

CITY OF PINCONNING, BAY COUNTY, MICHIGAN

ORDINANCE NO. 2020-02-18

**AN ORDINANCE AMENDING THE CITY OF PINCONNING ORDINANCE 7, AS
AMENDED BY ORDINANCES 8 AND 09-7**

Purpose:

An Ordinance amending the Development Plan and Tax Increment Financing Plan established by the City of Pinconning Ordinance 7 and 8, as amended by the City of Pinconning Ordinance 09-7, to make possible the financing of the public improvements necessary or desirable to halt current and prevent future deterioration, encourage historic preservation, and promote economic development and growth within the Development Area.

THE CITY OF PINCONNING ORDAINS:

SECTION 1. CITY COUNCIL FINDINGS

The amendments to the Development Plan and Tax Increment Financing Plan are hereby approved based on the following considerations:

- (1) The Development Plan meets the requirements set forth in Section 217 of 2018 PA 57 (the "Act").
- (2) The proposed method of financing the development is feasible and the City of Pinconning Downtown Development Authority ("Authority") has the ability to arrange the financing.
- (3) The development is reasonable and necessary to carry out the purposes of the Act.
- (4) The Development Plan is in reasonable accord with the master plan of the City of Pinconning.
- (5) Public services, including but not limited to fire and police protection and utilities, are sufficient to service the Development Area; however, any increase in public services will only enhance the Authority District and assist the City of Pinconning with conforming to the purpose of the Act.
- (6) Changes in zoning, street levels, intersections, and utilities are stated in Section II(H) of the Amendment identified as the City of Pinconning Downtown Development Authority Development Plan and Tax Increment Financing Plan and attached hereto as Exhibit A and is incorporated by reference herein.

- (7) The tax increment financing plan is necessary and reasonable in order to fund the Development Plan. The tax increment financing plan is being amended so that it will now expire at the end of fiscal year 2040.
- (8) The proposed amendments constitute an essential public purpose as they halt property value deterioration and promote economic growth and development.

SECTION 2. AMENDMENTS

2.1 The Development Plan for the City of Pinconning is hereby amended as set forth in the City of Pinconning Downtown Development Authority Development Plan and Tax Increment Financing Plan attached hereto as Exhibit A and incorporated herein by reference.

2.2 The Tax Increment Financing Plan for the City of Pinconning is hereby amended as set forth in the City of Pinconning Downtown Development Authority Development Plan and Tax Increment Financing Plan and attached hereto as Exhibit A and incorporated herein by reference.

SECTION 3. EXHIBITS

A copy of the City of Pinconning Downtown Development Authority Development Plan and Tax Increment Financing Plan is attached hereto as Exhibit A and is incorporated by reference herein.

SECTION 4. REPEAL

All ordinances or part of ordinances of the City of Pinconning inconsistent or in conflict with this Ordinance are repealed.

SECTION 5. INVALIDITY

If any section, paragraph, sentence, clause, phrase or part of this Ordinance shall be declared invalid for any reason whatsoever, such a decision shall not affect the remaining portions of this Ordinance which shall remain in full force and effect and to this end the provisions of this Ordinance are hereby declared severable.

SECTION 6. EFFECTIVE DATE

This Ordinance will become effective as required by law and the Charter of the City of Pinconning.

SECTION 7. WHERE ORDINANCE CAN BE INSPECTED

A copy of this Ordinance may be obtained from the Clerk of the City of Pinconning at the City of Pinconning City Hall located at 208 Manitou Street, Pinconning, Michigan 48650.

SECTION 8. PUBLICATION

This Ordinance upon adoption is ordered to be given publication as required by law.

Motion by LaPorte, seconded by Saha, to adopt Ordinance 2020-02-18.

Ordinance 2020-02-18 was adopted by the following roll call vote:

Vote:

Yea, Mayor Gerald Gibson
Yea, Mayor Pro-Tem Brian Saha
Yea, City Council Member Lorcie Ford
Nay, City Council Member Sherri Boettcher
Yea, City Council Member Rebecca Coyer
Yea, City Council Member Ann LaPorte
Yea, City Council Member Chris Kuehne

The foregoing Ordinance was duly adopted at a special meeting of the City of Pinconning City Council held on the 18th day of February, 2020.

Gerald Gibson, Mayor

Dawn Hoder, Clerk

I, Dawn Hoder, Clerk of the City of Pinconning, do hereby certify that the above is a true and exact copy of the Ordinance heretofore passed by the City of Pinconning City Council, Bay County, Michigan voted.

This Ordinance was given publication in the Pinconning Journal on the 9th day of March, 2020.

Dawn Hoder
Clerk of the City of Pinconning

Addendum to Ordinance #2020-12-18

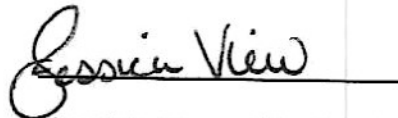
August 8, 2023

Due to circumstances caused by the loss of the original signed Ordinance dated March 9, 2020, and the election of a new Mayor and City Clerk, the following revisions have been made. With the recommendation from the DDA attorney, Kevin Kilby, the March 9, 2020, minutes are attached, and the current Mayor and City Clerk have signed the addendum.

This ordinance will now be signed by: City Mayor Sheri Boettcher and City Clerk Jessica View.

A handwritten signature in black ink, appearing to be 'Sheri Boettcher', written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke extending to the right.

Sheri Boettcher, Mayor

A handwritten signature in black ink, appearing to be 'Jessica View', written over a horizontal line. The signature is written in a cursive style.

Jessica View, City Clerk

FORMAL CITY COUNCIL MEETING – February 18, 2020. Meeting held at City Hall.

Meeting called to order by Mayor Gibson at 5:17 pm

ROLL CALL: Present: Boettcher, Ford, Kuehne, LaPorte, Coyer, Saha; Mayor Gibson. Quorum: Present.

Opening Ceremony: Pledge of Allegiance led by Mayor Gibson.

PUBLIC COMMENT ON AGENDA ITEMS:

PRESENTATIONS: N/A

CORRESPONDENCE: N/A

APPROVAL OF CONSENT AGENDA: Meeting minutes of January 21, 2020, Formal City Council meeting. Approval of bills for February 18, 2020 in amount of \$116,216.42. Ford/LaPorte: Yeas: All Nays: None. Motion carried.

CITY MANAGERS REPORT: Written report in packets

COMMITTEE REPORTS: Park and recreation meeting on 2/19/2020. Special events to start planning the sesquicentennial for Pinconning.

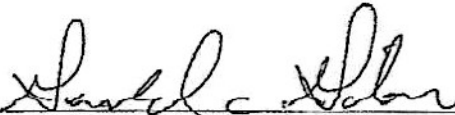
UNFINISHED BUSINESS: Ordinance 2020-02-18 passed to renew the Downtown Development Plan, as well as Ordinance 2020-02-18-B for a PILOT for Whispering Pines.
Northern Bay Ambulance moved to March meeting.

NEW BUSINESS: Council referred sale of water tower to attorney, while taking favorable action on motion by Saha/LaPorte to engage Spectrum for internet service. LaPorte/Saha also motioned to move Board of Review dates to March 11 and 12, motion carried.

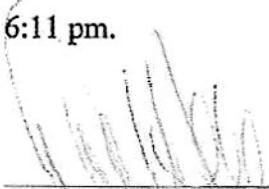
PUBLIC COMMENTS:

Commissioner Duranczyk urged our joint fire Department to take advantage of FEMA money.

ADJOURNMENT: Mayor Gibson adjourned meeting at 6:11 pm.



Gerald Gibson, Mayor



Dawn Hoder, City Clerk

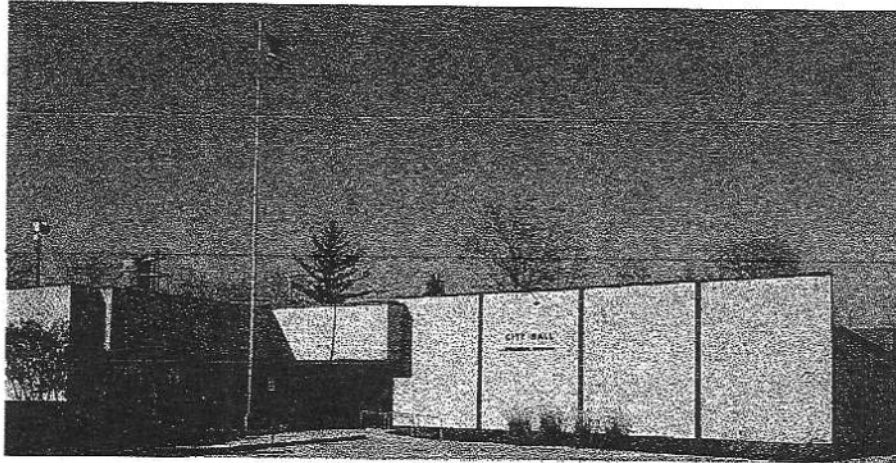
EXHIBIT A

The City of Pinconning
Development Plan and Tax
Increment Financing Plan

City of Pinconning

Downtown Development Authority

Development Plan and TIF Plan



January 2020

City Council

Gerald Gibson, Mayor

Leroic Ford
Sherri Boettcher
Rebecca Coyer
Gerald Gibson
Ann LaPorte
Brian Saha
Chris Kuehne

**City of Pinconning Downtown Development
Authority**

Brian Saha, Chairman
Matt Hycki, Vice-Chairman
Josh Klee, Treasurer
Jeanette Marks, Secretary

John Aspinall
Tricia Foldie
Lori Szyperski
Cliff Holland
Council Rep.
Ann LaPorte

City of Pinconning
DDA Development Plan and Tax Increment Financing Plan

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I. INTRODUCTION

A. Purpose of this Development Plan and Tax Increment Financing Plan

The statute governing a DDA Development/TIF Plan is Part 2 of the Michigan Public Act 57 of 2018, as amended, MCL § 125.165 *et. seq.* (the "Act").

The Act was enacted to provide a means for local units of government to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interest in real and personal property; to authorize the creation and implementation of a development plan in the district; to promote the economic growth of the district; 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; and to authorize the use of Tax Increment Financing.

Tax Increment Financing is a government financing program which contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from the economic growth and development to facilities, structures of improvements within a development area thereby facilitating economic growth and development. Tax Increment Financing mandates the transfer of tax increment revenues by the City and county treasurers to authorities created under the Act in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.

The Act seeks to accomplish its goals by providing local units of government with the necessary legal, monetary, and organizational tools to eliminate property value deterioration and to promote economic growth through publicity-initiated projects undertaken cooperatively with privately initiated projects. The way in which a downtown development authority makes use of the tools made available under the Act depends on the problems and priorities of each community. The Tax Increment Financing Plan, as amended, has been developed in accordance with the purposes of the Act based on the problems and priorities as perceived by the City of Pinconning Downtown Development Authority (hereinafter sometimes referred to as the "DDA" or the "Authority").

The Tax Increment Financing Plan is intended to describe the goal and objective of the Authority for redevelopment of the downtown development district and outline the steps necessary for achieving these goals.

It is intended that the Plan becomes the basis for all future development/redevelopment projects in the downtown district. After it has been adopted, the Downtown Development Plan should be: (1) a long range guide for evaluating proposals for physical changes and for scheduling improvements in the downtown district; (2) a guide for making recommendations and establishing properties in the development area capital improvement program; (3) a foundation for conducting more specific and detailed studies for the general

development district and for assessing possible improvements and developments; and (4) a source of information and a statement of policy which is useful to citizens and business owners in making private investment decisions.

The DDA must prepare and submit a tax increment financing plan and a development plan if it determines that creation of such plans is necessary for the achievement of the purposes of the Act. This document constitutes both these plans, with the development plan and the format described in Section 217 of the Act, being MCL 125.4217 followed by the tax increment financing plan as described in Section 214, 215, and 216 of the Act. This document is one development plan and TIF plan for the entire DDA. It amends the original development plan and TIF plan for the DDA (City of Pinconning Ordinances 7 and 8, as amended) and incorporates into it a development and TIF plan for the original and expansion DDA Area.

B. Creation and History of the Downtown Development Authority

The City of Pinconning (the "City") adopted Ordinance No. 6 creating and establishing the City of Pinconning Downtown Development Authority, which was effective on November 1, 1989. The DDA was granted all the powers permitted a downtown Development Authority under the Act. In creating and establishing the DDA, the City found that the DDA was necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in the City's business district, to eliminate the causes of said deterioration, and to promote economic growth.

The City adopted Ordinance No. 7 adopted a Tax Increment Financing Plan, which was effective on April 4, 1990. Ordinance No. 7 established the Development Area Plan ("Development Plan") and listed certain project activities which were to be completed by the DDA. The Plan provides that at least some of the revenue derived from a tax increment financing plan is to be used to complete the projects set forth in the Plan. Ordinance No. 7 also provides a 20-year deadline in which to complete all of the activities contained in the Plan. The 20-year deadline began to run on the date the City Council adopted the ordinance. Ordinance No. 7 also provides for a Tax Increment Financing Plan ("TIF Plan") which authorized the capture of tax increments, as that term is defined by the Act.

The City Council adopted Ordinance No. 8, which was effective upon publication on April 4, 1990. Ordinance No. 8 established a tax increment financing plan for the DDA. Paragraph H of Ordinance No. 8 provides that the "duration of the program shall be 20 years from the date of the adoption of the ordinance, unless amended after hearing and notice. . . ."

The City Council amended the Development and TIF Plans when it adopted Ordinance 09-7 on November 25, 2009, prior to the expiration of the Development and TIF Plans established by Ordinance Nos 7 and 8, respectively.

C. Overview of the Development

Over the past several years the City and the DDA have undertaken many improvements in the DDA area. These include gateway signs, beautification projects, infrastructure updates, promotion of the downtown area, webpage hosting, and LED streetlight conversions, and other miscellaneous repairs and maintenance items.

The development anticipated with this plan includes further enhancement of the current streetscape and walkability features, promotion of the DDA district, quality of life programs that will bring individuals into the DDA district, enhance dilapidated building and structures or remove them permanently, attract senior housing and housing into the DDA district, website and DDA area promotion, wayfinding sign program, enhance the overall appearance of the DDA district, repair, modify, or replace infrastructure on an as-needed basis, and other miscellaneous items as more thoroughly set forth in Exhibit B of this document.

II. DEVELOPMENT PLAN

- A. The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise. Section 217(2)(a), being MCL 125.4217(2)(a)

The development area is coterminous with those of the entire DDA. The map showing the boundaries of the DDA area is attached as Map 1.

- B. The location and extent of existing streets and other public facilities within the development area, 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 a legal description of the development area. Section 217(2)(b), being MCL 125.4217(2)(b).

Existing streets and public facilities within the DDA area are shown in Map 1. Map 2 shows existing land uses by tax classifications.

A legal description of the development area as identified by Tax Identification Number is attached as Exhibit A.

- 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. Section 217(2)(c), being MCL 125.4217(2)(c).

At the time of adoption, no existing improvements in the development area were projected to be demolished; however, if in the process of undertaking a project an existing improvement is deemed to be demolished by the DDA Board, the existing improvement will be acquired by law and demolished accordingly. Ongoing maintenance in an amount to be determined by the DDA Board, with consent of the City Council, will be allocated

for this purpose and will repair any existing streetscape improvements such as lighting, benches, sidewalks, etc. No existing improvements are anticipated to be altered as part of this plan.

- 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. Section 217(2)(d), being MCL 125.4217(2)(d).

See Exhibit B for a listing of the proposed improvements.

- E. A statement of the construction or stages of construction planned, and the estimated time of completion for each stage. Section 217(2)(e), being MCL 125.4217(2)(e).

Refer to Exhibit B for a proposed phasing of the projects.

The improvements contemplated by this Development Plan will commence as monies become available to pay for them. In general, the stages shall be as follows:

Phase I	Years 1 – 5
Phase II	Years 6 - 10
Phase III	Years 11 and beyond

A specific project may need to be moved to a different phase of construction if growth and development occur at a different rate or in a different area than anticipated.

If a development that is to be located in the Plan area requires any infrastructure improvements outside the Development Plan area, these projects may be constructed if the DDA obtains a waiver from the State Tax Commission.

- F. A description of any parts of the development area to be left as open space and the use contemplated for the space. Section 217(2)(f), being MCL 125.4217(2)(f).

The City wishes to preserve all existing woodlands set forth in its master plan. Some of these woodlands may be in the DDA district. Other open space to be preserved includes all City park property.

- 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. Section 217(2)(g), being MCL 125.4217(2)(g).

The Authority does not contemplate selling, donating, exchanging or leasing any land either to or from the City within any portion of the Development Area at the present time.

- H. A description of desired zoning changes and changes in streets, street levels, intersections, or utilities. Section 217(2)(h), being MCL 125.4217(2)(h).

1) Desired zoning changes - Within the DDA area, the DDA desires that, as development occurs, zoning be changed in accordance with the City of Pinconning Master Plan.

- 2) Desired changes in streets – No desired street changes are being contemplated at this time.

During the duration of the Development and TIF Plan the DDA Board may vote to add or modify the layout of any street that in the sole discretion of the DDA will assist the DDA with its purposes as stated in the Act.

- 3) Desired changes in street levels or intersections – As the roads described above are added to the development district, several new intersections will be created. Stop signs, traffic lights and other appropriate traffic control measures will be added as needed.

- 4) Desired changes in utilities – No desired utility changes are being contemplated at this time.

During the duration of the Development and TIF Plan the DDA Board may vote to add or modify the layout of any utilities that in the sole discretion of the DDA will assist the DDA with its purposes as stated in the Act.

I. An estimate of the costs of development, a statement of the proposed method of financing the development and the ability of the authority to arrange the financing. Section 217(2)(i), being MCL 125.4217(2)(i).

The estimate of total costs for all of the proposed developments is a minimum of \$1,000,000.00 with a number of improvement costs to be determined. Pursuant to MCL § 125.4211, 125.4213, and 125.4216. The costs of acquisition and development may be financed as authorized by the Act, including, but not limited to:

- public and private grants
- donations received by the DDA
- tax increment revenues
- proceeds of a tax, not to exceed 2 mills, imposed pursuant to Section 212 of the Act
- general obligation bonds issued by the City in amounts limited in amount by a percentage of the anticipated tax increment revenues available for payment of debt service on such bonds
- 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
- tax increment bonds issued by the DDA pledging solely the tax increments and other revenues of the DDA
- proceeds of a special assessment district created as provided by law

- money obtained from other sources approved by the City Council or the DDA, including development agreements
- 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.
- 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.
- Any other funding source authorized by law.
- Revenue from negotiable revenue bonds under the revenue bond act of 1933, 1933 PA 94, MCL 141.101 to 141.140

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. Section 217(2)(j), being MCL 125.4217(2)(j).

Other than an agreement between the DDA and the Pinconning Chamber of Commerce whereby the DDA has leased its gateway sign(s) to the Chamber of Commerce, at this time, there is anticipated that there will be no person or persons, natural or corporate, to whom all or any portion of the development is to be leased, sold or conveyed in any manner.

The DDA Board reserves the right to lease, sell, or convey property to person or persons, or corporation that is deemed to be in the best interest of the DDA District or that promotes economic growth and development.

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. Section 217(2)(k), being MCL 125.4217(2)(k).

Any project estimated to exceed \$25,000.00 will likely be completed through a public bidding process whereby the lowest, responsive, responsible bidder will be contracted with to complete the project(s). Should the DDA in its sole discretion believe that a public bidding process is not in the best interest of the DDA or the City, then it will contract with a competent contractor to complete the project.

- 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 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 sales 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. Section 217(2)(l), being MCL 125.4217(2)(l).

According to records from City Assessor, there are less than 5 parcels of land in the DDA classified as residential. Some of these are vacant. Therefore, upon reason and belief, the estimate of persons actually within the DDA is likely somewhat less than 100.

There are no persons or families to be displaced as a result of the development.

- M. A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area. Section 217(2)(m), being MCL 125.4217(2)(m).

Not applicable.

No relocation.

- 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 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. Section 217(2)(n), being MCL 125.4217(2)(n).

Not applicable.

No relocation.

- 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. Section 217(2)(o), being MCL 125.4217(2)(o).

This Plan does not call for the Authority to undertake any action that would fall within the Act No. 227 of the Public Acts of 1972.

III. TIF PLAN

A. Tax Increment Financing Procedure

The Tax Increment Financing procedure outlined in the Act requires the adoption by the City of a Downtown Development and Tax Increment Financing Plan. Following adoption of the ordinance approving the Development and Tax Increment Financing Plan, the City and county treasurers are required by law to transmit to the DDA that portion of the tax levy of all taxing jurisdictions paid each year on the captures assessed value of all real and personal property included in the Tax Increment Financing Plan. A Tax Increment Financing Plan may be modified if the City follows the same modification and public hearing procedures as were required for adoption of the original Plan.

At the time the Tax Increment Financing Plan is adopted, the "initial assessed value" is determined. The 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 for which equalization has been completed at the time the ordinance is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included at zero. Property for which a specific local tax is paid in lieu of property tax shall not be considered exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of property tax is determined as provided below.

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, Michigan Public Act 62 of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws. Tax increment revenues used to pay bonds issued by the City under section 16(1) of the Act shall be considered to be used by the tax increment financing plan rather than shared with the City. This does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county in which an enterprise zone is approved under section 13 of the enterprise zone act, Michigan Public Act 224 of 1985, being section 125.2113 of the Michigan Compiled Laws.

"Specific local tax" means a tax levied under Michigan Public Act 198 of 1974, being Sections 207.551 to 207.572 of the Michigan Compiled Laws, the Commercial Redevelopment Act, Michigan Public Act 255 of 1978, being Section 207.651 to 207.668 of Michigan Compiled Law, Act No. 189 of the Michigan Public Acts of 1953, being Sections 211.181 to 211.182 of the Michigan Compiled Laws, and the Technology Park Development Act, Michigan Public Act 385 of 1984, being Sections 207.701 to 207.718

of the Michigan Compiled Laws. The initial assessed value or current assessed value or current assessed value of property subject to specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the Michigan State Tax Commission shall prescribe the method of calculating the initial assessed value and current assessed value for which a specific local tax was paid in lieu of a property tax. Because this plan is an amendment to the original TIF Plan, the base year for the initial assessed value of original DDA area is 1989.

B. Estimated Captured Assessed Values, and Estimated Tax Increment Revenues

The tax increment revenues or "captured assessed value" means the amount in any one year by which the current assessed value of the project area, including the current assessed value of property for which specific local taxes are paid in lieu of property taxes, exceeds the initial assessed value. Tax Increment Revenue to be transmitted to the Authority by the City Treasurer and/or County Treasurer shall be that portion of the tax levy of all taxing bodies paid each year on the assessed value of real and personal property in the Development Area on the captured assessed value.

The DDA is not authorized to capture tax increment revenues from any ad valorem taxes or specific local taxes attributable to the levy by the State of the six-mill education tax pursuant to Michigan Public Act 331 of 1993, as amended, or taxes levied by any local or intermediate school district.

Refer to Exhibit C for estimated captured assessed values and estimated tax increment revenues. Although the actual tax increment revenues available to the DDA will undoubtedly vary from the estimates herein provided, the estimates of tax increment revenue in the exhibit are based on the following:

- An initial taxable base value of the DDA area is \$4,485,750.00.
- All voted millages will be renewed throughout the duration of the plan. These include:
 - City Operating 14.6736
 - County Operating 5.7257
 - County Operating (Extra Voted) 2.7432
 - Delta College 2.0427
 - Bay Metro Transportation 0.7476
- No local, intermediate school district, or state education taxes will be captured.

C. Amount of bonded indebtedness to be incurred

The maximum amount of bonded indebtedness to be incurred by the DDA for all bond issues for projects listed in the Development Plan, or loans, including payments of capitalized interest, principal and required reserve shall be \$2 million. Actual bonded indebtedness to be incurred will be limited by the amount of revenues anticipated to be received each year that will be available for servicing the debt load. The bonded indebtedness proceeds will be sufficient to pay the estimated costs of the development plus any associated costs of accompanying professional services prior to June 31, 2040. The City must approve any bonds or indebtedness, which pledge the full faith and credit for the City. The City Council may deny approval of loans or bonding for such projects in the City's name without any legal recourse by the DDA.

Just because a project is listed in the Development Plan shall not guarantee that the project will be implemented.

D. Duration of the Program

The Tax Increment Financing Plan will remain in effect to the end of fiscal year 2040, unless amended after hearing and notice in accordance with the Act to a shorter or longer period. Further, pursuant to Section 215(2) of the Act, if repayment of the Bonds or any future bonds issued by the Authority have not been completed by 2040, the TIF plan shall not be abolished, allowed to expire, or otherwise terminate until the principal of, and interest on, bonds issued pursuant to Section 216 of the Act have been paid or funds sufficient to make the payments have been segregated.

E. Estimated Impact on Assessed Value of Taxing Jurisdictions

The tax increment financing plan generates revenue based only on the captured assessed value. Each Taxing Jurisdiction will continue to levy and receive taxes on the initial taxable value of \$4,485,750 in the DDA area. That taxable value will continue to be used for taxing purposes by the Taxing Jurisdictions that are not exempted by the Act. In effect, the taxable value is frozen at the base level for taxing purposes for the duration of the TIF plan. Exhibit C gives an estimate of the growth in the district. This is a simple projection that assumes equal growth in taxable value for 20 years. Actual growth is dependent on development in the area and it may differ from the projection given in Exhibit C.

The Intermediate School District, the local school district, and the State of Michigan Education Tax fund will receive increasing revenues from increasing taxable value.

The justification of the tax increment financing procedure is based on the expectation that all or a portion of the "capture assessed value" that is created following implementation of a downtown development plan, would not have occurred without the stimulation of the

public investment involved in the plan implementation. Therefore, the short-term investment made by the taxing unit in foregoing part of the initial growth in tax revenues is repaid by the long-term benefit of substantially greater taxes realized from a stronger commercial base when the plan is completed.

The overall impact of the Tax Increment Financing Plan is expected to generate increased economic activity in the City and Bay County at large. This increase in activity will, in turn, generate additional amounts of tax revenue to local taxing jurisdictions through increases in assessed valuations of real and personal property and from increases in personal income due to new employment within the Development Area, the City, and other neighboring communities and throughout Bay County.

F. Provision for use of part or all of the captured assessed value to be used by the DDA

The DDA shall expend the tax increments received from the development program only in accordance with the TIF Plan. Tax Increment revenues in excess of the estimated tax increment revenues or in excess of the actual cost of the Plan to be paid by the tax increment revenues may be retained by the DDA for future goals, services, and/or projects stated in the Development Plan. The excess revenue not so used shall revert proportionately to the respective taxing jurisdictions upon the execution of a resolution directing said action. The resolution should only be adopted if the DDA Board determines that all of the projects listed in the Development Plan are completed and it has no intention to begin the process to amend its plan to add additional projects. These revenues shall not be used to circumvent existing property tax laws that provide a maximum authorized rate for the levy of property taxes.

G. Compliance with Section 15 of the Act

As referred to above, it is the intent of these plans to comply with Section 215 of the Act regarding tax increments, amount of tax increments, expenditure of tax increments, and submission of the tax increment financing report. These revenues shall not be used to circumvent existing property tax limitations.

H. Reports

The authority shall file with the Department of Treasury, the taxing jurisdictions subject to capture, and/or the City Council all reports and information that is required to be filed with those agencies as set forth in Section 911 of the Act, being MCL 125.4911.

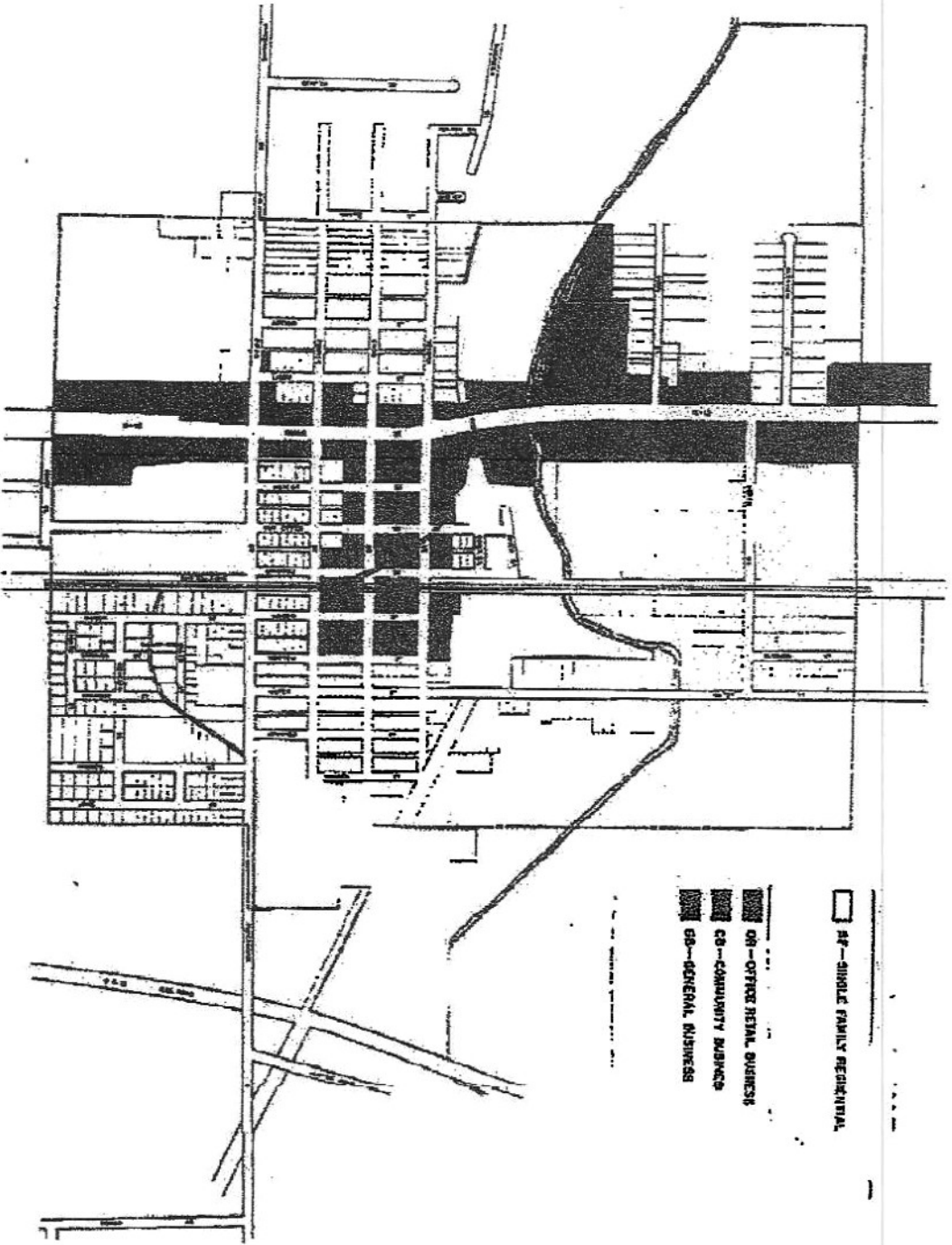
The City of Pinconning shall create a website or utilize the existing website of the City that is operated and regularly maintained with access to Authority records and documents as required by Section 910 of the Act, being MCL 125.4910.

Maps

DDA Area

Existing Land Use by Tax Classification

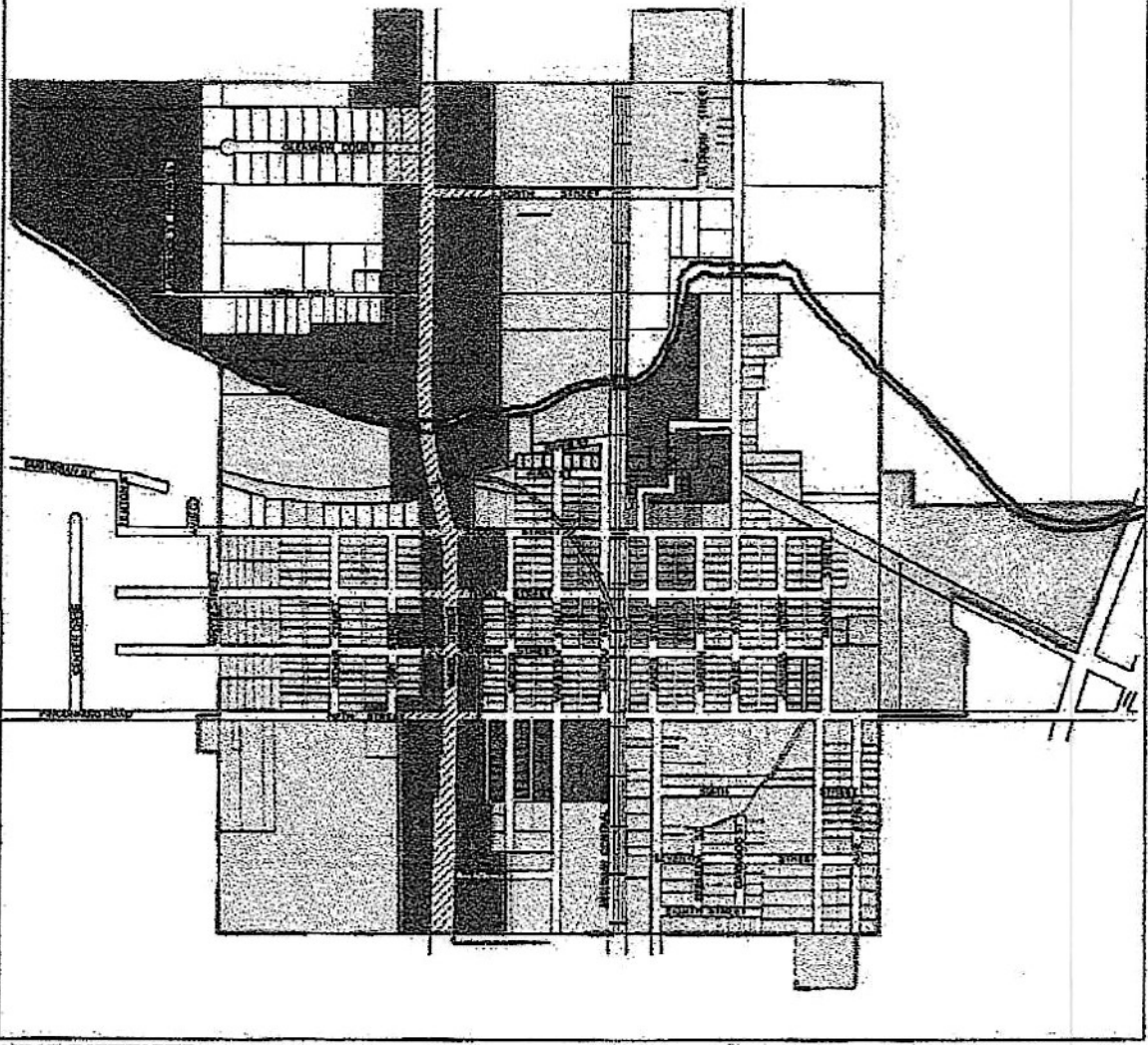
DSA AREA MAP













Department of Planning and Development
CITY OF PINCONNING
BAY COUNTY, MICHIGAN
A
M

CITY OF PINCONNING

BAY COUNTY, MICHIGAN



ZONING DISTRICTS

- | | | | |
|---|---------------------------------|---|------------------------------|
|  | R-1 LOW DENSITY RESIDENTIAL |  | GB GENERAL BUSINESS |
|  | R-2 MEDIUM DENSITY RESIDENTIAL |  | CC COMMUNITY CENTER BUSINESS |
|  | R-3 MULTIPLE-FAMILY RESIDENTIAL |  | LI LIGHT INDUSTRIAL |
|  | MHP MANUFACTURED HOME PARK |  | GI GENERAL INDUSTRIAL |
|  | M-13 CORRIDOR OVERLAY ZONE | | |

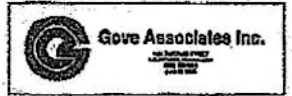


Exhibit A – Legal Description

As established by the City of Pinconning Ordinance Number 6, as amended, the Development Area that Tax Increment Financing revenue may be spent is identified as follows:

Parcel A

All of the City of Pinconning zoned Community Business (CB) district as outlined on the attached zoning map.

Parcel B

All of the City of Pinconning zoned Office Retail Business (ORB) district as outlined on the attached zoning map.

Parcel C

All of the City of Pinconning zoned General Business (GB) district as outlined on the attached zoning map.

Parcel D

All that parcel described as Commencing at the Northeast corner of the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 22, Town 17 North, Range 4 East; thence West 528 feet; thence South 165 feet; thence East 528 feet; thence North 165 feet to the point of beginning.

If there is a discrepancy between the description of the Development Area stated herein and the enabling ordinance, the enabling ordinance shall control.

Exhibit B – Planned Improvements

1. Maintain Streetscape Plan & Beautification Program. Widen sidewalk by bank shell on North side to allow for benches and wheelchairs. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
2. Install, widen, maintain, replace sidewalks, boardwalks, multiuse pathways throughout the DDA district in an effort to promote walkability between businesses and the district. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
3. Install, maintain, and replace as needed lighting throughout DDA district. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
4. Continue to pay on current obligations. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
5. Promote commerce through the Pinconning Campaign. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
6. Continue to enhance the Pinconning Community Center and Recreation Program to attract more events and visitors to the DDA district, which will promote economic growth. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
7. Participate to the extent necessary in an area wide recreation council to attract programs and tournaments to be held in the DDA district in an effort to promote economic growth and development. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
8. Participate, create, or work in conjunction with another organization to assist small business organizations and building rehabilitations within the DDA district. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
9. Acquire land and allowed by the Act. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
10. Acquire dilapidated buildings and structures located within the DDA district and either rehabilitate those structures or demolish them in the sole discretion of the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
11. Offer incentives for housing and develop programs targeted at adult and seniors in an effort to attract them to the DDA district. This may include, but not limited to, programs such as transportation to/from the DDA district and working with private entities or other governmental entities to build a senior housing complex so it would

- be easier for senior to shop in the DDA district. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
12. Employ consultants and coordinators as needed and determined in the sole discretion of the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
 13. Participate, create, or work in conjunction with another organization to assist in or establish a business improvement program. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
 14. Provide for the safety of individuals, business owners, and businesses in the DDA district by providing police protection, fire protection, and other services that are public safety in nature. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
 15. Erect various facilities as deemed needed or necessary by the DDA Board to encourage economic development or attract individuals to the DDA district. Facilities shall include, including, but not limited to hockey rinks, tennis courts, basketball courts, baseball diamonds, spray/splash parks, and parking lots, etc., just to name a few. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
 16. Offer Façade Program to property owners located in the DDA district. This program may include grants, loans, or other types of assistance to encourage property owners to make their property more appealing. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
 17. Work with and possibly fund in part skilled trade education or post-secondary education courses or classes to be held in the DDA district in an effort to educate a work force to, hopefully upon graduation, remain in the Pinconning area and open businesses in the DDA district. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
 18. Develop a marketing brochure/website outlining demographics of the DDA district, existing businesses and market potential for interested developers. Market/Advertise the DDA district. This may include, but not limited to, billboards, newsletters, special events, banners, flags, etc. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
 19. Community Grant Programs as determined to be needed by the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.

20. Provide for utility relocation as needed as determined by the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
21. Develop highlight areas at key community entry points and public areas, i.e. signs, landscaping, flags, art, clock tower, etc. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
22. Maintenance of DDA district including flag replacement, banner replacement, lighting maintenance, tree maintenance, bench replacement, sidewalk maintenance and lawn maintenance. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
23. Assist property owners in business identification through a sign program or wayfinding sign program. This program will assist property owners with the installation of signage that is aesthetically pleasing to the DDA district. The program may include loans, grants, or other financing as determined by the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
24. Create a wayfinding sign program for the DDA district. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
25. Beautify areas of the DDA district as deemed needed or necessary by the DDA Board. Upgrade/screen dumpsters on public or private property to improve the cleanliness of the DDA district. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
26. Expand/Enhance the current park system as deemed necessary by the DDA Board. Install new parks in the DDA district as deemed needed or necessary by the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
27. Install new or upgrade the appearance of public signs and/or traffic control devices. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
28. Install irrigation systems throughout the DDA where needed as determined by the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
29. Install, upgrade, or update streetlighting throughout the DDA district where needed as determined by the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
30. Several large parking lots within the DDA district are void of landscaping treatments such as front greenbelts, vegetation and interior landscaping islands. It

is the desire of the DDA to improve the overall appearance of businesses and the DDA district as a whole and, therefore, the DDA will fund various parking lot improvement projects, where deemed necessary by the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.

31. The DDA intends to improve the appearance of the DDA district by the eradication of blight and unsightly conditions to promote the redevelopment of properties and to promote economic development in the DDA district. The eradication of blight may include the demolition of unsightly structures or structures that are deemed to be removed by the DDA Board as being necessary to promote economic growth and development. The eradication of blight may also include code enforcement of the existing ordinances. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
32. Upgrade/install waterlines, service leads, valves, manholes, or any other type of items regularly used in the construction of watermains to improve fire protection, enhance development, correct deterioration of existing waterline, or any other reason deemed by the DDA Board as essential and necessary to the DDA district. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
33. Upgrade/install sanitary sewer lines, service leads, valves, manholes, lift stations, forcemains, or any other type of items regularly used in the construction of sewer lines to improve capacity, enhance development, correct deterioration of existing sanitary sewer lines, or any other reason deemed by the DDA Board as essential and necessary to the DDA district. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
34. Install or upgrade public service facilities, which include, but are not limited to, sewage treatment facilities, and water treatment facilities as deemed essential and necessary by the DDA Board. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
35. Upgrade, install, or reconstruct the roads and road system throughout the DDA district to improve the quality of the roads and/or to alleviate traffic congestion. Upgrading includes installation or upgrading of curb or curb and gutter, but is not limited to, seal coating, slurry seal, and routine maintenance such as cold and hot patching, and complete road rebuilding. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.
36. Update or create new planning documents, which may include zoning ordinances, subarea plans, master plans, traffic studies, etc. Estimated cost will be determined on a per project basis. May be completed in Phases I, II, and/or III.

Exhibit C – Estimate of Revenues

Exhibit C
City of Pinconning DDA TIF Plan
DDA Original Area
Estimate of Captured Taxable Value & Revenue

Year	Taxable Base	Current Taxable Value	Captured Taxable Value*	County Allocated Tax Increment Revenue** 5.7257 mills	County Voted Millages Tax Increment Revenue** 2.7452 mills	Bay Metro Transportation Tax Increment Revenue** 0.7476 mills	County Debt Tax Increment Revenue 0	Delta College Tax Increment Revenue** 2.0427 mills	Library Tax Increment Revenue 0.0 mills	City of Pinconning Tax Increment Revenue** 14.6736 mills	Total Tax Increment Revenue
1988	\$4,485,750										
2020	\$4,485,750	\$6,791,968	\$2,306,218	\$13,205	\$6,331	\$1,724	\$0	\$4,711	\$0	\$33,841	\$59,811
2021	\$4,485,750	\$6,846,968	\$2,361,218	\$11,466	\$6,482	\$1,765	NA	\$4,823	NA	\$34,548	\$59,184
2022	\$4,485,750	\$6,901,968	\$2,416,218	\$11,733	\$6,633	\$1,806	NA	\$4,936	NA	\$35,455	\$60,563
2023	\$4,485,750	\$6,956,968	\$2,471,218	\$12,000	\$6,784	\$1,847	NA	\$5,048	NA	\$36,262	\$61,941
2024	\$4,485,750	\$7,011,968	\$2,526,218	\$12,267	\$6,935	\$1,889	NA	\$5,160	NA	\$37,069	\$63,320
2025	\$4,485,750	\$7,066,968	\$2,581,218	\$12,534	\$7,086	\$1,930	NA	\$5,273	NA	\$37,876	\$64,698
2026	\$4,485,750	\$7,121,968	\$2,636,218	\$12,801	\$7,237	\$1,971	NA	\$5,385	NA	\$38,683	\$66,077
2027	\$4,485,750	\$7,176,968	\$2,691,218	\$13,068	\$7,388	\$2,012	NA	\$5,497	NA	\$39,490	\$67,455
2028	\$4,485,750	\$7,231,968	\$2,746,218	\$13,335	\$7,539	\$2,053	NA	\$5,610	NA	\$40,297	\$68,834
2029	\$4,485,750	\$7,286,968	\$2,801,218	\$13,602	\$7,690	\$2,094	NA	\$5,722	NA	\$41,104	\$70,213
2030	\$4,485,750	\$7,341,968	\$2,856,218	\$13,870	\$7,841	\$2,135	NA	\$5,834	NA	\$41,911	\$71,591
2031	\$4,485,750	\$7,396,968	\$2,911,218	\$14,137	\$7,992	\$2,176	NA	\$5,947	NA	\$42,718	\$72,970
2032	\$4,485,750	\$7,451,968	\$2,966,218	\$14,404	\$8,143	\$2,218	NA	\$6,059	NA	\$43,525	\$74,348
2033	\$4,485,750	\$7,506,968	\$3,021,218	\$14,671	\$8,294	\$2,259	NA	\$6,171	NA	\$44,332	\$75,727
2034	\$4,485,750	\$7,561,968	\$3,076,218	\$14,938	\$8,445	\$2,300	NA	\$6,284	NA	\$45,139	\$77,105
2035	\$4,485,750	\$7,616,968	\$3,131,218	\$15,205	\$8,596	\$2,341	NA	\$6,396	NA	\$45,946	\$78,484
2036	\$4,485,750	\$7,671,968	\$3,186,218	\$15,472	\$8,747	\$2,382	NA	\$6,508	NA	\$46,753	\$79,863
2037	\$4,485,750	\$7,726,968	\$3,241,218	\$15,739	\$8,898	\$2,423	NA	\$6,621	NA	\$47,560	\$81,241
2038	\$4,485,750	\$7,781,968	\$3,296,218	\$16,006	\$9,049	\$2,464	NA	\$6,733	NA	\$48,367	\$82,620
2039	\$4,485,750	\$7,836,968	\$3,351,218	\$16,273	\$9,200	\$2,505	NA	\$6,846	NA	\$49,174	\$83,998
2040	\$4,485,750	\$7,891,968	\$3,406,218	\$16,540	\$9,351	\$2,546	NA	\$6,958	NA	\$49,981	\$85,377
TOTAL				\$293,265.64 19.5%	\$164,658.68 10.9%	\$44,841.48 3.0%	\$0.00 0.0%	\$122,522.33 8.1%	\$0.00 0.0%	\$880,131.01 58.5%	\$1,505,419

Current Taxable Value = Real Property

* Difference between current taxable value and 1988 taxable base value

Exhibit C
 City of Pinconning DDA TIF Plan
 DDA Original Area
 Estimate of Captured Taxable Value & Revenue

Year	Taxable Base	Current Taxable Value	Captured Taxable Value*	County Allocated Tax Increment Revenue**	County Voted Millages Tax Increment Revenue**	Bay Metro Transportation Tax Increment Revenue**	County Debt Tax Increment Revenue	Delta College Tax Increment Revenue**	Library Tax Increment Revenue	City of Pinconning Tax Increment Revenue**	Total Tax Increment Revenue
				5.7257 mills	2.7452 mills	0.7476 mills	0	2.0427 mills	0.0 mills	14.6736 mills	

** Assumes that all voted millages will be renewed throughout the duration of the plan

Exhibit D – Adopted Ordinance