

**CITY OF STANDISH
DOWNTOWN DEVELOPMENT AUTHORITY**

**DOWNTOWN DEVELOPMENT PLAN AND
TAX INCREMENT FINANCING PLAN**

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**Expires:
12 years from adoption by council**

INTRODUCTION

The City of Standish's Downtown Development Authority (DDA) has been established in accordance with P.A. 197, 1975, as amended, state of Michigan. (See Appendix for bylaws and ordinance of adoption.) The basic purpose of this authority is to re-establish and maintain the vitality of the business district of the City of Standish.

The DDA has completed a Development Plan for the downtown area. Its basic components include parking, streetscape, new pedestrian linkages, recreation improvements, road resurfacing, utility extension and commercial expansion. Implementation for all activities and coordination with facilities organizations has been built into this plan.

The purpose of the document is to establish a Downtown Development and Tax Increment Financing Plans in order to develop improvements within the boundary of the DDA of the City of Standish. The Tax Increment Financing Plan will be used to implement specific projects of the overall Downtown Development Plan as adopted by the City of Standish's Downtown Development Authority.

The governing body shall hold a public hearing before adoption of an ordinance approving the Tax Increment Financing and Development Plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the downtown district not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the downtown district not less than 20 days before the hearing.

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

Before the public hearing on the Tax Increment Financing Plan, the governing body shall provide a reasonable opportunity to the members of the County Board of Commissioners of the county in which the development area is located and to the members of the school board of any school district in which any portion of the development area is located to meet with the governing body. The authority shall fully inform members of the county board of commissioners and of the school board, who may present their recommendations at the public hearing on the Tax Increment Financing Plan. The authority may enter into agreements with the County Board of Commissioners, the school boards, and the governing body of the municipality in which the development area is located to share a portion of the captured Taxable Value of the district.

The document contained herein may be amended from time to time in order to reflect expanded project or financing needs in order to carry out the goals and objectives of the Downtown Revitalization Plan. Any such amendments will be in accordance with the requirements of Public Act 197, 1975, as amended. and objectives of the Downtown Revitalization Plan. Any such amendments will be in accordance with the requirements of Public Act 197, 1975, as amended.

DOWNTOWN DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

- 1.0 Designation of boundaries of the development area in relation to highways, streets, streams, or otherwise. (See Map 1)

- 2.0 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.
 - 2.1 Location and extent of existing streets within the development area. (See Map 2)
 - 2.2 Location and extent of public facilities within the development area. (See Map 2)
 - 2.3 Location, character, and extent of the categories of existing public and private land uses. (See Map 2)
 - 2.4 Legal description of the development area.

Standish Downtown Development Authority District

Legal description according to the Assessor's Plat

City of Standish No. 1 Lots 1-6, inclusive Lots 20-35, inclusive Lot 56 Lots 69-97, inclusive City of Standish No. 2 Lots 98-121, inclusive Lots 129-142, inclusive City of Standish No. 4 Lots 204-219, inclusive City of Standish No. 5 Lots 334-336, inclusive Lot 349 Lots 358-370, inclusive Walker's Subdivision Lots 1-27, inclusive

040-3-000-000-820-12

T18N R4E SEC 11 PAR OF LAND BEG AT THE 1/4 LINE & THE ELY R/W LINE OF US-23 HWY

TH N 03DEG 03MIN E 8.14 FT, THE 132 FT, TH S 03DEG 03MIN W 8.14 FT, TH W 132 FT TO POB ACRES = .02

040-3-000-000-820-14

T18N R4E SEC 11 PAR OF LAND BEG 132 FT E OF THE INTERSECTION OF
1/4 LINE & THE E R/W LINE OF US-23 H/WY, TH E TO THE 1/4 LINE, TH
N 03DEG 03MIN E 8.14 FT, TH W TO A PT
132 FT E OF THE ELY R/WY OF US 23, TH S 03DEG 03MIN W 8.14 FT TO POB
COMBINED TO 040300000082013(01)

040-3-000-000-820-17

COM N 1/4 COR, SEC 11 T18N R4E, S ALG CL GROVE ST. 1591.90 FT, W ALG
C/L ELM ST. 651.13 FT
TO ELY R/W US-23, S 583 FT E 132 FT TO POB, TH E 218 FT, N 100 FT W 218 FT,
S 100 FMO POB WITH INGRESS AND EGRESS BEG 33 FT S OF CL OF ELM ST
& US-23 & 132 FT E FOR POB, TH E 35 FT, TH S 450 FT, TH W 35 FT, TH N 450
FT TO POB. ACRES = .50

040-3-000-000-820-21

T18N R4E SEC 11 PART OF THE S 1/2 OF N 1/2 SEC 11 COM AT THE N
1/4 COR OF SAID SEC, TH S 02DEG 40MIN W AIL C/L OF GROVE ST
1591.90 FT TO C/L OF VACATED ELM ST TH N89DEG29'O W AL C/L OF
VACATED ELM ST 651.13 FT TO THE ELY R/W LINE OF US-23 (M-23 OR
MAIN ST)TH S3DEG3'00"W AIL ELY ROW OF US 23 851.14 FT TO POB
TH CONT S3DEG3'00"W AIL SAID ELY RN LINE OF US-23 176.86 FT TH
S 86DEG28'00" E 140.00 FT TH N 03DEG 03MIN E PARALLEL TO SAID
ELY ROW LIN US 23 176.86 FT TH N 86DEG28'00"W 140.00 FT BACK TO
POB THIS PROPERTY IS SUBJECT TO EASEMENT FOR INSTALLATION
& MAINT OF PUBLIC UTILITIES CONTAINING .6 ACRE& BEING
SUBJECT TO RESTRICTIONS, RESERVATIONS EASEMENTS ROW
ZONING GOVERNMENTAL REGULATIONS & MATTERS VISIBLE IF
ANY UPON OR AFFECTING SAID LANDS ALSO SUBJECT TO AN
EASEMENT BEING 20 FT N & S BY 40 FT E & W IN THE NE COR OF
SAID PARCEL SURVEY #000186 SPLIT FROM 040300000082010 (01)
ACRES = .57

040-3-000-000-820-26

T 18N R 4E SEC 11 A PAR COM AT N 1/4 COR OF SD SEC, TH S AL cm
GRCVE ST 1591.90' TH W AL ELM ST 651.13' TH S AL ELY R/W LM OF
US-23 743' FOR POB TH S 108.14' TH E 140' TH S 176.86' TH E 868.20' TH
N 445'M/L TH W 658.02' TH S 160' TH W 350' TO POB BEING
8.44 ACRES ML COMB)40-3-000-000-820-02&820-11&PARTOF815-02(16).

040-3-000-000-821-05

T18N R4E SEC 11 COM N 1/4 COR OF SEC 11 TH S 1591.90 FT ALG C/L
GROVE STREET TO C/L ELM STREET W 651.13 FT S 583 FT ALG ELY LN
US-23 FOR POB TH S 160 FT E 350 FT N 160 FT TH W 350 FT TO POB
ACRES 1.285 SPLIT FROM 040300000082005 (00)

040-3-000-000-825-00

T18N R4E SEC 11 BEG 931.92 FT S & 20 FT E OF SW COR OF LOT 2, BLK 12, TH
S 300 FT FOR POB, THE 132 FT, S 150 FT, W 132 FT, N 150 FT TO POB ACRES .46

040-3-000-000-830-00

T18N R4E SEC 11 BEG 931.92 FT S & 20 FT E OF SW COR OF LOT 2, BLK 12, TH
S 450 FT FOR POB, TH E 132 FT, S 100 FT, W 132 FT, N 100 FT TO POB ACRES =
.30 ESMT 201500464

040-3-000-000-835-00

BEG 1031.92 FT S & 20 FT E OF SW COR OF LT 2, BLK 12, TH S 200 FT, E 132
FT, N 200 FT, W 132 FT TO POB

040-3-000-000-835-01

BEG 931.92 FT S & 20 FT E OF SW COR OF LT 2 BLK 12 TH S 100 FT, E 132 FT, N
100 FT, W 132 FT TO
POB

Also including all existing and implied road rights-of-way adjoining the above
description. (Description prepared from current City of Standish tax maps.)

3.0 A description of the improvements to be made in the development area, a
description of any repairs and alterations necessary to make those
improvements, and an estimate of the time required for completion of the
improvements.

The City of Standish's Downtown Development Authority has determined that the City's business decline is due to four, readily correctable problems. These are:

1. The lack of adequate commercial diversity within the business district, causing customers to travel to other commercial areas to shop. This frequently results in customers going elsewhere to purchase a particular product or service, and while there, also purchasing a product or service that could have been obtained in the City of Standish's business district.
2. The lack of adequate parking in the business district. This problem is increased by the heavy traffic flow on the state highway and the large influx of summer tourists.
3. The lack of a significant "draw" to bring customers into the City of Standish's business district while the area around the City experiences a large summer influx of tourists, many do not visit or stop in Standish. The City of Standish's DDA, therefore, feels it is important to create some special community attributes to make the City a "destination" for travelers and bring in the needed outside customers.
4. The lack of public service infrastructure needed to allow the City to adequately expand/maintain any new development. The City of Standish's DDA views this as a significant problem which could greatly affect and reduce the viability and effectiveness of any development to the business district, thereby, reducing the expected economic development benefits of the proposed improvements.

4.0 In an effort to alleviate these four basic problems, the City of Standish's DDA has produced a development plan that it feels will adequately address and prioritize the problems and their solutions. It is the intention of the City of Standish's DDA to revitalize the City's business district through road improvements, streetscape and other landscaping, lights and signage, parking improvements, promote public safety, zoning changes and land and building acquisition and upgrade for future private development. The DDA also intends to increase the recreational facilities within the DDA and especially along the US 23 corridor, since it is the DDA's opinion that this would create one of the most cost effective "draws" to outside population.

The DDA also foresees the need to expand public service and utility infrastructure to better serve the business district, allow for future economic growth, and allow the City of Standish to better maintain its DDA projects.

5.0 A description of any party of the Downtown Development Area left as open space and the use contemplated for the space. The DDA's development area includes one pocket park. It is the intention of the DDA to not only preserve this open space, but to further enhance its usefulness for recreation purposes as a means of attracting people into the development area.

6.0 Description of any portions of the Development Area which the Authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms. The Authority does not intend to sell, donate, exchange or lease any portions of the development area to or from the municipality.

7.0 A description of desired zoning changes and changes in streets, street levels, intersections, and utilities. The DDA intends to examine the zoning within the development area, as part of its Priority "A" projects, with the possible result of some minor zoning changes which could allow additional commercial development.

8.0 An estimate of the cost of the development, a statement of the proposed method of financing the development, and the ability of the Authority to arrange the financing.

8.1 An estimate of the cost of the development

The public improvements being proposed in the Downtown Development Plan have an anticipated construction cost of **\$4,000,000.00**

8.2 A statement of the proposed method of financing the development.

(A) The activities of the Authority and the development of public improvements shall be financed from one or more of the following sources. Where receipt of specific funds is indicated as being anticipated by the Authority, methods of repayment will be established as necessary. Where repayment is not necessary, funds shall be credited to the general fund of the Authority for the purpose of financing only those activities, as indicated in this plan or otherwise appropriate as provided in P.A. 197 of 1975, as amended.

Donations from foundation, corporations, groups, individuals, or others.

a. Ad Valorem Tax on the real and tangible personal property in the Downtown District of not more than two mills.

b. Money borrowed from a bank, savings and loan, or any other type of approved lender.

- c. Revenues from any property, building or facility, or a revenue bond secured by said revenues or by the full faith and credit of the municipality.
- d. Proceeds of Tax Increment Plan – As captured Taxable Value exceeds initial Taxable Value, tax increment revenues will accrue in significant enough amounts to provide meaningful working capital. It will be possible to use these annual revenues to help finance subsequent phases of the scheduled public improvements. The authority may use tax increment proceeds on an annual basis, spending or obligating only as much revenues as is generated, or it may decide that the revenue is substantial enough to warrant the sale of tax increment bonds, or it may use that revenue to repay general obligations bonds sold by the municipality.
 - 1. Purpose – The purpose of this Tax Increment Financing Plan is to produce revenues sufficient to fund the Downtown Development Plan on a phase by phase basis.
 - 2. Initial Taxable Value – The initial Taxable Value shall be based on the 1999 TAXABLE VALUE for all property within the DDA boundaries.
 - 3. Portion of “Captured Taxable Value” to be used – In recognition of the declining tax base within the DDA boundaries, it is proposed that the DDA use all taxes levied on the captured Taxable Value.
 - 4. Duration of the Program – The duration of this Tax Increment Financing Plan shall be twelve (12) years or until any incurred indebtedness is retired.
 - 5. Projection of Captured Taxable Value and Revenue – A projection of revenue generated by the Tax Increment Financing Plan is presented in Table 7 and 8.

Based on this projection, an estimated millage rate for all taxing units of 28.24 mills may be applied to the captured Taxable Value to estimate potential tax revenue available to the City of Standish’s DDA.

While construction costs tend to increase through inflation in any phased development program, it may be that revenues in the latter years of the Development and Tax Increment Financing Plans, exceeds that needed by the DDA to complete the Downtown Development Plan. In that case, the DDA may choose to amend the Downtown Development Plan to include an increased

scope of projects, rebate back to the taxing authorities the excess captured taxes, or a combination of increased improvements and tax rebates.

- e. Money provided from any other sources approved by the governing body of the municipality or received by the authority in any other way shall be deposited to the credit of the Authority, subject to disbursement in accordance with this Plan.

8.3 A statement of the ability of the Authority to arrange the financing.

It is the opinion of the municipality that the municipality should be able to sell not more than \$1,500,000 of tax increment revenue bonds, backed by the full faith and credit of the City and repay the bonds, over a 12-year period, with the estimated tax increment revenues.

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

Not applicable.

- 10.0 The procedures for bidding, for the leasing, purchasing, or conveying in any manner 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.

Not applicable.

- 11.0 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, 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 sale prices, an estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

11.1 An estimate of the number of persons residing in the development area.

The DDA estimates that 50 persons live within the development area.

11.2 An estimate of the number of families and individuals to be displaced.

The DDA does not intend to displace any families or individuals as part of this development plan.

11.3 A survey of the income and racial composition of the families and individuals to be displaced.

Not applicable.

11.4 A statistical description of the housing supply in the community.

Not applicable.

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

Not applicable.

13.0 Provision for the cost of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incidental to the transfer of title in accordance with the Standards and Provisions of the Federal Uniform Relocation 1970, being Public Law 91-646, 42 (S.C. Sections 4601, et.seq.)

Not applicable.

14.0 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.

Not applicable.

15.0 Other material which the authority, local public agency, or governing body deems pertinent.

Not applicable.

16.0 A detailed explanation of the tax increment procedure.

The tax increment financing procedure has been effectively used by downtown development authorities as a method of financing a downtown development plan. It then may be adopted by a 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:

- 16.1 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.
- 16.2 Bonds may be issued to finance the improvements. This is not mandatory, as tax increments received may be used in any manner the authority desires, provided those uses are described in this plan. Should increments be sufficient to warrant the selling of bonds (tax increment bonds) these bonds are retired in a manner prescribed by the authority.
- 16.3 Taxes generated from the subsequent growth in the tax base of the Downtown Development District are retained and utilized by the authority. This tax base growth is called the "captured Taxable Value". Specifically it is the difference between the Taxable Value of the Downtown Development District at any point in time, and the TAXABLE VALUE of the District in existence at the time of the adoption of the Downtown Development Plan.
- 16.4 The taxes which are potentially available to the authority include all of the taxes normally levied by all the taxing units on the captured Taxable Value of the Downtown Development District. The plan may provide for the use of part or all of the captured Taxable Value. If the Downtown Development Authority chooses, it may enter into agreements with each of the taxing units to share a portion of the captured Taxable Value of the district. Should the authority find it necessary to use all of the captured Taxable Value, it shall be clearly stated in this plan.
- 16.5 When the specified development/financing plan is accomplished, the captured Taxable Value is released and the taxing units receive all the taxes levied on it from that point on.

16.6 Since only the growth in tax base (the captured Taxable 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.

The justification of the tax increment financing procedure is based on the expectation that all or a portion of the "captured Taxable 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 foregoing 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.

17.0 The amount of bonded indebtedness to be incurred.

The maximum amount of bonded indebtedness to be incurred shall not exceed \$1,500,000.

18.0 The duration of the program.

The City of Standish's DDA Development and Finance Plan shall run for a period of twelve (12) years or until all incurred indebtedness has been retired.

19.0 A statement of the estimated impact of tax increment financing on the Taxable Values of all taxing jurisdictions in which the DDA is located.

The City of Standish's DDA Tax Increment Financing Plan will be capturing the millage on any taxable value increase from five different taxing jurisdictions. The City of Standish's DDA makes up only a small portion of the total taxable value of Arenac County, State Education Tax, Standish-Sterling Community Schools. Since the DDA will only be capturing the taxable value increase, much of which would not be expected to occur without the DDA's Development Plan, it is estimated that the impact on these taxing jurisdictions will be minimal. The DDA makes up a larger portion of the City of Standish, however, since significant taxable value increase would not be expected without the intercession of the DDA, the estimated negative impact on the City should be slight. Due to the expected increase in taxable value, due to the DDA's Development Plan, it is estimated that the long-term effect on all taxing jurisdictions will be

overwhelmingly positive. While it will be necessary for the DDA to capture all allowable millage on any taxable value increase, it may be that revenues in the latter years of the Development and Financing Plans will exceed that needed by the DDA to complete its Development Plan.

(A) DDA Base 1999 TAXABLE VALUE \$9,012,036