

Mount Clemens
Downtown Development Authority

**DEVELOPMENT PLAN
AMENDED AND RESTATED**

and

TAX INCREMENT FINANCING PLAN

Approved by the Board of the Mount Clemens Downtown Development Authority on September 13, 2001 for submittal to the City Commission of the City of Mount Clemens, Michigan.

Approved by the City Commission of the City of Mount Clemens on October 20, 2003.
Plan Amendment approved by the City Commission of the City of Mount Clemens on October 19, 2020.

INTRODUCTION

In order to prevent actual and potential deterioration of property values and to encourage economic activity and growth in the Downtown Mount Clemens business district, the City established the Mount Clemens Downtown Development Authority (the "Mount Clemens DDA") pursuant to Act 197 of 1975 ("Act 197") and an ordinance adopted by the City Commission on April 9, 1983. The Mount Clemens DDA has identified specific sources of funding to finance the implementation of a comprehensive plan for regulatory changes, capital improvements, financial assistance, marketing and promotion efforts, security enhancement and special projects within the Mount Clemens DDA Development Area.

The City Commission of the City of Mount Clemens pursuant to the provisions of Act 197 of 1975, Public Acts of Michigan, adopted Ordinance No. 14.300 to establish a Downtown Development Authority at a special meeting held March 30, 1983. The ordinance became effective on April 9, 1983. Following the creation of the Downtown Development Authority and the appointment of the board, the DDA created a Development Plan which was adopted on November 21, 1983. In addition, the City Commission also adopted Ordinance No. 14.400 establishing a Tax Increment Financing Plan for the Downtown Development Area that became effective December 28, 1985.

The purpose of this Development Plan and Tax Increment Financing Plan (hereinafter the "Plan") is to describe regulatory changes, to provide for the acquisition, construction and financing of capital improvements (including necessary street lighting, sidewalk, streetscaping, parking, beautification and street improvements), to provide additional security, to encourage and finance aesthetic improvements, land acquisition, and marketing and promotional activities, and other facilities and programs for the Development Area to carry out the objectives of the Mount Clemens DDA so as to prevent future deterioration of the Development Area while preserving its unique character and promoting economic growth to benefit of all businesses and taxing units located within and benefited by the Development Area.

DEVELOPMENT PLAN

This Development Plan contains the information required by
Section 17 (2) of Act 197.

Section 17(2)(a)

DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS, STREAMS OR OTHERWISE.

The boundaries of the Development Area shall be within the boundaries of the Mount Clemens DDA District established by Ordinance No. 14.300 of the City as designated in the legal description set forth below; these boundaries may be amended in the future and from time to time.

The boundaries may be described generally as follows: The legal description of the Development Area shall be as described in Section 17 (2) (b) which are within the boundaries of the Mount Clemens DDA District which may be amended from time to time.

Section 17(2)(b)

LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA, INCLUDING LEGAL DESCRIPTION OF THE DEVELOPMENT AREA.

Existing Streets and Public Facilities

Major thoroughfares:

Northbound Gratiot Ave
Southbound Gratiot Ave
North River Road
North Main Street
South Main Street
Cass Ave
Market Street
Macomb Street
North Walnut Street
New Street
Pine Street

Principal Public Facilities and Landmarks:

Selected Art in Public Places Pieces
Town Clock on Main St.
Macomb Place Fountain
Fountain Stage
Cherry Street Plaza
MacArthur Park
City Docks/Boardwalk

Land Uses

See the Land Use Map attached as Appendix A.

Legal Description – (See map labeled *Mount Clemens DDA District & Development Area*)

A legal description of the Development Area is as follows: Beginning at the intersection of South Main and Colonial Court; thence northerly along Main Street to its intersection with Church Street; then easterly to its intersection with Northbound Gratiot; then northerly to its intersection with the Cass Ave; then westerly to its intersection with the west side of Main St. then southerly to its intersection of the southerly property line a of parcel 11-14-252-025 (Town Square One Office Building); then northwesterly along this property line to its intersection with South Walnut St. then northerly following this line to its intersection with Macomb Street; then westerly approximately 140 feet to a point of intersection from the alley extended behind the Vicant Building Property; then northerly along the alley to a point of intersection with New Street; then easterly to a point of intersection with Main Street; then southerly along Main Street to its intersection with the south side of Cass Ave; then easterly to its intersection with the east side of Northbound Gratiot Ave. (M-3); then northerly to its intersection with Market Street; thence easterly to its intersection with the centerline of the Clinton River; thence following the centerline of the Clinton River to a point of intersection with Avery Street extended; thence northerly along Avery Street extended to a point of intersection with North River Road; thence westerly along North River Road to its intersection with Park Street; thence northerly and westerly along Park Street to its intersection with North Walnut Street; thence southerly along North Walnut Street to its intersection with Northbound Gratiot (M-3); thence following Northbound Gratiot (M-3) north and easterly to its intersection with Welts Street; thence westerly along Welts Street to a point of intersection from a line extended northerly from the alley adjacent to the west side of the property located at 143 North Main Street (Damon's Restaurant); thence southerly following the alley to its intersection with Clinton Street; thence southerly following Pine Street extended to its intersection with New Street; thence westerly along New Street to its intersection with Southbound Gratiot (M-3); thence southerly along Southbound Gratiot (M-3) to its intersection with Macomb Street; thence southeasterly along Macomb Street to its intersection with Pine Street; thence southwestly along Pine street to its intersection with Southbound Gratiot (M-3); thence southerly along Southbound Gratiot (M-3) to its intersection with Robertson Street; thence along the easterly line of Lot 5, Assessor's Plat No. 6, to a point of intersection with the northerly line of Lot 2 of said Assessor's Plat No. 6; thence southerly along said easterly line of said Lot 6 of Assessor's Plat No. 6 to a point of intersection with the northerly line of Lot 1, Block 2, Greiners Addition, to its intersection with South Avenue, thence southerly along South Avenue to its intersection with Colonial Court; thence easterly along Colonial Court to the point of beginning.

Section 17 (2)(c)

DESCRIPTION OF EXISTING IMPROVEMENTS TO BE DEMOLISHED, REPAIRED OR ALTERED, INCLUDING DESCRIPTION OF REPAIRS AND ALTERATIONS, AND ESTIMATE OF THE TIME REQUIRED FOR COMPLETION.

The Mount Clemens DDA plans to accomplish some or all of the following capital improvements over the life of the Plan; it is anticipated that all of these improvements, being in the nature of rehabilitation or reuse of existing property and improvements, will involve demolition, repair or alteration.

1. Land Acquisition, Combination and Sale to Private Sector throughout the Development Area. This would include acquisition of property which suffers from environmental contamination; clean up of the contamination, clearing of such property to the extent necessary, combination with adjacent parcels to the extent appropriate, and sale of such property to private interests for new development. Sale proceeds may be held in a Land Revolving Fund and used for additional property purchases.
2. Street Lighting This would include continuing the program of removing existing Cobra Head streetlights and poles, replacing them with decorative pedestrian oriented Low Level Streetlights or other similar type lights which already are placed throughout much of the Central Business District and this may include additional new street lighting as determined by the Board from time to time. This also includes placing and maintaining decorative lighting used in trees throughout the Business District.
3. Road, Streetscape and Signage Improvements. Road & Streetscape improvements would include to rebuild, resurface, or similar improvements when deteriorated conditions would require such improvements. This would also include the addition of directional signs to be placed in areas to assist with directional information for motorists and pedestrians.
4. Parking Improvements. This would include assisting the City in creating new parking as well as upgrading, renovating or otherwise improving existing public parking. This would also include the assisting the City with installation of parking meters in critical areas of parking as well as include new parking facilities which may include parking structures, decks or lots either on a stand-alone basis or in conjunction with other development activity as determined by the Board.
5. Facade, Landscape and Greenbelt Improvements. This would include adopting programs encouraging the improvement of building facades within the specifications of the DDA Design Guidelines as well as the placement of additional landscaping by private property owners. This also includes DDA acquisition and planting of additional trees and other landscaping within the district as well as the purchase and placement of tables and benches to enhance areas within the District.
6. Move/Eliminate Electrical Equipment and Transmission Wires. This would include working with Detroit Edison to minimize the unsightly appearance of transformers located in highly visible areas, reduce the number of overhead transmission wires along all Development Area Streets or otherwise minimize the unsightly appearance of such wires. This would also include moving underground cables to facilitate transformer and or wire relocations.

7. Addition of Electronic Equipment such as Public Address/Sound System, Clock Upgrades, Video Surveillance System and Marquis Sign. This would include the addition of a public address system in the Central Business District to assist with special events, visitor safety and enhance the atmosphere of the area with music when desired. (Example: Holiday Season) This would include the upgrading of the Town Clock to keep it functional and in good working order. This would also include the installation of video surveillance equipment to protect public property from vandalism. This would also include the addition of a Marquis Sign that would be placed at a location on SB Gratiot to inform motorists of upcoming events in the City.
8. Marina Improvements This would include assisting with improvements and upgrades to the Marina Area and the equipment in the Marina.

Section 17(2)(d)

LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS AND ESTIMATED TIME FOR COMPLETION.

1. Land and/or Building Acquisitions for Resale and/or Demolition-When parcels throughout the Development Area become available and such acquisitions would meet the objectives of the DDA the board would consider the purchase of these parcels. This would also be based on the availability of funds for this purchase. – At present, estimates would show that any single acquisition should not exceed \$1,000,000.
2. Street Lighting - Presently Main Street & Market Streets are being studied for Low Level Lighting Projects. These projects will be completed as funds and or financing become available. Estimates at this time are in the range of \$750,000. Other areas within the District will be maintained and brightened. Such programs as the white Christmas Light Tree programs on Main, N. Walnut, New and Macomb Streets will continue on a regular basis with the continued purchase of the lights and regular scheduled maintenance. Present costs for this program range in the \$30,000 area annually.
3. Road, Streetscape and Signage Improvements - Roads will be improved as deteriorating conditions demand. Completion of these projects will be dependent on availability of funding. Street issues presently being evaluated is the repair and or replacement of street curbs, sidewalks and crosswalks. Over the years many of the curbs and pedestrian walkways have deteriorated and become damaged from snow removal and other areas have concrete and paver bricks that settle annually and create a danger to pedestrians. Estimated costs of the work for this project is approximately \$50,000 annually. Improved traffic control, motorist and pedestrian assistance signage is needed in and around the Central Business District. Estimated costs for appropriate signage is estimated to be in the range of \$25,000 for smaller signs to \$150,000 for larger signs.

4. Parking Improvements-As downtown parking needs grow, creating new parking through property acquisitions and or construction of decks may be necessary. Presently the City receives all revenues and makes all repairs and improvements to the parking system. The DDA will upon request of the City and as funds are available, assist in the study and addition of new parking spaces within the Development Area. Lots within the Development Area presently being studied and evaluated for parking improvements are the west end of New Street, Town Square, Market Street and the Roskopp Lot. Property acquisition and lot design is being studied on the New Street Site and a Parking Deck feasibility study vs. surface parking may needed in the future for Roskopp. Estimates for surface parking on New Street between Pine and SB Gratiot are currently estimated not to exceed \$800,000. Depending on final plans a deck for Roskopp has been estimated in the \$10,000,000 range. In certain areas of the downtown a lack of parking meters does not allow for public parking. Additional parking meters or equipment to allow for public parking in these areas is estimated to be in the range of \$45,000.

5. Facade, Greenbelt and Landscaping Improvements-The appearance of individual buildings establishes the visual character of a downtown and plays a major role in the overall appearance of the downtown and the marketing success of the business district. A program to encourage building owners to renovate their buildings in a way that does not limit architectural variety, but rather encourages designs that will respect existing buildings and strive for visual harmony with the existing character of the street are critical to overall aesthetics of the downtown. We estimate annual program costs in the \$30,000 range. Maintaining attractive landscaping is another important ingredient in the downtown and as trees become too large for their location as well as die as a result of disease in the Central Business District, replacement will become necessary. Over the next 2 to 8 years many of these trees on Macomb Place and Walnut Street will need replacement. Estimated costs for this program are in the \$25,000 range. Several entrance points to the downtown have been targeted for landscaping improvements, these areas include at present but are not limited to the traffic island on North River Road and NB Gratiot, the traffic island on SB Gratiot and Welts and the corner of Cass and SB Gratiot. We are attempting to secure grant funds to assist with this project. Present estimates are for project costs to run no more than \$50,000 as of this time. Annually within the downtown district there is a need to review of the condition of all tables and benches to evaluate their condition and whether to purchase new or repair the existing tables and benches. Presently annual costs are estimated in the range of \$4,000. Other annual programs include the purchase, planting and maintenance of flowers in and around the Downtown Business District. Annual costs for this program are scheduled in the \$10,000 range.

6. Move/Eliminate Electrical Equipment and Transmission Wires-There are multiple areas in the downtown with unsightly and aging overhead wires as well as large electrical transformers in high visibility areas. Presently, the most severe overhead wire problem area is located on Cherry St. between New and Market. The areas with unsightly large electrical transformers in high visibility areas are on North Walnut St between the Post Bar and Johnny G's and a proposed transformer location in Rotary Park. We are continuing to work with Detroit Edison to find the best and most feasible way to eliminate these overhead wires and to locate these unsightly transformers in hidden or low visibility locations. Present cost estimates to relocate transformers have ranged from

\$50,000 and higher to date and overhead wire removal costs have been prohibitive, however we will continue to search and work with Detroit Edison for affordable solutions to these problems.

7. Addition of Electronic Equipment such as Downtown Public Address/Sound System, Clock Upgrades, Surveillance Equipment and a New Marquis Sign-For visitor convenience, enjoyment and safety there is consideration of the installation of a downtown sound/PA system. This system would cover N. Main, Macomb, N. Walnut, Pine and New Streets. This project presently is estimated to be in the range of up to \$125,000. The Town Clock on Main Street is an important visual landmark and point of civic pride. From time to time maintenance and upgrades are needed to maintain the good working condition of the clock and to add features that will enhance the functions of the clock for the general public's enjoyment. Such repairs, additions and upgrades vary from in the range of \$2,000 for minor improvements and repairs to costs in the range of \$75,000 for carillon improvements. It has become necessary to study the feasibility of installing video surveillance equipment in certain areas of the downtown due to extensive vandalism to public property. The cost range per system is in the area of \$5,000 to \$10,000 per site. Because of its effectiveness in passing information regarding City events at its present site on NB Gratiot we are considering the installation of another Marquis Sign which would be located on SB Gratiot. This project is estimated to be in the range of \$50,000.

8. Marina Improvements – From time to time it is necessary to replace and improve equipment in the Public Marina area. Such improvements include upgrades to the electrical shore power service and water systems in the harbor as well as installation of a seawall to prevent soil erosion. Other necessary improvements from time to time are bathhouse improvements, boardwalk improvements and harbor master office updates. Depending on the scope of the upgrade, project cost estimates for these improvements range from \$2,000 for minor improvements to \$1,500,000 for major renovations and additions.

Section 17(2)(e)

STAGES OF CONSTRUCTION AND ESTIMATED TIME OF EACH STAGE.

The Mount Clemens DDA will seek to accomplish the capital improvement goals of the Plan over time. These projects will be undertaken on a needs and funding availability basis. Anticipated time frame for noted projects are as follows:

- Flower and Landscaping Program-Annually over the life of the Plan and as funds are available
- Street & Sidewalk Improvements-Annually repair or replacement as is warranted
- Tree Lighting Program-Annually over the life of the Plan
- Low Level Street Lighting –Main Street -Within 5 years or as funds become available
- Electronic Equipment Installation-Within 3 years or as funds become available
- Street Improvements-Within 3 years or as funds become available
- Low Level Street Lighting-All Other Areas-As funds become available
- Tree Replacement Programs-Over the life of the Plan as demanded by growth
- Parking Improvements-As needed over the life of the Plan and funds become available
- Landscaping of Downtown Entry Points-As funds become available over the life of the Plan

Land/Building Acquisition-As buildings and parcels become available over the life of the Plan
Transformer Relocation-As needed and funds become available
Overhead Wire Removal-As funds become available over the life of the Plan
Signage Improvements-As funds become available over the life of the Plan
Marina Improvements-As needed over the life of the Plan and as funds are available

Section 17(2)(f)

PARTS OF DEVELOPMENT AREA TO BE LEFT AS OPEN SPACE AND USE CONTEMPLATED FOR SUCH SPACE.

Major areas of open space include MacArthur Park, Rotary Park, Cherry Street Plaza and the Clock Plaza. It is expected that such areas will remain as open space dedicated to public park use. The Mount Clemens DDA may acquire additional property within the Development Area from time to time and designate this property as open space.

Section 17(2)(g)

PORTIONS OF THE DEVELOPMENT AREA WHICH THE MOUNT CLEMENS DDA DESIRES TO SELL, DONATE, EXCHANGE OR LEASE TO OR FROM THE CITY AND PROPOSED TERMS.

The Mount Clemens DDA may sell, donate, exchange or lease property to the City in furtherance of its public purposes set forth herein. Such conveyances shall be structured so that the Mount Clemens DDA receives value for such conveyance which is proportional to the value which the Mount Clemens DDA has invested in such property.

The City may sell, donate, exchange or lease property to the Mount Clemens DDA on such terms as the City shall deem appropriate.

Section 17(2)(h)

ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS, AND UTILITIES.

No zoning changes are expected to be required to enable the Mount Clemens DDA to accomplish the programs described in this Plan.

Utility changes will include the moving or replacing of electrical transformers and electric transmission wires to the extent feasible.

Streets, street levels and intersections are not anticipated to be changed at this time however, projects may come forth in the future which may require consideration of any or all of these changes.

Section 17(2)(i)

ESTIMATE OF COST OF DEVELOPMENT, STATEMENT OF PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY OF THE MOUNT CLEMENS DDA TO ARRANGE THE FINANCING.

The total cost of the economic development programs and projects set forth in this Development Plan, the administrative costs associated with design of the development and financing costs is estimated to not exceed the amounts submitted to the City Commission. Pursuant to Act 197, the costs of development may be financed by donations received by the Mount Clemens DDA, proceeds of a tax imposed pursuant to Section 12 of Act 197, revenue bonds issued pursuant to Act 94 of 1933, as amended, general obligation bonds issued by the City in amounts limited in amount by a percentage of the anticipated tax increment revenues and other revenues available for payment of debt service on such bonds, tax increment bonds issued by the Mount Clemens DDA pledging solely the tax increments and other revenues of the Mount Clemens DDA, proceeds of a special assessment district created as provided by law and from money obtained from other sources approved by the governing body.

Table 1, which follows, indicates the sources of income available to the Mount Clemens DDA to pay the costs of the development and the estimated amounts of each source for the next 15 years, based on taxable value and captured assessed value of real and personal property within the Development Area, assuming annual growth in the Development Area at a rate of 2.00% on real and personal property.

TABLE 1
Revenue Projections

<u>Year</u>	<u>Current Taxable Value</u>	<u>Captured Taxable Value</u>	<u>Aggregate Millage Levied</u>	<u>Tax Increment Revenue</u>
2001	17,162,438	8,152,138	.056513	460,702
2002	17,505,687	8,495,387	.056513	480,100
2003	17,855,601	8,845,501	.056513	499,886
2004	18,212,917	9,202,617	.056513	520,067
2005	18,577,175	9,566,875	.0269716*	258,034
2006	18,948,719	9,938,419	.0269716	268,055
2007	19,327,693	10,317,393	.0269716	278,277
2008	19,714,247	10,703,947	.0269716	288,703
2009	20,108,532	11,098,232	.0269716	299,337
2010	20,510,703	11,500,403	.0269716	310,184
2011	20,920,917	11,910,617	.0269716	321,248
2012	21,339,335	12,329,035	.0269716	332,534
2013	21,766,122	12,755,822	.0269716	344,045
2014	22,201,444	13,191,144	.0269716	355,786
2015	22,645,473	13,635,173	.0269716	367,762
2016	23,098,382	14,088,082	.0269716	379,978

*Bonds retired and per Proposal A TIF will no longer capture Mount Clemens Schools increment.

The non-capital costs of regulatory changes, financial assistance, marketing and promotion, security and other programs may be financed from revenues received by the Mount Clemens DDA. Capital projects may be financed from revenues received by the Mount Clemens DDA or from the proceeds of various types of bond issues either separately or in combination and either immediately or in phases, depending on the type of financing vehicle used. Below are described the various available methods of financing the Mount Clemens DDA may seek to use.

Limited Tax General Obligation Bonds of the City: Section 16(1) of the Act 197 permits the City to issue general obligation bonds supported by the estimated tax increment revenues.

Special Assessment/General Obligation Bonds of the City: The City may also issue special assessment bonds alone or in combination with general obligation bonds to finance all or part of street and alley improvements, sidewalks, lighting and parking improvements. The size of such bond issues would depend on and is limited by the projects included within such bond issues and the portion of each such project to be financed from special assessments and the portion, if any, to be financed from general funds. Payment of such special assessment bonds would be from the proceeds of the special assessment rolls consisting of the lands specially benefited by the project. Payment of the general obligation bonds would be from general funds of the City derived from the proceeds of taxes levied upon all property within the City.

Michigan Transportation Fund Bonds: For purposes of paying the costs of major and local street improvements, including paving, widening and lighting, the City may also borrow an amount not to exceed an amount which 45% of the City's receipts from the Michigan Transportation Fund for the State fiscal year immediately preceding such a bond issue would support in annual debt service.

Authority Bonds: Section 16(2) of Act 197 permits the Mount Clemens DDA to issue its bonds supported by the estimated revenues available to the Mount Clemens DDA from the tax increments and any other revenues available to the Mount Clemens DDA, but may not be supported by the full faith and credit pledge of the City.

Section 17(2)(j)

DESIGNATION OF PERSON OR PERSONS, NATURAL OR CORPORATE, TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE LEASED, SOLD OR CONVEYED.

Property within the Development Area may be leased, sold or otherwise conveyed to a person or persons, natural or corporate, from time to time in furtherance of the economic development goals and objectives of this Plan.

Section 17(2)(k)

PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING ALL OR ANY PORTION OF THE DEVELOPMENT.

The Mount Clemens DDA shall abide by the applicable laws, ordinances and rules which regulate the leasing, purchasing or conveying of property and equipment that would otherwise apply to the City.

Section 17(2)(l)

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

Less than 100 people reside in the development area. At this time no families, individuals or businesses will be displaced by any current proposed projects within this plan.

Section 17(2)(m)

A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA.

Any families, individuals or businesses that may be displaced as a result of property acquisitions and clearance activities in future projects will be identified and relocated in accordance with City of Mount Clemens relocation practices. Families, individuals or businesses will be given priorities in any City owned or operated project.

Section 17(2)(n)

PROVISION FOR THE COSTS OF RELOCATING 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.

The DDA will provide financial assistance and reimbursement of expenses incurred by those families, individuals or businesses with are displaced by acquisition and clearance activities. The City of Mount Clemens, acting on behalf of the Mount Clemens DDA will provide any technical relocation assistance necessary to insure that all displaced businesses are reasonably and adequately relocated in building facilities and sites located in other section of the downtown district or the City at least equal to the locational advantages now offered at their present location. The amounts and types of financial assistance and reimbursement expense payments to be provided to each displacee will be determined in accordance with the standards and provisions of the City's Relocation Policy.

Section 17(2)(o)

PLAN FOR COMPLIANCE WITH ACT 227 OF 1972, BEING SECTIONS 213.321 - 213.332 OF MICHIGAN COMPILED LAWS.

The relocation of any families, individuals or businesses shall also be carried out in accordance with the statutory requirement and provisions of the State of Michigan Act No. 227 of the Public Acts of 1972.

The City of Mount Clemens, acting on behalf of the Downtown Development Authority, shall establish

and implement a relocation assistance advisory program to assist displacees in obtaining and becoming reestablished in comparable facilities elsewhere in the community. The specific types of relocation advisory assistance to be provided to each displacee may include, but is not limited to, personal contact and consultation on technical services available, eligible relocation expenses and current information on comparable facilities available elsewhere in the City.

Section 17 (2)(p)

OTHER PERTINENT MATERIAL

The DDA intends to continue the levy and ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the downtown district with the approval of the City Commission in accordance with the provisions of Sec. 12 of Act 197. The DDA also intends to finance its activities from all of the sources listed in Sec. 11 of Act 197 to the extent applicable. The DDA Board shall have the power to accomplish the objectives and purposes of Act 197 and may exercise all of the powers granted under, and enter into contracts as contemplated by, Sec. 7 of Act 197 to accomplish those objectives and purposes.

TAX INCREMENT FINANCING PLAN

This Tax Increment Financing Plan contains the information required by Act 197.

TAX INCREMENT PROCEDURE

Tax increment revenue to be transmitted to the Mount Clemens DDA is generated when the current assessed value of all properties within a development area exceeds the initial assessed value of the properties. The initial assessed value is defined in Act 197 as the assessed value of all taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment finance plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the ordinance is adopted. The current assessed value refers to the assessed value of all properties, real and personal, within the development area as established each year subsequent to the adoption of the tax increment finance plan. The amount in any one year by which the current assessed value exceeds the initial assessed value, including real and personal property, is defined as the “captured assessed value.” The tax increment revenue transmitted to the Mount Clemens DDA results from applying the total tax levy of all taxing units within the development area to the captured assessed value.

Increases in assessed values within a development area which result in the generation of tax increment revenues, can result from any of the following:

- a. Construction of new developments occurring after the date establishing the “initial assessed value.”
- b. Construction of new rehabilitation, remodeling alterations, or additions accruing after the date establishing the “initial assessed value.”
- c. Expiration of industrial and commercial property tax abatements and return of abated property to the ad valorem roll.
- d. Increases in property values which occur for any other reason.

Tax increment revenues transmitted to the Mount Clemens DDA can be used as they accrue annually, can be held to accumulate amounts necessary to be used in accordance with the items described in the Development Plan, or can be pledged for debt service on general obligation tax increment bonds issued by the municipality or tax increment revenues bonds issued by the Mount Clemens DDA.

If bonds are to be sold, should actual tax increment revenues fall below projections, any previously accumulated revenue would be devoted to retirement of the bonds. Any tax increment revenues collected in excess of estimates will be used to pay current debt service on any bonds issued under the Plan and to pay or provide for payment by deposit into an improvement fund of development costs described in the Development Plan. Bonds issued pursuant to Act 197 are subject to the Michigan Municipal Finance Act and may not mature in more than thirty (30) years. If tax increment revenues are insufficient for any reason, the Michigan Municipal Finance Act provides that if the bond issue has been approved by the electors of the municipality, the municipality must meet debt service requirements from its general fund and, if necessary, levy whatever additional taxes are required, subject to existing constitutional, statutory and charter tax limitations. If the bond issue has not been approved by the electors, meeting debt service requirements becomes a first budget obligation of the general fund.

USE OF TAX INCREMENTS

The Mount Clemens DDA may expend tax increment revenues only in accordance with the Development Plan.

The tax increment revenues generated by the Development Area pursuant to the development plan, as it now exists or is hereafter amended, shall be used:

First, to pay into the debt retirement fund, or funds, for all outstanding debts established pursuant to this Plan an amount equal to the interest and principal coming due prior to the next collection of taxes.

Second, to reimburse the City for funds advanced to make preliminary plans and improvements necessary in the Development Area in accordance with this Plan.

Third, to pay the administrative and operating costs of the Authority and City, including planning and promotion to the extent provided in the annual budget of the Authority.

Fourth, to establish a reserve account for payment of one year's principal and interest on debts encountered pursuant to the development plan.

Fifth, to pay to the extent determined desirable by the Authority and approved by the City, the cost of improvements as set forth in the development plan to the extent those costs are not financed from the proceeds of bonds.

Sixth, to establish a sinking fund or a set aside account to be used to retire the debt incurred pursuant to the Plan.

The tax increment finance plan may be modified upon approval of the governing body after notification and hearings as required by Act 197. When the City Commission finds that the purposes for which the plan was established have been accomplished, the Commission may abolish the plan.

MAXIMUM INDEBTEDNESS AND DURATION OF PLAN

The maximum amount of bonded indebtedness to be incurred under this Plan is \$5,000,000, plus any associated costs of issuance and of engineers, architects, and attorneys. The maximum duration of the Plan is June 30, 2041.

ESTIMATED IMPACT ON ALL TAXING JURISDICTIONS

Adoption of this Tax Increment Financing Plan will initially result in the use of all revenues derived from increases in assessed value of the real and personal property of the Development Area for purposes of the Development Plan.

The Mount Clemens DDA proposes to strengthen the Development Area and to prevent stagnation and deterioration in property values. This is to be accomplished by using the tax revenues generated in the Development Area to make public improvements and promote the Area to induce private investment

and redevelopment to induce greater consumer activity as well as maintain a strong commercial retail and office building market.

As provided by Act 197, tax revenues generated from within the Development Area prior to the adoption of this tax increment finance plan will continue to be distributed to all taxing jurisdictions during the duration of this plan. Upon completion of this tax increment finance plan, all additional tax revenues having been captured by the Mount Clemens DDA will be distributed proportionately to the taxing jurisdictions.

It is anticipated that the Plan proposed for the Development Area and the private investment and improvements they induce will provide long-term stability and growth in the Development Area. This will greatly benefit all taxing jurisdictions which to a significant degree are dependent upon the economic well being of the Development Area for stability and growth. This benefit will result from increases in property valuations surrounding the Development Area; increases in property valuations in the Development Area at the time the tax increment finance plan is completed; and increases in property valuation throughout the entire community.