

V I L L A G E O F E D M O R E

A Heartland Community

DEVELOPMENT AND TAX INCREMENT FINANCING PLAN FOR

THE VILLAGE OF EDMORE

DECEMBER 17, 2003



DEVELOPMENT & TAX INCREMENT FINANCING PLAN FOR THE VILLAGE OF EDMORE

TAX INCREMENT FINANCING PLAN

Section 14(2) of the DDA Act provides that when the authority determines that it is necessary for the achievement of the purposes of the DDA Act, the Authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The DDA Act requires that the plan include: (A) a detailed explanation of the tax increment procedure, (B) the maximum amount of bonded indebtedness to be incurred, (C) the duration of the program, (D) compliance with Section 15 of the DDA Act, (E) a statement of the estimated impact of the tax increment financing on the assessed value of all taxing jurisdictions in which the development area is located, and (F) a statement of the portion of the captured assessed value intended to be used by the Authority.

A. Detailed explanation of tax increment financing procedure.

The DDA Act enables Downtown Development Authorities to undertake a broad range of downtown improvement activities which will contribute to the economic growth and the halting of deterioration of property values in a designated downtown district. These improvement activities include, but are not limited to, the following: Plan and propose construction, renovation, repair, remodeling, rehabilitation, restoration or reconstruction of public facilities; development of long range plans; and otherwise implement any plan of development in the downtown district necessary to achieve the purpose of the DDA Act.

In order to provide the DDA with the means of financing the planning and implementation of development proposals, the DDA Act affords the opportunity to undertake tax increment financing of the development program. These programs must be identified in a tax increment financing plan which has been approved by the governing body of a municipality.

Simply stated, tax increment financing permits the Authority to capture tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alteration, additions, or to such other factors as the assessor may deem appropriate.

At the time the tax increment financing plan is approved, the sum of the most recently assessed values, i.e., the values as finally equalized by the State Board of Equalization, of those taxable properties located within the development area is established as the "Initial Assessed Value". Property exempt from taxation at the time of determination of the Initial Assessed Value shall be included as zero.

In each subsequent year, the total assessed value of real property within the district is termed the "Current Assessed Value".

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The difference in any one year between the Current Assessed Value and the Initial Assessed Value is the "Captured Assessed Value". During that period during which the tax increment financing plan is in place, local taxing jurisdictions continue to receive ad valorem taxes based on the Initial Assessed Value. Taxes paid on the Captured Assessed Value in years subsequent to the establishment of the development are, however, payable to the Authority for the purposes set forth in the tax increment financing plan.

For example, in Year One a development area is created in the downtown district. An Initial Assessed Value of \$10,000,000 is established. Assuming a 50 mill tax rate, the tax revenue from the development area is \$500,000. In Year Two, new construction within the development area increases the total assessed value to 11,000,000. The difference between the Current Assessed Value, \$11,000,000, and the Initial Assessed Value, 10,000,000, is the Captured Assessed Value, \$1,000,000. While the normal taxing jurisdictions continue to receive \$500,000, the Authority would receive tax increment revenue equal to the Captured Assessed Value, \$1,000,000, times the rate, 50 mills.

The tax increment payable to the Authority in Year Two is, therefore, \$50,000. Additional increases in value would augment the Authority's tax increment financing revenues commensurately while the normal taxing jurisdictions would continue to receive \$500,000 annually for the duration of the tax increment financing program.

B. Maximum Amount of Bonded Indebtedness to be Incurred.

There are no projects to be bonded at this time.

C. The Duration of the Program.

The plan will remain in effect until the projects, as listed in the development plan, are fully completed.

D. Compliance with Section 15 of Act. No. 197, Public Acts of Michigan, 1975, as amended.

It is recognized that the amount of tax increment revenue to be transmitted to the Authority by the Village Treasurer, the Township Treasurer, and the County Treasurer shall be that portion of the tax levy of all taxing bodies paid annually on the assessed value of real and personal property only in the development area in excess of the initial assessed value.

The DDA will not collect any tax increment revenue which is generated from all residential and agricultural properties where the state tax commission applies a readjustment factor due to increases from sales.

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The DDA will reimburse the school district the appropriate millage levy for debt retirement and will reimburse the special education district its appropriate millage levy. Such funds shall be transmitted to each of the above parties within a reasonable time period after the DDA has collected the tax increment revenue from the Village Treasurer, the Township Treasurer, and the County Treasurer.

It is further recognized that tax increment revenues shall be expended only in accordance with the provisions of the tax increment financing plan and the surplus tax increment revenues not used for projects as listed in the development plan, shall revert proportionally to the respective taxing jurisdiction.

It is also recognized that tax increment revenues shall not be used to circumvent existing levy limit laws and the Edmore Village Council may abolish the tax increment financing plan when it finds that the purposes for which the plan was created are accomplished. Pursuant to Section 15(3) of the DDA Act, the Authority shall submit to the Edmore Village Council an annual report on the status of the tax increment financing account. The report shall include, but not be limited to, the following items:

1. Amount and source of revenue in the account.
2. Amount and purpose of expenditures from the account.
3. Amount of principal and interest on outstanding bonded indebtedness, if any.
4. Initial Assessed Value of the project area.
5. Current Assessed Value of the project area.
6. Captured Assessed Value of the project area.
7. Tax increment revenues received by the Authority.
8. Reimbursement to local school district of debt retirement and special education district.
9. Such other additional information as is deemed necessary by the Edmore Village Council.

The Authority shall publish or cause to be published the annual tax increment financing account report in a local newspaper of general circulation.

- E. Statement of the estimated impact of tax increment financing on the assessed value of all taxing jurisdictions in which the development area is located.

The tax increment financing plan will in no way diminish the assessed values of property within the area boundaries. Local taxing jurisdictions, Village of Edmore, Home Township, Montcalm County, Montabella School District, Montcalm Intermediate School District, Montcalm Community College, will therefore, suffer no loss of current tax revenues.

For the period during which the tax increment financing plan is in effect, the assessed values of properties within the development area will effectively

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remain constant insofar as the local taxing jurisdictions are concerned. Any increase in property values will generate tax increment revenues which will be available only to the Authority during the duration of the plan unless excess funds are available and if available will be distributed proportionally to the taxing units.

It should be noted, however, that Act No. 404 of the Public Acts of 1974, as amended, specifically authorizes the exclusion of the Captured Assessed Value of the development area in computations made by school districts to determine state financial assistance. Therefore, the Montabella School District will suffer no loss of revenues through the implementation of tax increment financing plan.

It is anticipated that the development activities of the Authority, financed in whole or in part by tax increment revenues, will produce a positive material effect on the assessed values of property within and in the proximity of the development and will ultimately result in the eventual collection of greater real property tax revenues that would otherwise have been available; and that the improvement will be fully paid for in less than twenty years.

Pursuant to Sections 14(4) of the DDA Act, the Authority shall fully inform the members of the Moncalm County Board of Commissioners and the members of various school boards of the fiscal and economic implications of the proposed development.

- F. Statement of the portion of the Captured Assessed Value intended to be used by the Authority.

In view of the necessity of halting property value deterioration and of promoting economic growth within the development area, it is the intention of the Authority to expend or otherwise obligate all tax increment revenues collected to achieve the purposes of the DDA Act.

The tax increment revenues which are generated by the Captured Assessed Value will be used to pay costs which are not financed by the issuance of bonds, in connection with the described projects, or to amortized bonds if used for future projects.

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DEVELOPMENT PLAN

Act 197, Public Acts of Michigan, 1975, as amended (the DDA Act) requires that certain information be set forth in a development plan and this Development Plan, therefore, will follow the outline of information required by Section 17 (2) of the DDA Act.

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

The boundaries of the proposed development area shall be the same as the current Downtown Development District, as described in Exhibit A and as shown on Exhibit B.

B. The location and extent of existing streets and other public facilities within the development area and shall designate the locations, character, and extent of 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.

The location and extent of existing streets, the location and size of existing public utilities, including water mains, sanitary sewers, sewage pumping stations, and storm sewers, are currently being developed and will be included in the plan upon completion

The existing zoning of the proposed development area is also under development

C. A description of existing improvement 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.

AND

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.

AND

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

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Any projects to be undertaken by the Downtown Development Authority will have the approval of the Downtown Development Authority and the Edmore Village Council.

The Downtown Development Authority is proposing the following projects. The projects listed in this Development Plan are as follows:

PROPOSED PROJECTS:

1. Sanitary Sewer Improvements
2. Water System Improvements
3. Road Improvements
4. Sidewalk Improvements
5. Street Lighting and other Electric Utility Improvements
6. Develop Master Plan for DDA District
7. Acquire Property for Edmore Police Department
8. Acquire Abandoned or Underutilized Buildings for Demolition or Development
9. Acquire Undeveloped Land Within DDA District
10. Downtown Streetscape Improvements

SANITARY SEWER IMPROVEMENTS

The DDA and the Village are considering extending the sanitary sewer to portions of the development area which does not currently have municipal sanitary sewer, and which must have municipal sewers to adequately all development to occur, which will help reduce deterioration of the District. The project will be undertaken with tax increment revenues, sewer enterprise revenues and, if possible, state and federal grants.

WATER SYSTEM IMPROVEMENTS

The DDA and the Village are proposing to extend municipal water into areas of the development district, creating a loop at the east end of the Village. The extension of municipal water into currently unserved areas in the development district will provide a reliable source of potable water which is required for any type of commercial or industrial development. The areas to be serviced have not been fully defined at this time. The project will be undertaken with tax increment revenues, water enterprise funds and, if possible, state and federal grants.

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ROAD IMPROVEMENTS

The DDA and the Village are considering extending municipal roads into areas within the development district not currently served by municipal roads. The extension of municipal roads into these areas will provide adequate access necessary for commercial or industrial development. The project will be undertaken with tax increment revenues, major and/or local street funds and, if possible, state and federal grants.

SIDEWALK IMPROVEMENTS

The DDA and the Village are considering the extension of current downtown sidewalks east to Neff Road, providing the Village with continuous sidewalks throughout the M-46 corridor within the development district. In addition, any needed repairs and/or maintenance of sidewalks within the DDA Boundaries will be the responsibility of the DDA.

STREET LIGHTING AND OTHER ELECTRIC UTILITY IMPROVEMENTS

The DDA and the Village are proposing the elimination of all overhead electrical wiring in the B-1 business area of the development district. Moreover, plans are being developed to improve the street lighting in said area to increase the attractiveness of the district. The project will be undertaken with tax increment revenues, which are dependent on the tax increment revenues received each year.

DEVELOP MASTER PLAN FOR DDA DISTRICT

The DDA plans on preparing a master development plan for the development area. The master development plan will consist of both a short range and long-range plan, which will be used for future development of the district in order to halt deterioration of property values in the development area and take such steps as may be necessary to persuade property to implement the plans to the fullest extent possible.

The master development plan cost will be dependent on the extent of time and expenses incurred to prepare a plan which will be acceptable to the DDA and Village Council. The DDA may elect to apply for grant funding to help finance this project, with the balance of funds required coming from tax increment revenues.

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ACQUIRE PROPERTY FOR EDMORE POLICE DEPARTMENT

The DDA plans on purchasing property within the development district for use by the Edmore Police Department. The purchase of a permanent location for the Edmore Police Department will provide additional security for commercial properties in the development area thereby preventing the deterioration of property within the development area. The funds for the project will come from tax increment revenues.

ACQUIRE ABANDONED OR UNDERUTILIZED BUILDINGS FOR DEMOLITION OR DEVELOPMENT

The DDA and the Village Council plan on purchasing abandoned or underutilized buildings within the development area. It is the desire of the DDA to acquire property which because of its current condition does not have reasonable market value relative to its size or location. Such structures which can be made marketable through moderate infusions of capital shall be renovated. Structures which cannot be renovated without the infusion of unreasonable amounts of capital shall be demolished or otherwise altered so that the property on which the structure is located can be utilized in another better use.

Such projects shall have the impact of removing and eliminating blighted and abandoned buildings within the DDA thereby halting the detonation of adjacent and nearby property values. The revenues for such projects will come from tax increment revenues and, if possible, federal and state grants.

ACQUIRE UNDEVELOPED LAND WITHIN DDA DISTRICT

The DDA and the Village plan on purchasing land available within the DDA that has the potential to be improved and altered into a higher and better use than in its current utilization. Specifically, the DDA and the Village are interested in acquiring the land currently within the Villages Renaissance Zone. The revenues for such projects will come from tax increment revenues and, if possible, federal and state grants.

DOWNTOWN STREETSCAPE IMPROVEMENTS

The DDA and the Village are considering various streetscape projects intended to improve the aesthetics of the downtown area with the development district. Such projects will have the impact of improving the marketability of commercial property in the downtown area and halt the deterioration of property values in the development area. The revenues for such projects will come from tax increment revenues and, if possible, federal and state grants.

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The construction time table for each project is dependent to a large extent on Tax Increment Revenues, which in turn are dependent primarily on new construction in the development area. A supplemental or amended Development and Tax Increment Financing Plan will be submitted for approval, if necessary, prior to the commencement of any future project.

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

The development of the district will control what open space would be left. There are no plans at this time to designate specific open space areas.

G. 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 the proposed terms.

The DDA does have plans to purchase a building within the development area for use as permanent headquarters for the Edmore Police. After purchase of said building, it will be donated to the Village and will become property of the Village. Other property may be purchased or improved for use by the municipality. If such a project is to take place, the development plan will be altered as to so indicate.

H. A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

The Planning Commission has recently updated the Village Zoning Ordinance and Master Zoning Map; no further zoning changes are anticipated at the present time.

No changes in streets, street levels, or intersections are contemplated as part of the projects noted in the Development Plan.

If changes in streets or intersections are to occur, the DDA would revise the plan to incorporate these changes.

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

As that all of the development projects are not complete and finalized, it is not possible within this plan to provide a cost of development. Projects are varied

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and will be completed with tax increment revenues as they are available, as well as any possible federal and state grants that may be obtained. The Authority has no plans to engage in any type of financing for any project. All projects will be fully funded upon their completion with the aforementioned tax increment revenues or grant funds.

J. Designation of the person or persons, natural or corporate, to who 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.

The DDA has no immediate plans to lease, sell, or convey any property or buildings within the development area.

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.

If the DDA would purchase property for resale, the DDA would request approval from the Village Council for the procedure that would be used to solicit bids on the property.

L. Estimate 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, 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, and the estimated capacity of private and public housing available to displaced families and individuals.

The estimated number of residential units within the development area is 16 single family structures and two multifamily structures. Twenty four family units are estimated to live within the development area with a total number of approximately 65 persons residing in said area.

No occupied residences are designated for acquisition and clearance by the Authority.

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

Not applicable

N. Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accord 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.

Not applicable

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.

Not applicable

P. Other material which the Authority, local public agency, or governing body deem pertinent.

The development area may be expanded as deemed pertinent. When and if such modifications are required, an amended or supplemental plan will be submitted.

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EXHIBIT "A"

DESCRIPTION OF THE EDMORE DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT

Boundaries of the proposed Village of Edmore Downtown Development District is as follows:

Beginning at the southeast corner of the Village limits located at Neff Road at approximately 1,780 feet south of the center line of M-46, thence north along the center line of Neff Road, 3,600 feet, thence west along the north Village limits 3,550 feet to the center line of First Street thence south along the center line of First Street approximately 730 feet, thence west 22 feet, thence south 240 feet, thence west 120 feet, thence south 60 feet to the northern line of the abandoned railroad right-of-way, thence east along the north line of the abandoned railroad right-of-way, approximated 360 feet to the eastern right-of-way line of First Street, thence north along the east right-of-way line of First Street, approximately 170 feet to the south right-of-way line of North Street, thence east approximately 850 feet to the west right-of-way line of Fifth Street, thence south along the west right-of-way line of Fifth Street, thence south approximately 450 feet to the south line of the abandoned railroad right-of-way, thence easterly along the abandoned railroad right-of-way 140 feet, thence southeasterly approximately 270 feet to the center line of the alley north of Main Street, thence west along the center line of the alley to the east right-of-way line of Second Street, thence south along the east right-of-way line of Second Street approximately 200 feet to the center line of the alley, thence east 210 feet to the center line of Third Street, thence south along the center line of Third Street approximately 100 feet to the north right-of-way line of Gilson Street, thence east along the north right-of-way line of Gilson Street approximately 710 feet to the westerly right-of-way line of the railroad, thence southerly along the westerly right-of-way line of the railroad approximately 300 feet, thence west along the south right-of-way of Pine Street 150 feet, thence south 230 feet to the north right-of-way line of Forest Street, thence east along the north right-of-way line of Forest Street 200 feet to the westerly right-of-way line of the abandoned railroad, thence south along the westerly right-of-way line of the railroad 160 feet, thence east 80 feet to the easterly right-of-way line of the railroad, thence southerly 910 feet along the easterly right-of-way line of the railroad to the south Village limits line, thence east along the south Village limits line approximately 1,920 feet to the place of beginning.

The following parcels of land are excluded from the Downtown Development District:

The parcel of land beginning at the north east right-of-way line of North Street and First Street, thence north along the easterly right-of-way line of First Street approximately 120 feet, thence east 100 feet, thence south 120 feet to the northerly right-of-way line of North Street, thence west 100 feet to the place of

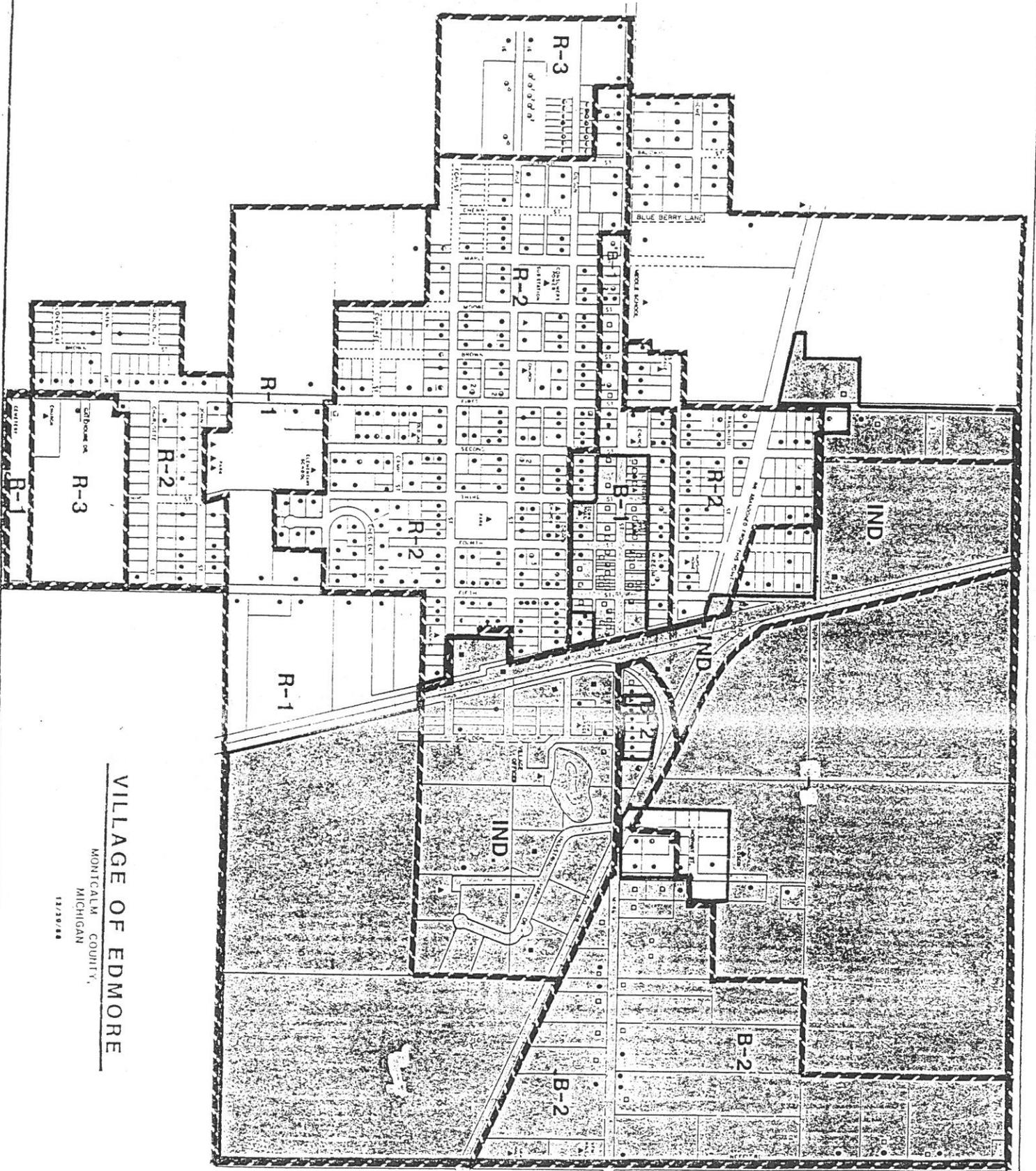
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beginning.

Also excepting a parcel of land beginning at the intersection of the east right-of-way line of Eleventh Street and the center line of the abandoned railroad, thence north along the east right-of-way of Eleventh Street 340 feet, thence east 100 feet, thence north 250 feet, thence west 430 feet, thence south 430 feet the the center line of the railroad right-of-way, thence southeasterly approximately 360 feet to the point of beginning.

Also excepting a parcel of land beginning at a point 350 feet west of the intersection of the north right-of-way line of M-46 and the east right-of-way line of Tenth Street, thence north 170 feet, thence west 210 feet, thence south 170 feet, thence west 50 feet, thence north 170 feet, thence west 50 feet, thence south 175 feet, thence east 660 feet, thence 5 feet to the point of beginning.

Also excepting a parcel of land beginning at the north right-of-way of Gilson Street and the west right-of-way line of the railroad right-of-way, thence north 100 feet, thence west 130 feet, thence south 100 feet, thence east approximately 140 feet to the point of beginning.



VILLAGE OF EDMORE

MONTCALM COUNTY,
MICHIGAN
12/29/88

- EXISTING LAND USE
- SINGLE FAMILY RESIDENTIAL
 - MULTI-FAMILY RESIDENTIAL
 - MOBILE HOME
 - ▲ OFFICE
 - ▲ PUBLIC, SEMI-PUBLIC
 - COMMERCIAL
 - INDUSTRIAL

DDA MAP
ZONING MAP

