

City of Walker Downtown Development Authority



Development Plan and
Tax Increment Financing Plan



Standale, 1986



DPS

CITY OF WALKER
DOWNTOWN DEVELOPMENT AUTHORITY

DEVELOPMENT PLAN
AND
TAX INCREMENT FINANCING PLAN

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ACKNOWLEDGMENTS

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MAPS

- MAP A: Map of Boundaries of the Downtown District and the Development Area
- MAP B: Existing Land Use Map
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- MAP E: Map of Completed Projects
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SECTION I

INTRODUCTION

A. Purpose of the Downtown Development Authority Act.

This Amended and Restated Development Plan and Tax Increment Financing Plan of the Downtown Development Authority of the City of Walker has been prepared pursuant to the provisions of the Downtown Development Authority Act, Act No. 197 of the Michigan Public Acts of 1975, as amended, MCL § 125.1651 *et seq* ("Act 197"). A copy of Act 197 and the amendments thereto are set forth in Exhibit 1.

Act 197 was enacted to provide a means for local units of government to establish a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; 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; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials.

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 or improvements within a development area, thereby facilitating economic growth and development. Tax increment financing mandates the transfer of tax increment revenues by municipal and county treasurers to authorities created under Act 197 in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.

Act 197 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 publicly initiated projects undertaken cooperatively with privately initiated projects.

The way in which a downtown development authority makes use of the tools made available under Act 197 depends on the problems and priorities of each community. This Amended and Restated Development Plan and Tax Increment Financing Plan has been developed in accordance with the purposes of Act 197, based on the problems and priorities as perceived by the Downtown Development Authority of the City of Walker (sometimes referred to as the "DDA"), and as submitted for the approval of the Walker City Commission.

B. Creation of the City of Walker Downtown Development Authority and the Downtown District.

On March 18, 1986, the City Commission of the City of Walker held a public hearing on the establishment of the DDA and the proposed Downtown District. On April 22, 1986, the City Commission adopted Ordinance No. 86-332 to establish the DDA and to designate the boundaries of the Downtown District.

The DDA was given all the powers and duties prescribed for a downtown development authority under Act 197, except the authority to levy or request the levy of taxes. The City Commission also designated the boundaries of the Downtown District within which the DDA may legally work.

On May 22, 1986, the City Commission approved the appointment of the members of the DDA Board and on August 12, 1986, the City Commission appointed the Development Area Citizens Council.

C. Approval of the Development Plan and Tax Increment Financing Plan.

The first meeting of the DDA Board was held on June 17, 1986. Regular open meetings were established by the DDA Board on July 2, 1986. On June 25, 1986, the DDA Board elected its first officers. On June 25, 1986, the DDA Board approved their bylaws and recommended them to the City Commission for approval. On July 8, 1986, the City Commission approved the DDA Bylaws.

The DDA Board continued its planning meetings, and on July 30, 1986, the DDA Board approved the following objective:

It is the objective of the Downtown Development Authority of the City of Walker to prepare and implement a long range development and financing plan that will focus on the Standale Business District and result in the enhancement of the area's aesthetics, the improvement of community services including fire protection, traffic regulation and parking, as well as the expansion of development and business opportunities.

On July 9, 1986, the DDA Board selected its development area (the "Development Area"). The DDA Board discussed a number of public projects for the Development Area. On July 2, 1986, those projects were prioritized.

The Development Area Citizens Council (the "Citizens Council") met on August 28, 1986 and, on October 22, 1986, to review the Development Plan and Tax Increment Financing Plan and to provide the DDA and the City Commission with comments and recommendations.

On July 23, 1986, the City Manager presented preliminary data on assessments establishing a tax base using December 31, 1985 taxable valuations. The City Manager

also presented data on captured value and the "tax increment" projected to be available in the Development Area.

On October 8, 1986, the DDA Board approved the Development Plan and Tax Increment Financing Plan (the "Original Plan) and recommended it to the City Commission, which approved the Original Plan by Ordinance No. 86-344 on November 10, 1986.

D. Expansion of Downtown District and 1992 Amendments to the Plan.

In 1992, the DDA Board prepared an amended and restated Development Plan and Tax Increment Financing Plan for the purpose of updating the Development Plan with respect to certain improvements in the Development Area, expanding the boundaries of the Development Area, and extending the term of the Tax Increment Financing Plan. Representatives of the DDA met with the Citizens Council on January 16, 1992 and June 23, 1992 to consult with the Citizens Council and advise them of the proposed amendments to the Original Plan. On June 23, 1992, the DDA Board adopted a resolution approving and recommending the Amended and Restated Development Plan and Tax Increment Financing Plan (the "1992 Plan") to the City Commission. On June 23, 1992, the City Commission adopted a resolution of intent to expand the boundaries of the Downtown District.

On July 21, 1992, the DDA and the City Commission held a meeting of the taxing jurisdictions for the purpose of affording reasonable opportunity for each taxing jurisdiction to express their views and recommendations regarding the Tax Increment Financing Plan included in the 1992 Plan.

The public hearing required by Act 197 was held on July 21, 1992, following notice as required by Act 197. On August 10, 1992, the Citizens Council notified the City Commission, in writing, of its findings and recommendations concerning the 1992 Plan. On August 11, 1992, the City Commission adopted ordinances approving (i) the expansion of the boundaries of the Downtown District and (ii) the 1992 Plan.

E. 2004 Amendments to the Plan.

In 2004, the DDA Board determined it was in the DDA's best interests to amend and restate the 1992 Plan for the purpose of updating the Development Plan with respect to certain improvements in the Development Area and extending the term of the Tax Increment Financing Plan. Representatives of the DDA met with the Citizens Council on March 11, 2004 and June 9, 2004 to consult with the Citizens Council and advise them of the proposed amendments to the 1992 Plan. On June 9, 2004 both the DDA Board and the Citizens Council adopted resolutions approving and recommending the Amended and Restated Development Plan and Tax Increment Financing Plan (the "Plan" or the "2004 Plan") to the City Commission.

On July 26, 2004, the DDA and the City Commission held a meeting of the taxing jurisdictions for the purpose of affording reasonable opportunity for each taxing

jurisdiction to express their views and recommendations regarding the Tax Increment Financing Plan included in the 2004 Plan.

The public hearing required by Act 197 was held on July 26, 2004, following notice as required by Act 197. On July 26, 2004, the City Commission adopted Ordinance No. 04-517 approving the 2004 Plan.

SECTION II

DEVELOPMENT PLAN

A. **Boundaries of the Property to Which the Development Plan Applies.**

For purposes of designating development areas and for establishing a Tax Increment Financing Plan, Act 197 defines a "Downtown District" as an area in a business district which is specifically designated by ordinance of the governing body of the municipality and which is zoned and used principally for business. Act 197 also defines a "Development Area" (sometimes also referred to as a "Project Area") as meaning that area to which a Development Plan is applicable. The boundaries of the Downtown District and Development Area, as stated in the 1986 Plan and amended by the 1992 Plan, are set forth on Map A, and a legal description of the Downtown District is set forth in Exhibit 2, and a legal description of the Development Area is set forth in Exhibit 3.

B. **General Description of Development Area.**

A general description of the boundaries of the Development Area to which this Development Plan applies is set forth below:

The Development Area may be generally described as the Standale Business District, which includes all contiguous commercial, industrial and office-zoned property in the City of Walker in the area bordering Lake Michigan Drive and intersecting streets from approximately 600 feet west of Sunset Hills to the west city limits. The Development Area includes Hampton Lakes Apartments and Apple Ridge Apartments, but excludes property that is more than one-half mile south of Lake Michigan Drive, excludes property north of Lake Michigan Drive that is east of Hampton Lane, and excludes Barkwood Condominiums and Rolling Green Condominiums.

The City Commission may expand the Development Area in the future and/or may establish additional Development Areas within the Downtown District, all in accordance with the requirements of Act 197.

C. **Existing Public and Private Land Uses.**

The Development Area contains a variety of public and private land uses including office, commercial, industrial, residential, community facility and public street areas. The location of these land uses, including public streets, is shown on Map B and a more detailed description of the character and extent of these uses is set forth below:

1. **Existing Public Land Use.** The character and extent of existing public land uses within the Development Area include the following:

a. **Fire Station/Community Building.** The Standale Fire Station/Community Building (fire station no. 2) is the only facility owned by the City of Walker within the Development Area. Located on the northwest corner of Lake Michigan Drive and Cummings Avenue, the facility accommodates fire protection equipment and provides meeting space for the community.

b. **Public Streets.** There are approximately 17,700 linear feet of street rights-of-way within the Development Area, of which approximately 6,400 linear feet (Lake Michigan Drive/M-45) is a state highway.

c. **Acquired Property.** The DDA and/or the City of Walker have acquired approximately 7.5 acres of property (some still containing existing buildings) since the adoption of the Original Plan to accommodate the future construction of a new fire station/community center/park complex. This property is generally located on the north side of Lake Michigan Drive between Kinney Avenue and Cummings Avenue.

In all, there are approximately 14 acres of land within the Development Area currently in public use. This represents approximately 4% of the land included within the Development Area.

2. **Existing Private Land Use.** The character and extent of existing private land uses within the Development Area include the following:

a. **Commercial.** There are a total of 85 parcels within the Development Area devoted to commercial purposes such as restaurants, auto services, banks, salons, pharmacies, and various retail shops. These 85 parcels represent approximately 29% of the land included within the Development Area.

b. **Residential.** There are a total of 22 parcels for residential use within the Development Area, consisting of a mixture of single-family and multi-family residential properties. Apple Ridge Apartments, located south of Manzana Drive, is the largest residential complex in the Development Area and consists of 807 units. A second apartment complex, Hampton Lakes Apartments, located in the northeast portion of the Development Area, contains 200 units. These 22 parcels represent approximately 36% of the land included within the Development Area.

c. **Industrial.** There are two parcels within the Development Area used for industrial purposes. These parcels represent approximately 1% of the land included within the Development Area.

d. **Vacant Land.** There are 29 privately-owned vacant or predominantly vacant parcels within the Development Area, which represent approximately 28% of the land included within the Development Area.

e. **Recreational.** There are no existing recreational facilities located within the Development Area at this time, however, Community Park is located outside

the northern edge of the Development Area, and is proposed to be expanded into the Development Area in conjunction with the development of the fire station/community building along Lake Michigan Drive.

f. Educational. There are no public educational facilities located within the Development Area, however, Chic University of Cosmetology, a privately-owned educational facility, is located within the Standale Plaza Shopping Center at the northwest corner of Kinney Avenue and Lake Michigan Drive.

In all, there are approximately 138 parcels of privately-owned land within the Development Area. This represents approximately 96% of the land included within the Development Area.

D. Projects Completed Under the Original Plan and the 1992 Plan.

The following projects, as shown on Map E, have been completed since the adoption of the Original Plan and the 1992 Plan:

1. Parking lot improvements. These improvements, also shown on Map D, include paving, curb and gutter, storm sewer, street lighting and landscaping improvements in the following areas:

a. Lake Michigan Drive and Kinney Avenue. There is a parking lot behind the businesses located on the southwest corner of Lake Michigan Drive and Kinney Avenue. The parking lot is approximately 0.5 acre in size and accommodates approximately 55 parking spaces.

b. Lake Michigan Drive and Wilson Avenue. There is a parking lot behind the businesses at the southeast corner of Wilson Avenue and Lake Michigan Drive. This parking lot is approximately 1.6 acres in size and accommodates approximately 115 parking spaces.

c. Lake Michigan Drive and Wilson Avenue. There is a parking lot at the northeast corner of Wilson Avenue and Lake Michigan Drive. This parking lot is approximately 2.3 acres in size and accommodates approximately 178 parking spaces.

d. Parkside Drive. There is a parking lot at the northeast corner of Parkside Drive adjacent to the Fire Station/Community Center. This parking lot is approximately 0.2 acres in size and accommodates approximately 19 parking spaces.

e. Lake Michigan Drive and Cummings Avenue. There is a parking lot south of the businesses on the south side of Lake Michigan Drive. This parking lot is abutted on the east by the improved parking area behind LaVees Department Store and abutted on the west by Cummings Avenue. This parking lot is approximately 2.6 acres in size and accommodates 163 parking spaces.

f. **Lake Michigan Drive and Kinney Avenue.** There is a parking lot at the northwest corner of Kinney Avenue and Lake Michigan Drive at the Standale Plaza building. This parking lot is approximately 1.8 acres in size and accommodates approximately 125 parking spaces.

g. **Lake Michigan Drive and Kinney Avenue.** There is a parking lot at the southeast corner of Kinney Avenue and Lake Michigan Drive and south of the businesses on Lake Michigan Drive. This parking lot is approximately 0.4 acres in size and accommodates approximately 27 parking spaces.

2. **Street Reconstruction and Beautification.** These improvements include sidewalk, landscaping, lighting and storm drainage improvements in the following areas:

- a. **Lake Michigan Drive.** Lake Michigan Drive was improved from Wilson Avenue west to the city limits.
- b. **Kinney Avenue.** Kinney Avenue was improved from 300 feet south of Lake Michigan Drive to 560 feet north of Lake Michigan Drive.
- c. **Cummings Avenue.** Cummings Avenue was improved for 100 feet from 270 feet south of Lake Michigan Drive to 170 feet south of Lake Michigan Drive.
- d. **Wilson Avenue.** Wilson Avenue was improved on the west side north from Lake Michigan Drive to Warrington Street.
- e. **Parkside Drive.** Parkside Drive was improved from Lake Michigan Drive to 180 feet north of Lake Michigan Drive on the east side of the road.

3. **Landscaping.** These improvements include (i) the removal of the existing curb, paving and subsoil, (ii) the installation of topsoil, sod, tree and flower plantings and irrigation, (iii) installation of posts along the street right-of-way for hanging banners and (iv) wire removal, consolidation and utility pole improvements by Consumers Power Company.

- a. **Lake Michigan Drive.** Both sides of Lake Michigan Drive received landscaping improvements from Manzana Drive to the west city limits.
- b. **Kinney Avenue.** Both sides of Kinney Avenue received landscaping improvements from 300 feet south of Lake Michigan Drive to 560 feet north of Lake Michigan Drive.

4. **Sidewalks.**

- a. **Lake Michigan Drive.** Sidewalks have been installed on both sides of Lake Michigan Drive from the Development Area's east border to its west border.
- b. **Cummings Avenue.** Sidewalks have been installed on the west side of Cummings Avenue from Lake Michigan Drive south 170 feet.

- c. **Parkside Drive.** Sidewalks have been installed on the east side of Parkside Drive from Lake Michigan Drive to 180 feet north of Lake Michigan Drive.
- d. **Kinney Avenue.** Sidewalks have been installed on both sides of Kinney Avenue from Lake Michigan Drive north 560 feet.
- e. **Kinney Avenue.** Sidewalks have been installed on the east side of Kinney Avenue from Lake Michigan Drive to 300 feet south of Lake Michigan Drive.
- f. **Wilson Avenue.** Sidewalks have been installed on the west side of Wilson Avenue south of Lake Michigan Drive to Warrington Street.
- g. **Manzana Drive.** Sidewalks have been installed on both sides of Manzana Drive in the loop from and to Lake Michigan Drive.

5. **Fire Station/Community Building.** The DDA has remodeled the Fire Station/Community Building located on the northwest corner of Lake Michigan Drive and Cummings Avenue. This included the replacement of the building entranceways and windows; expansion and remodeling of the interior work and storage spaces; renovation of the heating, ventilation, electrical and plumbing systems; installation of air conditioning; and upgrading of the exterior façade. The project also included the acquisition of adjacent property and the expansion of the parking lot serving the Fire Station/Community Building. A portion of the cost was paid by the City of Walker.

6. **Site Redevelopment.** The DDA acquired several parcels of property on the north side of Lake Michigan Drive west of Wilson Avenue for redevelopment. The existing buildings were demolished and the property was sold to allow for the construction of a new Arby's Restaurant. The "excess" property was then acquired by the owner of the adjacent gas station/convenience store to allow for expansion and remodeling.

E. Location, Extent, Character, Estimated Cost and Estimated Time Required for Completion of Projects Proposed Under the Plan.

The following identifies the location, extent, and character of improvements to be undertaken by the DDA as part of this Plan. The estimated costs and time of completion for such improvements are shown in the table below.

- 1. **St. Clair Avenue Project.** Acquisition and construction of new sidewalks, streetscape and landscaping for the east side of St. Clair Avenue north from Lake Michigan Drive to 240 feet north of Lake Michigan Drive.
- 2. **M-45 / M-11 Intersection Improvements.** The DDA is partnering with the City of Walker, the Michigan Department of Transportation, Meijer Corporation, and Goodale Enterprises to widen the intersection at Lake Michigan Drive and Wilson Avenue in order to accommodate additional turning movements in all directions. The project will

also include new signals at the intersections of (i) Lake Michigan Drive and Wilson Avenue, (ii) Lake Michigan Drive and Ferndale, and (iii) Wilson Avenue and the main Meijer entrance. Wilson Avenue will also be widened north and south of the intersection to accommodate the new design.

3. Standale Crossing Sanitary Sewer. The DDA is partnering with the City of Walker, Meijer Corporation, and Goodale Enterprises to construct a sanitary trunk sewer from Cummings Avenue north and west to the Standale Crossings area. This sewer will essentially allow for commercial development at the southwest and southeast quadrants of the intersection of Lake Michigan Drive and Wilson Avenue. The sewer will be an expansion of the existing City of Grand Rapids sewer system.

4. Parking Lot Refurbishings (Pavement and Plantings). The parking lots within the Standale Business District were constructed in 1991. Normal pavement life for bituminous pavement is typically 10 to 15 years if good maintenance is performed on the surface. As a result, the DDA anticipates significant structural improvements to refurbish the parking lots between 2006 and 2008. The refurbishing will likely include resurfacing blacktop, replacing broken or damaged concrete curb and sidewalk, adding signs, and replacing landscaping as necessary.

5. Parking Lot Construction (Parkside Drive). The parking lot that lies between Parkside Drive and St. Clair Avenue just north of the existing businesses was supposed to have been completed in 1991, but it was not. This area is currently dirt and gravel and does not allow for any formalized parking. As part of the Plan, easements or property rights would be obtained from all property owners to establish a public parking lot. The new lot would be constructed with full improvements including storm sewer, sand sub base, gravel base and bituminous surfaces. Landscaping and curb and gutter would also be installed per current zoning requirements. It is also likely that a portion of sidewalk may be constructed at the south end of the lot to allow pedestrian access to the adjacent businesses.

6. Business District Entrance Enhancement (Signage and Landscaping). There are currently signs and landscaping located on Lake Michigan Drive which notify residents and travelers that they are entering the Standale Business District. This project includes the maintenance of the entrances on Lake Michigan Drive as well as new signs and landscaping on the north and south ends of Wilson Avenue.

7. Public Transportation Facilities. The Standale Business District continues to require the use of public transportation as a means to bring shoppers to it and to allow residents to get to and from work. The DDA is committed to enhancing access to the public transportation system, including (i) the installation of new weather proof shelters and additional bus stops, (ii) the expansion of access to commercial sites, (iii) and the construction of temporary parking aisles.

8. Pedestrian Signal Upgrades. The DDA understands that pedestrian access points across Lake Michigan Drive and Wilson Avenue are vital to the Standale Business

District. The DDA is committed to obtaining a study of the design and installation of new pedestrian signals to improve this access. An emphasis will be placed on the potential for installing signals with LED second counters to give pedestrians an accurate reading of how long they have before the light changes to stop. This new technology and other signal innovations will be explored.

9. Traffic Signal Mast Arm Improvements. The DDA is exploring the possibility of replacing existing traffic signals with mast arms as a way to reduce the number of overhead wires in the Development Area.

10. Standale Trail Extension (North of M-45). The City of Walker is currently working with the Friends of the Walker Highland Trails on plans to expand the South Standale Trail north of Lake Michigan Drive. The trail corridor is contained in the Consumers Energy easement that bisects the City of Walker. A trail extension would provide increased opportunities and access to the Standale Business District. A portion of the trail is located within the Development Area, and so the DDA has determined that it would be in its best interests to assist with the extension of the trail. This project will include funding and partnership with the City of Walker, the Friends of the Walker Highland Trails, Consumers Energy, the West Michigan Trails and Greenways Coalition, and the Kent County Community Development Department by way of using Community Development Block Grand funds.

11. Standale Trail Connections.

a. Welcome Kiosk. To enhance an existing recreational component to the Standale Business District, a welcome and information kiosk is proposed at the intersection of the South Standale Trail with Lake Michigan Drive. The kiosk will serve to identify local businesses that may be visited by users of the trail. The kiosk will also include a sitting area and appropriate landscaping to welcome trail users to the Standale Business District.

b. M-45 Pedestrian Crossings. The City of Walker has discussed the addition of crosswalks along Lake Michigan Drive to promote safe crossing of pedestrians. The DDA has determined that it would be in its best interests to assist with the installation of crosswalks. Coordination and approval from the Michigan Department of Transportation would be required for any proposed locations.

12. Community Park Expansion. The Community Park lies north of Lake Michigan Drive between Cummings Avenue and Kinney Avenue. The DDA sees the benefit of bringing additional recreation opportunities to the Standale Business District, and it is proposing an expansion of the Community Park as recommended in the City of Walker Parks and Recreation Master Plan for 2004.

13. Possible Property Acquisition.

- a. Community Park Expansion.** There is a vacant parcel of property southwest of Community Park that is ideal for expansion. This lot is approximately four acres in size and could accommodate an additional ball field along with other recreational amenities. The DDA is committed to working with the City of Walker on the acquisition of this property to enhance the Development Area.
- b. Parkside Drive Office Building.** The office building at Parkside Drive and Lake Michigan Drive is currently vacant. The City of Walker has proposed working with the DDA on ways that this site could be redeveloped in conjunction with other items listed below. There is a potential to combine this property with other property to be acquired to allow for a larger and more advantageous development at this site. Furthermore, the City of Walker has explored the potential of limiting access on Parkside Drive to increase parking and further the development of this immediate area.
- c. Existing Fire Station.** Once a new fire station is constructed in Standale, the existing station would be available for development. This parcel could be combined with other available properties to allow for a larger and more attractive lot.
- d. Parkside Drive.** The parking lot proposed at Parkside Drive and St. Clair Avenue could be greatly enhanced by the acquisition of additional adjacent property to allow for enhanced and increased development opportunities. Changes to limit access on Parkside Drive may enhance development access and remove conflicts between the commercial and residential areas.
- e. Cummings Avenue Properties.** The DDA currently owns a small lot parcel on the south side of Lake Michigan Drive west of Cummings Avenue. This lot in itself does not provide a very good opportunity for redevelopment. It could, however, be easily combined with adjacent properties to allow for a much larger and more attractive development opportunity.

14. New Fire Station and Community Center. The DDA is committed to working with the City of Walker on the design and construction of a new fire station and community center on property located on the north side of Lake Michigan Drive between Kinney Avenue and Cummings Avenue. This new public facility will likely be designed as the focal point of the Standale Business District. The community center component allows for a headquarters and meeting location for the DDA. In addition, the proposed site can easily be designed to fit with the proposed expansion of Community Park.

15. Business Promotion Activities. The DDA may allocate up to \$10,000 a year for business promotion activities, such as advertising to help bring awareness to the Standale Business District; the design, creation, and installation of banners on the ornamental

lights in the district; and various activities and promotions to bring shoppers to the business district.

16. Streetscape Maintenance. The DDA may allocate up to the lesser of \$100,000 or 50% of the cost each year to pay for a portion of the costs of maintaining streetscapes within the Development Area. Such costs may include snowplowing, irrigation, street lighting, mowing and annual plantings.

17. Parking Lot Maintenance. Maintenance is an important part of extending the pavement life for parking lots. The DDA may allocate up to the lesser of \$50,000 or 50% of the cost each year to pay for a portion of the costs of snowplowing, irrigation, lighting, mowing and annual plantings in the parking lots which have been improved by the DDA.

18. Facilities Coordinator. Currently, the DDA facilities coordination is handled "by committee". The DDA proposes a new position to provide facilities coordination in lieu of the coordination "by committee". It is expected that this person will oversee and coordinate the DDA's infrastructure and maintenance needs and be responsible for communications with business owners.

19. Sidewalk Clearing Equipment. Snow removal on the sidewalks within the Development Area is important to the livelihood of the Standale Business District. In order to keep up with the increasing sidewalk network, the DDA intends to purchase equipment to enhance the snow removal abilities and efficiencies.

20. Store Front Architectural Enhancement Study. The DDA understands that the health of the entire Development Area depends on the attractive architectural qualities of each individual member. The DDA, therefore, pledges to fund a study to explore new architectural standards for business renovations and new business development. The study may also recommend the continuation of the existing low interest loan program to help facilitate business enhancements.

21. Engineering and Legal Support. The DDA currently employs consulting engineers and legal counsel for advice on specific topics. The continued use of these consultants is necessary as the DDA life is extended. The DDA expects to employ consultants throughout the term of the Plan

Presented in the following table and illustrated on the attached Map F is a summary description of each proposed project, the estimated cost and the estimated time required for completion.

<u>Plan Section II(E)</u>	<u>Proposed Project</u>	<u>Estimated Cost for DDA</u>	<u>Estimated Construction Period</u>
1	St. Clair Avenue Project	\$200,000	2007-2008
2	M-45 / M-11 Intersection Improvements	\$605,000	2004-2005
3	Standale Crossing Sanitary Sewer	\$400,000	2004-2005
4	Parking Lot Refurbishings (Pavements and Plantings)	\$200,000	2006-2008
5	Parking Lot Construction (Parkside Drive)	\$200,000	2007-2008
6	Business District Entrance Enhancement (Signage and Landscaping)	\$25,000	2005-2007
7	Public Transportation Facilities	\$100,000	2005-2010
8	Pedestrian Signal Upgrades	\$25,000	2004-2007
9	Traffic Signal Mast Arm Improvements	\$500,000	2008-2010
10	Standale Trail Extension (North of M-45)	\$160,000	2005-2008
11(a)	Welcome Kiosk	\$30,000	2005-2008
11(b)	M-45 Pedestrian Crossings	\$100,000	2005-2010
12	Community Park Expansion	\$1,000,000	2006-2010
13	Property Acquisition	\$350,000	2005-2010
14	New Fire Station and Community Center	\$2,665,000	2005-2007
15	Business Promotion Activities	\$250,000	2004-2029
16	Streetscape Maintenance	\$1,800,000	2004-2029
17	Parking Lot Maintenance	\$1,250,000	2004-2029
18	Facilities Coordinator	\$300,000	2004-2029
19	Sidewalk Clearing Equipment	\$80,000	2005-2007
20	Store Front Architectural Enhancement Study	\$20,000	2006-2008
21	Engineering, Consulting and Legal Support	\$250,000	2004-2029

TOTAL: \$10,510,000

The above costs are based on current estimates which are believed to be reasonable. The actual cost of any given improvement may be more or less than the estimated cost. The use of cost estimates for purposes of this Plan is not intended to limit the amount which may be spent on any particular project.

As the Development Area develops, the demand for public services, such as police, fire, landscaping and snow removal services will increase. Since the City of Walker will not receive additional property taxes to fund such increased public services, the failure to provide such services might discourage development in the Development Area. The DDA, therefore, may elect to allocate sufficient tax increment to the City of Walker to ensure such public services continue, subject to the limitations of Act 197. The DDA may also elect to pay some of the necessary expenses for maintenance of landscaping improvements. The DDA also recognizes that the development, maintenance and implementation of the Plan will require significant staff and outside resources such as engineers, attorneys, financial advisors, marketing and similar contributions.

F. Property Acquisition.

The DDA may acquire, either through purchase or otherwise, such land and other property, real or personal, or rights or interests therein, which the DDA determines is reasonably necessary to achieve the purposes of Act 197.

The DDA may acquire property within the district for the purpose of constructing additional parking lots within the Development Area, for demolition, rehabilitation or repair of existing structures, or for any other purpose determined to meet the objectives of Act 197 and the Plan. The DDA may also acquire property along Lake Michigan Drive that is inconsistent with the development and land use in the area or which is obsolescent.

The DDA or the City of Walker also intends to enter into or renew easements with property owners in order to construct new and maintain existing public parking areas. The property shown on Map F and/or described elsewhere in this Plan has currently been identified and may be acquired through easement by the DDA or the City of Walker for public parking purposes.

The DDA has determined that the taking of privately-owned properties may be necessary in order to accomplish the land use and economic development objectives of the Plan. The City of Walker may take private property for the purpose of transfer to the DDA, and may transfer the property to the DDA for use in an approved development, on terms and conditions the City of Walker deems appropriate, and the use shall be considered necessary for public purposes and for the benefit of the public.

G. Existing Improvements to be Demolished, Repaired or Altered.

The DDA may acquire properties that are not consistent with the development in the Development Area and demolish buildings located on such properties.

The parking areas identified on Map D and/or described elsewhere in this Plan will be demolished, repaired or altered in order to complete or renovate the proposed parking improvements described in the Plan. In addition, one single family residence located on the west side of Parkside Drive north of Lake Michigan Drive will be demolished or removed as part of the proposed parking improvements.

The DDA may enter into building rehabilitation contracts to improve land and to reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, and repair any buildings within the development area, including multi-family dwellings, and any necessary appurtenances thereto, for the use of any public or private person or corporation. Pursuant to such contracts, the DDA may advance up to \$10,000 for any one business for payment of an approved project. The amounts advanced shall be repaid to the DDA in approximately equal monthly or quarterly installments over a period of not to exceed two years, and all amounts must be repaid prior to the termination of the Plan. Such contracts shall be adequately secured by a mortgage, security agreement, assignment of rents, and/or guaranties as determined by the DDA. The aggregate amount of DDA funds outstanding at any time pursuant to this building rehabilitation program shall not exceed \$200,000. All funds to support this program shall come exclusively from tax increment revenue.

H. Planned New Development.

The objectives of the Plan are to encourage new private sector development. Several major projects have resulted, in part, from the improvements contained in the Original Plan and the 1992 Plan, including Hampton Lakes Apartments, the Remax Building, Standale Village Mall and Arby's. It is expected that as the proposed projects are implemented, additional private sector interest in the Standale Business District will be generated, ultimately resulting in new private investment.

I. Existing and Planned Open Space.

The DDA is proposing to expand the Community Park and the South Standale Trail north of Lake Michigan Drive. Both of these projects will expand and improve recreational activities in the Development Area.

J. Description of Desired Zoning Changes.

The existing zoning for the area is set forth on the attached Map C. It is not expected that any zoning changes or changes in streets, street levels, intersections and utilities will be required, except that two lots in the northern part of the Downtown District west of Parkside Drive must be rezoned from single family residential to office, research and parking in order to complete one of the proposed parking improvement projects.

K. Development Cost Estimates and Financing.

The total cost of completing all activities, projects and improvements included in the Plan is estimated to be approximately \$10,510,000. The costs include expenditures for activities associated with the accomplishment of each of the projects described in the Plan, plus administrative expenses and contributions.

The DDA expects to finance these activities from one or more of the following sources:

1. Contributions and/or donations to the Authority for the performance of its functions.
2. Revenues from any property, building or facility sold, owned, leased, licensed, or operated by the Authority or under its control.
3. Tax increment revenue to be received pursuant to the Tax Increment Financing Plan.
4. Interest on investments.
5. Proceeds of tax increment bonds.
6. Proceeds of revenue bonds.
7. Federal, state and foundation grants, including grants from the Michigan Department of Transportation.
8. Money obtained from development agreements with property owners benefiting from public improvements.
9. Special assessments collected by the City of Walker for public improvements or maintenance of improvements constructed by the DDA.
10. Money obtained from any other legal source approved by the City Commission of the City of Walker.

The proceeds to be received from the tax increment revenues in the Development Area plus the availability of funds from other authorized sources will be sufficient to finance all activities and improvements to be carried out under the Plan.

L. Identification of Private Interests.

At the time of adoption of the Plan, there are no private interests, parties or person identified to whom land for development will be sold, leased or conveyed.

The DDA may convey property in the Development Area to presently undetermined private parties for redevelopment for appropriate retail, commercial or industrial uses. The conveyance of such property shall be conducted in accordance with the following paragraph.

M. Proposed Land Disposition Terms and Bidding Procedures.

The terms under which land designated for new development will be sold, leased or otherwise conveyed to private development interests shall be determined by the DDA, subject to approval by the Walker City Commission.

The procedures by which bids to purchase such property will be received and awarded will be in accordance with existing procedures and practices currently used by the City of Walker in disposing of other city-owned property, or as otherwise approved by the Walker City Commission.

The DDA and the Walker City Commission will reserve the right to select the development proposal and/or the developer whose proposal for purchase best meets the intent of this Plan and the best interests of the City of Walker.

The DDA has acquired easements and improved property for parking lots and expects to extend the terms of those easements in the future. The property owners will continue to own the parking lots. The easements will remain in effect for a term not less than the term of any bonds issued to finance any improvements made by the DDA on the property. After payment of the bonds, the easements may terminate and the property owners will own the property and the improvements.

N. Estimates of the Number of Persons Residing on the Property to Which the Plan Applies and the Number of Families and Individuals to be Displaced.

There are more than 100 persons residing in the Development Area. Consequently, in accordance with Act 197, a Development Area Citizens Council has been appointed. No displacement of families in the Development Area is contemplated.

O. Plan for Establishing Priority for Relocation of Displaced Persons.

Since no persons will be displaced from the Development Area by any of the proposed projects, it is not necessary to prepare a plan for establishing priority for displaced persons.

P. Provision for the Costs of Relocating Displaced Persons.

All costs associated with any real property acquisition and relocation activities will be approved by the DDA. In the event any future projects involve the relocation of displaced persons, 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, shall be made in accordance with the standards and provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, USC § 4601-4655.

Q. Compliance With Act 227 of the Michigan Public Acts of 1972.

This Development Plan meets the requirements of Act 227 of the Michigan Public Acts of 1972, as amended, in that there are no displaced persons or businesses at present and future development will comply with Act 227 to the extent required.

SECTION III

TAX INCREMENT FINANCING PLAN

This Tax Increment Financing Plan is established to make possible the financing of all or a portion of the costs associated with the carrying out and completion of those activities and improvements contained in the officially adopted Development Plan for the Downtown Development Authority of the City of Walker, as may be amended from time to time.

A. Tax Increment Financing Procedure.

The tax increment financing procedure outlined in Act 197 requires the adoption by the City of Walker of a Development Plan and Tax Increment Financing Plan. Following adoption of the ordinance approving the Development Plan and Tax Increment Financing Plan, the municipal 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 captured 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 modification is approved by the City of Walker following the same notice 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 as 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 is determined as provided below.

"Specific local tax" means a tax levied under Act No. 198 of the Michigan Public Acts of 1974, being Sections 207.551 to 207.572 of the Michigan Compiled Laws, the Commercial Redevelopment Act, Act No. 255 of the Michigan Public Acts of 1978, being Sections 207.651 to 207.668 of the Michigan Compiled Laws, Act No. 189 of the Michigan Public Acts of 1953, being Sections 211.181 to 211.182 of the Michigan Complied Laws, and the Technology Park Development Act, Act No. 385 of the Michigan Public Acts of 1984, being Sections 207.701 to 207.718 of the Michigan Compiled Laws. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

Presented in Exhibit 4 are schedules of the initial assessed values of all real and personal property in the Development Area determined as of December 31, 1985, and updated as of December 31, 2003. Exhibit 4 also includes the initial assessed values of all real and personal property added to the Development Area at the time the 1992 Plan was approved, determined as of December 31, 1991, and updated as of December 31, 2003.

B. Procedure for Preparing Tax Rolls for Property in the Development Area.

In order to provide for a more efficient and proper means of accounting assessed values on personal property in the Development Area, the City of Walker has established a tax report filing system requiring owners of personal property to file on a yearly basis a separate report to the City Assessor of possessions located within the boundaries of the Development Area.

Presented in Exhibit 5 is the procedure for preparing tax rolls for the Development Area.

C. Estimates of Captured Assessed Values and Tax Increment Revenues.

"Captured assessed value" means the amount in any one year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes, exceeds the initial assessed value. The State Tax Commission shall prescribe the method for calculating the captured assessed value.

"Tax Increment Revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the Development Area, except that for taxes levied after 1993, tax increment revenues cannot be collected from the levies of the State of Michigan under the State Education Tax Act, Act No. 331 of the Michigan Public Acts of 1933, being Sections 211.901 to 211.906 of the Michigan Compiled Laws, or the tax levies of local or intermediate school districts, except for the purpose of paying certain "eligible advances," "eligible obligations," and "other protected obligations" as defined in Act 197.

Since 1994, the City of Walker has captured the tax levies of the State and the local and intermediate school districts to pay debt service on downtown development bonds issued in 1990 and 1993. The 1990 Bonds have been paid in full and the 1993 Bonds will be paid in full on May 1, 2007. At such time that the 1993 Bonds are paid in full, the DDA will no longer capture tax increment revenues from the State or the local and intermediate school districts.

The municipal and county treasurers shall transmit the tax increment revenues to the DDA. 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 city or county for operating purposes. For purposes of the previous statement, taxes levied by a county for operating purposes include only

millage allocated for county or charter county purposes under the Property Tax Limitation Act, Act No. 62 of the Michigan Public Acts of 1933, being Sections 211.201 to 211.217a of the Michigan Complied Laws. Tax increment revenues used to pay bonds issued by a municipality under Section 16(1) of Act 197 shall be considered to be used by the Tax Increment Financing Plan rather than shared with the City.

The DDA shall expend the tax increments received for the development programs only in accordance with the Tax Increment Financing 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 only for purposes that, by resolution of the DDA Board, are determined to further the development program in accordance with the Tax Increment Financing Plan. The excess revenue not so used shall revert proportionately to the respective taxing jurisdictions. These revenues shall not be used to circumvent existing property tax laws or a local charter which provides a maximum authorized rate for the levy of property taxes.

The City of Walker may terminate the Tax Increment Financing Plan if it finds that the purposes for which the Plan was established are accomplished. However, the Tax Increment Financing Plan may not be terminated until the principal of and interest on any bonds issued under Act 197 have been paid or funds sufficient to make that payment have been segregated and placed in an irrevocable trust for the benefit of the holders of the bonds.

A schedule of the estimated tax increment revenues to be realized from increases in real and personal property values and from increases in Act 198 assisted industrial facilities exemption property values for the period from 2004 through 2029 are set forth in Exhibit 6. These estimates assume a growth rate of 2% a year and do not include revenues captured from the State or the local and intermediate school districts. In addition, a \$3,000,000 increase in taxable value is anticipated in 2005 and a \$4,500,000 increase in taxable value is anticipated in 2006 due to the construction of a new Meijer store within the Development Area. The millage rates levied by the local taxing jurisdictions within the Development Area in 2003 were applied to the captured assessed totals for ad valorem real and personal property, except for the Transit millage, which was based on the 2004 millage rate. Under this Tax Increment Financing Plan, the entire tax increment amount is to be utilized by the DDA, however, the DDA may enter into agreements with local taxing jurisdictions to share a portion of the captured assessed value.

Set forth on Exhibit 7 is a schedule of tax increment revenues to be collected from the State and the local and intermediate school districts for the purposes of paying debt service on the 1993 Bonds.

D. Use of Tax Increment Revenue.

The tax increment revenue paid to the DDA by the municipal and county treasurers is to be disbursed by the DDA from time to time in such manner as the DDA may deem

necessary and appropriate in order to carry out the purposes of the Development Plan, including but not limited to the following:

1. The principal, interest and reserve payments required for any bonded indebtedness to be incurred in its behalf for purposes provided in the Development Plan.
2. Cash payments for initiating and completing any improvements or activity called for in the Development Plan, including but not limited to lease payments.
3. Any annual operating deficits that the DDA may incur from acquired and/or leased property in the Development Area.
4. Interest payments on any sums that the DDA should borrow before or during the construction of any improvement or activity to be accomplished by the Development Plan.
5. Payments required to establish and maintain a capital replacement reserve.
6. Payments required to establish and maintain a capital expenditure reserve.
7. Payments required to establish and maintain any required sinking fund.
8. Payments to pay the costs of any additional improvements to the Development Area that are determined necessary by the DDA and approved by the City of Walker.
9. Any administrative expenditure required to meet the cost of operation of the DDA and to repay any cash advances provided by the City of Walker. This may include quarterly payments to the City of support overhead expenses.
10. Payments to the City for public services, such as police, fire and snow removal. As the Development Area develops, the demand for such public services will increase. Since the City will not receive additional property taxes to fund such increased services, the failure to adequately provide such services may discourage development of the Development Area. Accordingly, the DDA may elect to allocate tax increment revenue to the City to ensure that such services are provided, subject to any limitations contained in Act 197.

The DDA may modify the priority of projects and payments at any time if, within its discretion, such modification is necessary to facilitate the Development Plan then existing and is permitted under the terms of any outstanding indebtedness.

E. Bonded Indebtedness To Be Incurred.

Revenues to support these costs shall be derived from any of the following sources, or a combination of these sources:

1. The issuance of one or more series of revenue bonds which may be supported by a limited tax pledge if authorized by resolution of the Walker City Commission or, if authorized by the voters of the City of Walker, the unlimited tax, full faith and credit of the City of Walker;
2. Tax increment bonds which are secured by tax increment revenue to be received from property within the Development Area and which may be secured by a limited tax pledge of the City of Walker if authorized by resolution of the Walker City Commission or, if authorized by the voters of the City of Walker, the unlimited tax, full faith and credit of the City of Walker;
3. Funds borrowed from the City of Walker at rates and terms to be agreed upon or as set forth elsewhere in the Development Plan and Tax Increment Financing Plan; and/or
4. Cash.

Tax collections expected to be generated by the captured assessed value of property within the Development Area are expected to be adequate to provide for payment of principal and interest on bonds or funds borrowed from the City of Walker.

The amounts of bonded indebtedness or indebtedness to be incurred by the DDA and/or the City of Walker for all bond issues or loans, including payments of capitalized interest, principal and required reserve, shall be determined by the Walker City Commission, upon the recommendations of the DDA. In 1990, the City issued downtown development bonds, secured by tax increment revenues and the limited tax, full faith and credit of the City, for the purpose of paying part of the costs of street, landscaping, lighting and sidewalk improvements along Lake Michigan Drive. The bonds were issued in the aggregate principal amount of \$1,000,000 and have been paid in full. In 1993, the City issued downtown development bonds, secured by tax increment revenues and the limited tax, full faith and credit of the City, for the purpose of paying part of the costs of certain streetscape and parking improvements within the development area, including paving, curb and gutter, storm sewer, lighting, landscaping and other improvements. The bonds were issued in the aggregate principal amount of \$1,550,000 and are currently outstanding in the amount of \$475,000.

The DDA and the City also plan to issue additional downtown development bonds in 2004 in the aggregate principal amount of not to exceed \$700,000, for the purpose of making certain street and intersection improvements within the Development Area at Wilson Avenue and Lake Michigan Drive. Additional bonds secured by tax increment revenues are also expected to be issued in the future to accomplish the purposes of the

Development Plan. At the time of adoption of this Amended and Restated Plan, the DDA estimates that the additional maximum aggregate amount of bonded indebtedness which may be incurred during the term of the Amended and Restated Tax Increment Financing Plan is approximately \$5,000,000, including project costs and issuance expenses.

F. Operating and Planning Expenditures.

All operating and planning expenditures of the DDA and the City of Walker, as well as all advances extended by or indebtedness incurred by the City or other parties, are expected to be repaid from tax increment revenues. The costs of the Tax Increment Financing Plan are also anticipated to be paid from tax increment revenues as received.

G. Duration of Plan.

The original Tax Increment Financing Plan was established for fifteen years, expiring with the 2001 tax levy. The Plan was amended in 1992 to extend the term of the Plan to 2010. This Amended and Restated Tax Increment Financing Plan further extends the duration of the Plan for an additional 19 years, expiring with the 2029 tax levy, in order to provide sufficient revenues for repayment of bonds or other indebtedness necessary to accomplish the objectives of the Development Plan. The term of the Plan may be modified from time to time by the City Commission of the City of Walker upon notice and upon public hearing and amendments as required by Act 197.

H. Impact on Assessed Values and Tax Increment Revenues of Other Taxing Jurisdictions.

The overall impact of the Development Plan is expected to generate increased economic activity in the Development Area, the City of Walker and Kent 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 of Walker, and other neighboring communities and throughout Kent County. The projections set forth in Exhibit 6 assume a growth rate of 2% a year; in addition, a \$3,000,000 increase in taxable value is anticipated in 2005 and a \$4,500,000 increase in taxable value is anticipated in 2006 due to the construction of a new Meijer store. As identified earlier, the expected increases in assessed valuation for property and new construction in the Development Area have been estimated for the 2004 through 2029 tax years.

For purposes of determining the estimated impact of this Tax Increment Financing Plan upon those taxing jurisdictions within the Development Area, estimates of captured assessed values were used along with 2003 tax millage allocations to determine tax increment revenue amounts that would be shifted from these jurisdictions to the DDA to finance the project activities called for in the Amended and Restated Development Plan.

I. Reports.

The DDA shall submit annually to the City of Walker and the State Tax Commission a financial report on the status of the Tax Increment Financing Plan. The report shall include the following:

1. The amount and source of revenue in the tax increment financing account.
2. The amount in any bond reserve account.
3. The amount and purpose of expenditures from the tax increment financing account.
4. The amount of principal and interest on any outstanding bonded indebtedness of the DDA.
5. The initial assessed value of the project area.
6. The captured assessed value retained by the Authority.
7. The tax increment revenues received.
8. The number of jobs created as a result of the implementation Tax Increment Financing Plan.
9. Any additional information the City of Walker or the State Tax Commission considers necessary.

The report shall be published in a newspaper of general circulation in the City of Walker.

#996174v6

EXHIBIT 1

**ACT NO. 197 OF THE MICHIGAN PUBLIC ACTS OF 1975,
AS AMENDED**

DOWNTOWN DEVELOPMENT AUTHORITY
Act 197 of 1975

AN ACT to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; 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; to authorize the use of tax increment financing; to reimburse downtown development authorities for certain losses of tax increment revenues; and to prescribe the powers and duties of certain state officials.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: DDA

Popular name: Downtown Development Authority Act

The People of the State of Michigan enact:

125.1651 Definitions.

Sec. 1. As used in this act:

(a) "Advance" means a transfer of funds made by a municipality to an authority or to another person on behalf of the authority in anticipation of repayment by the authority. Evidence of the intent to repay an advance may include, but is not limited to, an executed agreement to repay, provisions contained in a tax increment financing plan approved prior to the advance, or a resolution of the authority or the municipality.

(b) "Assessed value" means 1 of the following:

(i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(ii) For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

(c) "Authority" means a downtown development authority created pursuant to this act.

(d) "Board" means the governing body of an authority.

(e) "Business district" means an area in the downtown of a municipality zoned and used principally for business.

(f) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (aa), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(g) "Catalyst development project" means a project that is located in a municipality with a population greater than 600,000, is designated by the authority as a catalyst development project, and is expected to result in at least \$300,000,000.00 of capital investment. There shall be no more than 1 catalyst development project designated within each authority.

(h) "Chief executive officer" means the mayor or city manager of a city, the president or village manager of a village, or the supervisor of a township or, if designated by the township board for purposes of this act, the township superintendent or township manager of a township.

(i) "Development area" means that area to which a development plan is applicable.

(j) "Development plan" means that information and those requirements for a development plan set forth in section 17.

(k) "Development program" means the implementation of the development plan.

(l) "Downtown district" means that part of an area in a business district that is specifically designated by ordinance of the governing body of the municipality pursuant to this act. A downtown district may include 1 or more separate and distinct geographic areas in a business district as determined by the municipality if the municipality enters into an agreement with a qualified township under section 3(7) or if the municipality is a city that surrounds another city and that other city lies between the 2 separate and distinct geographic areas. If the downtown district contains more than 1 separate and distinct geographic area in the downtown district, the separate and distinct geographic areas shall be considered 1 downtown district.

(m) "Eligible advance" means an advance made before August 19, 1993.

(n) "Eligible obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority before August 19, 1993 and its subsequent refunding by a qualified refunding

Rendered Monday, September 16, 2013

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obligation. Eligible obligation includes an authority's written agreement entered into before August 19, 1993 to pay an obligation issued after August 18, 1993 and before December 31, 1996 by another entity on behalf of the authority.

(o) "Fire alarm system" means a system designed to detect and annunciate the presence of fire, or by-products of fire. Fire alarm system includes smoke detectors.

(p) "Fiscal year" means the fiscal year of the authority.

(q) "Governing body of a municipality" means the elected body of a municipality having legislative powers.

(r) "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 of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision (aa). In the case of a municipality having a population of less than 35,000 that established an authority prior to 1985, created a district or districts, and approved a development plan or tax increment financing plan or amendments to a plan, and which plan or tax increment financing plan or amendments to a plan, and which plan expired by its terms December 31, 1991, the initial assessed value for the purpose of any plan or plan amendment adopted as an extension of the expired plan shall be determined as if the plan had not expired December 31, 1991. For a development area designated before 1997 in which a renaissance zone has subsequently been designated pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, the initial assessed value of the development area otherwise determined under this subdivision shall be reduced by the amount by which the current assessed value of the development area was reduced in 1997 due to the exemption of property under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, but in no case shall the initial assessed value be less than zero.

(s) "Municipality" means a city, village, or township.

(t) "Obligation" means a written promise to pay, whether evidenced by a contract, agreement, lease, sublease, bond, or note, or a requirement to pay imposed by law. An obligation does not include a payment required solely because of default upon an obligation, employee salaries, or consideration paid for the use of municipal offices. An obligation does not include those bonds that have been economically defeased by refunding bonds issued under this act. Obligation includes, but is not limited to, the following:

(i) A requirement to pay proceeds derived from ad valorem property taxes or taxes levied in lieu of ad valorem property taxes.

(ii) A management contract or a contract for professional services.

(iii) A payment required on a contract, agreement, bond, or note if the requirement to make or assume the payment arose before August 19, 1993.

(iv) A requirement to pay or reimburse a person for the cost of insurance for, or to maintain, property subject to a lease, land contract, purchase agreement, or other agreement.

(v) A letter of credit, paying agent, transfer agent, bond registrar, or trustee fee associated with a contract, agreement, bond, or note.

(u) "On behalf of an authority", in relation to an eligible advance made by a municipality, or an eligible obligation or other protected obligation issued or incurred by a municipality, means in anticipation that an authority would transfer tax increment revenues or reimburse the municipality from tax increment revenues in an amount sufficient to fully make payment required by the eligible advance made by the municipality, or eligible obligation or other protected obligation issued or incurred by the municipality, if the anticipation of the transfer or receipt of tax increment revenues from the authority is pursuant to or evidenced by 1 or more of the following:

(i) A reimbursement agreement between the municipality and an authority it established.

(ii) A requirement imposed by law that the authority transfer tax increment revenues to the municipality.

(iii) A resolution of the authority agreeing to make payments to the incorporating unit.

(iv) Provisions in a tax increment financing plan describing the project for which the obligation was incurred.

(v) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.

(w) "Other protected obligation" means:

(i) A qualified refunding obligation issued to refund an obligation described in subparagraph (ii), (iii), or (iv), an obligation that is not a qualified refunding obligation that is issued to refund an eligible obligation, or a qualified refunding obligation issued to refund an obligation described in this subparagraph.

(ii) An obligation issued or incurred by an authority or by a municipality on behalf of an authority after August 19, 1993, but before December 31, 1994, to finance a project described in a tax increment finance plan approved by the municipality in accordance with this act before December 31, 1993, for which a contract for final design is entered into by or on behalf of the municipality or authority before March 1, 1994 or for which a written agreement with a developer, titled preferred development agreement, was entered into by or on behalf of the municipality or authority in July 1993.

(iii) An obligation incurred by an authority or municipality after August 19, 1993, to reimburse a party to a development agreement entered into by a municipality or authority before August 19, 1993, for a project described in a tax increment financing plan approved in accordance with this act before August 19, 1993, and undertaken and installed by that party in accordance with the development agreement.

(iv) An obligation incurred by the authority evidenced by or to finance a contract to purchase real property within a development area or a contract to develop that property within the development area, or both, if all of the following requirements are met:

(A) The authority purchased the real property in 1993.

(B) Before June 30, 1995, the authority enters a contract for the development of the real property located within the development area.

(C) In 1993, the authority or municipality on behalf of the authority received approval for a grant from both of the following:

(I) The department of natural resources for site reclamation of the real property.

(II) The department of consumer and industry services for development of the real property.

(v) An ongoing management or professional services contract with the governing body of a county which was entered into before March 1, 1994 and which was preceded by a series of limited term management or professional services contracts with the governing body of the county, the last of which was entered into before August 19, 1993.

(vi) A loan from a municipality to an authority if the loan was approved by the legislative body of the municipality on April 18, 1994.

(vii) Funds expended to match a grant received by a municipality on behalf of an authority for sidewalk improvements from the Michigan department of transportation if the legislative body of the municipality approved the grant application on April 5, 1993 and the grant was received by the municipality in June 1993.

(viii) For taxes captured in 1994, an obligation described in this subparagraph issued or incurred to finance a project. An obligation is considered issued or incurred to finance a project described in this subparagraph only if all of the following are met:

(A) The obligation requires raising capital for the project or paying for the project, whether or not a borrowing is involved.

(B) The obligation was part of a development plan and the tax increment financing plan was approved by a municipality on May 6, 1991.

(C) The obligation is in the form of a written memorandum of understanding between a municipality and a public utility dated October 27, 1994.

(D) The authority or municipality captured school taxes during 1994.

(ix) An obligation incurred after July 31, 2012 by an authority, municipality, or other governmental unit to pay for costs associated with a catalyst development project.

(x) "Public facility" means a street, plaza, pedestrian mall, and any improvements to a street, plaza, or pedestrian mall including street furniture and beautification, park, parking facility, recreational facility, right-of-way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, building, and access routes to any of the foregoing, designed and dedicated to use by the public generally, or used by a public agency. Public facility includes an improvement to a facility used by the public or a public facility as those terms are defined in section 1 of 1966 PA 1, MCL 125.1351, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531. Public facility also includes the acquisition, construction, improvement, and operation of a building owned or leased by the authority to be used as a retail business incubator.

(y) "Qualified refunding obligation" means an obligation issued or incurred by an authority or by a municipality on behalf of an authority to refund an obligation if 1 or more of the following apply:

(i) The obligation is issued to refund a qualified refunding obligation issued in November 1997 and any subsequent refundings of that obligation issued before January 1, 2010 or the obligation is issued to refund a

qualified refunding obligation issued on May 15, 1997 and any subsequent refundings of that obligation issued before January 1, 2010 in an authority in which 1 parcel or group of parcels under common ownership represents 50% or more of the taxable value captured within the tax increment finance district and that will ultimately provide for at least a 40% reduction in the taxable value of the property as part of a negotiated settlement as a result of an appeal filed with the state tax tribunal. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2611, if issued before January 1, 2010. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is hereby extended to 1 year after the final date of maturity of the qualified refunding obligations.

(ii) The refunding obligation meets both of the following:

(A) The net present value of the principal and interest to be paid on the refunding obligation, including the cost of issuance, will be less than the net present value of the principal and interest to be paid on the obligation being refunded, as calculated using a method approved by the department of treasury.

(B) The net present value of the sum of the tax increment revenues described in subdivision (cc)(ii) and the distributions under section 13b to repay the refunding obligation will not be greater than the net present value of the sum of the tax increment revenues described in subdivision (cc)(ii) and the distributions under section 13b to repay the obligation being refunded, as calculated using a method approved by the department of treasury.

(iii) The obligation is issued to refund an other protected obligation issued as a capital appreciation bond delivered to the Michigan municipal bond authority on December 21, 1994 and any subsequent refundings of that obligation issued before January 1, 2012. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 305(2), (3), (5), and (6), section 501, section 503, or section 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611, if issued before January 1, 2012. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is extended to 1 year after the final date of maturity of the qualified refunding obligations. The obligation may be payable through the year 2025 at an interest rate not exceeding the maximum rate permitted by law, notwithstanding the bond maturity dates contained in the notice of intent to issue bonds published by the municipality. An obligation issued under this subparagraph is a qualified refunding obligation only to the extent that revenues described in subdivision (cc)(ii) and distributions under section 13b to repay the qualified refunding obligation do not exceed \$750,000.00.

(iv) The obligation is issued to refund a qualified refunding obligation issued on February 13, 2008, and any subsequent refundings of that obligation, issued before December 31, 2018. Qualified refunding obligations issued under this subparagraph are not subject to the requirements of section 305(2), (3), (5), and (6), 501, 503, or 611 of the revised municipal finance act, 2001 PA 34, MCL 141.2305, 141.2501, 141.2503, and 141.2611. The duration of the development program described in the tax increment financing plan relating to the qualified refunding obligations issued under this subparagraph is extended to 1 year after the final date of maturity of the qualified refunding obligations. Revenues described in subdivision (cc)(ii) and distributions made under section 13b in excess of the amount needed for current year debt service on an obligation issued under this subparagraph may be paid to the authority to the extent necessary to pay future years' debt service on the obligation as determined by the board.

(z) "Qualified township" means a township that meets all of the following requirements:

(i) Was not eligible to create an authority prior to January 3, 2005.

(ii) Adjoins a municipality that previously created an authority.

(iii) Along with the adjoining municipality that previously created an authority, is a member of the same joint planning commission under the joint municipal planning act, 2003 PA 226, MCL 125.131 to 125.143.

(aa) "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

(bb) "State fiscal year" means the annual period commencing October 1 of each year.

(cc) "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:

(i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.

(ii) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.

(iii) Tax increment revenues do not include any of the following:

(A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.

(B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.

(C) Ad valorem property taxes exempted from capture under section 3(3) or specific local taxes attributable to such ad valorem property taxes.

(D) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(I) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(II) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(iv) The amount of tax increment revenues authorized to be included under subparagraph (ii) or (v), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

(A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.

(B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii) or (v).

(v) Tax increment revenues include ad valorem property taxes and specific local taxes, in an annual amount and for each year approved by the state treasurer, attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and by local or intermediate school districts, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 600,000 or more to pay for, or reimburse an advance for, not more than \$8,000,000.00 for the demolition of buildings or structures on public or privately owned property within a development area that commences in 2005, or to pay the annual principal of or interest on an obligation, the terms of which are approved by the state treasurer, issued by an authority, or by a city on behalf of an authority, to pay not more than \$8,000,000.00 of the costs to demolish buildings or structures on public or privately owned property within a development area that commences in 2005.

(vi) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the levy by this state under the state education tax act, 1993 PA 331, MCL 211.201 to 211.906, and by local or intermediate school districts which were levied on or after July 1, 2010, upon the captured assessed value of real and personal property in the development area of an authority established in a city with a population of 600,000 or more to pay for, or reimburse an advance for, costs associated with the land acquisition, preliminary site work, and construction of a catalyst development project.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1985, Act 221, Imd. Eff. Jan. 10, 1986;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1994, Act 280, Imd. Eff. July 11, 1994;—Am. 1994, Act 330, Imd. Eff. Oct. 14, 1994;—Am. 1994, Act 381, Imd. Eff. Dec. 28, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 1996, Act 454, Imd. Eff. Dec. 19, 1996;—Am. 1997, Act 202, Imd. Eff. Jan. 13, 1998;—Am. 2003, Act 136, Imd. Eff. Aug. 1, 2003;—Am. 2004, Act 66, Imd. Eff. Apr. 20, 2004;—Am. 2004, Act 158, Imd. Eff. June 17, 2004;—Am. 2004, Act 196, Imd. Eff. July 8, 2004;—Am. 2005, Act 13, Imd. Eff. May 4, 2005;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005;—Am. 2006, Act 659, Imd. Eff. Jan. 10, 2007;—Am. 2008, Act 35, Imd. Eff. Mar. 14, 2008;—Am. 2008, Act 225, Imd. Eff. July 17, 2008;—Am. 2011, Act 24, Imd. Eff. Apr. 28, 2011;—Am. 2012, Act 396, Imd. Eff. Dec. 19, 2012;—Am. 2013, Act

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66, Imd. Eff. June 19, 2013.

Compiler's note: Enacting section 1 of Act 202 of 1997 provides:

"The provisions of section 1 and section 13b, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993."

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1651a Legislative findings.

Sec. 1a. The legislature finds all of the following:

(a) That there exists in this state conditions of property value deterioration detrimental to the state economy and the economic growth of the state and its local units of government.

(b) That government programs are desirable and necessary to eliminate the causes of property value deterioration thereby benefiting the economic growth of the state.

(c) That it is appropriate to finance these government programs by means available to the state and local units of government in the state, including tax increment financing.

(d) That tax increment financing is a government financing program that contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from economic growth and development to facilities, structures, or improvements within a development area thereby facilitating economic growth and development.

(e) That it is necessary for the legislature to exercise its power to legislate tax increment financing as authorized in this act and in the exercise of this power to mandate the transfer of tax increment revenues by city, village, township, school district, and county treasurers to authorities created under this act in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.

(f) That halting property value deterioration and promoting economic growth in the state are essential governmental functions and constitute essential public purposes.

(g) That economic development strengthens the tax base upon which local units of government rely and that government programs to eliminate property value deterioration benefit local units of government and are for the use of the local units of government.

(h) That the provisions of this act are enacted to provide a means for local units of government to eliminate property value deterioration and to promote economic growth in the communities served by those local units of government.

History: Add. 1988, Act 425, Imd. Eff. Dec. 27, 1988.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1652 Authority; establishment; restriction; public body corporate; powers generally.

Sec. 2. (1) Except as otherwise provided in this subsection, a municipality may establish 1 authority. If, before November 1, 1985, a municipality establishes more than 1 authority, those authorities may continue to exist as separate authorities. Under the conditions described in section 3a, a municipality may have more than 1 authority within that municipality's boundaries. A parcel of property shall not be included in more than 1 authority created by this act.

(2) An authority shall be a public body corporate which may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this act shall not be construed as a limitation upon the general powers of an authority.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653 Resolution of intent to create and provide for operation of authority; public hearing on proposed ordinance creating authority and designating boundaries of downtown district; notice; exemption of taxes from capture; adoption, filing, and publication of ordinance; altering or amending boundaries; agreement with adjoining municipality; agreement with qualified township.

Sec. 3. (1) When the governing body of a municipality determines that it is necessary for the best interests

of the public to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body may, by resolution, declare its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the downtown district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 or more than 40 days before the date of the hearing. Not less than 20 days before the hearing, the governing body proposing to create the authority shall also mail notice of the hearing to the property taxpayers of record in the proposed district and for a public hearing to be held after February 15, 1994 to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the authority is established and a tax increment financing plan is approved. Failure of a property taxpayer to receive the notice shall not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed downtown district. A citizen, taxpayer, or property owner of the municipality or an official from a taxing jurisdiction with millage that would be subject to capture has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district. The governing body of the municipality shall not incorporate land into the downtown district not included in the description contained in the notice of public hearing, but it may eliminate described lands from the downtown district in the final determination of the boundaries.

(3) Not more than 60 days after a public hearing held after February 15, 1994, the governing body of a taxing jurisdiction levying ad valorem property taxes that would otherwise be subject to capture may exempt its taxes from capture by adopting a resolution to that effect and filing a copy with the clerk of the municipality proposing to create the authority. The resolution takes effect when filed with that clerk and remains effective until a copy of a resolution rescinding that resolution is filed with that clerk.

(4) Not less than 60 days after the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the downtown district within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his or her veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(5) The governing body of the municipality may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district pursuant to the same requirements for adopting the ordinance creating the authority.

(6) A municipality that has created an authority may enter into an agreement with an adjoining municipality that has created an authority to jointly operate and administer those authorities under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.

(7) A municipality that has created an authority may enter into an agreement with a qualified township to operate its authority in a downtown district in the qualified township under an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512. The interlocal agreement between the municipality and the qualified township shall provide for, but is not limited to, all of the following:

- (a) Size and makeup of the board.
- (b) Determination and modification of downtown district, business district, and development area.
- (c) Modification of development area and development plan.
- (d) Issuance and repayment of obligations.
- (e) Capture of taxes.
- (f) Notice, hearing, and exemption of taxes from capture provisions described in this section.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 2004, Act 521, Imd. Eff. Jan. 3, 2005;—Am. 2005, Act 13, Imd. Eff. May 4, 2005;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653a Authority of annexing or consolidated municipality; obligations, agreements, and bonds.

Sec. 3a. If a downtown district is part of an area annexed to or consolidated with another municipality, the authority managing that district shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this act shall remain in effect following the annexation or consolidation.

History: Add. 1985, Act 159, Imd. Eff. Nov. 15, 1985.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653b Ratification and validation of ordinance and actions; compliance.

Sec. 3b. (1) An ordinance enacted by a municipality that has a population of less than 50,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken under that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, if the notice was published or posted at least 15 days before the hearing or the authority was established in 1984 by a village that filed the ordinance with the secretary of state not later than March, 1986. This section applies only to an ordinance adopted by a municipality before February 1, 1991, and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority, the incorporating municipality, or a county on behalf of the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 3(4) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before October 1, 1991. As used in this section, "notice was published" means publication of the notice occurred at least once.

(2) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 3,000 before June 15, 1988 rather than by adoption of an ordinance is ratified and validated, if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.

(3) A development plan and tax increment financing plan approved by a resolution adopted by the village council of a village having a population of less than 7,000 before June 1, 1998 rather than by adoption of an ordinance is ratified and validated if an amendment to the plans was adopted by the village council in compliance with sections 18 and 19.

History: Add. 1989, Act 242, Imd. Eff. Dec. 21, 1989;—Am. 1991, Act 66, Imd. Eff. July 3, 1991;—Am. 1993, Act 42, Imd. Eff. May 27, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 2006, Act 329, Imd. Eff. Aug. 10, 2006.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653c Proceedings or findings; validity.

Sec. 3c. The validity of the proceedings or findings establishing an authority, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan is conclusive with respect to the capture of tax increment revenues for an other protected obligation that is a bond issued after October 1, 1994.

History: Add. 1994, Act 381, Imd. Eff. Dec. 28, 1994.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1653d Establishment or amendment of authority, district, or plan; notice; publication or posting.

Sec. 3d. An ordinance enacted by a municipality that has a population of greater than 1,000 and less than 2,000 establishing an authority, creating a district, or approving a development plan or tax increment financing plan, or an amendment to an authority, district, or plan, and all actions taken or to be taken under that ordinance, including the issuance of bonds, are ratified and validated notwithstanding that notice for the

public hearing on the establishment of the authority, creation of the district, or approval of the development plan or tax increment financing plan, or on the amendment, was not published, posted, or mailed at least 20 days before the hearing, provided that the notice was either published or posted at least 10 days before the hearing or that the authority was established in 1990 by a municipality that filed the ordinance with the secretary of state not later than July 1991. This section applies only to an ordinance or an amendment adopted by a municipality before January 1, 1999 and shall include any bonds or amounts to be used by the authority to pay the principal of and interest on bonds that have been issued or that are to be issued by the authority or the incorporating municipality. An authority for which an ordinance or amendment to the ordinance establishing the authority has been published before February 1, 1991 is considered for purposes of section 3(3) to have promptly filed the ordinance or amendment to the ordinance with the secretary of state if the ordinance or amendment to the ordinance is filed with the secretary of state before December 31, 2002. The validity of the proceedings or findings establishing an authority described in this section, or of the procedure, adequacy of notice, or findings with respect to the approval of a development plan or tax increment financing plan for an authority described in this section is conclusive with respect to the capture of tax increment revenues for a bond issued after June 1, 2002 and before June 1, 2006. As used in this section, "notice was either published or posted" means either publication or posting of the notice occurred at least once.

History: Add. 2002, Act 460, Imd. Eff. June 21, 2002.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1654 Board; appointment, terms, and qualifications of members; vacancy; compensation and expenses; election of chairperson; appointment as public official; oath; conducting business at public meeting; public notice; special meetings; removal of members; review; expense items and financial records; availability of writings to public; single board governing all authorities; member as resident or having interest in property; planning commission serving as board in certain municipalities; modification by interlocal agreement.

Sec. 4. (1) Except as provided in subsections (7), (8), and (9), an authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality and not less than 8 or more than 12 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an interest in property located in the downtown district or officers, members, trustees, principals, or employees of a legal entity having an interest in property located in the downtown district. Not less than 1 of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board. The rules of procedure or the bylaws of the authority may provide that a person be appointed to the board in his or her capacity as a public official, whether appointed or elected. The rules of procedure or bylaws may also provide that the public official's term shall expire upon expiration of his or her service as a public official. In addition, the public official's membership on the board expires on his or her resignation from office as a public official.

(2) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(3) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. Public notice of the time, date, and place of the meeting shall be given in the manner required by the open meetings act, 1976 PA 267, MCL 15.261 to 15.275. The board shall adopt rules consistent with the open meetings act, 1976 PA 267, MCL 15.261 to 15.275, governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(4) Pursuant to notice and after having been given an opportunity to be heard, a member of the board may be removed for cause by the governing body. Removal of a member is subject to review by the circuit court.

(5) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.

(6) In addition to the items and records prescribed in subsection (5), a writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(7) By resolution of its governing body, a municipality having more than 1 authority may establish a single board to govern all authorities in the municipality. The governing body may designate the board of an existing authority as the board for all authorities or may establish by resolution a new board in the same manner as provided in subsection (1). A member of a board governing more than 1 authority may be a resident of or have an interest in property in any of the downtown districts controlled by the board in order to meet the requirements of this section.

(8) By ordinance, the governing body of a municipality that has a population of less than 5,000 may have the municipality's planning commission created pursuant to former 1931 PA 285 or the Michigan planning enabling act, 2008 PA 33, MCL 125.3801 to 125.3885, serve as the board provided for in subsection (1).

(9) If a municipality enters into an agreement with a qualified township under section 3(7), the membership of the board may be modified by the interlocal agreement described in section 3(7).

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1978, Act 521, Imd. Eff. Dec. 20, 1978;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;—Am. 1987, Act 66, Imd. Eff. June 25, 1987;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005;—Am. 2006, Act 279, Imd. Eff. July 7, 2006;—Am. 2012, Act 396, Imd. Eff. Dec. 19, 2012.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1655 Director, acting director, treasurer, secretary, legal counsel, and other personnel.

Sec. 5. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of his office, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the penal sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be deemed an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise, and be responsible for, the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the board, and shall render to the board and to the governing body of the municipality a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the authority and who, together with the director, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated to him by the board and shall furnish bond in an amount as prescribed by the board.

(3) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings, and shall perform such other duties delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel deemed necessary by the board.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1656 Participation of employees in municipal retirement and insurance programs.

Sec. 6. The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1657 Powers of board; creation, operation, or funding of retail business incubator.

Sec. 7. (1) The board may:

- (a) Prepare an analysis of economic changes taking place in the downtown district.
- (b) Study and analyze the impact of metropolitan growth upon the downtown district.
- (c) Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district.
- (d) Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier free design requirements of the state construction code promulgated under the Stille-DeRossett-Hale single state construction code act, 1972 PA 230, MCL 125.1501 to 125.1531.
- (e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.
- (f) Implement any plan of development in the downtown district necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.
- (g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.
- (h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority considers proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests in property, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect to that property.
- (i) Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances to that property, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination of them.
- (j) Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.
- (k) Lease any building or property under its control, or any part of a building or property.
- (l) Accept grants and donations of property, labor, or other things of value from a public or private source.
- (m) Acquire and construct public facilities.
- (n) Create, operate, and fund marketing initiatives that benefit only retail and general marketing of the downtown district.
- (o) Contract for broadband service and wireless technology service in the downtown district.
- (p) Operate and perform all duties and exercise all responsibilities described in this section in a qualified township if the qualified township has entered into an agreement with the municipality under section 3(7).
- (q) Create, operate, and fund a loan program to fund improvements for existing buildings located in a downtown district to make them marketable for sale or lease. The board may make loans with interest at a market rate or may make loans with interest at a below market rate, as determined by the board.
- (r) Create, operate, and fund retail business incubators in the downtown district.

(2) If it is the express determination of the board to create, operate, or fund a retail business incubator in the downtown district, the board shall give preference to tenants who will provide goods or services that are not available or that are underserved in the downtown area. If the board creates, operates, or funds retail business incubators in the downtown district, the board and each tenant who leases space in a retail business incubator shall enter into a written contract that includes, but is not limited to, all of the following:

- (a) The lease or rental rate that may be below the fair market rate as determined by the board.
- (b) The requirement that a tenant may lease space in the retail business incubator for a period not to exceed 18 months.
- (c) The terms of a joint operating plan with 1 or more other businesses located in the downtown district.
- (d) A copy of the business plan of the tenant that contains measurable goals and objectives.
- (e) The requirement that the tenant participate in basic management classes, business seminars, or other business education programs offered by the authority, the local chamber of commerce, local community colleges, or institutions of higher education, as determined by the board.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1985, Act 221, Imd. Eff. Jan. 10, 1986;—Am. 2004, Act 196, Imd. Eff. July 8, 2004;—Am. 2005, Act 115, Imd. Eff. Sept. 22, 2005;—Am. 2008, Act 226, Imd. Eff. July 17, 2008.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1658 Board serving as planning commission; agenda.

Sec. 8. If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include planning commission business in its agenda.

History: Add. 1987, Act 66, Imd. Eff. June 25, 1987.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1659 Authority as instrumentality of political subdivision.

Sec. 9. The authority shall be deemed an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1660 Taking, transfer, and use of private property.

Sec. 10. A municipality may take private property under Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41 of the Michigan Compiled Laws, for the purpose of transfer to the authority, and may transfer the property to the authority for use in an approved development, on terms and conditions it deems appropriate, and the taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1661 Financing activities of authority; disposition of money received by authority; municipal obligations.

Sec. 11. (1) The activities of the authority shall be financed from 1 or more of the following sources:

(a) Donations to the authority for the performance of its functions.

(b) Proceeds of a tax imposed pursuant to section 12.

(c) Money borrowed and to be repaid as authorized by sections 13 and 13a.

(d) 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.

(e) Proceeds of a tax increment financing plan, established under sections 14 to 16.

(f) Proceeds from a special assessment district created as provided by law.

(g) Money obtained from other sources approved by the governing body of the municipality or otherwise authorized by law for use by the authority or the municipality to finance a development program.

(h) Money obtained pursuant to section 13b.

(i) 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.

(j) 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.

(2) Money received by the authority and not covered under subsection (1) shall immediately be deposited to the credit of the authority, subject to disbursement pursuant to this act. Except as provided in this act, the municipality shall not obligate itself, nor shall it ever be obligated to pay any sums from public funds, other than money received by the municipality pursuant to this section, for or on account of the activities of the authority.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1662 Ad valorem tax; borrowing in anticipation of collection.

Sec. 12. (1) An authority with the approval of the municipal governing body may levy an ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the downtown district. The tax shall not be more than 1 mill if the downtown district is in a municipality having a population of 1,000,000 or more, or not more than 2 mills if the downtown district is in a municipality having a population of less than 1,000,000. The tax shall be collected by the municipality creating the authority levying the tax. The municipality shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes. The tax shall be paid to the treasurer of the authority and credited to the general fund of the authority for purposes of the authority.

(2) The municipality may at the request of the authority borrow money and issue its notes under the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821, in anticipation of collection of the ad valorem tax authorized in this section.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1983, Act 86, Imd. Eff. June 16, 1983;—Am. 2002, Act 234, Imd. Eff. Apr. 29, 2002.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1663 Revenue bonds.

Sec. 13. The authority may borrow money and issue its negotiable revenue bonds therefor pursuant to Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the authority shall not except as hereinafter provided be deemed a debt of the municipality or the state. The municipality by majority vote of the members of its governing body may pledge its full faith and credit to support the authority's revenue bonds.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1663a Borrowing money; issuing revenue bonds or notes; purpose; costs; security; pledge and lien of pledge valid and binding; filing or recordation not required; tax exemption; bonds or notes neither liability nor debt of municipality; statement; investment and deposit of bonds and notes.

Sec. 13a. (1) The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of acquiring or constructing property in connection with the implementation of a development plan in the downtown district or to refund or refund in advance bonds or notes issued pursuant to this section. The costs which may be financed by the issuance of revenue bonds or notes may include the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the downtown district; any engineering, architectural, legal, accounting, or financial expenses; the costs necessary or incidental to the borrowing of money; interest on the bonds or notes during the period of construction; a reserve for payment of principal and interest on the bonds or notes; and a reserve for operation and maintenance until sufficient revenues have developed. The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and any money, revenues, or income received in connection therewith.

(2) A pledge made by the authority shall be valid and binding from the time the pledge is made. The money or property pledged by the authority immediately shall be subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of such a pledge shall be valid and binding as against parties having claims of any kind in tort, contract, or otherwise, against the authority, irrespective of whether the parties have notice of the lien. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created need be filed or recorded.

(3) Bonds or notes issued pursuant to this section shall be exempt from all taxation in this state except inheritance and transfer taxes, and the interest on the bonds or notes shall be exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(4) The municipality shall not be liable on bonds or notes of the authority issued pursuant to this section and the bonds or notes shall not be a debt of the municipality. The bonds or notes shall contain on their face a statement to that effect.

(5) The bonds and notes of the authority may be invested in by all public officers, state agencies and

political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

History: Add. 1981, Act 151, Imd. Eff. Nov. 19, 1981.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1663b Insufficient tax increment revenues to repay advance or pay obligation; contents, time, and payment of claim; appropriation and distribution of aggregate amount; limitations; distribution subject to lien; obligation as debt or liability; certification of distribution amount; basis for calculation of distributions and claim reports.

Sec. 13b. (1) If the amount of tax increment revenues lost as a result of the reduction of taxes levied by local school districts for school operating purposes required by the millage limitations under section 1211 of the school code of 1976, 1976 PA 451, MCL 380.1211, reduced by the amount of tax increment revenues received from the capture of taxes levied under or attributable to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, will cause the tax increment revenues received in a fiscal year by an authority under section 15 to be insufficient to repay an eligible advance or to pay an eligible obligation, the legislature shall appropriate and distribute to the authority the amount described in subsection (5).

(2) Not less than 30 days before the first day of a fiscal year, an authority eligible to retain tax increment revenues from taxes levied by a local or intermediate school district or this state or to receive a distribution under this section for that fiscal year shall file a claim with the department of treasury. The claim shall include the following information:

(a) The property tax millage rates levied in 1993 by local school districts within the jurisdictional area of the authority for school operating purposes.

(b) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(c) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.

(d) The tax increment revenues the authority estimates it would have received for that fiscal year if property taxes were levied by local school districts within the jurisdictional area of the authority for school operating purposes at the millage rates described in subdivision (a) and if no property taxes were levied by this state under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(e) A list and documentation of eligible obligations and eligible advances and the payments due on each of those eligible obligations or eligible advances in that fiscal year, and the total amount of all the payments due on those eligible obligations and eligible advances in that fiscal year.

(f) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation or the repayment of an eligible advance. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development project.

(g) The amount of a distribution received pursuant to this act for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(h) A list and documentation of other protected obligations and the payments due on each of those other protected obligations in that fiscal year, and the total amount of all the payments due on those other protected obligations in that fiscal year.

(3) For the fiscal year that commences after September 30, 1993 and before October 1, 1994, an authority may make a claim with all information required by subsection (2) at any time after March 15, 1994.

(4) After review and verification of claims submitted pursuant to this section, amounts appropriated by the state in compliance with this act shall be distributed as 2 equal payments on March 1 and September 1 after receipt of a claim. An authority shall allocate a distribution it receives for an eligible obligation issued on behalf of a municipality to the municipality.

(5) Subject to subsections (6) and (7), the aggregate amount to be appropriated and distributed pursuant to this section to an authority shall be the sum of the amounts determined pursuant to subdivisions (a) and (b) minus the amount determined pursuant to subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received for the fiscal year, excluding taxes exempt under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, if property taxes were levied by local school districts for school operating purposes at the millage rates described in subsection (2)(a) and if no property taxes were levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, exceed the tax increment revenues the authority actually received for the fiscal year.

(b) A shortfall required to be reported pursuant to subsection (2)(g) that had not previously increased a distribution.

(c) An excess amount required to be reported pursuant to subsection (2)(g) that had not previously decreased a distribution.

(6) The amount distributed under subsection (5) shall not exceed the difference between the amount described in subsection (2)(e) and the sum of the amounts described in subsection (2)(c) and (f).

(7) If, based upon the tax increment financing plan in effect on August 19, 1993, the payment due on eligible obligations or eligible advances anticipates the use of excess prior year tax increment revenues permitted by law to be retained by the authority, and if the sum of the amounts described in subsection (2)(c) and (f) plus the amount to be distributed under subsections (5) and (6) is less than the amount described in subsection (2)(e), the amount to be distributed under subsections (5) and (6) shall be increased by the amount of the shortfall. However, the amount authorized to be distributed pursuant to this section shall not exceed that portion of the cumulative difference, for each preceding fiscal year, between the amount that could have been distributed pursuant to subsection (5) and the amount actually distributed pursuant to subsections (5) and (6) and this subsection.

(8) A distribution under this section replacing tax increment revenues pledged by an authority or a municipality is subject to the lien of the pledge, whether or not there has been physical delivery of the distribution.

(9) Obligations for which distributions are made pursuant to this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(10) Not later than July 1 of each year, the authority shall certify to the local tax collecting treasurer the amount of the distribution required under subsection (5), calculated without regard to the receipt of tax increment revenues attributable to local or intermediate school district taxes or attributable to taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906.

(11) Calculations of distributions under this section and claims reports required to be made under subsection (2) shall be made on the basis of each development area of the authority.

(12) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

History: Add. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1994, Act 280, Imd. Eff. July 11, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 1996, Act 454, Imd. Eff. Dec. 19, 1996;—Am. 1997, Act 202, Imd. Eff. Jan. 13, 1998.

Compiler's note: Enacting section 1 of Act 202 of 1997 provides:

“The provisions of section 1 and section 13b, as amended by this amendatory act, are retroactive and effective for taxes levied after 1993.”

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1663c Retention and payment of taxes levied under state education tax act; conditions; application by authority for approval; information to be included; approval, modification, or denial of application by department of treasury; appropriation and distribution of amount; calculation of aggregate amount; lien; reimbursement calculations; legislative intent.

Sec. 13c. (1) If the amount of tax increment revenues lost as a result of the personal property tax exemptions provided by section 1211(4) of the revised school code, 1976 PA 451, MCL 380.1211, section 3 of the state education tax act, 1993 PA 331, MCL 211.903, section 14(4) of 1974 PA 198, MCL 207.564, and section 9k of the general property tax act, 1893 PA 206, MCL 211.9k, will reduce the allowable school tax capture received in a fiscal year, then, notwithstanding any other provision of this act, the authority, with approval of the department of treasury under subsection (3), may request the local tax collecting treasurer to retain and pay to the authority taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, to be used for the following:

(a) To repay an eligible advance.

(b) To repay an eligible obligation.

(c) To repay an other protected obligation.

(2) Not later than June 15, 2008, not later than September 30, 2009, and not later than June 1 of each subsequent year, except for 2011, not later than June 15, an authority eligible under subsection (1) to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section, shall apply for approval with the department of treasury. The application for approval shall include the following information:

(a) The property tax millage rates expected to be levied by local school districts within the jurisdictional area of the authority for school operating purposes for that fiscal year.

(b) The tax increment revenues estimated to be received by the authority for that fiscal year based upon actual property tax levies of all taxing jurisdictions within the jurisdictional area of the authority.

(c) The tax increment revenues the authority estimates it would have received for that fiscal year if the personal property tax exemptions described in subsection (1) were not in effect.

(d) A list of eligible obligations, eligible advances, and other protected obligations, the payments due on each of those in that fiscal year, and the total amount of all the payments due on all of those in that fiscal year.

(e) The amount of money, other than tax increment revenues, estimated to be received in that fiscal year by the authority that is primarily pledged to, and to be used for, the payment of an eligible obligation, the repayment of an eligible advance, or the payment of an other protected obligation. That amount shall not include excess tax increment revenues of the authority that are permitted by law to be retained by the authority for purposes that further the development program. However, that amount shall include money to be obtained from sources authorized by law, which law is enacted on or after December 1, 1993, for use by the municipality or authority to finance a development plan.

(f) The amount of a distribution received pursuant to this act for a fiscal year in excess of or less than the distribution that would have been required if calculated upon actual tax increment revenues received for that fiscal year.

(3) Not later than August 15, 2008; for 2009, not later than February 3, 2010; for 2011 only, not later than 30 days after the effective date of the amendatory act that amended this sentence; and not later than August 15 for 2010, 2012, and each subsequent year, based on the calculations under subsection (5), the department of treasury shall approve, modify, or deny the application for approval to have taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, retained and paid to the authority under this section. If the application for approval contains the information required under subsection (2)(a) through (f) and appears to be in substantial compliance with the provisions of this section, then the department of treasury shall approve the application. If the application is denied by the department of treasury, then the department of treasury shall provide the opportunity for a representative of the authority to discuss the denial within 21 days after the denial occurs and shall sustain or modify its decision within 30 days after receiving information from the authority. If the application for approval is approved or modified by the department of treasury, the local tax collecting treasurer shall retain and pay to the authority the amount described in subsection (5) as approved by the department. If the department of treasury denies the authority's application for approval, the local tax collecting treasurer shall not retain or pay to the authority the taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906. An approval by the department does not prohibit a subsequent audit of taxes retained in accordance with the procedures currently authorized by law.

(4) Each year the legislature shall appropriate and distribute an amount sufficient to pay each authority the following:

(a) If the amount to be retained and paid under subsection (3) is less than the amount calculated under subsection (5), the difference between those amounts.

(b) If the application for approval is denied by the department of treasury, an amount verified by the department equal to the amount calculated under subsection (5).

(5) Subject to subsection (6), the aggregate amount under this section shall be the sum of the amounts determined under subdivisions (a) and (b) minus the amount determined under subdivision (c), as follows:

(a) The amount by which the tax increment revenues the authority would have received and retained for the fiscal year, excluding taxes exempt under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, if the personal property tax exemptions described in subsection (1) were not in effect, exceed the tax increment revenues the authority actually received for the fiscal year.

(b) A shortfall required to be reported under subsection (2)(f) that had not previously increased a distribution.

(c) An excess amount required to be reported under subsection (2)(f) that had not previously decreased a distribution.

(6) A distribution or taxes retained under this section replacing tax increment revenues pledged by an

authority or a municipality are subject to any lien of the pledge described in subsection (1), whether or not there has been physical delivery of the distribution.

(7) Obligations for which distributions are made under this section are not a debt or liability of this state; do not create or constitute an indebtedness, liability, or obligation of this state; and are not and do not constitute a pledge of the faith and credit of this state.

(8) Not later than September 15 of each year, the authority shall provide a copy of the application for approval approved by the department of treasury to the local tax collecting treasurer and provide the amount of the taxes retained and paid to the authority under subsection (5).

(9) Calculations of amounts retained and paid and appropriations to be distributed under this section shall be made on the basis of each development area of the authority.

(10) The state tax commission may provide that the reimbursement calculations under this section and the calculation of allowable capture of school taxes shall be made for each calendar year's tax increment revenues using a 12-month debt payment period used by the authority and approved by the state tax commission.

(11) It is the intent of the legislature that, to the extent that the total amount of taxes levied under the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, that are allowed to be retained under this section and section 11b of the local development financing act, 1986 PA 281, MCL 125.2161b, section 15a of the brownfield redevelopment financing act, 1996 PA 381, MCL 125.2665a, and section 12b of the tax increment financing act, 1980 PA 450, MCL 125.1812b, exceeds the difference of the total school aid fund revenue for the tax year minus the estimated amount of revenue the school aid fund would have received for the tax year had the tax exemptions described in subsection (1) and the earmark created by section 515 of the Michigan business tax act, 2007 PA 36, MCL 208.1515, not taken effect, the general fund shall reimburse the school aid fund the difference.

History: Add. 2008, Act 157, Imd. Eff. June 5, 2008;—Am. 2009, Act 213, Imd. Eff. Jan. 4, 2010;—Am. 2012, Act 510, Imd. Eff. Dec. 28, 2012.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1664 Tax increment financing plan; preparation and contents; limitation; public hearing; fiscal and economic implications; recommendations; agreements; modification of plan; catalyst development project.

Sec. 14. (1) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 17, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 15. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(2) 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, 1933 PA 62, MCL 211.201 to 211.217a. For purposes of this subsection, tax increment revenues used to pay bonds issued by a municipality under section 16(1) shall be considered to be used by the tax increment financing plan rather than shared with the municipality. The limitation of this subsection does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, 1985 PA 224, MCL 125.2113.

(3) Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 18. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(4) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the taxing jurisdictions levying taxes subject to capture to meet with the governing body. The authority shall fully inform the taxing jurisdictions of the fiscal and economic implications of the proposed development area. The taxing jurisdictions may present their recommendations at the public hearing

on the tax increment financing plan. The authority may enter into agreements with the taxing jurisdictions and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the district.

(5) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearings and agreements as are required for approval of the original plan.

(6) Under a tax increment financing plan that includes a catalyst development project, an authority may pledge available tax increment revenues of the authority as security for any bonds issued to develop and construct a catalyst development project.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1979, Act 26, Imd. Eff. June 6, 1979;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1986, Act 229, Imd. Eff. Oct. 1, 1986;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1989, Act 108, Imd. Eff. June 23, 1989;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 2012, Act 396, Imd. Eff. Dec. 19, 2012.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1665 Transmitting and expending tax increments revenues; reversion of surplus funds; abolition of tax increment financing plan; conditions; annual report on status of tax increment financing account; contents; publication.

Sec. 15. (1) The municipal and county treasurers shall transmit to the authority tax increment revenues.

(2) The authority shall expend the tax increment revenues received for the development program only pursuant to the tax increment financing plan. Surplus funds shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan when it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished until the principal of, and interest on, bonds issued pursuant to section 16 have been paid or funds sufficient to make the payment have been segregated.

(3) Annually the authority shall submit to the governing body of the municipality and the state tax commission a report on the status of the tax increment financing account. The report shall be published in a newspaper of general circulation in the municipality and shall include the following:

- (a) The amount and source of revenue in the account.
- (b) The amount in any bond reserve account.
- (c) The amount and purpose of expenditures from the account.
- (d) The amount of principal and interest on any outstanding bonded indebtedness.
- (e) The initial assessed value of the project area.
- (f) The captured assessed value retained by the authority.
- (g) The tax increment revenues received.
- (h) The number of jobs created as a result of the implementation of the tax increment financing plan.
- (i) Any additional information the governing body or the state tax commission considers necessary.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1979, Act 26, Imd. Eff. June 6, 1979;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1986, Act 229, Imd. Eff. Oct. 1, 1986;—Am. 1988, Act 425, Imd. Eff. Dec. 27, 1988;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1666 General obligation bonds and tax increment bonds; qualified refunding obligation.

Sec. 16. (1) The municipality may by resolution of its governing body authorize, issue, and sell general obligation bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan and shall pledge its full faith and credit for the payment of the bonds. The municipality may pledge as additional security for the bonds any money received by the authority or the municipality pursuant to section 11. The bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821. Before the municipality may authorize the borrowing, the authority shall submit an estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds, to the governing body of the municipality. This

estimate shall be approved by the governing body of the municipality by resolution adopted by majority vote of the members of the governing body in the resolution authorizing the bonds. If the governing body of the municipality adopts the resolution authorizing the bonds, the estimate of the anticipated tax increment revenues and other revenue available under section 11 to be available for payment of principal and interest on the bonds shall be conclusive for purposes of this section. The bonds issued under this subsection shall be considered a single series for the purposes of the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2801.

(2) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increment revenues of a development area in which the project is located or a development area from which tax increment revenues may be used for this project, or both. In addition or in the alternative, the bonds issued by the authority pursuant to this subsection may be secured by any other revenues identified in section 11 as sources of financing for activities of the authority that the authority shall specifically pledge in the resolution. However, the full faith and credit of the municipality shall not be pledged to secure bonds issued pursuant to this subsection. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increment revenues from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increment revenues and other revenues pledged by the resolution that shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increment revenues and other revenues pledged under the resolution. Bonds issued under this subsection that pledge revenue received under section 11 for repayment of the bonds are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

(3) Notwithstanding any other provision of this act, if the state treasurer determines that an authority or municipality can issue a qualified refunding obligation and the authority or municipality does not make a good faith effort to issue the qualified refunding obligation as determined by the state treasurer, the state treasurer may reduce the amount claimed by the authority or municipality under section 13b by an amount equal to the net present value saving that would have been realized had the authority or municipality refunded the obligation or the state treasurer may require a reduction in the capture of tax increment revenues from taxes levied by a local or intermediate school district or this state by an amount equal to the net present value savings that would have been realized had the authority or municipality refunded the obligation. This subsection does not authorize the state treasurer to require the authority or municipality to pledge security greater than the security pledged for the obligation being refunded.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1981, Act 34, Imd. Eff. May 11, 1981;—Am. 1983, Act 34, Imd. Eff. May 10, 1983;—Am. 1985, Act 159, Imd. Eff. Nov. 15, 1985;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994;—Am. 1996, Act 269, Imd. Eff. June 12, 1996;—Am. 2002, Act 234, Imd. Eff. Apr. 29, 2002.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1667 Development plan; preparation; contents; improvements related to qualified facility.

Sec. 17. (1) When a board decides to finance a project in the downtown district by the use of revenue bonds as authorized in section 13 or tax increment financing as authorized in sections 14, 15, and 16, it shall prepare a development plan.

(2) The development plan shall contain all of the following:

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

(b) The location and extent of existing streets and other public facilities within the development area, 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.

(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.

(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.

(e) A statement of the construction or stages of construction planned, and the estimated time of completion

of each stage.

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

(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.

(h) A description of desired zoning changes and changes in streets, street levels, intersections, or utilities.

(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.

(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.

(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.

(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 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, 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.

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

(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 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.

(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.

(p) Other material that the authority, local public agency, or governing body considers pertinent.

(3) A development plan may provide for improvements related to a qualified facility, as defined in 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, that is located outside of the boundaries of the development area but within the district, including the cost of construction, renovation, rehabilitation, or acquisition of that qualified facility or of public facilities and improvements related to that qualified facility.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1992, Act 279, Imd. Eff. Dec. 18, 1992;—Am. 1993, Act 122, Imd. Eff. July 20, 1993.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1668 Ordinance approving development plan or tax increment financing plan; public hearing; notice; record.

Sec. 18. (1) The governing body, before adoption of an ordinance approving or amending a development plan or approving or amending a tax increment financing plan, shall hold a public hearing on the 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. Beginning June 1, 2005, the notice of hearing within the time frame described in this subsection shall be mailed by certified mail to the governing body of each taxing jurisdiction levying taxes that would be subject to capture if the development plan or the tax increment financing plan is approved or amended.

(2) 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 considers 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 to the development plan. 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. The governing body shall make and preserve a record of the public hearing, including all data presented thereat.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 2005, Act 13, Imd. Eff. May 4, 2005.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1669 Development plan or tax increment financing plan as constituting public purpose; determination; ordinance; considerations; amendments; incorporation of catalyst development project plan.

Sec. 19. (1) The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice of the hearing given in accordance with section 18, shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall then approve or reject the plan, or approve it with modification, by ordinance based on the following considerations:

(a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.

(b) The plan meets the requirements set forth in section 17 (2).

(c) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.

(d) The development is reasonable and necessary to carry out the purposes of this act.

(e) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this act in an efficient and economically satisfactory manner.

(f) The development plan is in reasonable accord with the master plan of the municipality.

(g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.

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

(2) Amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.

(3) Proposed amendments made to an approved development plan to incorporate a catalyst development project plan shall be submitted by the authority to the Michigan strategic fund for approval or rejection of that part of the plan relating to the catalyst development project. Amendments not approved or rejected under this subsection by the Michigan strategic fund within 45 days of submission for approval shall be considered approved.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 2012, Act 396, Imd. Eff. Dec. 19, 2012.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1670 Notice to vacate.

Sec. 20. A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1671 Development area citizens council; establishment; appointment and qualifications of members; representative of development area.

Sec. 21. (1) If a proposed development area has residing within it 100 or more residents, a development area citizens council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The development area citizens council shall be established by the governing body and shall consist of not less than 9 members. The members of the development area citizens council shall be

residents of the development area and shall be appointed by the governing body. A member of a development area citizens council shall be at least 18 years of age.

(2) A development area citizens council shall be representative of the development area.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1672 Development area citizens council; advisory body.

Sec. 22. A development area citizens council established pursuant to this act shall act an advisory body to the authority and the governing body in the adoption of the development or tax increment financing plans.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1673 Consultation.

Sec. 23. Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1674 Development area citizens council; meetings; notice; record; information and technical assistance; failure to organize, consult, or advise.

Sec. 24. (1) Meetings of the development area citizens council shall be open to the public. Notice of the time and place of the meetings shall be given by publication in a newspaper of general circulation not less than 5 days before the dates set for meetings of the development area citizens council. A person present at those meetings shall have reasonable opportunity to be heard.

(2) A record of the meetings of a development area citizens council, including information and data presented, shall be maintained by the council.

(3) A development area citizens council may request of and receive from the authority information and technical assistance relevant to the preparation of the development plan for the development area.

(4) Failure of a development area citizens council to organize or to consult with and be advised by the authority, or failure to advise the governing body, as provided in this act, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this act.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1675 Citizens district council as development area citizens council.

Sec. 25. In a development area where a citizens district council established according to Act No. 344 of the Public Acts of 1945, as amended, being sections 125.71 to 125.84 of the Michigan Compiled Laws, already exists the governing body may designate it as the development area citizens council authorized by this act.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1676 Notice of findings and recommendations.

Sec. 26. Within 20 days after the public hearing on a development or tax increment financing plan, the development area citizens council shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1677 Development area citizens council; dissolution.

Sec. 27. A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice thereof given in accordance with section 18 and by a 2/3 vote, may adopt an ordinance for the development area to eliminate the necessity of a development area citizens council.

(b) When there are less than 18 residents, real property owners, or representatives of establishments located in the development area eligible to serve on the development area citizens council.

(c) Upon termination of the authority by ordinance of the governing body.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1678 Budget; cost of handling and auditing funds.

Sec. 28. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body of the municipality. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this act or by the governing body of the municipality.

(2) The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1678a Exemption.

Sec. 28a. Beginning January 1, 2010, the authority shall be exempt from all taxation on its earnings or property. Instruments of conveyance from an authority are exempt from transfer taxes under 1966 PA 134, MCL 207.501 to 207.513, and the state real estate transfer tax act, 1993 PA 330, MCL 207.521 to 207.537.

History: Add. 2012, Act 396, Imd. Eff. Dec. 19, 2012.

125.1679 Historic sites.

Sec. 29. (1) A public facility, building, or structure that is determined by the municipality to have significant historical interests shall be preserved in a manner as considered necessary by the municipality in accordance with laws relative to the preservation of historical sites. The preservation of facilities, buildings, or structures determined to be historic sites by a municipality shall include, at a minimum, equipping the historic site with a fire alarm system.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the national register of historic places to the applicable historic district commission created under the local historic districts act, 1970 PA 169, MCL 399.201 to 399.215, or the department of history, arts, and libraries for review.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 2001, Act 68, Imd. Eff. July 24, 2001;—Am. 2004, Act 66, Imd. Eff. Apr. 20, 2004.

Compiler's note: For transfer of powers and duties of department of history, arts, and libraries or the Michigan historical center relating to the identification, certification, and preservation of historical sites to the Michigan state housing development authority, see E.R.O. No. 2009-26, compiled at MCL 399.752.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1680 Dissolution of authority; disposition of property and assets; reinstatement of authority; contesting validity of proceedings, findings, and determinations.

Sec. 30. (1) An authority that has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority belong to the municipality.

(2) An authority established under this act before December 31, 1988, that is dissolved by ordinance of the governing body before September 30, 1990 and that is reinstated by ordinance of the governing body after notice and public hearing as provided in section 3(2) shall not be invalidated pursuant to a claim that, based upon the standards set forth in section 3(1), a governing body improperly determined that the necessary conditions existed for the reinstatement of an authority under the act if at the time the governing body established the authority the governing body determined or could have determined that the necessary conditions existed for the establishment of an authority under this act or could have determined that establishment of an authority under this act would serve to promote economic growth and notwithstanding that the boundaries of the downtown district are altered at the time of reinstatement of the authority.

(3) In the resolution of intent, the municipality shall set a date for the holding of a public hearing on the adoption of a proposed ordinance reinstating the authority. The procedure for publishing the notice of hearing, holding the hearing, and adopting the ordinance reinstating the authority shall be as provided in section 3(2), (4), and (5).

(4) The validity of the proceedings, findings, and determinations reinstating an authority shall be conclusive unless contested in a court of competent jurisdiction within 60 days after the last of the following occurs:

- (a) Publication of the ordinance reinstating the authority as adopted.
- (b) Filing of the ordinance reinstating the authority with the secretary of state.
- (c) May 27, 1993.

History: 1975, Act 197, Imd. Eff. Aug. 13, 1975;—Am. 1993, Act 42, Imd. Eff. May 27, 1993;—Am. 1993, Act 323, Eff. Mar. 15, 1994.

Popular name: DDA

Popular name: Downtown Development Authority Act

125.1681 Proceedings to compel enforcement of act; rules.

Sec. 31. (1) The state tax commission may institute proceedings to compel enforcement of this act.

(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

History: Add. 1988, Act 425, Imd. Eff. Dec. 27, 1988.

Compiler's note: Section 2 of Act 425 of 1988 provides: "This amendatory act is effective beginning with taxes levied in 1989. However, for taxes levied before 1989, tax increment revenues based on the definition of initial assessed value provided for in this amendatory act that were received by an authority are validated."

Popular name: DDA

Popular name: Downtown Development Authority Act

EXHIBIT 2

WALKER DOWNTOWN DEVELOPMENT DISTRICT LEGAL DESCRIPTION OF *DISTRICT*

Part of Chesterfield Heights Replat (Book 92 of Plats, Page 46, Kent County Records) and part of Chesterfield Heights (Book 36 of Plats, Page 26, Kent County Records) and part of Stanbridge Gardens (Book 45 of Plats, Page 35, Kent County Records) and part of Standale (Book 45 of Plats, Page 23, Kent County Records) and part of Lincoln Lawns (Book 37 of Plats, Page 34, Kent County Records) and part of the unplatte portion of Sections 19, 20, 29 and 30, Town 7 North, Range 12 West, City of Walker, Kent County, Michigan, described as follows:

BEGINNING on the Southwest corner of aforementioned Section 19; thence Northerly along the West section line to the Northwest corner of Lot 9, Chesterfield Heights Replat; thence Easterly to the most Southerly corner of Lot 6, said replat; thence Southerly 185.59 feet to the Southwest corner of Lot 75, Chesterfield Heights; thence East 131.00 feet to the Southeast corner of said Lot 75; thence Easterly to the Northwest corner of Lot 79, Chesterfield Heights; thence East to the Northeast corner of Lot 110, said plat; thence Easterly to the Northwest corner of Lot 111, said plat; thence East to the Northeast corner of Lot 146, said plat; thence Easterly to the intersection between the centerlines of Ferndale Avenue and Warrington Street; thence Easterly along the centerline of Warrington Street to the extended Westerly line of Lot 233, said plat; thence Northerly to the Northwest corner of said Lot 233; thence West to the Southwest corner of Lot 232, said plat; thence North to the Northwest corner of Lot 222, said plat; thence East to the centerline of Wilson Avenue (Highway M-11); thence South along said centerline to its intersection with the extended North line of Lot 273, said plat; thence East to the Northeast corner of Lot 293, said plat; thence Easterly to the Northwest corner of Lot 309, said plat (as platted); thence East 292 feet along the North line and extended North line of said Lot 309 to a point on the centerline of Saint Clair Avenue; thence South along said centerline to its intersection with the extended North line of Lot 338, said Chesterfield Heights Plat; thence East 161.00 feet to the Northeast corner of said Lot 338; thence North 60.00 feet to the Northwest corner of Lot 352, said plat; thence East 171.00 feet along the North line and extended North line of said lot; thence South along the centerline of Parkside Avenue to its intersection with the extended North line of Lot 361, said plat; thence East to the Northeast corner of said Lot 361; thence North to the Northwest corner of Lot 410, said plat; thence East 158.50 feet along the North line and extended North line of said Lot 410; thence North along the centerline of Cummings Avenue to the Northwest corner of the South one-half of the North one-half of the Southeast one-quarter of the Southeast one-quarter of said Section 19; thence East along the North line of the South one-half of the North one-half of the southeast one-quarter of the Southeast one-quarter of said section to a point being 250.00 feet West of the East line of said Section 20; thence South parallel with the East section line to the North line of the South one-half of the Southeast one-quarter of the Southeast one-quarter of said Section 19; thence East 250.00 feet along said North line; thence North to the South line of the North 660.00 feet of the Southwest one-quarter of the Southwest one-quarter of said Section 20; thence East along said South line 330.00 feet; thence North 528.00 feet parallel with the West line of Section 20; thence West 330.00 feet; thence North 122.00 feet along the West section line; thence Easterly parallel with and 10.00 feet South of the North line and extended North line of the Southwest one-quarter

of the Southwest one-quarter of said Section 20 to a point being 16.50 feet East of the West line of Lincoln Lawns (a recorded plat); thence southerly parallel with said plat to a point on the South line of said Section 20; thence Southerly 1019.98 feet more or less to the Southwest corner of Rolling Greene Condominiums (Subdivision Plan No. 91); thence East 354.00 feet along the South line of said Condominium project; thence North 350.27 feet along the East line of said Condominium project; thence East 265.71 feet perpendicular to the West line of the East one-half of the Northwest one-quarter of said Section 29; thence North parallel with said West line to a point on the North line of said Section 29; thence East along said section line to the extended West line of Cloverdale Plat (as platted); thence South along the West line of said plat to a point on the East-West one-quarter line of said Section 29; thence West along said one-quarter line to the East line of the West one-quarter of the Northwest one-quarter of Section 29; thence North 70.00 feet along said East line; thence West parallel with the East-West one-quarter line to a point on the West line of the East one-half of the West one-quarter of the Northwest one-quarter of said Section 29; thence North along said West line to the Northeast corner of Lot 22, Standale (a recorded plat); thence West along the North line and extended North line of said lot to the West line of said Section 29; thence West 33.00 feet to the Northeast corner of Lot 43, Standale; thence West 250.00 feet along the North line of said Lot 43; thence South 85.00 feet parallel with the East line of said Lot 43; thence West along the South line of said Lot 43 to its intersection with the West line of Standale; thence Southerly along the West line of said plat to its intersection with the South line of the North 500.00 feet of the Northeast one-quarter of said Section 30; thence West parallel with the North section line to a point being 333.00 feet East of the West line of the East one-half of the Northeast one-quarter of said Section 30; thence North 200.00 feet; thence West 333.00 feet to the centerline of Cummings Avenue; thence North along said centerline 16.00 feet; thence West 370.00 feet parallel with the North section line; thence South 190.75 feet parallel with the centerline of Cummings Avenue; thence West 290.00 feet parallel with the North section line; thence South to the North line of the South 660.00 feet of the Northwest one-quarter of the Northeast one-quarter of said Section 30; thence East 660.00 feet parallel with the south line of the Northwest one-quarter of the Northeast one-quarter of said section; thence South 120.00 feet along the centerline of Cummings Avenue; thence West 485.00 feet parallel with the South line of the Northwest one-quarter of the Northeast one-quarter of said Section 30; thence South parallel with Cummings Avenue to a point which is located 245.00 feet North of the East-West one-quarter line of said Section 30; thence West parallel with said one-quarter line to a point on the North-South one-quarter line of said Section 30; thence South 15.00 feet along said one-quarter line to the South one-quarter of said Section 30; thence along the South line of said Section 30 to the East line of the West 300.00 feet of the West one-half of the Southwest one-quarter; thence North 290.51 feet along said East line; thence West 300.00 feet parallel with the South line of said Section 30; thence South 38.51 feet along the West line of the East one-half of the Southwest one-quarter of said Section 30; thence West 200.00 feet parallel with the South line of said Section 30; thence South along the West line of the East 200.00 feet of the West one-half of the Southwest one-quarter to the South line of said Section 30; thence West along the South line of said Section 30 to the Southwest corner of said Section 30; thence North along the West section line to the West one-quarter corner of said Section 30; thence North along the West line of said Section 30 to the place of beginning.

EXCEPT Barkwood Drive Condominiums of Kent County Subdivision Plan No. 83 as recorded in Kent County Records.

EXHIBIT 3

WALKER DOWNTOWN DEVELOPMENT AREA LEGAL DESCRIPTION OF AREA

Part of Chesterfield Heights Replat (Book 92 of Plats, Page 46, Kent County Records) and part of Chesterfield Heights (Book 36 of Plats, Page 26, Kent County Records) and part of Stanbridge Gardens (Book 45 of Plats, Page 35, Kent County Records) and part of Standale (Book 45 of Plats, Page 23, Kent County Records) and part of Lincoln Lawns (Book 37 of Plats, Page 34, Kent County Records) and part of the unplatted portion of Sections 19, 20, 29 and 30, Town 7 North, Range 12 West, City of Walker, Kent County, Michigan, described as follows:

BEGINNING on the Southwest corner of aforementioned Section 19; thence Northerly along the West section line to the Northwest corner of Lot 9, Chesterfield Heights Replat; thence Easterly to the most Southerly corner of Lot 6, said replat; thence Southerly 185.59 feet to the Southwest corner of Lot 75, Chesterfield Heights; thence East 131.00 feet to the Southeast corner of said Lot 75; thence Easterly to the Northwest corner of Lot 79, Chesterfield Heights; thence East to the Northeast corner of Lot 110, said plat; thence Easterly to the Northwest corner of Lot 111, said plat; thence East to the Northeast corner of Lot 146, said plat; thence Easterly to the intersection between the centerlines of Ferndale Avenue and Warrington Street; thence Easterly along the centerline of Warrington Street to the extended Westerly line of Lot 233, said plat; thence Northerly to the Northwest corner of said Lot 233; thence West to the Southwest corner of Lot 232, said plat; thence North to the Northwest corner of Lot 222, said plat; thence East to the centerline of Wilson Avenue (Highway M-11); thence South along said centerline to its intersection with the extended North line of Lot 273, said plat; thence East to the Northeast corner of Lot 293, said plat; thence Easterly to the Northwest corner of Lot 309, said plat (as platted); thence East 292 feet along the North line and extended North line of said Lot 309 to a point on the centerline of Saint Clair Avenue; thence South along said centerline to its intersection with the extended North line of Lot 338, said Chesterfield Heights Plat; thence East 161.00 feet to the Northeast corner of said Lot 338; thence North 60.00 feet to the Northwest corner of Lot 352, said plat; thence East 171.00 feet along the North line and extended North line of said lot; thence South along the centerline of Parkside Avenue to its intersection with the extended North line of Lot 361, said plat; thence East to the Northeast corner of said Lot 361; thence North to the Northwest corner of Lot 410, said plat; thence East 158.50 feet along the North line and extended North line of said Lot 410; thence North along the centerline of Cummings Avenue to the Northwest corner of the South one-half of the North one-half of the Southeast one-quarter of the Southeast one-quarter of said Section 19; thence East along the North line of the South one-half of the North one-half of the southeast one-quarter of the Southeast one-quarter of said section to a point being 250.00 feet West of the East line of said Section 20; thence South parallel with the East section line to the North line of the South one-half of the Southeast one-quarter of the Southeast one-quarter of said Section 19; thence East 250.00 feet along said North line; thence North to the South line of the North 660.00 feet of the Southwest one-quarter of the Southwest one-quarter of said Section 20; thence East along said South line 330.00 feet; thence North 528.00 feet parallel with the West line of Section 20; thence West 330.00 feet; thence North 122.00 feet along the West section line; thence Easterly parallel with and 10.00 feet South of the North line and extended North line of the Southwest one-quarter of the Southwest one-quarter of said Section 20 to a point being 16.50 feet East of the West line

of Lincoln Lawns (a recorded plat); thence southerly parallel with said plat to a point on the South line of said Section 20; thence Southerly 1019.98 feet more or less to the Southwest corner of Rolling Greene Condominiums (Subdivision Plan No. 91); thence East 354.00 feet along the South line of said Condominium project; thence North 350.27 feet along the East line of said Condominium project; thence East 265.71 feet perpendicular to the West line of the East one-half of the Northwest one-quarter of said Section 29; thence North parallel with said West line to a point on the North line of said Section 29; thence East along said section line to the extended West line of Cloverdale Plat (as platted); thence South along the West line of said plat to its intersection with the extended North line of Lot 21, said plat; thence West along said extended North line 232.70 feet; thence South 84.35 feet parallel with the West line of the East one-half of the Northwest one-quarter of said Section 29; thence South $68^{\circ}50'00''$ West 30.62 feet; thence South $48^{\circ}23'00''$ West 780.00 feet; thence South $27^{\circ}51'00''$ West 20.30 feet; thence South (along a line which is located 66.00 feet East of and parallel with the West line of the East one-half of the Northwest one-quarter of Section 29) to a point on the East-West one-quarter line of said Section 29; thence West along said one-quarter line to the East line of the West one-quarter of the Northwest one-quarter of Section 29; thence North 70.00 feet along said East line; thence West parallel with the East-West one-quarter line to a point on the West line of the East one-half of the West one-quarter of the Northwest one-quarter of said Section 29; thence North along said West line to the Northeast corner of Lot 22, Standale (a recorded plat); thence West along the North line and extended North line of said lot to the West line of said Section 29; thence West 33.00 feet to the Northeast corner of Lot 43, Standale; thence West 250.00 feet along the North line of said Lot 43; thence South 85.00 feet parallel with the East line of said Lot 43; thence West along the South line of said Lot 43 to its intersection with the West line of Standale; thence Southerly along the West line of said plat to its intersection with the South line of the North 500.00 feet of the Northeast one-quarter of said Section 30; thence West parallel with the North section line to a point being 333.00 feet East of the West line of the East one-half of the Northeast one-quarter of said Section 30; thence North 200.00 feet; thence West 333.00 feet to the centerline of Cummings Avenue; thence North along said centerline 16.00 feet; thence West 370.00 feet parallel with the North section line; thence South 190.75 feet parallel with the centerline of Cummings Avenue; thence West 290.00 feet parallel with the North section line; thence South to the North line of the South 660.00 feet of the Northwest one-quarter of the Northeast one-quarter of said Section 30; thence East 660.00 feet parallel with the south line of the Northwest one-quarter of the Northeast one-quarter of said section; thence South 120.00 feet along the centerline of Cummings Avenue; thence West 485.00 feet parallel with the South line of the Northwest one-quarter of the Northeast one-quarter of said Section 30; thence South parallel with Cummings Avenue to a point which is located 245.00 feet North of the East-West one-quarter line of said Section 30; thence West parallel with said one-quarter line to a point on the North-South one-quarter line of said Section 30; thence South 15.00 feet along said one-quarter line; thence North $88^{\circ}59'43''$ West 845.43 feet parallel with the East-West one-quarter line of said Section 30; thence South $60^{\circ}50'00''$ West 457.63 feet more or less to a point on the East-West one-quarter line; thence West along said one-quarter line to the West one-quarter corner of said Section 30; thence Northerly along the West line of said Section 30 to the place of beginning.

EXCEPT Barkwood Drive Condominiums of Kent County Subdivision Plan No. 83 as recorded in Kent County Records.

EXHIBIT 4

**SCHEDULES OF INITIAL ASSESSED VALUES AND
2004 TAXABLE VALUES FOR PROPERTY INCLUDED
IN THE DEVELOPMENT AREA**

07/09/2004

PARCEL #	INITIAL VALUE	2004 TAXABLE VALUE	CAPTURED VALUE	NOTES
INITIAL DEVELOPMENT AREA				
* KENOWA HILLS *				
41145				
41-13-19-476-008	32,900	67,983	35,083	
41-13-19-476-009	38,700	111,396	72,696	
41-13-19-476-010	38,000	82,600	44,600	
41-13-19-476-011	11,500	0	(11,500)	to 029
41-13-19-476-012	38,100	0	(38,100)	to 029
41-13-19-476-013	26,800	0	(26,800)	to 035
41-13-19-476-014	30,000	0	(30,000)	City property
41-13-19-476-015	21,900	0	(21,900)	City property
41-13-19-476-016	53,600	0	(53,600)	City property
41-13-19-476-017	111,000	216,244	105,244	
41-13-19-476-018	79,600	0	(79,600)	to 034
41-13-19-476-019	51,000	102,882	51,882	
41-13-19-476-024	221,600	0	(221,600)	City property
41-13-19-476-025	146,900	0	(146,900)	to 030/031
41-13-19-476-026	23,500	110,399	86,899	
41-13-19-476-027	166,000	0	(166,000)	to 032/033
41-13-19-476-028	7,900	11,850	3,950	
41-13-19-476-029	0	0	0	to 035
41-13-19-476-030	0	73,385	73,385	
41-13-19-476-031	0	0	0	to 034
41-13-19-476-032	0	21,368	21,368	
41-13-19-476-033	0	383,196	383,196	
41-13-19-476-034	0	430,596	430,596	
41-13-19-476-035	0	474,262	474,262	
41-13-20-351-006	201,400	309,457	108,057	
SUBTOTAL	1,300,400	2,395,618	1,095,218	
41-50-86-008-163	4,700	0	(4,700)	
41-50-86-008-180	4,750	2,700	(2,050)	
41-50-86-008-468	0	0	0	
41-50-86-008-545	850	0	(850)	
41-50-86-008-558	3,350	0	(3,350)	
41-50-86-009-120	10,000	5,150	(4,850)	
41-50-86-009-215	4,250	0	(4,250)	
41-50-86-009-520	53,250	112,650	59,400	
41-50-86-009-975	2,000	0	(2,000)	
41-50-86-010-264	2,350	0	(2,350)	
41-50-86-010-620	3,500	0	(3,500)	
41-50-86-010-915	1,250	0	(1,250)	

07/09/2004

PARCEL #	INITIAL VALUE	TAXABLE VALUE	2004		NOTES
			CAPTURED VALUE		
41-50-86-011-150	392,200	0	(392,200)		
41-50-86-011-344	8,750	0	(8,750)		
41-50-86-011-449	0	0	0		
41-50-86-011-468	0	0	0		
41-50-86-011-560	1,700	0	(1,700)		
41-50-86-011-650	4,400	63,800	59,400		
41-50-86-011-734	0	0	0		
41-50-86-012-140	10,000	0	(10,000)		
41-50-86-012-344	0	0	0		
41-50-86-012-650	0	9,850	9,850		
41-50-86-013-005	1,900	0	(1,900)		
41-50-86-020-066	0	0	0		
41-50-86-020-086	0	0	0		
41-50-86-020-218	0	0	0		
41-50-86-020-245	0	8,450	8,450		
41-50-86-020-426	0	0	0		
41-50-86-020-510	0	9,550	9,550		
41-50-86-020-564	0	0	0		
41-50-86-020-576	0	0	0		
41-50-86-020-625	0	1,850	1,850		
41-50-86-020-696	0	0	0		
41-50-86-020-834	0	0	0		
41-50-86-020-938	0	5,850	5,850		
41-50-86-020-967	0	33,750	33,750		
41-50-86-020-969	0	254,450	254,450		
41-50-86-020-987	0	0	0		
41-50-86-021-017	0	0	0		
41-50-86-021-063	0	0	0		
41-50-86-021-074	0	162,650	162,650		
41-50-86-021-111	0	0	0		
41-50-86-021-164	0	0	0		
41-50-86-021-168	0	0	0		
41-50-86-021-251	0	0	0		
41-50-86-021-307	0	22,650	22,650		
41-50-86-021-318	0	0	0		
41-50-86-021-362	0	0	0		
41-50-86-021-387	0	0	0		
41-50-86-021-402	0	750	750		
41-50-86-021-491	0	13,500	13,500		
41-50-86-021-509	0	0	0		
41-50-86-021-520	0	0	0		
41-50-86-021-530	0	0	0		
41-50-86-021-548	0	26,650	26,650		
41-50-86-021-549	0	0	0		
41-50-86-021-659	0	7,200	7,200		
41-50-86-021-690	0	46,000	46,000		
41-50-86-021-692	0	59,950	59,950		

07/09/2004

PARCEL #	2004			NOTES
	INITIAL VALUE	TAXABLE VALUE	CAPTURED VALUE	
41-50-86-021-699	0	0	0	
41-50-86-021-750	0	1,000	1,000	
41-50-86-021-767	0	7,650	7,650	
41-50-86-021-770	0	16,050	16,050	
41-50-86-021-779	0	0	0	
41-50-86-021-789	0	0	0	
41-50-86-021-799	0	28,750	28,750	
41-50-86-021-806	0	28,400	28,400	
41-50-86-021-837	0	14,350	14,350	
41-50-86-021-849	0	15,350	15,350	
41-50-86-021-850	0	0	0	
41-50-86-021-882	0	12,000	12,000	
41-50-86-021-895	0	7,100	7,100	
41-50-86-021-909	0	2,500	2,500	
41-50-86-021-931	0	17,250	17,250	
41-50-86-021-964	0	22,150	22,150	
41-50-86-022-026	0	4,250	4,250	
41-50-86-022-077	0	88,550	88,550	
	0	0	0	
SUBTOTAL	509,200	1,112,750	603,550	
KENOWA TOTAL	1,809,600	3,508,368	1,698,768	

* GRANDVILLE *

41130

41-13-19-351-015	1,900	0	(1,900)	
41-13-19-352-007	2,400	0	(2,400)	to 351-039->041
41-13-19-352-008	2,000	0	(2,000)	to 351-039->041
41-13-19-353-008	1,200	0	(1,200)	to 039
41-13-19-353-014	2,100	0	(2,100)	to 039
41-13-19-353-039	0	170,016	170,016	from 008 & 014
41-13-19-376-006	1,200	0	(1,200)	to 041
41-13-19-376-021	3,800	0	(3,800)	to 041
41-13-19-376-041	0	167,273	167,273	from 006 & 021
41-13-19-379-015	3,400	143,930	140,530	
41-13-19-379-016	4,900	69,147	64,247	
41-13-19-379-026	40,200	77,891	37,691	
41-13-19-379-031	20,200	41,995	21,795	
41-13-19-379-032	1,200	67,054	65,854	
41-13-19-380-001	13,400	98,059	84,659	
41-13-19-380-002	55,600	97,268	41,668	
41-13-19-380-003	21,300	39,260	17,960	
41-13-19-380-004	6,500	17,205	10,705	
41-13-19-380-005	9,900	21,413	11,513	

07/09/2004

PARCEL #	2004			NOTES
	INITIAL VALUE	TAXABLE VALUE	CAPTURED VALUE	
41-13-19-380-006	13,300	30,335	17,035	
41-13-19-380-007	2,100	0	(2,100)	to 011 & 012
41-13-19-380-008	19,000	0	(19,000)	to 011 & 012
41-13-19-380-009	28,700	0	(28,700)	City property
41-13-19-380-010	64,800	0	(64,800)	to 013
41-13-19-380-011	0	254,678	254,678	from 007 & 008
41-13-19-380-012	0	0	0	from 007 & 008
41-13-19-380-013	0	454,512	454,512	from 010 & 012
41-13-19-451-032	131,200	259,432	128,232	
41-13-19-451-033	29,000	377,013	348,013	
41-13-19-452-017	158,000	299,847	141,847	
41-13-19-453-006	2,000	3,692	1,692	
41-13-19-453-024	22,000	41,670	19,670	
41-13-19-453-025	28,600	50,990	22,390	
41-13-19-453-026	57,000	76,726	19,726	
41-13-19-453-027	39,100	142,400	103,300	
41-13-19-453-028	26,000	47,214	21,214	
41-13-19-454-024*H	17,100	34,665	17,565	
41-13-19-454-026	0	0	0	City property
41-13-19-454-034	30,500	71,645	41,145	
41-13-19-454-035	8,100	0	(8,100)	CITY 89
41-13-20-351-007	500	1,071	571	
41-13-20-351-010**H	47,200	83,883	36,683	50% Hmstd in 03
41-13-20-351-011	120,400	225,650	105,250	
41-13-20-351-013	85,700	195,689	109,989	
41-13-20-351-014*H	23,100	43,384	20,284	
41-13-20-351-015	123,300	232,025	108,725	
41-13-20-351-017	25,900	260,074	234,174	
41-13-20-351-018	52,400	0	(52,400)	to 030
41-13-20-351-019	23,100	0	(23,100)	to 030
41-13-20-351-026	70,300	142,839	72,539	
41-13-20-351-028	1,100	1,400	300	State sold in 02
41-13-20-351-029	65,200	3,203,933	3,138,733	
41-13-20-351-030	0	314,824	314,824	from 018 & 019
41-13-20-376-028	6,900	16,364	9,464	
41-13-29-101-001	36,000	69,476	33,476	
41-13-29-101-002	34,000	67,054	33,054	
41-13-29-101-003	66,000	142,079	76,079	
41-13-29-101-005	5,200	86,431	81,231	
41-13-29-101-018	16,800	20,101	3,301	
41-13-29-101-020	17,300	0	(17,300)	to 044
41-13-29-101-024	17,900	0	(17,900)	to 043
41-13-29-101-031	280,000	347,186	67,186	
41-13-29-101-032	8,200	0	(8,200)	to 043
41-13-29-101-036	5,250,000	9,428,700	4,178,700	
41-13-29-101-039	187,500	0	(187,500)	to 044
41-13-29-101-040	258,000	844,614	586,614	

07/09/2004

PARCEL #	2004			NOTES
	INITIAL VALUE	TAXABLE VALUE	CAPTURED VALUE	
41-13-29-101-043	0	309,889	309,889	from 024 & 032
41-13-29-101-044	0	573,251	573,251	from 020 & 039
41-13-29-129-004	12,000	12,214	214	
41-13-29-129-005*H	31,000	73,091	42,091	
41-13-29-129-006*H	5,000	5,603	603	
41-13-29-129-007	900	1,859	959	
41-13-30-100-001	17,800	31,739	13,939	
41-13-30-100-004	37,400	72,187	34,787	
41-13-30-100-005	29,000	53,283	24,283	
41-13-30-100-006	122,200	0	(122,200)	to 010/011
41-13-30-100-008	21,800	56,534	34,734	
41-13-30-100-009*H	28,600	56,534	27,934	
41-13-30-100-010	0	619,282	619,282	from 006
41-13-30-100-011	0	1,766,311	1,766,311	from 006
41-13-30-201-007	13,700	26,895	13,195	
41-13-30-201-008	12,700	29,827	17,127	
41-13-30-201-009	15,000	30,684	15,684	
41-13-30-201-010*H	14,300	25,493	11,193	
41-13-30-201-011	139,300	0	(139,300)	to 053
41-13-30-201-012	12,800	0	(12,800)	to 054/055
41-13-30-201-013	3,600	54,970	51,370	
41-13-30-201-017	42,000	0	(42,000)	City Prop (2003)
41-13-30-201-018	52,500	0	(52,500)	to 046->048
41-13-30-201-019	5,600	0	(5,600)	to 046->048
41-13-30-201-020	7,700	0	(7,700)	to 046->048
41-13-30-201-021	37,100	0	(37,100)	to 046->048
41-13-30-201-022	29,900	84,834	54,934	
41-13-30-201-023	37,000	145,461	108,461	
41-13-30-201-026	11,300	24,350	13,050	
41-13-30-201-027	12,100	26,214	14,114	
41-13-30-201-029	6,100	12,670	6,570	
41-13-30-201-030	3,300	5,857	2,557	
41-13-30-201-031	1,600	2,926	1,326	
41-13-30-201-037	64,200	100,254	36,054	
41-13-30-201-038	2,200	0	(2,200)	to 053
41-13-30-201-039	50,400	0	(50,400)	to 049/050
41-13-30-201-040	15,000	0	(15,000)	to 049/050
41-13-30-201-042	108,000	328,073	220,073	
41-13-30-201-043	91,000	160,248	69,248	
41-13-30-201-044	96,800	146,607	49,807	
41-13-30-201-045	19,800	28,620	8,820	
41-13-30-201-046	0	131,142	131,142	from 018->021
41-13-30-201-047	0	329,298	329,298	from 018->021
41-13-30-201-048	0	199,973	199,973	from 018->021
41-13-30-201-049	0	103,118	103,118	from 039/040
41-13-30-201-050	0	37,347	37,347	from 039/040
41-13-30-201-053	0	0	0	from 011/038

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PARCEL #	2004		
	INITIAL VALUE	TAXABLE VALUE	CAPTURED VALUE
41-13-30-201-054	0	0	0
41-13-30-201-055	0	35,683	35,683
41-13-30-201-056	0	339,049	339,049
41-13-30-226-001	52,500	120,800	68,300
41-13-30-226-002	41,300	119,580	78,280
41-13-30-226-003	12,300	24,384	12,084
41-13-30-226-004	43,900	0	(43,900)
41-13-30-226-005	10,500	0	(10,500)
41-13-30-226-006	41,300	94,500	53,200
41-13-30-226-007	62,000	119,531	57,531
41-13-30-226-008	34,900	61,954	27,054
41-13-30-226-009	29,000	63,997	34,997
41-13-30-226-010	6,600	16,313	9,713
41-13-30-226-011	45,000	83,243	38,243
41-13-30-226-012	36,600	191,636	155,036
41-13-30-226-013	102,000	201,429	99,429
41-13-30-226-014	17,000	30,335	13,335
41-13-30-226-015	83,500	188,934	105,434
41-13-30-226-016	50,000	92,297	42,297
41-13-30-226-019	23,000	0	(23,000)
41-13-30-226-020	9,600	0	(9,600)
41-13-30-226-047	22,000	0	(22,000)
41-13-30-226-050	75,000	0	(75,000)
41-13-30-226-051	0	151,851	151,851
41-13-30-226-052	0	0	0
41-13-30-226-054	0	269,784	269,784
41-13-30-226-055	0	122,100	122,100
41-13-30-251-001	11,700	23,978	12,278
41-13-30-251-002	10,300	21,242	10,942
41-13-30-251-003	8,900	18,386	9,486
41-13-30-251-004	1,200	2,800	1,600
41-13-30-251-005	4,800	9,938	5,138
41-13-30-251-006	4,800	9,938	5,138
41-13-30-251-007	1,800	3,438	1,638
41-13-30-251-008	1,100	1,908	808
41-13-30-251-009	2,200	3,947	1,747
41-13-30-251-015	1,600	2,926	1,326
41-13-30-251-016	1,900	3,564	1,664
41-13-30-251-024	3,200	5,731	2,531
	0	0	0
SUBTOTAL	9,751,900	26,983,941	17,232,041
41-50-86-008-017	0	0	0
41-50-86-008-018	1,650	0	(1,650)
41-50-86-008-019	0	0	0
41-50-86-008-190	120,450	68,150	(52,300)
41-50-86-008-208	12,550	6,850	(5,700)

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PARCEL #	INITIAL VALUE	2004		NOTES
		TAXABLE VALUE	CAPTURED VALUE	
41-50-86-008-209	0	0	0	
41-50-86-008-215	5,450	27,700	22,250	
41-50-86-008-265	850	0	(850)	
41-50-86-008-329	0	0	0	
41-50-86-008-527	950	0	(950)	
41-50-86-008-635	2,600	0	(2,600)	
41-50-86-008-772	1,500	0	(1,500)	
41-50-86-008-795	5,000	0	(5,000)	
41-50-86-008-977	0	0	0	
41-50-86-009-068	0	0	0	
41-50-86-009-169	7,000	16,350	9,350	
41-50-86-009-291	0	35,850	35,850	
41-50-86-009-378	5,400	0	(5,400)	
41-50-86-009-434	5,200	850	(4,350)	
41-50-86-009-590	20,000	0	(20,000)	
41-50-86-009-595	1,000	28,550	27,550	
41-50-86-009-660	10,050	21,350	11,300	
41-50-86-009-671	16,200	0	(16,200)	
41-50-86-009-970	1,950	0	(1,950)	
41-50-86-010-058	0	0	0	
41-50-86-010-090	500	0	(500)	
41-50-86-010-133	0	142,300	142,300	
41-50-86-010-230	4,250	0	(4,250)	
41-50-86-010-308	91,500	0	(91,500)	
41-50-86-010-375	8,500	0	(8,500)	
41-50-86-010-400	1,800	0	(1,800)	
41-50-86-010-465	28,250	35,050	6,800	
41-50-86-010-549	0	9,800	9,800	
41-50-86-010-575	1,100	0	(1,100)	
41-50-86-010-590	1,050	0	(1,050)	
41-50-86-010-648	30,000	0	(30,000)	
41-50-86-010-660	40,000	99,350	59,350	
41-50-86-010-795	1,400	0	(1,400)	
41-50-86-010-814	4,400	0	(4,400)	
41-50-86-010-822	4,000	0	(4,000)	
41-50-86-010-847	0	0	0	
41-50-86-010-950	450	0	(450)	
41-50-86-010-953	13,850	0	(13,850)	
41-50-86-011-172	5,000	0	(5,000)	
41-50-86-011-198	0	30,150	30,150	
41-50-86-011-201	0	2,500	2,500	
41-50-86-011-270	4,750	9,200	4,450	
41-50-86-011-287	28,000	13,500	(14,500)	
41-50-86-011-290	15,400	21,250	5,850	
41-50-86-011-320	1,200	15,250	14,050	
41-50-86-011-459	0	0	0	
41-50-86-011-460	28,000	0	(28,000)	

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PARCEL #	2004			NOTES
	INITIAL VALUE	TAXABLE VALUE	CAPTURED VALUE	
41-50-86-011-605	4,100	6,500	2,400	
41-50-86-011-725	11,350	28,200	16,850	
41-50-86-011-800	107,250	0	(107,250)	
41-50-86-012-055	25,200	13,050	(12,150)	
41-50-86-012-065	6,000	0	(6,000)	
41-50-86-012-070	900	0	(900)	
41-50-86-012-090	15,200	0	(15,200)	
41-50-86-012-145	13,300	21,150	7,850	
41-50-86-012-170	46,500	61,950	15,450	
41-50-86-012-180	19,450	0	(19,450)	
41-50-86-012-195	2,750	8,600	5,850	
41-50-86-012-318	5,000	0	(5,000)	
41-50-86-012-332	8,800	0	(8,800)	
41-50-86-012-366	1,150	0	(1,150)	
41-50-86-012-619	1,350	0	(1,350)	
41-50-86-012-742	3,450	0	(3,450)	
41-50-86-012-757	9,500	11,100	1,600	
41-50-86-012-807	8,200	0	(8,200)	
41-50-86-012-945	7,650	0	(7,650)	
41-50-86-012-947	0	0	0	
41-50-86-013-010	750	0	(750)	
41-50-86-013-235	5,850	0	(5,850)	
41-50-86-020-001	0	5,300	5,300	
41-50-86-020-009	0	0	0	
41-50-86-020-042	0	13,000	13,000	
41-50-86-020-049	0	0	0	
41-50-86-020-056	0	0	0	
41-50-86-020-059	0	10,450	10,450	
41-50-86-020-079	0	33,400	33,400	
41-50-86-020-084	0	0	0	
41-50-86-020-100	0	0	0	
41-50-86-020-116	0	0	0	
41-50-86-020-149	0	1,050	1,050	
41-50-86-020-209	0	0	0	
41-50-86-020-242	0	0	0	
41-50-86-020-246	0	8,400	8,400	
41-50-86-020-247	0	99,950	99,950	
41-50-86-020-248	0	0	0	
41-50-86-020-249	0	17,700	17,700	
41-50-86-020-251	0	0	0	
41-50-86-020-252	0	0	0	
41-50-86-020-253	0	0	0	
41-50-86-020-282	0	0	0	
41-50-86-020-284	0	6,600	6,600	
41-50-86-020-303	0	0	0	
41-50-86-020-323	0	0	0	
41-50-86-020-336	0	16,650	16,650	

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PARCEL #	INITIAL VALUE	2004		NOTES
		TAXABLE VALUE	CAPTURED VALUE	
41-50-86-020-376	0	0	0	
41-50-86-020-381	0	4,250	4,250	
41-50-86-020-399	0	0	0	
41-50-86-020-427	0	0	0	
41-50-86-020-428	0	3,650	3,650	
41-50-86-020-434	0	12,750	12,750	
41-50-86-020-473	0	54,800	54,800	
41-50-86-020-476	0	0	0	
41-50-86-020-480	0	0	0	
41-50-86-020-527	0	0	0	
41-50-86-020-537	0	3,600	3,600	
41-50-86-020-539	0	0	0	
41-50-86-020-550	0	0	0	
41-50-86-020-551	0	3,350	3,350	
41-50-86-020-563	0	2,300	2,300	
41-50-86-020-566	0	11,950	11,950	
41-50-86-020-572	0	0	0	
41-50-86-020-618	0	0	0	
41-50-86-020-626	0	0	0	
41-50-86-020-628	0	750	750	
41-50-86-020-635	0	0	0	
41-50-86-020-681	0	0	0	
41-50-86-020-694	0	0	0	
41-50-86-020-704	0	0	0	
41-50-86-020-705	0	4,700	4,700	
41-50-86-020-756	0	0	0	
41-50-86-020-835	0	17,550	17,550	
41-50-86-020-836	0	0	0	
41-50-86-020-837	0	0	0	
41-50-86-020-838	0	0	0	
41-50-86-020-839	0	1,200	1,200	
41-50-86-020-840	0	92,550	92,550	
41-50-86-020-841	0	0	0	
41-50-86-020-842	0	0	0	
41-50-86-020-843	0	4,750	4,750	
41-50-86-020-847	0	0	0	
41-50-86-020-848	0	0	0	
41-50-86-020-849	0	0	0	
41-50-86-020-850	0	0	0	
41-50-86-020-851	0	0	0	
41-50-86-020-852	0	1,300	1,300	
41-50-86-020-853	0	0	0	
41-50-86-020-879	0	0	0	
41-50-86-020-880	0	2,350	2,350	
41-50-86-020-892	0	28,100	28,100	
41-50-86-020-964	0	650	650	
41-50-86-020-982	0	0	0	

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PARCEL #	INITIAL VALUE	2004		NOTES
		TAXABLE VALUE	CAPTURED VALUE	
41-50-86-021-050	0	0	0	
41-50-86-021-062	0	2,450	2,450	
41-50-86-021-068	0	13,850	13,850	
41-50-86-021-071	0	0	0	
41-50-86-021-104	0	0	0	
41-50-86-021-116	0	0	0	
41-50-86-021-118	0	4,250	4,250	
41-50-86-021-123	0	61,000	61,000	
41-50-86-021-130	0	0	0	
41-50-86-021-143	0	41,200	41,200	
41-50-86-021-167	0	0	0	
41-50-86-021-170	0	0	0	
41-50-86-021-196	0	0	0	
41-50-86-021-200	0	0	0	
41-50-86-021-205	0	500	500	
41-50-86-021-216	0	0	0	
41-50-86-021-222	0	0	0	
41-50-86-021-252	0	0	0	
41-50-86-021-274	0	0	0	
41-50-86-021-282	0	0	0	
41-50-86-021-284	0	0	0	
41-50-86-021-285	0	0	0	
41-50-86-021-290	0	0	0	
41-50-86-021-319	0	2,400	2,400	
41-50-86-021-324	0	0	0	
41-50-86-021-331	0	38,600	38,600	
41-50-86-021-334	0	44,050	44,050	
41-50-86-021-335	0	0	0	
41-50-86-021-345	0	0	0	
41-50-86-021-351	0	0	0	
41-50-86-021-366	0	0	0	
41-50-86-021-393	0	0	0	
41-50-86-021-394	0	0	0	
41-50-86-021-413	0	0	0	
41-50-86-021-414	0	0	0	
41-50-86-021-428	0	30,050	30,050	
41-50-86-021-432	0	0	0	
41-50-86-021-443	0	0	0	
41-50-86-021-446	0	0	0	
41-50-86-021-450	0	85,500	85,500	
41-50-86-021-461	0	0	0	
41-50-86-021-490	0	0	0	
41-50-86-021-503	0	0	0	
41-50-86-021-506	0	1,850	1,850	
41-50-86-021-508	0	0	0	
41-50-86-021-523	0	10,200	10,200	
41-50-86-021-571	0	28,200	28,200	

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PARCEL #	INITIAL VALUE	2004		NOTES
		TAXABLE VALUE	CAPTURED VALUE	
41-50-86-021-578	0	10,800	10,800	
41-50-86-021-582	0	43,150	43,150	
41-50-86-021-583	0	2,300	2,300	
41-50-86-021-597	0	24,400	24,400	
41-50-86-021-608	0	0	0	
41-50-86-021-620	0	1,600	1,600	
41-50-86-021-660	0	5,700	5,700	
41-50-86-021-675	0	0	0	
41-50-86-021-677	0	270,650	270,650	
41-50-86-021-691	0	0	0	
41-50-86-021-701	0	14,350	14,350	
41-50-86-021-712	0	32,600	32,600	
41-50-86-021-714	0	4,900	4,900	
41-50-86-021-729	0	1,600	1,600	
41-50-86-021-744	0	0	0	
41-50-86-021-760	0	0	0	
41-50-86-021-762	0	39,400	39,400	
41-50-86-021-787	0	0	0	
41-50-86-021-803	0	0	0	
41-50-86-021-814	0	0	0	
41-50-86-021-815	0	3,650	3,650	
41-50-86-021-910	0	5,750	5,750	
41-50-86-021-914	0	8,650	8,650	
41-50-86-021-917	0	11,500	11,500	
41-50-86-021-919	0	28,750	28,750	
41-50-86-021-921	0	0	0	
41-50-86-021-939	0	28,750	28,750	
41-50-86-021-940	0	0	0	
41-50-86-021-943	0	0	0	
41-50-86-021-951	0	950	950	
41-50-86-021-968	0	24,000	24,000	
41-50-86-021-977	0	15,550	15,550	
41-50-86-021-992	0	10,500	10,500	
41-50-86-022-038	0	0	0	
41-50-86-022-044	0	10,000	10,000	
41-50-86-022-111	0	0	0	
	0	0	0	
SUBTOTAL	834,900	2,161,200	1,326,300	
41-65-86-840-002	143,900	0	(143,900)	
41-65-86-850-002	50,000	0	(50,000)	
SUBTOTAL	193,900	0	(193,900)	
GRANDVILLE TOTAL	10,780,700	29,145,141	18,364,441	

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PARCEL #	2004			NOTES
	INITIAL VALUE	TAXABLE VALUE	CAPTURED VALUE	
TOTAL OF INITIAL DEVELOPMENT AREA	12,590,300	32,653,509	20,063,209	

AREA ADDED IN 1992

* GRANDVILLE *
41130

41-13-19-351-039	10,200	14,400	4,200	Added 1992
41-13-19-351-040	10,200	138,105	127,905	Added 1992
41-13-19-351-041	10,200	462,060	451,860	Added 1992
41-13-19-454-019	26,100	9,687	(16,413)	Added 1992

TOTAL OF AREA ADDED IN 1992	56,700	624,252	567,552
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GRAND TOTAL OF ENTIRE DDA AREA	12,647,000	33,277,761	20,630,761
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EXHIBIT 5

PROCEDURE FOR THE PREPARATION OF ASSESSMENT ROLLS FOR THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF WALKER

PREPARATION OF BASE YEAR ASSESSMENT ROLL

A. Real Property

In accordance with the boundaries set for the Downtown Development Authority development area, the assessor shall list the individual parcels by permanent parcel number and assessed value opposite the owner of said real property.

Properties (building improvements) qualifying for Acts 198 and 255 shall also be listed in a separate itemization by certificate number, address and the valuation for the initial assessed value placed opposite the holder of said certificate.

B. Personal Property

In accordance with the boundaries set for the Downtown Development Authority development area, the assessor shall list the individual parcel account number, and place the initial assessed value on the roll for the personal property located within the project area opposite the name of the taxpayer.

Personal property qualifying for Act 198 shall also be listed in a separate itemization by certificate number, address and taxpayer, and the respective assessed valuation for that personality located within the development area, placed on the assessment roll.

C. Copies of Roll, Receipt of

The assessor shall submit copies of the assessment roll containing the initial assessed value to the City Treasurer, County Treasurer, Downtown Development Authority, and all other taxing jurisdictions levying property taxes within the Downtown Development Authority development area.

D. Notice of Assessments; Hearing on Development Area

Those property owners and/or taxpayers listed on the aforesaid base year assessment rolls within the boundaries of the development area are the source of subsequent assessment and hearing notices, mailing addresses pertaining to the development area and also for compliance with MCLA 211.24c (Notices of Assessment Changes).

PREPARATION OF ANNUAL PROJECT AREA ASSESSMENT ROLL AND TAX ROLL

Each year within fifteen days following the final state equalization of property, the assessor shall prepare an updated base year assessment roll. The updated base year assessment roll shall show the information required in the initial base year assessment roll and the captured assessed value for the current year. Copies of this annual development area assessment roll shall be submitted to the treasurers of those political subdivisions and agencies levying property taxes within the development area.

TAX ROLL AND TAX STATEMENTS

Tax roll and tax statements will provide:

1. Base year assessment and respective tax levy.
2. Captured assessment and respective tax levy.
3. Valuation changes creating revenue losses that are to be subsequently absorbed in the development area net total levy. Distribution is to be made by the City Treasurer to the Downtown Development Authority no later than April 15th following the date of levy.

EXHIBIT 6

**SCHEDULE OF ANTICIPATED TAX INCREMENT REVENUES AND
PROJECTED IMPACT ON TAXING JURISDICTIONS**

DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF WALKER

SCHEDULE OF ESTIMATED TAX INCREMENT REVENUES AND
PROJECTED IMPACT ON TAXING JURISDICTIONS
BASED ON 2003 TAX RATES[1]

TOTAL DEVELOPMENT AREA

Calendar Year	City Tax Increment Revenues[2]	Library Tax Increment Revenues[3]	College Tax Increment Revenues[4]	County Tax Increment Revenues[5]	Transit Tax Increment Revenues[6]	Total Tax Increment Revenues[7]
2004	\$27,562.70	\$17,969.39	\$36,856.85	\$109,631.86	\$19,599.22	\$211,620.03
2005	\$32,459.88	\$21,162.09	\$43,405.37	\$129,110.62	\$23,081.50	\$249,219.46
2006	\$39,459.00	\$25,725.14	\$52,764.60	\$156,949.96	\$28,058.42	\$302,957.13
2007	\$40,586.11	\$26,459.96	\$54,271.77	\$161,433.08	\$28,859.88	\$311,610.81
2008	\$41,735.76	\$27,209.47	\$55,809.09	\$166,005.87	\$29,677.38	\$320,437.56
2009	\$42,908.40	\$27,973.97	\$57,377.14	\$170,670.11	\$30,511.22	\$329,440.84
2010	\$44,104.50	\$28,753.76	\$58,976.56	\$175,427.63	\$31,361.73	\$338,624.19
2011	\$45,324.52	\$29,549.14	\$60,607.97	\$180,280.31	\$32,229.26	\$347,991.21
2012	\$46,568.94	\$30,360.44	\$62,272.01	\$185,230.04	\$33,114.14	\$357,545.56
2013	\$47,838.24	\$31,187.96	\$63,969.33	\$190,278.76	\$34,016.72	\$367,291.01
2014	\$49,132.94	\$32,032.03	\$65,700.59	\$195,428.46	\$34,937.34	\$377,231.36
2015	\$50,453.52	\$32,892.98	\$67,466.48	\$200,681.15	\$35,876.38	\$387,370.52
2016	\$51,800.52	\$33,771.15	\$69,267.69	\$206,038.90	\$36,834.20	\$397,712.46
2017	\$53,174.46	\$34,666.88	\$71,104.92	\$211,503.80	\$37,811.18	\$408,261.24
2018	\$54,575.88	\$35,580.53	\$72,978.89	\$217,078.00	\$38,807.70	\$419,021.00
2019	\$56,005.32	\$36,512.45	\$74,890.35	\$222,763.68	\$39,824.14	\$429,995.95
2020	\$57,463.36	\$37,463.01	\$76,840.03	\$228,563.08	\$40,860.92	\$441,190.40
2021	\$58,950.55	\$38,432.58	\$78,828.71	\$234,478.46	\$41,918.43	\$452,608.74
2022	\$60,467.49	\$39,421.54	\$80,857.16	\$240,512.16	\$42,997.09	\$464,255.45
2023	\$62,014.77	\$40,430.29	\$82,926.18	\$246,666.52	\$44,097.33	\$476,135.09
2024	\$63,592.99	\$41,459.20	\$85,036.59	\$252,943.98	\$45,219.57	\$488,252.32
2025	\$65,202.78	\$42,508.70	\$87,189.19	\$259,346.98	\$46,364.25	\$500,611.90
2026	\$66,844.76	\$43,579.18	\$89,384.86	\$265,878.04	\$47,531.83	\$513,218.67
2027	\$68,519.58	\$44,671.08	\$91,624.43	\$272,539.73	\$48,722.76	\$526,077.58
2028	\$70,227.90	\$45,784.81	\$93,908.80	\$279,334.64	\$49,937.51	\$539,193.66
2029	\$71,970.39	\$46,920.82	\$96,238.85	\$286,265.46	\$51,176.55	\$552,572.06
TOTAL	\$1,368,945.27	\$892,478.54	\$1,830,554.44	\$5,445,041.29	\$973,426.65	\$10,510,446.19

- [1] Current taxable value is based on taxable value for 2004 of \$32,653,509 and assumes a growth rate of 2% a year for 2005-2029. In addition, a \$3,000,000 increase in taxable value is anticipated in 2005 and a \$4,500,000 increase in taxable value is anticipated in 2006 due to construction of a new Meijer store.
- [2] The City currently levies 1.3360 mills (\$0.0013360). The tax levy is assumed to stay the same.
- [3] The Kent District Library currently levies 0.8710 mills (\$0.0008710). The tax levy is assumed to stay the same.
- [4] The Community College currently levies 1.7865 mills (\$0.0017865). The tax levy is assumed to stay the same.
- [5] The County currently levies 5.3140 mills (\$0.005314), including mills for general operating purposes, for the correctional facility and for senior citizens. The tax levy is assumed to stay the same.
- [6] The Transit Authority levied 0.7603 mills in 2003. We understand that the Authority will levy 0.95 mills (\$0.00095) in 2004. The tax levy is assumed to stay the same as the 2004 tax levy.
- [7] Actual tax increment revenues may be slightly lower due to tax abatements under Act 198.

EXHIBIT 7

**SCHEDULE OF SCHOOL TAX INCREMENT
REVENUES TO PAY DEBT SERVICE
ON 1993 BONDS**

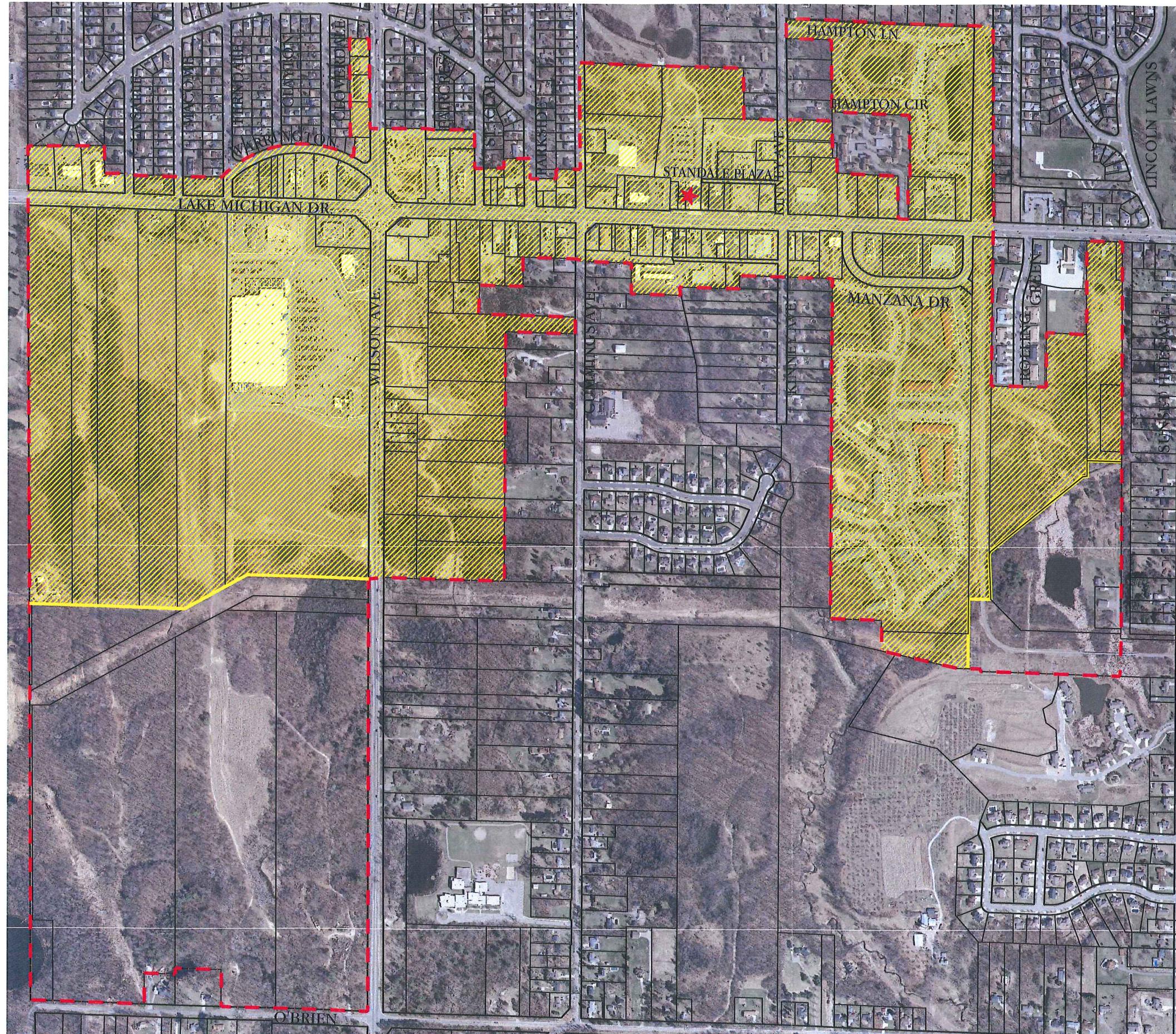
**REMAINING DEBT SERVICE ON 1993 BONDS
(excluding paying agent fees which will also be charged)**

DATE	PRINCIPAL	INTEREST RATE	INTEREST	TOTAL	FISCAL TOTAL
11/01/04			\$11,400	11,400	
05/01/05	\$150,000	4.80%	11,400	161,400	172,800
11/01/05			7,800	7,800	
05/01/06	160,000	4.80%	7,800	167,800	175,600
11/01/06			3,960	3,960	
05/01/07	<u>165,000</u>	4.80%	<u>3,960</u>	<u>168,960</u>	<u>172,920</u>
TOTAL	\$475,000		\$46,320	\$521,320	\$521,320

ESTIMATED ALLOCATION AMONG TAXING JURISDICTIONS¹

DATE	FISCAL TOTAL	STATE OF MICHIGAN	KENOWA HILLS PUBLIC SCHOOLS	GRANDVILLE PUBLIC SCHOOLS	KENT INTERMEDIATE SCHOOL DISTRICT
05/01/05	\$172,800	\$ 35,089	\$ 8,652	\$102,671	\$26,388
05/01/06	175,600	35,664	8,780	104,342	26,814
05/01/07	<u>172,920</u>	<u>35,120</u>	<u>8,646</u>	<u>102,749</u>	<u>26,405</u>
	\$521,320	\$105,873	\$26,078	\$309,762	\$79,607

¹ The estimated allocation is based on the percentage captured from each taxing jurisdiction in 2004. It is assumed that the future tax rates for each jurisdiction will remain the same.



— DEVELOPMENT DISTRICT
■ DEVELOPMENT AREA
★ FIRE STATION

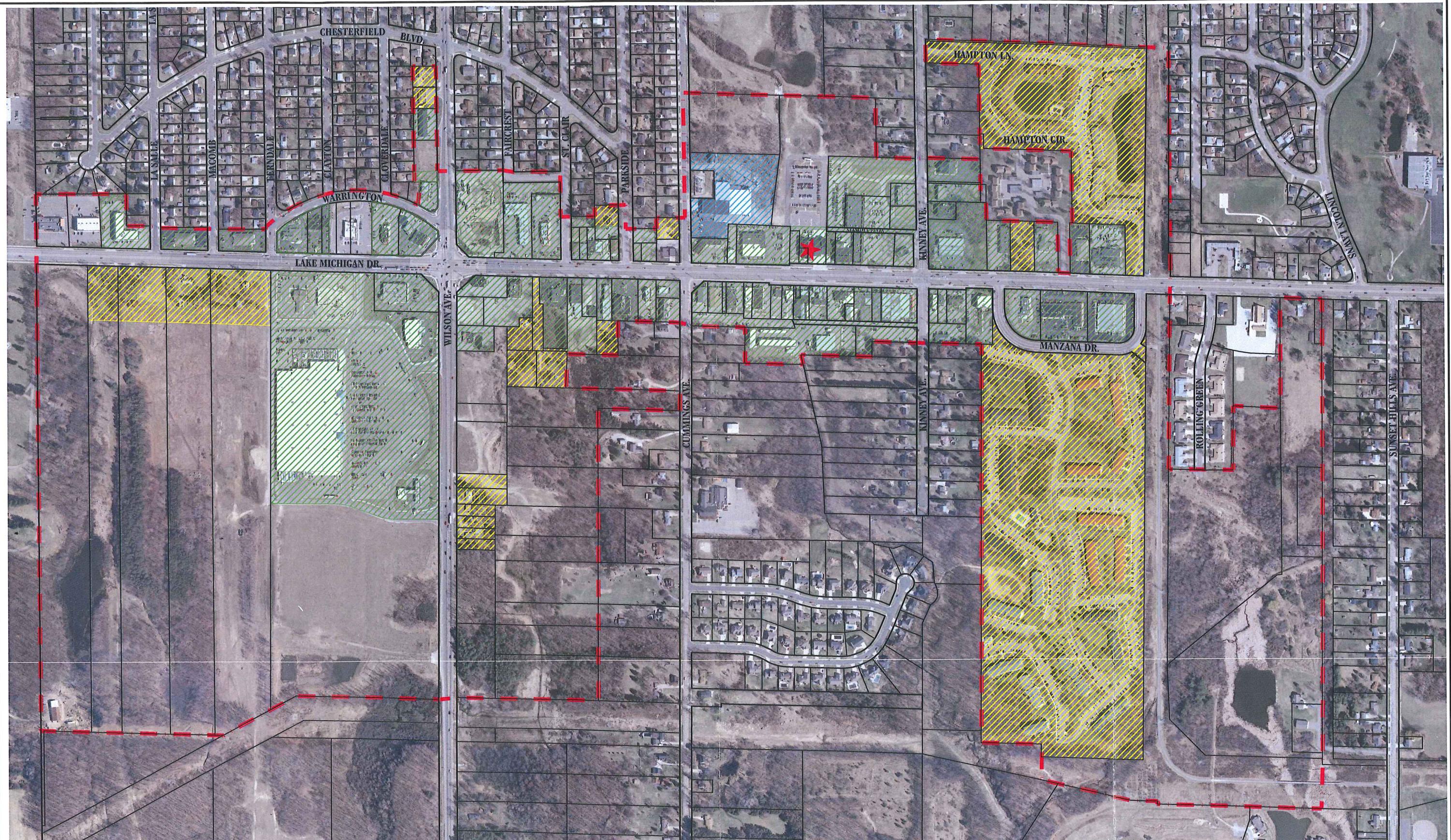
Map A

Walker-Standale DDA
Development District/Area



MOORE & BRUGGINK, INC.
Consulting Engineers
2020 Monroe Avenue N.W.
Grand Rapids, Michigan 49505-6298
Phone: (616) 363-9801 Web: www.misce.com





COMMERCIAL/
OFFICE

RESIDENTIAL

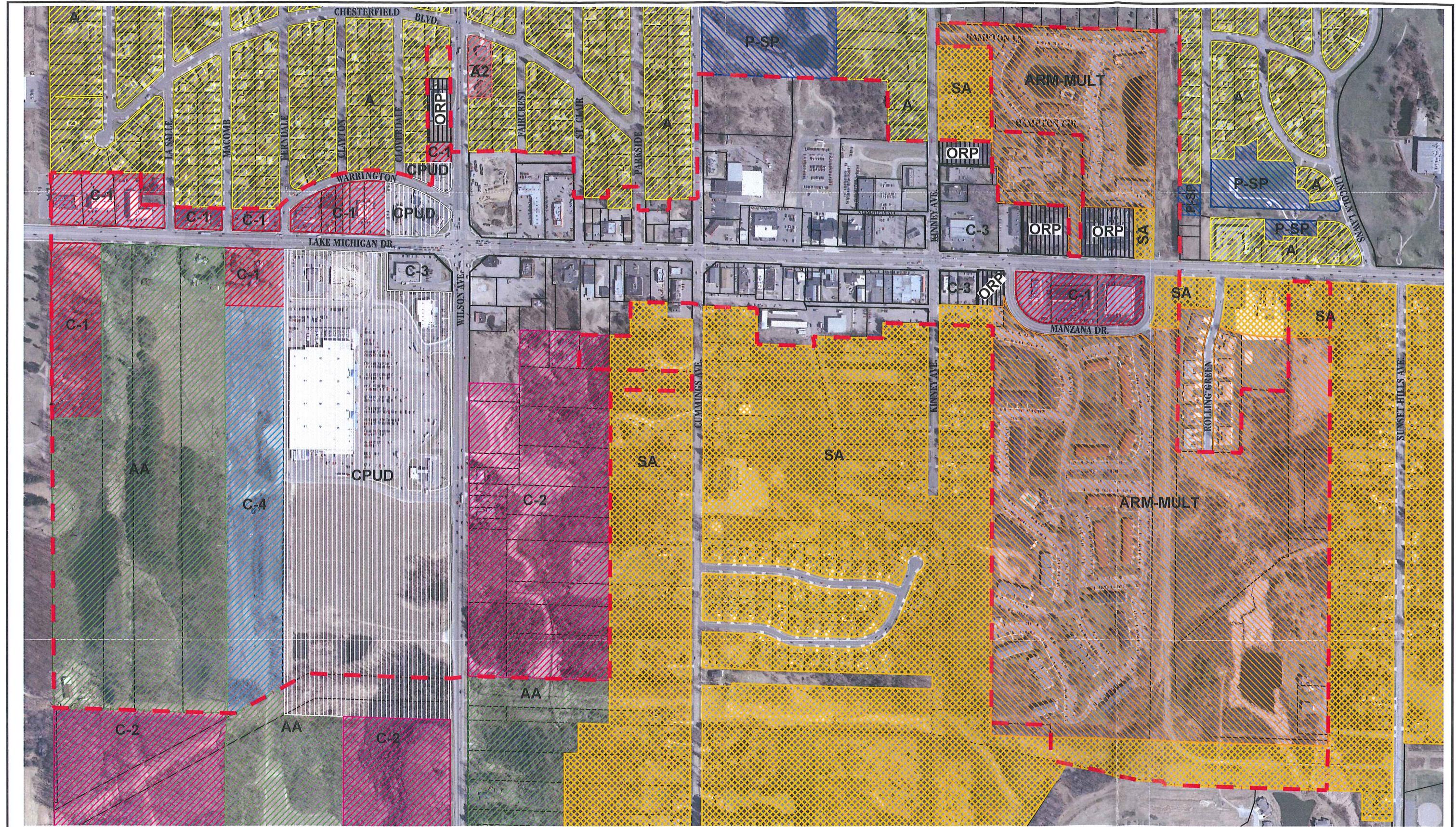
FIRE STATION
VACANT
— DDA DEVELOPMENT AREA



MOORE & BRUGGINK, INC.
Consulting Engineers
2020 Monroe Avenue N.W.
Grand Rapids, Michigan 49505-6298
Phone: (616) 363-9801 Web: www.mbcc.com



Walker-Standale DDA
Existing Land Use
Map B



ROWWALKERDDAMAP.CEN ZONING.dwg 11847 8/29/2013 2:15:26 PM, MUR

C-1	LOCAL COMMERCIAL	A	SINGLE FAMILY RESIDENTIAL
C-2	COMMUNITY COMMERCIAL	AA	AGRICULTURAL
C-3	HIGHWAY COMMERCIAL	SA	SUB. SINGLE FAMILY RES.
C-4	OUTDOOR COMMERCIAL	ORP	OFFICE, RESEARCH & PARKING
		P-SP	PUBLIC SEMI-PUBLIC
		ARM-MULT	ARM MULTIPLE FAMILY
		CPUD	COMMERCIAL PLANNED UNIT DEVELOPMENT

DDA DEVELOPMENT AREA

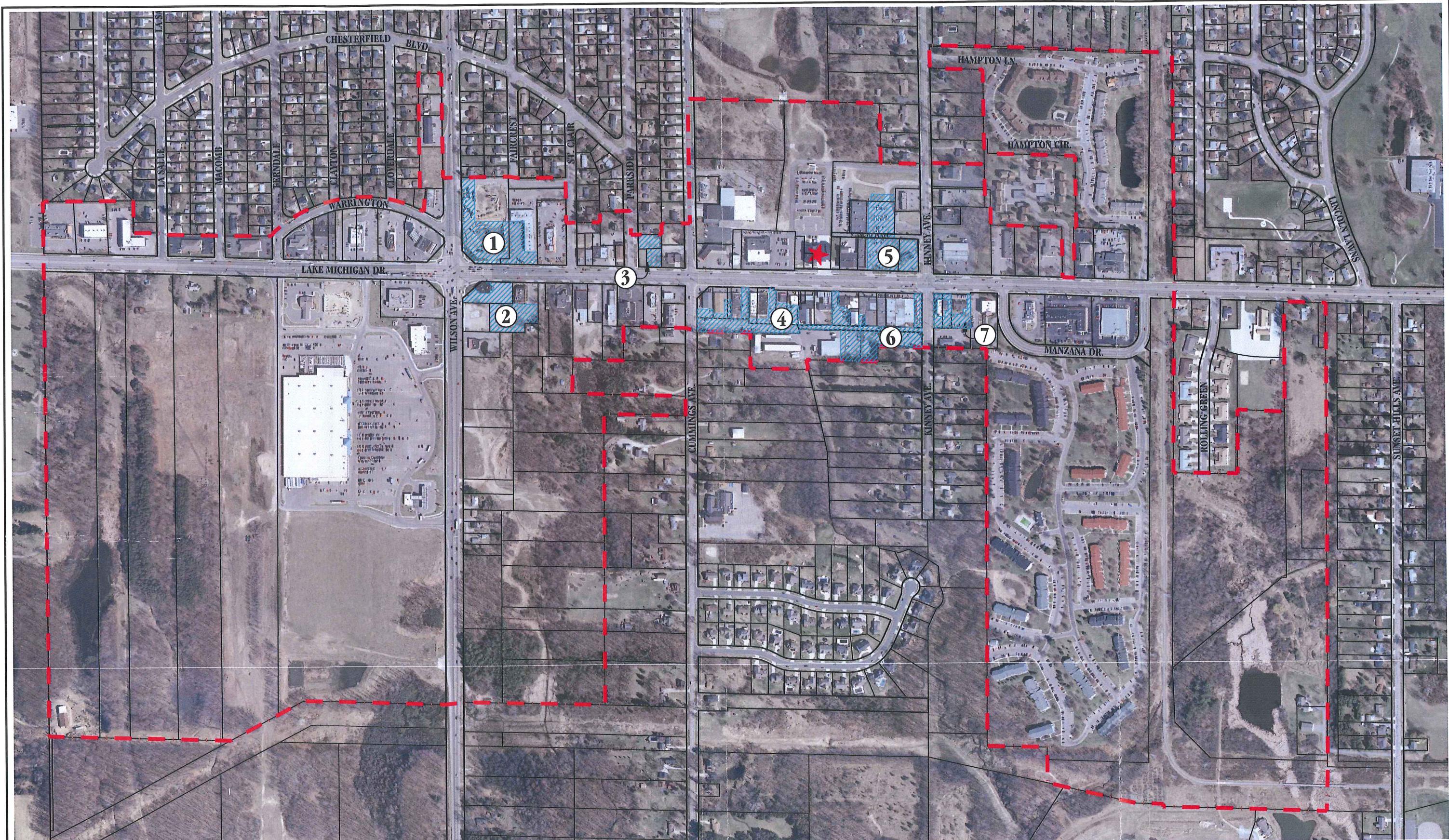
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Scale: 1" = 500'



Walker-Standale DDA
Existing Zoning
Map C



 OFFSTREET
PARKING
 FIRE STATION
 DDA BOUNDARY

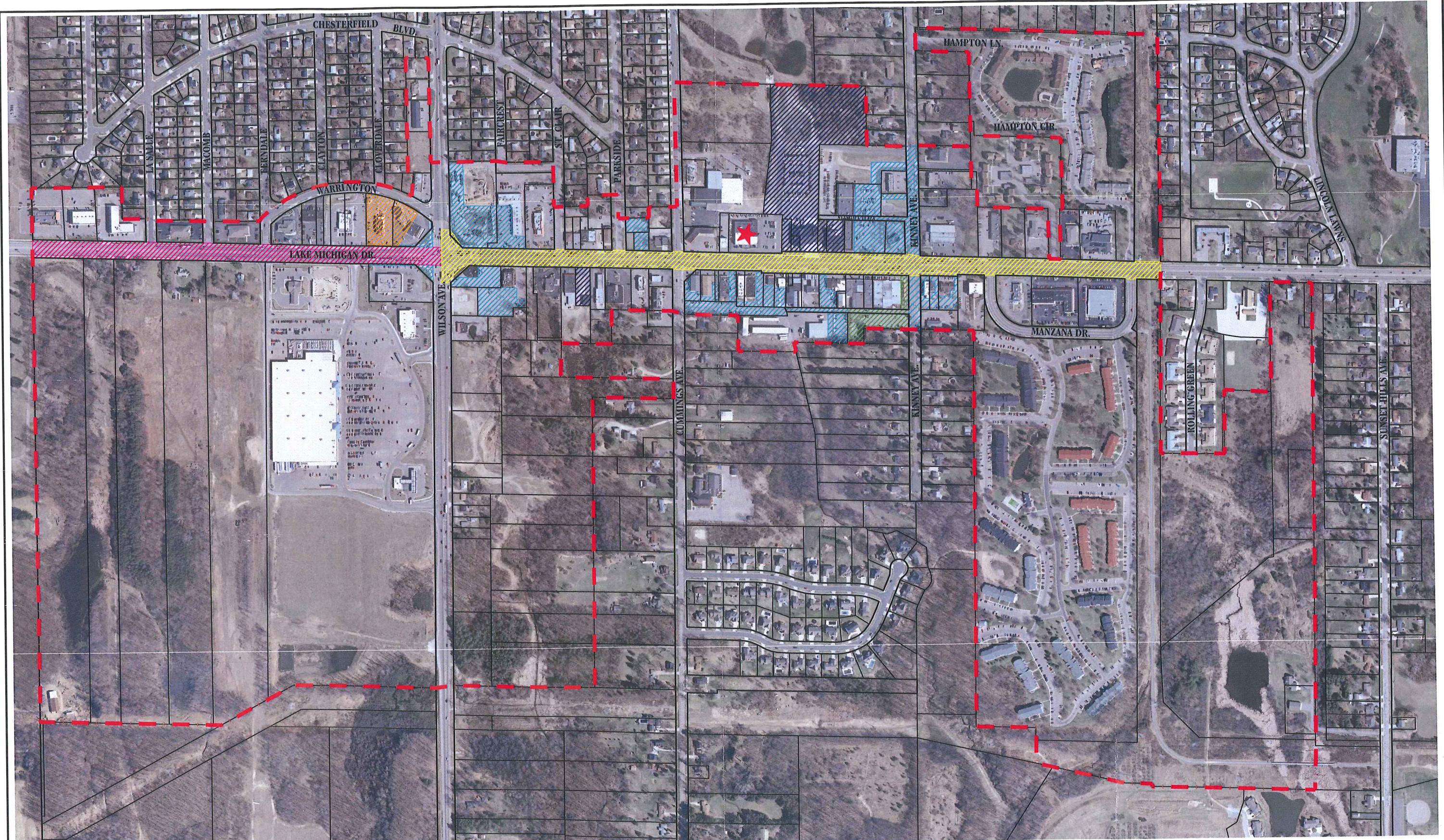
- ① NORTH WILSON LOT
- ② SOUTH WILSON LOT
- ③ PARKSIDE LOT
- ④ CUMMINGS LOT
- ⑤ STANDALE PLAZA LOT
- ⑥ SW KINNEY LOT
- ⑦ SE KINNEY LOT



MOORE & BRUGGINK, INC.
 Consulting Engineers
 2020 Monroe Avenue N.W.
 Grand Rapids, Michigan 49505-6298
 Phone: (616) 363-9801 Web: www.mbe.com



Walker-Standale DDA
Existing DDA Offstreet
Parking
Map D



 FIRE STATION
 PARKING LOT IMPROVEMENT
 M-45 EAST

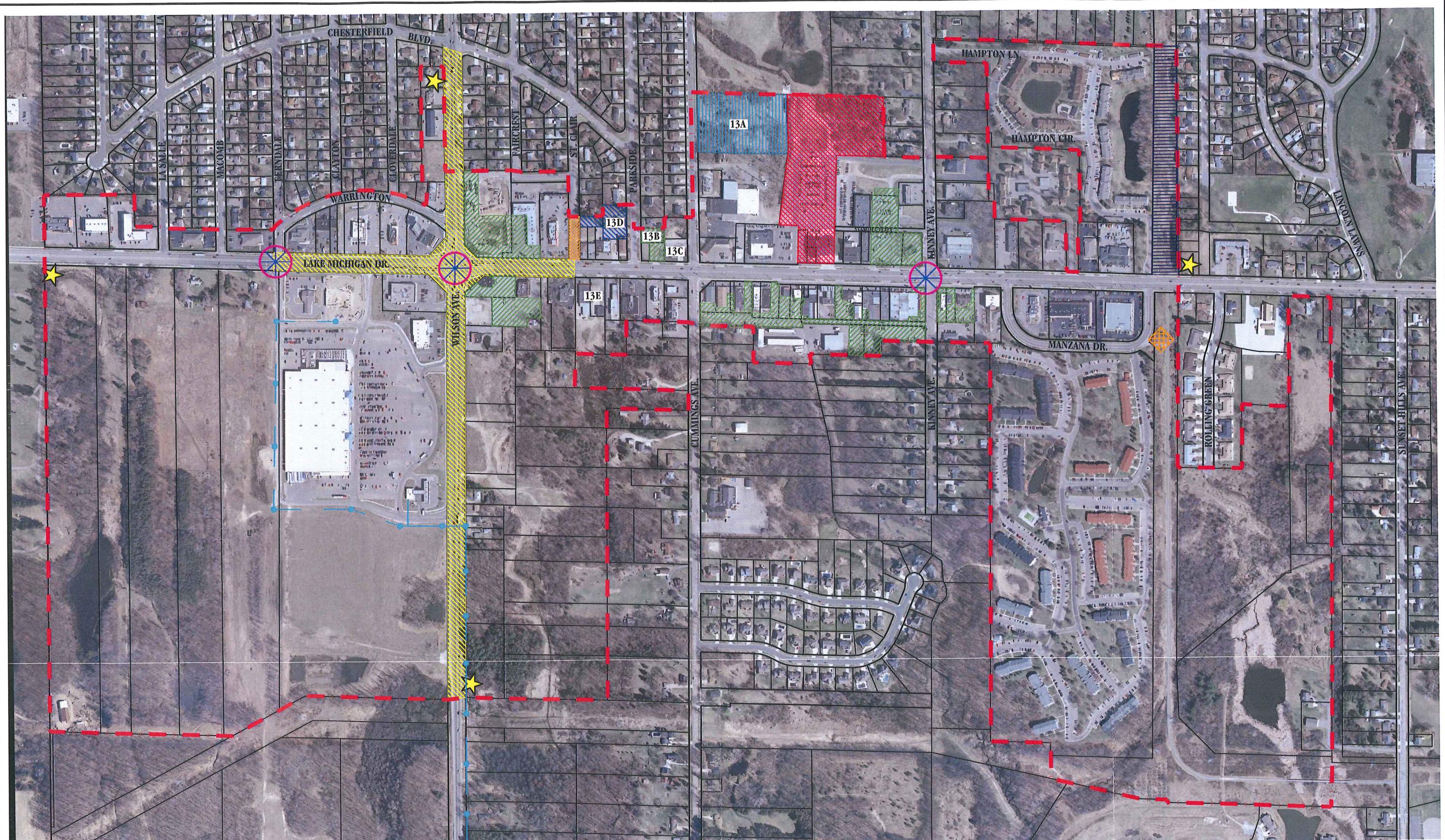
 STANDALE DDA PARKING LOT IMP.
 M-45 WEST
 PROPERTY REDEVELOPMENT
 DDA PARCEL PURCHASE

 DDA DEVELOPMENT AREA

MOORE & BRUGGINK, INC.
Consulting Engineers
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Grand Rapids, Michigan 49505-6298
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**Walker-Standale DDA
Projects Completed
Map E**



Scale: 1" = 500'

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Walker-Standale DDA
Future Projects
Map F

Walker-Standale DDA Future Projects Map F

■■■■■ DDA DEVELOPMENT AREA



1. ST. CLAIR AVE. PROJECT
2. M-45/M-11 INTERSECTION IMPROVEMENT
3. STANDALE CROSSING SANITARY SEWER
4. PARKING LOT REFURBISHINGS-PAVEMENT & PLANTINGS
5. PARKING LOT CONSTRUCTION-PARKSIDE TO ST. CLAIR



6. ENTRANCE STATEMENT ENHANCEMENT-SIGNAGE, LANDSCAPING
7. PUBLIC TRANSPORTATION FACILITIES
8. PEDESTRIAN SIGNAL UPGRADES
9. TRAFFIC SIGNAL MAST ARM IMPROVEMENTS
10. STANDALE TRAIL EXTENSION (north of M-45)



11. MANZANA/STANDALE TRAIL CONNECTIONS
 - a. Standale Directory & Welcome Kiosk, Curb, Benches, Landscaping
 - b. M-45 Pedestrian Crossings



12. COMMUNITY PARK EXPANSION



13. POSSIBLE PROPERTY ACQUISITION
 - a. 4 Acre site-Community Park Expansion
 - b. Parkside Office Building-Redevelopment
 - c. Existing Fire Station-Redevelopment
 - d. Parkside House-Parking Lot Development
 - e. Property Redevelopment



14. NEW FIRE STATION/COMMUNITY CENTER