

*Township of Clam Lake
County of Wexford, Michigan*

Township of Clam Lake
Downtown Development Authority
Development Plan and
Tax Increment Financing Plan No. 1993-1

*Adopted by the Board of the
Downtown Development Authority on
April 7, 1993*

*Approved by the Township Board of the
Township of Clam Lake on
May __, 1993*

TOWNSHIP OF CLAM LAKE
DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT PLAN AND
TAX INCREMENT FINANCING PLAN NO. 1993-1

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TOWNSHIP OF CLAM LAKE
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TAX INCREMENT FINANCING PLAN NO. 1993-1

This Township of Clam Lake Downtown Development Authority Tax Increment Financing Plan and Development Plan No. 1993-1 has been prepared in accordance with the requirements of Public Act 197 of the Public Acts of Michigan of 1975 as amended. The Tax Increment Financing Plan includes the information required under the terms of Section 14 and other provisions of Act 197. The Development Plan contains the information required by Section 17 and other provisions of Act 197.

I. Introduction.

A. Background.

On February 3, 1993, the Township Board of the Township of Clam Lake adopted a Resolution of Intention to Create and Provide for the Operation of a Downtown Development Authority, pursuant to the provisions of Act 197.

On March 3, 1993, after the giving of the public notice required by Act 197, the Township Board of the Township of Clam Lake held a public hearing to consider whether the Township Board should adopt an ordinance establishing the Downtown Development Authority. Following that public hearing, the Township Board adopted an ordinance establishing the Township of Clam Lake Downtown Development Authority and providing for Downtown Development Authority District No. 1. Also following the public hearing, the Clam Lake Township Board appointed the members of the Board of the Downtown Development Authority.

B. Definitions.

For convenience of reference, the following terms used in this Tax Increment Financing Plan and Development Plan shall have the meanings stated below:

"Authority" means the Township of Clam Lake Downtown Development Authority, established by ordinance adopted by the Clam Lake Township Board on March 3, 1993, in accordance with Act 197.

"Act 197" means the Downtown Development Authority Act, which is Public Act 197 of the Public Acts of Michigan of 1975 as amended.

"Development Plan" means the Development Plan adopted by the Township of Clam Lake Downtown Development Authority, being No. 1993-1.

"District" or "Development District" means Township of Clam Lake Downtown Development Authority District No. 1, established by ordinance adopted by the Clam Lake Township Board on March 3, 1993.

"TIF Plan" means Tax Increment Finance Plan No. 1993-1 as adopted by the Authority and approved by the Clam Lake Township Board.

"Township" means the Township of Clam Lake, County of Wexford, Michigan.

II. The Statutory Powers and Duties of the Downtown Development Authority

Under Act 197 a township, city or village may establish a Downtown Development Authority, by adoption of an appropriate ordinance and following public hearing as prescribed in the Act. Such an Authority may carry out powers and duties intended to correct and prevent deterioration in business districts, to create and implement development plans, to promote economic growth and to undertake other authorized activities intended to assist in halting property value deterioration and promoting economic growth.

As a part of its efforts toward reducing or preventing property value deterioration and promoting economic growth, an Authority may prepare and submit to the governing body of the municipality a Tax Increment Financing Plan. This is a plan under which certain financings for the carrying out of the purposes of Act 197 may proceed, by means of using the property tax revenues attributable to the increase in current assessed valuation of property, over the initial assessed valuation of property, in the district. The Authority may also prepare and submit to the governing body of the municipality, a Development Plan, describing the measures which the Authority proposes to under-

take, to halt property value deterioration, to promote economic growth and for other lawful purposes.

The Downtown Development Authority has the following powers and responsibilities, among others:

1. Preparing an analysis of economic changes taking place in the district.
2. Study and analysis of the impact of metropolitan growth upon the district.
3. Planning and proposing 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 for a plan which aids in the economic growth of the district.
4. Planning, proposing and implementing an improvement to a public facility within the District so as to comply with the Barrier Free Design requirements of the appropriate state laws.
5. The developing of long range plans, in cooperation with the Township Board and other agencies, designed to halt the deterioration of property values in the district and to promote the economic growth of the District.
6. Implementing any plan of development in the District which may be necessary to achieve the purposes of Act 197.
7. Making and entering into contracts necessary or incidental to the exercise of the powers and duties of the authority.
8. Acquiring by purchase or otherwise, or by lease, land and other property, real or personal, or rights or interests therein, when the Authority determines that such action is reasonably necessary to achieve the purposes of Act 197.
9. Improving of land and the construction, reconstruction, rehabilitation, restoration, equipping, improvement, maintenance, repair and operation of any building or buildings and any necessary or desirable appurtenances, within the District, for the use, in whole or in part, of any public or private persons or corporation.

10. Establishing and collecting fees, rents and charges for the use of any building or property under the control of the Authority, and pledging such fees, rents and charges for the payment of bonds issued by the Authority.

11. Leasing of any buildings or property under the control of the Authority.

12. Accepting grants and donations of property, labor or other items of value from any public or private source.

13. Acquiring and constructing of public facilities and components or appurtenances thereof.

III. Development Plan.

A. Designation of boundaries of the Development Area in relation to highways, streets, streams, or otherwise.

The Development Area refers to the District. The District is generally bounded on the East by Highway US-131 and by that part of Mackinaw Trail located South of its intersection with US-131; on the North by the North line of Section 9 of the Township; on the West, at various locations, by Mackinaw Trail, by the West line of Section 16 and by the centerline of Section 20; and on the South by the South line of the North 1/2 of the Southwest 1/4 of Section 21 and by the South line of the Northeast 1/4 of Section 20. Portions of the District are also located in Section 10, East of US-131 and additional portions thereof are located in Section 21, East of Mackinaw Trail.

The District is described on Exhibit A, attached hereto.

B. The location and extent of existing streets and other public facilities within the Development and a designation of the location, character and extent of the categories of public and private land uses now existing and proposed for the Development Area, including residential, recreational, commercial, industrial, education, and other uses, and also including a legal description of the Development Area.

Highway US-131 and Mackinaw Trail and State Highway M-115 are located within or along portions of the District. Among

others, 46-1/2 Mile Road and 41 Mile Road, which are county roads, are located across portions of the District.

The lands in the District are zoned substantially, although not entirely, in a commercial zone under the terms of the County of Wexford Zoning Ordinance. There are various commercial uses on lands within the District and other lands therein are appropriate for commercial development in the future. Some of the lands in the District are currently used for residential purposes and other lands in the District are currently vacant.

- C. **A description of existing improvements in the Development Area to be demolished, repaired or altered and a description of any repairs and alterations and an estimate of the time required for completion.**

No existing improvements in the District are currently expected to be demolished, repaired or altered. Future improvement projects could involve removal of existing improvements.

- 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.**

1. Sanitary Sewer System Improvements. The Authority may consider sanitary sewer system improvements to serve a portion of the District, but no decision has yet been reached as to the location or scope of such improvements or the likely cost thereof.

2. Public Water Supply Improvements. The Authority may consider the possible development and construction of public water supply improvements for a portion of the District. No decision has yet been reached as to the extent or location of such improvements or the likely cost thereof.

3. Construction or contribution toward the cost of construction of Township fire department improvements or other plans or improvements for Township fire protection services that would benefit the District.

4. Improvements in the US-131 and Mackinaw Trail streetscape, including Township signage, public street lighting improvements and curb and gutter improvements.

5. Construction or contribution toward the cost of construction of a new Township hall and Township offices including planning, design, land acquisition and the furnishing and equipping thereof.

6. The providing of Township police protection, or contribution toward the cost of police protection in the Township, and other public safety and emergency services including ambulance service, and the planning and arranging for such services, acquisition of lands and buildings relating thereto and the entering into agreements and other arrangements with other municipal bodies and agencies for such services or the sharing of the cost thereof.

7. The construction or contribution toward the cost of construction of public storm sewer improvements and other surface water drainage facilities for the District.

8. Possible interior road improvements so as to improve public access and ease of movement of traffic within the District.

9. Acquisition of lands for buildings and other facilities and the financing thereof, including loans and other financial arrangements.

10. Development and construction of public recreational facilities and the financing thereof, including loans and other financial arrangements.

11. Adoption of programs to promote the District and the area as a good place to do business and to encourage other businesses to locate there.

12. Acquisition and renovation of buildings and other structures and the financing thereof, including by means of loans and other financial arrangements.

13. Acquisition of equipment, furnishings and other assets and the financing thereof, including by means of loans and other financial arrangements.

14. Preparation of a Land Use and Development Plan.

15. Preparation of a plan for the economic development of the District and the surrounding area, and the implementing of such a plan.

16. Preparation and implementing of plans and arrangements for the sharing of municipal services with other municipalities, including the design, construction and operation of shared facilities, the sharing of the cost of capital construction and operations and the entering into of other arrangements with other municipalities whereby such municipalities and the Township may cooperate with each other in implementing public services and economic development for the District and the surrounding area.

E. Statement of the construction or stages of construction planned and the estimated time of completion of each stage.

The above-stated projects, or such of them as are undertaken, would be completed at various times and on varying time schedules. The Board of the Authority will assign priorities to the above projects, and the timing thereof, as it proceeds further with the implementation of the Plan.

F. Description of any part of the Development Area to be left as open space and the use contemplated for the space.

There are no areas within the District that are expected to be specifically set aside as open space.

G. Description of any portions of the Development Area which the Authority desires to sell, donate, exchange or lease to or from the municipality and the proposed terms.

The Authority does not own or lease any lands or other property within the District. Accordingly, no portions of the Development Area are currently under consideration for sale, donation, exchange or lease.

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

At the present time, no changes in the zoning of lands in the District are under consideration. However, the Authority

expects to review zoning and planning matters as a part of its other planning and development activities with regard to the lands in the District.

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 such financing.

The Authority expects to use the annual tax increment revenues in order to fund the cost of development and other appropriate projects to be undertaken by the DDA. As shown in Exhibit B, the estimated tax increment revenue for 1993, from the captured SEV is \$16,224. This estimated annual tax increment revenue increases annually, as shown on Exhibit B, over the 30-year duration of the Plan. The captured assessed values, for each year of the plan, are also shown on Exhibit B. The actual amount available from tax increment revenues annually will, of course, vary. The Authority proposes to utilize all of the available tax increment revenues, except to the extent that the Board of the Authority agrees otherwise. The estimated annual amount includes administrative costs and other related expenses of the Authority.

Under the terms of Act 197, either the Authority or the Township may issue tax increment bonds, secured by a pledge of the property tax increments and other sources of revenue available to the Authority (in the case of township bonds, the annual debt service on the bonds may not exceed 80% of the estimated tax increment revenue). In addition, the Authority may receive donations of funds, to be expended toward its proposed projects. Other types of financing are also available under the terms of Act 197, including the issuance of revenue bonds, secured by pledge of revenues received by the Authority.

Currently, the Authority proposes to finance development projects by means of tax increment bonds, in addition to utilizing tax increment revenues directly for the acquisition and development of projects and services. Under the terms of Act 197, the Authority has the ability to arrange for financing by means of issuance of tax increment bonds and other bonds authorized by the Act.

- 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 such information is available to the Authority.**

The above-stated information is not available at this time.

- 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.**

There is no express or implied agreement between the Authority and any persons, natural or corporate, with regard to any sale, lease or conveyance of all or any portion of any Development of the Authority.

- L. **Estimates of the number of persons residing in the Development Area and the number of families and individuals to be displaced.**

There are currently fewer than 100 persons residing in the Development Area. None of these persons will be displaced.

There are no occupied residences that are designated for acquisition or clearance by the Authority, and accordingly, this plan does not include a survey of any families or individuals to be displaced.

- M. **A plan for establishing priority for the relocation of persons displaced by the Development.**

No persons will be displaced by the Development, and accordingly, no plan establishing the priority for the relocation of any such persons is necessary.

- 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.**

Not applicable. No persons will be displaced by any Development of the Authority.

- O. **A plan for compliance with Act No. 227 of the Public Acts of Michigan of 1972, being Sections 213.312 to 213.332 of Michigan Compiled Laws.**

Not applicable. No persons residing in the District will be displaced by any Development project of the Authority.

- P. **Other material which the Authority or Township Board deems pertinent.**

None.

IV. **Tax Increment Financing Plan.**

- A. **The tax increment financing procedure.**

Funds available to the Authority comprising tax increment revenues are generated in each year in which the current assessed value, for ad valorem property tax purposes, of all lands and other properties within the District exceeds the initial assessed value of such lands and other properties. The initial assessed value of the property in the District is the assessed value, as equalized, of all of the taxable property within the District at the time the ordinance establishing the tax increment financing plan is approved, as such assessed value is shown by the most recent property tax assessment roll of the Township for which equalization has been completed at the time the Township Board takes action to approve the Tax Increment Financing Plan.

For each year following the year for which the initial assessed value applies, the current assessed value of property, real and personal, within the District is established as a result of the annual property tax assessment process. The amount in any one year by which the current assessed value exceeds the initial assessed value, as to all taxable real and personal property within the District, is defined by Act 197 as the "captured assessed value". The funds resulting from payment of property

taxes calculated with reference to the captured assessed value, annually, are transmitted to the Authority each year, during the duration of the Tax Increment Financing Plan.

Increases in assessed values of property within the District, resulting in the generation of tax increment revenues to the Authority, can result from (1) construction or acquisition of new taxable property, assessed for any years following the year in which the initial assessed value applies; (2) acquisition or construction of additions to existing taxable property or other alterations of existing taxable property, resulting in increased property tax assessments, for any years following the year in which the initial assessed value applies; and (3) increases in assessed values of taxable property within the District, which result for other lawful reasons.

Tax increment revenues transmitted annually to the Authority can be used by the Authority for any of its lawful purposes, as such revenues accrue and are received. Such revenues can also be held in order to accumulate the amounts necessary to make any improvements or to accomplish any other purposes described in the Plan. In addition, such tax increment revenues can be pledged for the payment of principal of and interest on any bonds issued by the Authority or by the Township, as authorized under Act 197.

If the Township proposes to issue and sell tax increment bonds or other bonds, the Township may not pledge for annual debt service requirements any sum in excess of 80% of the estimated tax increment revenue to be received from property taxes assessed upon taxable property in the District, for such year. If tax increment revenues should prove to be less than those projected, any previously accumulated revenues are to be devoted to payment of principal of and interest on any bonds then issued.

The most recent property tax assessment roll for which equalization has been completed as of the date of this Plan is the December 31, 1991 roll, that was equalized by the State Board of Equalization in May, 1992. Exhibit B shows the initial assessed value of the District as of December 31, 1991, as finally equalized.

An estimate of the captured assessed value for each year of this Plan is computed as set forth in Exhibit B. In preparing this estimate, an estimated annual inflation factor of 2% has been used, commencing in 1995. If annual assessments increase as

a result of inflation, the estimated figures would, of course, be greater than those now shown. It has also been assumed that the total December 31, 1992 assessed valuation in the District has no increase over the 1991 SEV for all taxable property within the District, except for new construction. The 1993 and 1994 SEV, as shown in Exhibit B, reflect appropriate portions of the value of new construction for the VanDrie Furniture improvements, the Lueder office building and the Environmental Science and Engineering Building.

During the duration of this Plan, all local taxing jurisdictions will continue to receive ad valorem property taxes based upon the initial assessed value of taxable property within the District. Property taxes paid on the captured assessed values in years subsequent to the year for which the initial assessed value applies are payable to the Authority for the purposes established in this Plan, as discussed above.

Tax increment revenues in excess of the estimated tax increment revenues or of the actual costs under the terms of this Plan may be retained by the Authority only for purposes that contribute to or advance the projects and development programs specified in the Development Plan and the Tax Increment Financing Plan, as determined by the Board of the Authority. Any excess revenues not so used revert proportionately to the respective taxing jurisdictions.

Under the General Property Tax Act, the Township Treasurer collects the property taxes levied by all taxing jurisdictions within the District. Accordingly, the Township Treasurer shall transmit to the Authority, from the first tax increment revenues collected from the July 1 and December 1 tax levies, such funds that are equal to the amount of funds generated by the captured assessed value. The Authority shall periodically certify in writing to the Township Treasurer the amounts to be so transmitted. After transmitting sufficient funds to the Authority, the Township Treasurer shall remit any remaining tax increment revenues, on a pro rata basis by millage levy (excluding voted debt millage), to the taxing jurisdictions in accordance with established procedures under the General Property Tax Act.

The Township may terminate the TIF Plan if it finds that the purposes for which the Plan was established have been accomplished, provided, however, that the TIF Plan shall not be terminated until the principal of and interest on all bonds is-

sued pursuant to the Plan have been paid or until funds sufficient to make such payment have been segregated and placed in an irrevocable trust for the benefit of the holders of the bonds.

In accordance with the requirements of Act 197, the Authority shall prepare and submit annually to the Township and to the State Tax Commission, a financial report on the status of the TIF Plan. The report shall also be published in a newspaper of general circulation in the Township.

B. The maximum amount of bonded indebtedness to be incurred.

The Authority and/or the Township expects to issue tax increment bonds to finance the Development Plan in an aggregate amount not to exceed \$5,000,000. The terms and conditions of the bonds are subject to the provisions of Act 197 and the Michigan Municipal Finance Act, which is Act 202 of the Public Acts of Michigan of 1943, as amended. The actual terms and conditions of the tax increment bonds issued by the Authority and/or the Township will be established by a bond authorizing resolution to be adopted thereby.

C. The duration of the Development Plan and the Tax Increment Financing Plan.

The Development Plan and the Tax Increment Plan shall have a duration of 30 years, from 1993 until 2023, or at such later time as all bonds and other evidences of indebtedness issued by the Authority and/or the Township and to be repaid from tax increment revenues and other lawful sources are retired in full.

D. The estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the District is located.

The impact of the Tax Increment Financing Plan on the assessed values of all taxing jurisdictions in which the District is located can be determined by comparing the total tax increment revenues generated by the annual millage levied by Clam Lake Township, the Cadillac Area Public Schools, the Wexford Missaukee Intermediate School District and the County of Wexford, against the projected captured assessed value, and subtracting from those totals the estimated annual cost of the TIF Plan. The costs of the TIF Plan shall be apportioned on a pro rata basis against the

tax increment revenues of each taxing unit and the surplus tax increment revenues, if any, would revert pro rata based upon the total millage levy (excluding voted millage for debt service) to the respective taxing units.

As noted above, each of the local taxing units will receive the full value of its operating millage levied upon the initial assessed value of all taxable property in this District.

The Authority plans to utilize all tax increment revenues from taxable real and personal property within the District for purposes of the TIF Plan and the Development Plan. The Authority believes that, over time, the additional economic development resulting from the adoption and implementation of the Development Plan will provide enhanced long-term tax returns to all of the taxing jurisdictions.

Exhibit C shows in further detail an estimate of the impact of tax increment financing on the revenues of all of the local taxing jurisdictions.

E. Statement regarding use by the Authority of all or part of captured assessed value.

The Authority proposes to use all of the captured assessed value, as to all taxable property within the District, for the projects and purposes set forth in the Development Plan.

F. Statement regarding whether growth in property values resulting solely from inflation shall be excluded from captured assessed value.

The Authority proposes to include in captured assessed value all of the growth in assessed values of taxable property within the District resulting solely from inflation.

G. Other information regarding the TIF Plan, including recent action by the State Legislature regarding changes in the General Property Tax Act.

On or about March 31, 1993, the State Legislature approved House Joint Resolution G, providing for a vote by the electorate on an amendment in the Michigan Constitution. If approved, the

constitutional amendment would accomplish major changes in the Michigan property tax and public school finance system.

In addition, the Michigan Legislature has under consideration Senate Bill 146, which would provide for significant amendments in the General Property Tax Act, in the event that the pending constitutional amendment is approved.

The ultimate effects of these property tax law changes cannot be predicted at this time, but the proposed changes in the property tax system, which would be accomplished if the constitutional amendment is approved can be summarized in part as follows:

1. Beginning in 1993, property tax assessments cannot increase by an amount greater than the consumer price index or five percent, whichever is less, until property ownership is transferred, at which time assessment would be at 50% of true cash value.
2. County allocated millages would be reduced by the amount which had been allocated to school districts.
3. Mills would not be allocated to local school districts after 1992 for local school district operation purposes.
4. Beginning in 1993, a local school district may levy property tax for operating purposes only up to 18 mills without approval of the electors.
5. A school district could levy an additional 9 mills for school operation purposes in excess of the above-stated 18 mills if approved by the electors.
6. The State Legislature would be required to appropriate and distribute to tax increment financing authorities sufficient money annually to assure that any reduction in tax increment revenues caused by the reduction in property tax rates imposed in 1993 and thereafter from property tax rates levied in 1992 would not result in revenues that would be insufficient to repay any advance made by a municipality before April 15, 1993 to those authorities or to pay obligations issued or incurred by or on behalf of those authorities before October 1, 1993, if the tax increment financing plan, including the project for which the obligations are incurred, was approved by the municipality in

accordance with law before July 1, 1993. The proposed constitutional amendment would also specifically not preclude the capture and use, pursuant to a tax increment financing plan, of revenue derived from the property tax levies of a local school district or the allocation of those revenues by the Legislature.

7. The proposed constitutional limitations on voted and non-voted local school district millage would not apply to taxes imposed for the payment of principal and interest on bonds approved by the electors or other evidences of indebtedness approved by the electors or for the payment of assessments or contract obligations in anticipation of which bonds are issued approved by the electors.

The above information is in summary form only. For additional information regarding the provisions and effect of the proposed constitutional amendment, House Joint Resolution G should be consulted.

The State Legislature also has under consideration Senate Bill 146, the approval of which is dependent upon the approval of the constitutional changes included in House Joint Resolution G. This bill, among other matters, would create a one-year delay in the assessment process, resulting in a tax assessment freeze in 1994. The assessment delay and 1994 assessment freeze would apply to taxes levied for all purposes by all units of government. There would be no reimbursement for revenue lost as a result of the assessment freeze.

H. Discussion of possible agreements, if any, with other taxing jurisdictions.

Under Section 14(5) of Act 197, the Authority may enter into agreements with other taxing jurisdictions for the purpose of sharing portions of the captured assessed value of the District. The Board of the Authority will, in its discretion, consider entering into such agreements with other taxing jurisdictions, regarding the sharing of captured assessed value, if the Board concludes that any such agreements would be in the public interest and would not seriously interfere with the goals and purposes of the Authority and the Tax Increment Financing Plan and Development Plan.

In this regard, it is the intent of the Board of the Authority that if Cadillac Area Schools subsequently becomes an out-of-formula school district, the Board would then give consideration to making the school district whole, as much as possible, for its financial losses resulting from any failure of the State of Michigan to reimburse the school district for the assessed value captured under the Plan. Similarly, if the Board concluded to take such action with regard to Cadillac Area Schools, if at a future date it becomes an out-of-formula school district, the Board would then also give consideration to similar arrangements or agreements with the other taxing jurisdictions.

Dated: April 7, 1993

TOWNSHIP OF CLAM LAKE
DOWNTOWN DEVELOPMENT AUTHORITY

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DEVELOPMENT PLAN AND
TAX INCREMENT FINANCING PLAN NO. 1993-1

EXHIBIT A

Description of Downtown Development Authority District No. 1

The South 3/4 of the East 3/4 of Section 9 except that part of the Northeast 1/4 of the Southeast 1/4 of said section lying West of the centerline of Highway US-131, and also except that part of the North 1/2 of the Southeast 1/4 of the Southeast 1/4 lying West of the centerline of Highway US-131, and also except Permanent Parcels Nos. 2109-09-4201, 2109-09-4302, and 2109-09-4301; the Southwest 1/4 of Section 10 except commencing 88.06 feet East and 1256.90 feet South from the West 1/4 corner of said section, thence East 800.11 feet, thence North 886.53 feet, thence East 434.54 feet, thence South 952.35 feet, thence West 1233.73 feet, thence North 66.01 feet to the point of beginning, and also except the South 1/2 of the Southwest 1/4 of the Southwest 1/4, and also except the Southeast 1/4 of the Southwest 1/4; that part of Section 16 lying East of the centerline of Mackinaw Trail (formerly US-131) and West of the centerline of Highway US-131 except commencing 1035.59 feet South of the Northeast corner of the Northwest 1/4 of Northeast 1/4, thence South 89°51' West 952.49 feet to the East boundary of Old US-131, thence South 19°41' West along said highway 302.77 feet, thence North 89°51' East 1022.96 feet, thence North 0°18'30" West 284.81 feet to point of beginning; that part of the North 1/2, Section 16 lying West of the centerline of US-131 and described as Permanent Parcels Nos. 2109-09-1208 and 2109-09-1209; that part of the West 1/2 of Section 16 lying East of the centerline of Highway US-131 described as Lot 1 of Crestview Estates and the Southeast 1/4 of the Northwest 1/4 lying South of Crestview Drive and the North 1/2 of the Southwest 1/4 lying South of Crestview Estates and commencing at the Southwest corner of said Section 16 as a point of beginning, thence North along the section line 552.16 feet, thence East 223 feet, thence North 566.14 feet, thence West 223 feet to the section line, thence

North along the section line 66 feet, thence east 223 feet, thence North to the South 1/8 line, thence East along the 1/8 line 2339.56 feet to the West right-of-way line of Highway US-131, thence continuing South along said right-of-way line 529.61 feet, thence South 43°25'13" West 898.20 feet, thence South 58°43'24" West 160.42 feet, thence West 292.86 feet, thence South 60 feet to the section line, thence West along said section line 1481.44 feet to the point of beginning; that part of the Southwest 1/4 of Section 16 lying East of the centerline of Highway US-131; the Northeast 1/4 of Section 20 except the Northeast 1/4 of Northeast 1/4 thereof; that part of the Northeast 1/4 of the Northeast 1/4 of the Northeast 1/4 of Section 20 described as commencing 133 feet West of the Southeast corner thereof, thence West 527 feet, thence North 360 feet, thence East 200 feet, thence South 57°17'30" East 388.62 feet, thence South 150 feet to point of beginning; the Northwest 1/4 of Section 21 except Permanent Parcel No. 2109-21-2101, and also except commencing 615 feet North of the Southwest corner of the West 1/2 of said Northwest 1/4, thence East 330 feet, thence North 223 feet, thence West 330 feet, thence South 223 feet to point of beginning, and also except that part of the Northwest 1/4 of Southwest 1/4 of said Northwest 1/4 lying West of Highway right-of-way; the North 1/2 of the Southwest 1/4 of Section 21; that part of the Northwest 1/4 of the Northwest 1/4 of the Southeast 1/4 of Section 21 lying North of Highway M-115; that part of the Southeast 1/4 of Section 21 described as commencing at the intersection of the West line of the East 1/2 of West 1/4 of said Southeast 1/4 and the North line of Highway M-115, thence Southeasterly on highway 250 feet, thence North 218 feet, thence Northwesterly parallel to highway 250 feet, thence South to point of beginning; that part of the Northwest 1/4 of the Northwest 1/4 of the Southeast 1/4 of Section 21 lying South of Highway M-115; and that part of the Northwest 1/4 of the Northeast 1/4 of Section 21 described as commencing 75 feet East and 33 feet South of the Northwest corner of said Northwest 1/4 of Northeast 1/4, thence South along the East right-of-way line of Highway US-131 330 feet, thence East 660 feet, thence North 330 feet, thence West 660 feet to the point of beginning; and also the rights-of-way of State Highway

US-131, of Mackinaw Trail (formerly Highway US-131), of State Highway M-115, and of 46 Mile Road as and to the extent located within and adjacent to the above-described lands; all in Town 21 North, Range 9 West, Wexford County, Michigan.

TOWNSHIP OF CLAM LAKE
DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT PLAN AND TAX INCREMENT
FINANCING PLAN NO. 1993-1

EXHIBIT B

YEAR	TOTAL SEV	INITIAL ASSESSED VALUE	CAPTURED SEV	ANNUAL TAX INCREMENT REVENUE
1992	5235100	5235100	0	0
1993	5551050	5235100	315950	18224
1994	6411050	5235100	1175950	80385
1995	6539271	5235100	1304171	88987
1996	6670056	5235100	1434956	93588
1997	7003458	5235100	1768358	102005
1998	7143527	5235100	1908427	107398
1999	7286397	5235100	2051297	113214
2000	7432125	5235100	2197025	119217
2001	7580768	5235100	2345668	125450
2002	7732383	5235100	2497283	131918
2003	7887031	5235100	2651931	138177
2004	8044771	5235100	2809671	144277
2005	8205667	5235100	2970567	150539
2006	8369780	5235100	3134680	156966
2007	8537176	5235100	3302076	163562
2008	8707919	5235100	3472819	170329
2009	8882078	5235100	3646978	177272
2010	9059719	5235100	3824619	184394
2011	9240914	5235100	4005814	191699
2012	9425732	5235100	4190632	205189
2013	9614246	5235100	4379146	215189
2014	9806531	5235100	4571431	224869
2015	10002662	5235100	4767562	234743
2016	10202715	5235100	4967615	244814
2017	10406770	5235100	5171670	255087
2018	10614905	5235100	5379805	265565
2019	10827203	5235100	5592103	276253
2020	11043747	5235100	5808647	287154
2021	11264622	5235100	6029522	298274
2022	11489914	5235100	6254814	309616
TOTAL	266219286	162288100	103931186	5336866

2,387

2,401,000

LAURE HANCOCK

The above schedule is based on the following assumptions:

1. 1992 State Equalized Valuation of \$5,235,100.
2. An increase of \$315,950 in SEV for 1993.
3. An increase of \$860,000 in SEV for 1994 as a result of an additional \$200,000 SEV for the Lueder, Environmental Science & Engineering and VanDrie properties and \$660,000 SEV for the Kysor properties as to which IFT status would terminate.
4. An increase of \$200,000 SEV in 1997, to reflect the termination of IFT status for the McGuire property.
5. An annual inflation rate of 2% commencing in 1995.
6. The following tax rates:

Township of Clam Lake	1.0 mill
Cadillac Area	
Public Schools	33.2 mills
County of Wexford	10.95 mills
Wexford-Missaukee Int. School District	6.3 mills

TOTAL 51.35

TOWNSHIP OF CLAM LAKE
DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT PLAN AND
TAX INCREMENT FINANCING PLAN NO. 1993-1

EXHIBIT C

Estimated Impact of Proposed Tax Increment Financing on Assessed Values of Taxing Jurisdictions in which the District is Located

The taxing jurisdictions affected by the Tax Increment Financing Plan are the following:

Township of Clam Lake
Cadillac Area Public Schools
County of Wexford
Wexford-Missaukee Intermediate School District

The following table shows the impact of the tax increment financing plan on the various taxing jurisdictions by showing the base SEV of the District as a percent of the total SEV of each taxing jurisdiction:

<u>Taxing Jurisdictions</u>	<u>1992 Tax Rate (in mills)</u>	<u>1992 SEV of Taxing Jurisdiction</u>	<u>DDA District as % of Total SEV of Tax Jurisdiction</u>
Township of Clam Lake	1.0	28,828,350	18.16%
Cadillac Area Public Schools	33.2	257,578,703	2.07%
County of Wexford	10.85	381,375,757	1.37%
Wexford-Missaukee Intermediate School District	6.3	696,138,905	.75%

In addition, the following factors should also be noted:

1. As public projects in the district are implemented, resulting in increased valuations, the other taxing jurisdictions will benefit from these increased valuations, through increased annual tax revenues, following completion of the tax increment financing plan.

2. The millage levies used in this summary of the impact on the taxing jurisdictions are the 1992 millages; the above-stated figures would vary in future years to the extent that any of the millage levies of the taxing jurisdictions change from the current levy as given above.

3. The debt millage for the school districts is not included in the above summary. Revenues resulting from this debt millage will not be captured under the TIF Plan.

4. Cadillac Area Public Schools is an "in-formula" school district, and as a result any tax increment revenues attributable to the school district millage rate and captured as tax increment revenues for the DDA, will be fully reimbursed by the State of Michigan to the school district, under the current School Aid Act, subject only to the pending legislative or constitutional changes in Michigan's property tax system.

5. The Downtown Development Authority believes that the proposed plan will provide significant long-range benefits for the Township and the general community. It asks the various taxing units to defer revenue arising from taxable property within the district, for the period of time covered by the plan, so that the specific activities specified in the plan can be undertaken, thus resulting in an increased tax base for all of the taxing jurisdictions, the Township, the school district, the County and the intermediate school district.