

STOCKBRIDGE DOWNTOWN DEVELOPMENT AUTHORITY
2016 DEVELOPMENT PLAN
AND TAX INCREMENT FINANCING PLAN
AMENDMENT TO INCORPORATE NEW PROJECTS

Pursuant to the requirements of MCL 125.1664(2), the Stockbridge Downtown Development Authority (hereinafter, the “SDDA”) recommends that the following Amendments be incorporated into the SDDA’s Development Plan:

1. The boundaries of the Plan’s Tax Increment Finance District are set forth in the map contained on Page IV of the July 3, 1995 Plan Amendment, and are not altered by this Amendment.
2. The location and extent of existing streets and other public facilities within the development area are set forth in the Maps contained on Pages 12–14 of the original Plan. The SDDA’s District Zoning Map is contained on Page 13. The Map sets forth the designated location, character, and extent of the categories of public and private land uses existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses. The legal description of the development area is described as being located in the Village of Stockbridge, County of Ingham, to wit:

See Legal Description of the District contained in pages 24-26 of the July 3, 1995 Plan Amendment; and which are not changed in this Amendment.

3. The description of the existing improvements in the area to be demolished, repaired or altered, a description of any repairs or alterations, and an estimate of the time required for completion.
 - 3.1 The SDDA proposes to repair and alter the following existing improvements:
 - 3.1.1 Light Poles throughout Downtown District - the SDDA originally installed the light poles during the early 1990's and performed general maintenance on these light poles at least once previously. The SDDA plans to repair, re-paint and restore all the existing light poles on East and West Main Street, North and South Clinton (except the poles on the Township Square), as time, snow removal, and weather has deteriorated much of the black paint off the aluminum poles and caused oxidation on the metal and other damages. The SDDA plans to repair and restore, in one continuous phase, Main Street & Clinton Street (totaling 19 poles). All material and services are estimated to total \$12,500.00. The re-painting and restoration is

estimated to last for the next 10 years. The project is anticipated to be completed in this 2016 calendar year;

3.1.2 Covered Alley Repair - the covered alley running from M-52 South to the Wood Street Parking Lot is in need of repair, primarily with regards to the brick and mortar walls on its sides and the ceiling. The SDDA anticipates receiving temporary construction easements from the adjoining property owners, substantially in a form attached as Exhibit A. The SDDA anticipates repairing same in this 2016 calendar year. The cost of repairs is anticipated to be \$20,000.00. The stages of repairs are outlined in Exhibit B.

3.2 The time for completion of most of these projects is sometime between the 2016 and 2021 construction seasons. The costs outline above are based upon general repair, construction, and replacement cost.

4. The description of 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, signage or signalization.

4.1 The SDDA proposes to repair and alter the following existing improvements:

4.1.1 Cameras in Veterans Park - the SDDA will be installing up to 16 video camera surveillance recording system in Veteran's Park to protect the public and public property with up to 16, 1080P cameras installed. The recording system shall be located in the maintenance area of public bathrooms at the park in a lock box. The SDDA shall allow the Village police Department access to the recording system. The project is estimated to cost \$10,000.00 and is anticipated to be completed in this 2016 calendar year, but may take up to Five (5) years.

4.1.2 Tennis Courts in Veterans Park - the SDDA will be constructing two completely fenced tennis courts in Veterans Park at a cost of \$80,000.00 or less, north of the center basket ball courts.(Exhibit D) The project is anticipated to be completed in this 2016 calendar year, but could take up to five (5) calendar years to complete depending on funding and contractor availability; and

4.1.3 The SDDA shall install portable water and sanitary sewer to the west property line of the Phase II Industrial Park Property up to \$35,000.00,(Exhibit E) The project is estimated to be completed in the 2016-2021 calender years.

4.2 The time for completion of most of these projects is sometime between the 2016 and 2021 construction seasons. The costs outline above are based on general repair, construction, and replacement cost.

5. The following is a statement of the construction, or stages of construction, planned and the estimated time for completion of each stage.

Each proposed project will be done in one complete stage of construction which is anticipated to be completed in one construction season (spring to fall of a given year). Each project will be completed in one construction season sometime between 2016 and 2021.

6. The description of any part of the development area to be left as open space and the use contemplated for the space is contained in Section 1.1.1 of the 2001 Plan Amendment.

No change proposed in this Plan Amendment.

7. The following is a description of any portion of the development area that the Authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

The cameras and tennis courts will be donated to the Veterans Memorial Park, which is owned by the Village, but is in the SDDA Tax Increment Finance Authority District. The alley repairs will be donated to the Village, which owns the Easement. The Easement itself is open to the public and having a safe travel path benefits the Village. The SDDA already owns the light poles, so this improvement stays with the SDDA.

8. The following is a description of desired zoning changes, and changes in streets, street levels, intersections, or utilities.

No change proposed in this Plan Amendment.

9. The following is an estimate of the costs of the development, a statement of the proposed method of financing the development, and the ability of the authority to arrange the financing.

9.1 The SDDA proposes to finance the projects set forth in Paragraphs 3 and 4 through the capture of tax increments to pay the construction costs. The SDDA may also utilize any of the following financing mechanisms:

9.1.1 Any Tax increment revenue bonds issued by the Village, pursuant to Section 16(1) of the DDA Act;

- 9.1.2. Any Tax increment revenue bonds issued by the SDDA, pursuant to Section 16(2) of the DDA Act;
 - 9.1.3. Other advances from the Village repayable from tax increment revenues of the SDDA, which advances may be financed through obligations incurred by the Village under the Local Building Authority Act or other authorizing statutes;
 - 9.1.4 Tax increment revenues on a pay-as-you-go basis; and
 - 9.1.5. Other Federal or State grants or contributions, not specified above.
- 9.2 The costs of the specific projects to listed in Paragraphs 3 and 4 above are as follows:
- 9.2.1 The project anticipated in paragraph 3.1.1 is anticipated to be \$12,500.00.
 - 9.2.2 The project anticipated in paragraph 3.1.2 is anticipated to be \$20,600.00.
 - 9.2.3 The project anticipated in paragraph 4.1.1 is anticipated to be \$10,000.00.
 - 9.2.4 The project anticipated in paragraph 4.1.2 is anticipated to be \$80,000.00
 - 9.2.4 The project anticipated in paragraph 4.1.3 is anticipated to cost up to \$35,000.00.
- 9.3 The SDDA has the ability to arrange financing, as it is anticipated each project will be fully funded from tax increment revenues saved up by the SDDA on a pay-as-you-go basis before the project is started.
10. The following is a 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 the information is available to the authority.
- 10.1 The primary benefit of the alley project is to repair the Alley Easement for public ingress and egress between M-52 and the Wood Street Parking Lot. However the following individuals who own the building to the east and west of the Alley Easement will receive an ancillary benefit, as their masonry and brick walls will be repaired and improved:
 - 10.1.1 Paul Spadafore, Jr. and Connie Spadafore, husband and wife, of P.O. Box 490, Stockbridge, Michigan 48285; and
 - 10.1.2 David J. Hancock, a single man, of 2900 Brogan Road, Stockbridge, Michigan 48285.

- 10.2 The SDDA does not anticipate receiving any financial contribution from either ancillary beneficiary towards this project.
 - 10.3 The recording system in Veteran Park is being under taken for the police department benefit, but the SDDA is not seeking any contract.
 - 10.4 The SDDA shall transfer ownership to the vacant parcel 33-42-16-26-109-006 (Exhibit E) to Village of Stockbridge for \$1.00 so that the Village can potentially construct a new village hall on the property.
 - 10.5 The sewer and water project to Phase II, at the Industrial Park is for the benefit of the general public.
11. 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 are no express or implied agreements 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.

No changes proposed in this Plan Amendment to this Section.

12. It is estimated that there are less than 100 persons and families residing in the development area. It is estimated that zero (0) persons or families residing in the development area will be displaced.

Since the Plan does not call for the acquisition of occupied residential property, the Plan does not include a survey of the families or 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.

13. The following constitutes the plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

Because of the answer to Section 12, no plan for establishing priority for relocation is required.

14. The following shall constitute the provisions 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.*:

Because of the answer to Section 12, no provision for the costs of relocating persons displaced is included.

15. No persons are being relocated in the development area, but any future relocation will be done in compliance with Act No. 227 of the *Public Acts of 1972*, being Sections 213.321 to 213.332 of the Michigan Compiled Laws.
16. This Plan Amendment also provides for the following other material that the Authority, local public agency, or governing body, considers pertinent:

The first Plan Amendment of 2009 included the following paragraph:

*16.1 **Loan Fund** The SDDA hereby establishes a loan fund to assist existing businesses and buildings located within the SDDA's downtown business district. The assistance may take the form of a loan to improve an existing building to make it marketable for sale or lease within the downtown business district for the use in whole or part of any public or private person, corporation, or combination thereof (MCL 125.1657 (q)).*

Under the terms of the SDDA Revolving Loan Fund, the SDDA will loan qualified entities money and enter into a repayment contracts (notes) and take an interest in real or personal property (security agreements), as the SDDA determines reasonably necessary to achieve the purpose of the Act and this Loan Fund Program (MCL 125.1657 (q)). The exact terms and conditions of the Revolving Loan Fund, including an application process, shall be established and amended from time to time by Resolution of the SDDA. The revenue stream the SDDA will be using to fund the above loans will come from tax increment revenues, pursuant to MCL 125.1661 (1) (e). The SDDA shall not have more than \$100,000.00 in aggregate loan fund money loaned out at any one time under this program.

The SDDA never set the program up, but now intends on moving forward with a Facade Improvement Program as set forth below:

- 16.1 **Facade Improvement Fund:** The SDDA hereby establishes a Facade Improvement Fund to assist existing businesses and buildings located within the SDDA's Downtown Business District to repair, maintain, and upgrade their facades. The assistance shall take the

form of a purchase of a Facade Easement for consideration equal to fifty (50%) percent of the costs of qualified improvements to an existing building's facade to make it more marketable for sale or lease within the Downtown Business District and more attractive for the use in whole or part of any public or private person, corporation, limited liability company, or combination thereof. The exact terms and conditions of the SDDA's Facade Improvement Fund, including an application process, shall be established and amended from time to time by Resolution of the SDDA. The revenue stream the SDDA will be using to fund the above loans will come from tax increment revenues, pursuant to MCL 125.1661 (1) (e). The SDDA shall not have more than \$100,000.00 in aggregate facade easement purchases in any fiscal year under this program.

17. This Development Plan does not provide for improvements related to a qualified facility, as defined in the *Federal Facilities Development Act*, Act No. 275 of the *Public Acts of 1992*.
18. The original 1986 Plan states that its duration will “terminate upon the completion of those projects specified in the development schedule” (Table 1). The 1992 Plan Amendment does not appear to have addressed the duration of the Plan. The 1995 Plan Amendment states that the “duration of the Plan is limited to the implementation of the goal [sic] and objectives.” Pursuant to the 2004 Amendment, the capturing of tax increment revenues shall continue through taxes levied in 2014, or such later year when all obligations of the SDDA payable from tax increment revenues have been retired or satisfied. The Development Plan shall be effective until the purposes of the Development Plan are completed. The First 2009 Amendment extended the Plan until 2020. This 2014 Plan Amendment extended the duration of the Tax Increment Finance and Development Plan until 2039 to complete the implementation of the goals and objectives contained herein in the Plan, as amended.
19. The estimated impact of Tax Increment Financing on all taxing jurisdictions in which the SDDA's Development Area was originally addressed by the SDDA in previous Amendments. This Amendment provided updated information in regards to this matter through 2039. See Exhibit C. Additionally, the SDDA states:

Tax Increment Financing permits the SDDA to capture Tax Increment Revenues (as defined below) attributable to increases in the value of real and personal property in the Development Area. The Tax Increment Finance procedure is governed by Act 197 of the *Public Acts of 1975*, as amended (the “DDA Act”). The procedures outlined below are the procedures provided by the DDA Act effective as of the date this Plan is adopted, but are subject to any changes imposed by future amendments to the DDA Act.

The Tax Increment Revenues are generated when the Current Assessed Value of all properties within the Development Area exceed the Initial Assessed Value of the properties. The amount in any one year by which the Current Assessed exceeds the Initial Assessed Value is the Captured Assessed Value.

Initial Assessed Value: When the Village Council enacted the Original Plan by Ordinance in 1986, the Initial Assessed Value of the Development Area was established as the assessed value, as equalized, of all the taxable property within the boundaries of the Development Area at the time that Ordinance was approved, as shown by the then most recent assessment roll of the Village for which equalization had been completed, prior to the adoption of the 1986 Original Plan by Ordinance. Property exempt from taxation at the time of the determination of the Initial Assessed Value was included as zero. However, in determining the Initial Assessed Value, property for which a “specific local tax” was paid in lieu of a property tax was not considered to be property that was exempt from taxation. A “specific local tax” is defined in the DDA Act and includes “Industrial Facilities Taxes” levied under 1974 PA 198, taxes levied under the *Technology Park Development Act*, 1984 PA 385, and taxes levied on lessees and users of tax-exempt property under 1953 PA 189. The Initial Assessed Value or Current Assessed Value of property subject to a specific local tax was determined by calculating the quotient of the specific local tax paid divided by the *ad valorem* millage rate, or by other method as prescribed by the State Tax Commission.

Current Assessed Value: Each year the “Current Assessed Value” of the Development Area will be determined. The Current Assessed Value of the Development Area is the taxable value of the property in the Development Area.

Captured Assessed Value: The amount by which the Current Assessed Value exceeds its Initial Assessed Value in any one year is the “Captured Assessed Value.”

Tax Increment Revenues: For the duration of the Plan, taxing jurisdictions will continue to receive tax revenues based upon the Initial Assessed Value of the Development Area. The SDDA will receive that portion of the *ad valorem* tax levy of all taxing jurisdictions on the Captured Assessed Value of the taxable property in the Development Area, other than the State, local school district, intermediate school district tax levies, and specific local taxes attributable to such *ad valorem* property taxes (the “Tax Increment Revenues”), subject to limitations and exemptions which may be contained

in the DDA Act, this Tax Increment Financing Plan, and the provisions of any agreements for the sharing of Captured Assessed Value.

Increases in the Current Assessed Values which generate Tax Increment Revenues can result from any of the following:

- a. Construction of new developments;
- b. New rehabilitation, remodeling, alterations, or additions; and
- c. Increases in property values which occur for any other reason.

Tax Increment Revenues can be used as they accrue annually, can be held to accumulate amounts necessary to make improvements described in the Plan, or can be pledged for payment of bonds or notes issued by the SDDA or the Village under the DDA Act. Further, the SDDA may not borrow money or issue revenue notes without the prior approval of the Village. The SDDA may expend tax increment revenues only in accordance with this Plan; surplus revenues revert proportionally to the respective taxing jurisdictions.

20. **Adoption of these Amendments.** The Village of Stockbridge, before adopting an Ordinance approving these 2016 Amendments, shall hold a public hearing on this development plan and seek input and approval from the Citizens Advisory Committee, if one forms. At the time of the hearing, the Village Council shall provide to all interested persons an opportunity to be heard and shall receive and consider communications in writing with reference thereto. The hearing shall provide the fullest opportunity for expression of opinion, for argument of merits, and for introduction of documentary evidence pertinent to the Development Plan. The Village Council shall make and preserve a record of the public hearing, including all data presented at that time. All provisions of the Original 1986 Plan, 1992 Plan Amendment, 1995 Plan Amendment, 2004 Plan Amendment, 2006 Plan Amendment, 2008 Plan Amendment, the First 2009 Plan Amendment, the Second 2009 Plan Amendment, the 2011 Plan Amendment, the 2013 Plan Amendment, and the 2014 Plan Amendment not modified by these Amendments to the Plan shall remain in full force and effect.

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