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(Note: Michigan statutory requirements precede each station and are in all capital letters.)

DEVELOPMENT PLAN
The designation of boundaries of the Development Area in relation to highways, streets, streams, or otherwise. The boundaries of the Development District and Development Area are described as follows:

[17 (2a)]

TIF District Boundaries are Woodworth Street (North), South Street (South), Willis Street (West), and Scott Street (East). All of the properties within these boundaries are within the TIF plan.
The location and extent of existing streets and other public facilities within the development area and 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.

[17 (2b)]

The boundaries of the Downtown District within which the Downtown Development Authority shall exercise its powers shall be as follows:

Beginning at the intersection of West Hopson and Willis Streets in the City of Bad Axe, Huron County, Michigan; thence Easterly along the centerline of West Hopson Street to its intersection with the centerline of Whitelam Street; thence Southerly along the centerline of Whitelam Street to its intersection with the centerline of East Avenue; thence Westerly along the centerline of East Huron Avenue to a point in line with the easterly line of Huron Chevrolet property; thence Southerly along the Easterly line of Huron Chevrolet property to a point in line with the centerline of East South extended to the centerline of South Port Crescent Avenue; thence Southerly along the centerline of South Port Crescent Avenue to its intersection with the centerline of West South Street; thence Westerly along the centerline of West South Street to a point in line with the Westerly line of Lots 9 and 37 in the Supervisor’s Plat in said City of Bad Axe; thence Northerly along the Westerly line of said Lots 9 and 37 to the centerline of West Huron Avenue; thence Westerly along the centerline of Wes Huron Avenue to its intersection with the centerline of Willis Street; thence Northerly along the centerline of Willis Street to its intersection with the centerline of West Hopson Street and the point of beginning of this description.
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 for completion. [17 (2c)]

There are no plans as the present time to demolish any existing improvements in the development district. However, based on studies that are to be executed under the provisions of this plan, it may become necessary to demolish blighted, undeveloped or inappropriately developed property to accommodate the recommendations of the studies. Proposals for such action will be brought before the City Council for amendment of the plan following a public hearing. The public improvements to be made within the development area are the construction of new sidewalks, curbs, and gutters along selected streets in the district. Pavement of existing alleys is also planned. Detail regarding the project is outlined in the section entitled “Development Area Projects.”
DEVELOPMENT AREA PROJECTS

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. A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE ESTIMATED TIME OF COMPLETION OF EACH STAGE. [17 (2D&E)]

To compete effectively within the broadest market spectrum possible the City of Bad Axe will undertake a redevelopment plan for the Central Business District (DDA District).

The purpose of the redevelopment effort is to create a pedestrian area within the City, while creating a profitable business center in Bad Axe.

That Business/ Pedestrian center will encompass the present Downtown Development Authority area as described in the Resolution authorizing its existence.

Knowing the CBD cannot compete with larger department stores in the area (which are oriented to vehicular traffic). The DDA shall emphasis the human nature of the City and develop the CBD area to make it more attractive to the pedestrian.
DEVELOPMENT AREA PROJECTS

1. Initiate a streetscape study to provide the framework to assist impacted businesses on façade improvements and targeted public improvements in the area.
   *Cost $10,000
   *Project Duration 6 months

2. A façade loan found fund will be established to assist private businesses in improvements on both front and rear facades.
   *Cost 0 All moneys will be provided by private sector
   *Project Duration 20 years

3. The district to analyze customer trends to the CBD will perform an ongoing series of market surveys.
   *Cost $60,000
   *Project Duration 20 years

4. Signage in the CBD will be evaluated and redesigned for the walking (pedestrian) public. Signage will also be developed to enhance the usage of existing parking area and to develop and enhance (thru landscaping, resurfacing, etc). The parking areas themselves
   *Cost $200,000
   *Project Duration 20 years

5. The authority shall develop a park in the CBD to become the focal point of events and serve as an area to rest and relax.
   *Cost $150,000
   *Project Duration 5 years

6. A program will be initiated to analyze the existing retail mix and develop and attract effort for new businesses.
   *Cost $25,000
   *Project Duration 20 years

7. An active recruitment campaign will be developed to attract new commercial/retail business.
   *Cost $40,000
   *Project Duration 20 years
8. Transition programs will be developed to assist in training new prospective business members to assist them in transitioning an existing business to new ownership.
   *Cost $30,000
   *Project Duration 20 years

9. The authority will sponsor an on-going series of events that provides a focus to the CBD (special assessment).
   *Cost $150,000
   *Project Duration 20 years

10. All sidewalks, curbs and gutters in the district will be repaired and replaced to coincide with the streetscape plan.
    *Cost $750,000
    *Project Duration 20 years

11. A program of planned planting of trees and shrubs and other architectural and landscaping enhancements to create a park-like atmosphere in the district.
    *Cost $200,000
    *Project Duration 20 years

12. Create a walking trail/path in the district to promote more pedestrian/traffic in the district.
    *Cost $20,000
    *Project Duration 5 years

13. With the City, the authority will develop and intensive maintenance program in the district.
    *Cost $90,000
    *Project Duration 20 years

14. With the City of Bad Axe the authority will assist in the replacement of the City Hall, police station, and implementing/furthering recreation programs.
    *Cost $524,560
    *Project Duration 5 years

15. Research and develop an area to be used to host special events (art fairs/antique show, etc.).
    *Cost $20,000
    *Project Duration 10 years
16. The authority will identify building(s) to be acquired/purchased and redeveloped into compatible and targeted reuse.
*Cost $60,000
*Project Duration 20 years

17. A street light plan will be developed and implemented to replace and enhance existing lighting in the district.
*Cost $200,000
*Project Duration 5 years

18. Underground utilities.
*Cost $1,500,000
*Project Duration 20 years

19. Entrance signage.
*Cost $50,000
*Project Duration 20 years

**TOTAL PROJECT EXPENDITURES: $4,079,560.00**

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A DESCRIPTION OF ANY PARTS OF THE DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND THE USE COMTEMPLATED FOR THE SPACE [17 (2f)]

The DDA will identify appropriate space upon the completion of the study of land usage in the district

A DESCRIPTION OF ANY PORTIONS OF THE DEVELOPMENT AREA WHICH THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND PROPOSED TERSM. [17 (2g)]

The DDA has no plans to sell, donate, exchange or lease any portions of the development area to or from the municipality.

THE DESCRIPTION OF DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES. [17 (2h)]

There are no plans at this time to request changes in zoning, streets, street levels, intersections or utilities. However, as
discussed previously, certain studies will be conducted, that when completed, could affect one or more of the above items. In that event, approval of the Village Council will be obtained prior to executing such changes.

AN ESTIMATE OF THE COST OF THE DEVELOPMENT, A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY TO ARRANGE THE FINANCING. [17 (2i)]

The Development Plan will be financed by the Tax Increment Finance Plan. The estimated cost of the total development plan by the DDA over a 20 year time span is $4,079,560. Early stages of development will be financed on a “pay as you go” basis. Bonding may be used as a financing tool in authority development area. The DDA shall not sell any bonds pursuant to this plan or purchase property without approval of the City Council to the issuance of any such bonds. The DDA may also purchase property under land contract and undertake installment contract financing.

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 [17 (2j)]

There is no information available to the Authority at the present time regarding the designation of person or persons, natural or corporate, to whom all citizens of Bad Axe are a portion of the development is to be leased, sold or conveyed. The project is being undertaken for the benefit of the citizens of Bad Axe.

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. [17 (2K)]
All properties under the downtown development authority will be leased, sold, or conveyed at not less than fair market value.

ESTIMATED OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED.


[17 (2l)]

There are approximately 35 residents in the authority’s development area. The development plan does not call for the displacement of any residents, however, if studies or projects necessitate the displacement of any residents, the plan will be amended.

A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA. [17 (2M)]

The development plan does not call for the displacement of any residents, however, if studies or projects necessitate the displacement of any residents, the plan will be amended.

PROVISION FOR THE COST 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. [17 (2n)]

The development plan does not call for the displacement of any residents, however, if studies or projects necessitate the displacement of any residents, the plan will be amended.

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.
[17 (2o)]

The development plan does not call for the displacement of any residents, however, if studies or projects necessitate the displacement of any residents, the plan will be amended.
TAX INCREMENT FINANCE PLAN
The Downtown Development Authority Act authorizes several potential sources of funds for the Downtown Development Authority to use in financing its development activities, including the following:

1. Donations

2. A tax up to two (2) mills levied on the Downtown Development District upon approval of the Village Council, for use in financing the operations of the D.D.A. or for the general fund of the authority for purposes of the authority.

3. Proceeds from a revenue bond issue or general obligation bond issue.

4. Revenues from property owned by the D.D.A.

5. Moneys received from other sources approved by the City Council


The following comments on the first five sources will put in perspective the need for considering the tax increment-financing plan.

1. Donations: These funds could be from either individuals or corporations including philanthropic foundations.

2. Tax Levy: This tax will be used for Administrative costs as well as project costs as needed.

3. Bond Proceeds: Although these are provided in the statute as a “source of financing”, there only a vehicle for borrowing, not an actual source of capital. Whether revenue bonds or general obligation bonds are used, their sale requires the availability of another source of funds to repay them as they mature.

A bond sale may be for the financing of elements within the development plan. Use of bonding will be determined
by the needs of a proposed development inside the boundaries of the development area. The Downtown Development Authority shall not sell any bonds pursuant to this plan without approval of the Bad Axe City Council prior to the issuance of any such bonds.

4. Revenue from Properties: Since the Bad Axe D.D.A. owns no property; this is not a basic source of financing in this case. An income from properties acquired during implementation of the development plan will be applied to costs of that implementation. Excess funds will be used to assist in the financing of other elements within this plan.

5. Other Sources: These might include any general revenues of the Village approved by the City Council for the use by the D.D.A.

6. 100% of the Tax Increment dollars that accrue each year will be used to finance the development plan and to generate projects on a “pay as you go” basis.

EXPLANATION OF THE TAX INCREMENT FINANCING PROCEDURE

The tax increment financing procedure is contained within the D.D.A. statute. The procedure may be proposed by a downtown development authority as a method of financing a downtown development plan. It then may be adopted by the City Council, following consultation with the taxing units involved and a public hearing as required by statute. The essence of the tax increment financing procedure is as follows.

1. The public makes an investment in public improvements, and also potentially in facilities to be leased or sold to private owners, for the purpose of stimulating private investment in a specific downtown commercial area (the Downtown Development District). The investment may be made in response to a declining business climate and commercial tax base, or in response to a stable business climate and tax base, which the public wishes to protect and develop.

2. A bond issue may be sold to finance the improvements.
3. Taxes generated from the subsequent growth in the tax base of the Downtown Development District are then used to retire the bonded debt. This tax base growth is called the “captured assessed value (CAV)”. Specifically, it is the difference between the State Equalized Value (SEV) of the Downtown Development District at any point in time, and the SEV of the District in existence at the time of the adoption of the downtown development plan.

4. The taxes which are potentially available for retiring the bonded debt of the downtown development plan includes all the taxes normally levied by all the taxing units on the captured assessed value of the Downtown Development District. The Downtown Development Authority may enter into agreements with each of the taxing units to share a portion of the captured assessed value of the District. Any tax generated by the captured assessed value, beyond the amount needed to meet the cost of the specific development project, are returned proportionately to the taxing units (a requirement of the statute).

5. When the specific development/ financing plan is accomplished, the captured assessed value is released and the taxing units receive all the taxes levied on it from that point on.

6. Since only the growth in tax base (the captured assessed value) in the Downtown Development District is used to finance the development plan, the taxing units continue to receive their full tax levy on the District tax base in existence at the adoption of the development plan. In addition, any taxes generated by the captured assessed value beyond the amount required by the development plan are returned each year to the taxing units.

The jurisdiction of the tax increment financing procedure is based on the expectation that all or a portion of the “captured assessed value” which 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; and therefore, the short-term investment made by the taxing units in forgoing part of the initial growth in tax revenues is repaid by the long-term benefit of substantially greater taxes realized from a significantly stronger commercial tax base.

THE TAX INCREMENT FINANCING PLAN FOR THE CITY OF BAD AXE DOWNTOWN DEVELOPMENT DISTRICT

The specific tax increment-financing plan proposed by the Downtown Development Authority is as follows:

1. Purpose: The purpose of this tax increment-financing plan is to produce revenues sufficient to pay for the projects outlines in the development plan.

2. Maximum Amount of Bonded Indebtedness: The D.D.A., is any one year, will not pledge for annual debt service requirements in excess of 80% of the estimated tax increment revenue to be received from the development area for that given year. The total aggregate amount of borrowing shall not exceed an amount, which the 80% of the estimated tax increment will service as to annual principle and interest requirements.

3. Initial Assessed Value: It is proposed that the Village Council adopt this plan before January 1, 1990 and that the “initial assessed value”, (the base-year SEV from which the “captured assessed value” is calculated), shall be the 1988 State Equalized Valuation, as equalized as May of 1989, of the Bad Axe Downtown Development Authority District, as finally determined by the State Tax Commission.

4. Portion of “Captured Assessed Value” to be used: Recognizing the declining value of the tax base in the Downtown Development District, the D.D.A. proposes that all the taxes levied by all taxing units on the captured assessed value of real and personal property within the District be used by the Authority to the extent needed from year to year to accomplish the above-stated purpose.
5. Duration of the Program: The duration of this tax increment financing plan shall be twenty (20) years.