvements, curb and gutter improvements, sidewalks construction and maintenance, lighting, sanitary and water line improvements, etc. The DDA will in cooperation with the City of Pinconning use funds and apply for grants as necessary, as the opportunities arise to perform such public works program improvements.

C. Current Obligation Funding:

Continue to fund any current obligation(s) that the DDA has incurred.

D. Promote Commerce in Pinconning Campaign:

Organize in cooperation with local Chamber of Commerce's a campaign that will encourage commerce growth in the Pinconning area. Campaign to include but not limited to cooperative advertising and buy local campaign efforts and web site development and maintenance for the City of Pinconning and its trading area. This campaign is encouraged to attract business investment and commerce to our city center.

E. Pinconning Community Center and Recreation Program:

Maintain and operate the PINCONNING COMMUNITY CENTER as the public use center currently operated by the DDA. This center is the key building within the City of Pinconning Recreation Park known as "Doc Litchfield Park" which includes baseball and softball fields, soccer fields, tennis courts, playscape playground and pavilion/restroom facilities. This center is a public use facility and emergency shelter and offers space for recreation and meetings for the community. This program is intended to promote recreation at this city site and encourage future improvements to the center and the park to include but not limited to, enhancement in handicap accessibility, restroom improvements, park path development, parking lot maintenance and improvements, lighting improvements, new structure development, etc.

F. Develop Area Wide Recreation Council:

Formation of such a group would insure that all benefitting parties of our recreation facilities as well as the school system have a role in these facilities and activity programs.

G. Organize a Non-profit Community Development or Economic Development Corporation to Assist in Small Business Organization and Building Rehabilitation:

This entity is essential to encourage business and housing growth and investment in the City of Pinconning by providing funding (private and public) to new and existing businesses and housing developments that will meet the corporation to be established criteria.

H. Land Acquisition:

Land acquisition within the district by the DDA and/or in cooperation with public and private entities to include but not limited to, revitalization of blighted

facilities, assist in the development of new and existing private and public facilities, public parking enhancements, pocket park developments, etc., as opportunities arise. None is contemplated at this time.

I. Adult and Senior Residential Community Development Program:

This program will assist in the development of such adult and senior residential facilities to include but not limited to, general housing projects, adult foster care and day care facilities, assisted living facilities, basic and skilled care facilities, etc. The program will cooperate and assist public and private entities in such developments as the opportunities arise.

J. Consultant Coordinate:

As strategic opportunities arise for the City, and where expert input and plan development is necessary, the DDA shall have the sole authority to hire such experts to assist in any program development, organization and implementation.

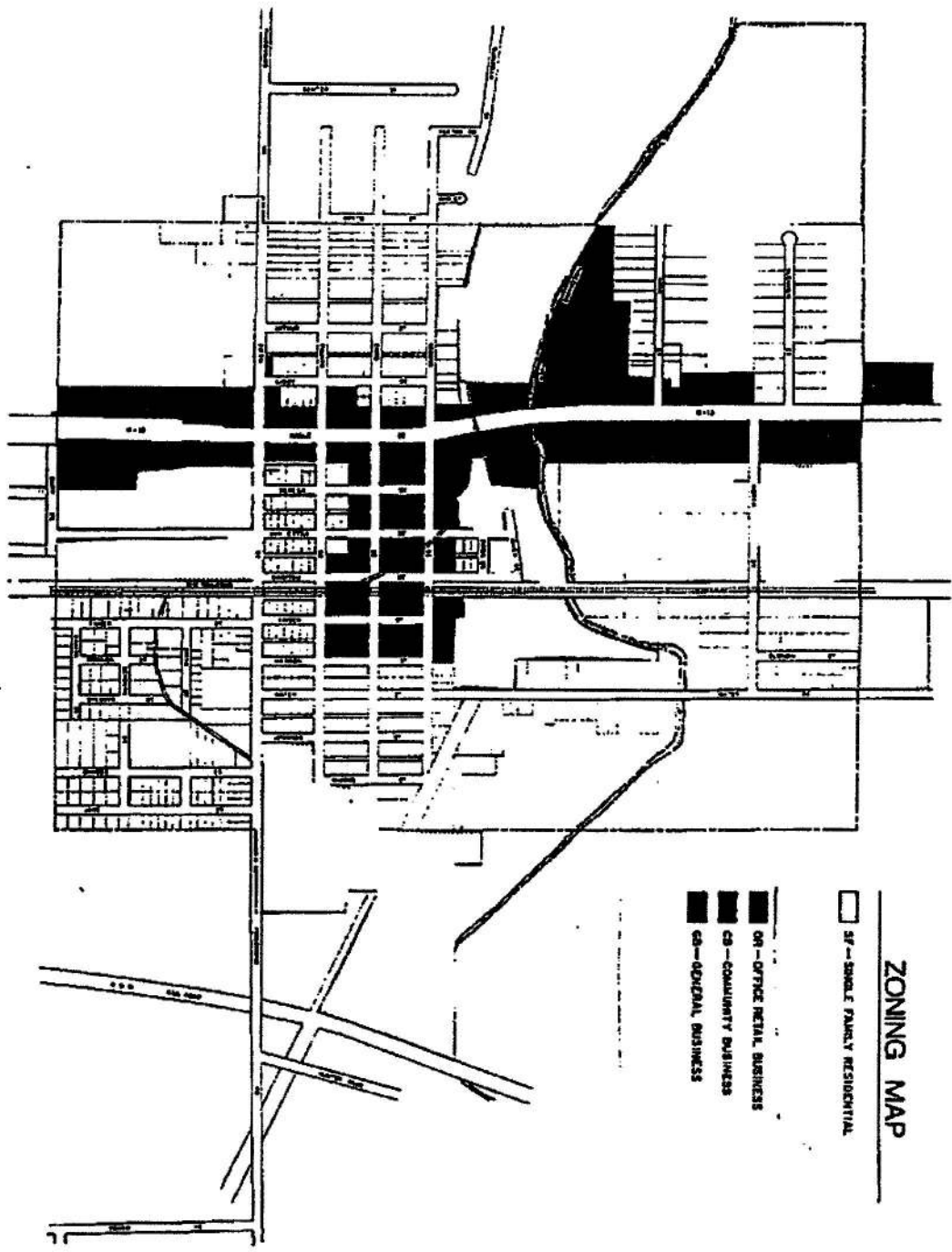
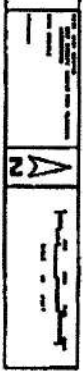
K. Estimated Proceeds per Year Through the Ten Year Extension is:

<u>Year</u>	<u>Amount</u>
2009	\$61,000
2010	62,830
2011	64,715
2012	66,656
2013	68,656
2014	70,716
2015	72,837
2016	75,022
2017	77,273
2018	79,591
2019	81,979
2020	84,438

The 2009 tax increment funding is based upon the assessments and tax rates for 2009 in the sum of \$61,000. The years 2010-20 are an estimate of 3% over the previous year's revenue.



**CITY OF PINCKNING
BAY COUNTY, MICHIGAN**



ZONING MAP

- SF - SINGLE FAMILY RESIDENTIAL
- OF - OFFICE RETAIL BUSINESS
- CB - COMMUNITY BUSINESS
- GB - GENERAL BUSINESS