City of Vassar
Downtown Development Authority
Development Plan and TIF Plan

2010 – 2030

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Vassar Downtown Development Authority

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TABLE OF CONTENTS

SECTION 1 INTRODUCTION

A. PURPOSE OF THIS DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN 1
B. CREATION OF THE DOWNTOWN DEVELOPMENT AUTHORITY 2
C. HISTORY OF THE DEVELOPMENT 2

SECTION 2 THE DEVELOPMENT PLAN

A. BOUNDARIES OF THE DEVELOPMENT PLAN 3
B. LOCATION OF EXISTING STREETS AND OTHER PUBLIC FACILITIES, EXTENT OF PUBLIC AND PRIVATE LAND USES 3
C. EXISTING IMPROVEMENTS 3-4
D. PROPOSED IMPROVEMENTS WITH SCHEDULE 5
E. IMPROVEMENT DESCRIPTIONS 5-8
F. PHASED CONSTRUCTION 8-9
G. OPEN SPACE 9
H. SALES, LEASES, EXCHANGES OF PROPERTY WITH THE VASSAR DDA 9
I. ZONING, PUBLIC STREET, AND UTILITY CHANGES 9
J. ESTIMATED COSTS OF DEVELOPMENT AND FINANCING 9-10
K. DESIGNATION OF PERSONS BENEFITING FROM THE PROJECT 10
L. PROCEDURE FOR CONVEYING DEVELOPMENT 10
M. PERSONS DISPLACED 10
N. RELOCATION OF DISPLACED PERSONS 10
O. COSTS OF RELOCATING DISPLACED PERSONS 11
P. COMPLIANCE WITH ACT 227 OF 1972 11

SECTION 3 THE TIF PLAN

A. TAX INCREMENT FINANCING PROCEDURE 12
B. ESTIMATED CAPTURED ASSESS VALUES AND ESTIMATED TAX INCREMENT REVENUES 13
C. AMOUNT OF BOND INDEBTEDNESS 14
D. DURATION OF THE PROGRAM 14
E. ESTIMATED IMPACT ON ASSESSED VALUE OF TAXING JURISDICTIONS 14
F. PROVISION FOR THE USEOF THE CAPTURED ASSESSED VALUE 15
G. COMPLIANCE WITH SECTION 15 OF THE ACT 15
H. REPORTS 15-16

MAPS

MAP 1 – DDA Area Map
MAP 2 – Existing Land Use
MAP 3 – Future Land Use

EXHIBITS

EXHIBIT A – Legal Description of DDA
EXHIBIT B – Online survey results
EXHIBIT C – Projected Tax Increment Revenues

1. INTRODUCTION

A. Purpose

The statute governing a DDA Development/TIF Plan is Michigan Public Act 197 of 1975, as amended, MCL § 125.165 *et. seq.* (the "Act").

The Act was enacted to provide a means for local units of government to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interest in real and personal property; to authorize the creation and implementation of a development plan in the district; to promote the economic growth of the district; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; and to authorize the use of Tax Increment Financing.

Tax Increment Financing is a government financing program which contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from the economic growth and development to facilities, structures of improvements within a development area thereby facilitating economic growth and development. Tax Increment Financing mandates the transfer of tax increment revenues by Township and County treasurers to authorities created under the Act in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.

The Act seeks to accomplish its goals by providing local units of government with the necessary legal, monetary, and organizational tools to eliminate property value deterioration and to promote economic growth through publicity initiated projects undertaken cooperatively with privately initiated projects.

The way in which a Downtown Development Authority makes use of the tools available under the Act depends on the problems and priorities of each community. The Tax Increment Financing Plan, as amended, has been developed in accordance with the purposes of the Act based on the goals, projects, and priorities as perceived by the Downtown Development Authority of the City of Vassar (hereinafter sometimes referred to as the "DDA" or the "Authority").

The Development Plan and Tax Increment Financing Plan is intended to describe the goals and objectives of the Vassar Downtown Development Authority for redevelopment of the downtown development district and to outline the steps necessary for achieving these goals.

It is intended that the Plan becomes the basis for all future development/redevelopment projects in the downtown district. After it has been adopted, the DDA Plan should be all of the following: (1) a long range guide for evaluating proposals for physical changes and for scheduling improvements in the downtown district; (2) a guide for making recommendations and establishing properties in the development area capital

improvement program; (3) a foundation for conducting more specific and detailed studies for the general development district and for assessing possible improvements and developments; and (4) a source of information and a statement of policy which is useful to citizens and business owners in making private investment decisions.

The DDA must prepare and submit a tax increment financing plan and a development plan if it determines that creation of such plans is necessary for the achievement of the purposes of the Act. This document constitutes both these plans, with the development plan and the format described in Section 17(2) of the Act, followed by the Tax Increment Financing plan as described in Sections 14, 15, and 16 of the Act. [Section 14(2), 17(2)]. This document is one development plan and TIF plan for the entire DDA.

B. Creation Of The Downtown Development Authority

The City of Vassar established the Downtown Development Authority on September 24, 1979 via Ordinance #81. In creating and establishing the DDA, the City found that the DDA was necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in the City's business district, to eliminate the causes of said deterioration, and to promote economic growth. On November 23, 1981 the City adopted Ordinance #81b which amended the boundaries of the DDA district.

C. History of the Development

The Vassar DDA's first Development Plan/TIF plan, known as "Vassar Heritage" was adopted by Ordinance #86 on May 17, 1982. On June 9 of 1997, the City Council approved an amendment/extension of the DDA TIF Plan. Then, on July 8 of 2002, the City Council approved another amendment/extension of the DDA TIF Plan.

In all of these plans the development area was identified as the entire DDA district. Projects that the DDA has provided funding for over the years include:

- The rail trail extension
- Building façade grant program
- Bridge loans that provide gap financing for businesses locating in the DDA
- Community events such as Riverfest
- Landscaping, signage, benches, trash receptacles, lighting
- Farmers Market
- Riverfront Park improvements
- Vacant property purchase
- Marketing/community promotions/newsletter

2. DEVELOPMENT PLAN

A. ***The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise. Section 17 (2)(a)***

The development area includes the entire DDA District. A map showing the boundaries of the DDA district is attached as Map 1.

B. The location and extent of existing streets and other public facilities within the development area, the location, character, and extent of the categories of public and private land uses then existing and proposed for the development area, including residential, recreational, commercial, industrial, educational, and other uses, and a legal description of the development area. Section 17 (2)(b)

PARKS LOCATED IN THE DOWNTOWN DEVELOPMENT DISTRICT

Hillside Park (corner of M-15 & Division Street)
Riverside Park (Corner of N. Cass Avenue & Spring Street)
Rotary Park (North side of M-15 adjacent to Moore Drain)
Veterans Park (South side of M-15 adjacent to Moore Drain)

STREETS LOCATED IN THE DOWNTOWN DEVELOPMENT AREA

N. Cass Avenue: Spring Street to Lincoln Ave
Division Street: M-15 to W. Oak Street
E. Huron Avenue: East Street to Division Street
Main Street: Saginaw Street to Lincoln Street, Spring Street: Entire Length
W. Oak Street from Oak Street to N. Main Street
Spring Street: S. Cass Avenue to end of Spring St west of S. Main
N. Water Street: E. Huron Avenue to Train Track Crossing
S. Water Street: 1st property south of M-15 on West and East side of street

Existing streets and public facilities within the DDA area are shown in Map 1. Map 2 shows existing land uses as they were depicted for the City Master Plan in 2000.

Future land uses according to the 2000 Master Plan are shown in Map 3.

A legal description of the development area as attached as Exhibit A.

C. A description of existing improvements in the development area to be demolished, repaired, or altered, a description of any repairs and alterations, and an estimate of the time required for completion. Section 17 (2)(c)

As described in section D, below, the DDA may demolish and/or repair a variety of existing vacant or unused buildings within the DDA district. Generally, this would include only those building that are not considered to be suitable for repair or reuse.

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. Section 17 (2)(d)

In March of 2010, the Vassar DDA launched on online survey to get input from DDA members and those interested in the future of downtown Vassar. Seventy-five responses were received. The results of this survey were used to develop a list of potential goals and improvements for the DDA survey. Exhibit B at the end of this document contains the complete results of the survey.

The improvement projects and activities are discussed below. Table 1 at the end of this section provides a summary of the projects along with a cost estimate and prioritization schedule.

Note on Improvement Responsibility
All improvements listed below are not the sole responsibility of the Downtown Development Authority. These are improvements that can be done by the DDA or in conjunction with the City of Vassar if the project allows it and the DDA board has approved the project.

1. **COMMUNICATE WITH BUSINESS OWNERS AND RESIDENTS**
   The DDA will work to communicate with business owners and residents regarding the services, goals and accomplishments of the DDA district. It is important that business owners and residents are informed as to what the DDA board is working on as well as tasks that are currently being accomplished. Informing residents of active goals and future goals will allow the business owners to have input into future goals and projects. The can be done through contact with the news media, notices in the development district, public surveys and public meetings to gather feedback when necessary.

2. **ENFORCEMENT AND/OR ELIMINATION OF BLIGHTED PROPERTIES**
   The DDA may wish to focus enforcement efforts on commercial and residential units within the development district. This enforcement may occur through additional staffing to enforce ordinances and if necessary the DDA may look to work with property owners to improve properties as needed to improve the properties blighted status. Extremely blighted properties may require the DDA to purchase and demolish properties as necessary.

3. **ENHANCE STREETSCAPE AREA**
   Complete and maintain the network of sidewalks throughout the Development Area, provide clearly legible crosswalks at each intersection to facilitate pedestrian movement. Investments to include, but not limiting to, utilities, lighting, parking, and landscaping, and streetscape improvements throughout the Development Area as indicated in the Development Description. Add landscaping, trees, benches, bike racks and other pedestrian amenities to the streetscape to enhance pedestrian comfort. Continuation of these improvements throughout the Development Area would

enhance the cohesion of the Development Area and further create the sense of having arrived in a vibrant downtown. Adoption of these elements by the businesses would further reinforce the identity of the Development Area.

4. **ENHANCE THE RIVERFRONT AREA**
   The Cass River runs through the downtown development district. It is important that the DDA work to improve and enhance the riverfront area when possible. By enhancing the riverfront area the development district would greatly benefit. The benefits could come through tourism, recreational opportunities and additional businesses moving to the district. Options for enhancing the riverfront area include but are not limited to landscaping or clearing of trees to improve visibility, installation of benches and picnic tables or riverfront viewing areas.

5. **ENHANCE AND EXPAND SEASONAL LANDSCAPING**
   The DDA board will review landscaping needs annually and ensure that landscaping is being maintained in high quality. DDA board will work contracted landscaper to make recommendations and improvements as necessary when changes are needed. It is important to keep the DDA district landscaping well maintained to help attract potential customers for downtown businesses.

6. **FACADE GRANT PROGRAM**
   The DDA will work with property owners within the downtown district to provide matching funding when possible to improve existing facades on either the front or rear of businesses. The DDA will provide funding as available to property owners for exterior repairs. Funding is prohibited for interior repairs. By providing funding with a required match the DDA is allowing businesses to receive a maximization of their investment but still requiring property owners to have invested dollars in the downtown district.

7. **HIRE A DDA DIRECTOR**
   The DDA Board may employ an executive director (DDA Director) as provided in Act 197 and the DDA bylaws. This position can be filled by city staff, but employment by the city is not a requirement.

8. **IMPROVE AND/OR EXPAND PARKING AREA**
   The Development Area consists of parking street parking on North Main Street, East Huron Avenue, North Cass Avenue and the North Parking Lot and South Parking lot. It is important for the Development Area to maintain and improve parking when necessary. On street parking can be added to additional streets if necessary depending on the need of the Development Area. If additional parking is required then new parking lots may be explored within the Development Area.

9. **IMPROVE SIGNAGE IN THE DOWNTOWN DEVELOPMENT DISTRICT**
   The Development Area could benefit from the further development of a “way-finding” system to facilitate movement to and through the downtown and to assist people in reaching their destination. This should include determining the places to be

identified as a destination, determining the location of the signage, and developing an appropriate sign design so that they reflect the character of the community. This project includes a a complete signage program for the entire DDA. Attractive and well-coordinated streets signs, directional signs, and informational signs will not only add aesthetic value to the DDA, but will also assist pedestrian and vehicular circulation. Directional and informational signs along M-15 & Main Street should include public parking locations and attractions. Attractive entryway signs should be placed at the City limits, or other appropriate locations, welcoming people to the City. Signs for parking, information, chamber of commerce, parks, governmental buildings, etc could be initiated. A sign program could include a map sign showing the location of businesses and public facilities.

10. INSTALLATION OF BENCHES, TRASH RECEPTACLES, PICNIC TABLES AND OTHER IMPROVEMENTS

The DDA board will work to determine a plan to install seating, trash receptacles picnic tables, and other improvements as needed in the development district. By creating a theme or identity for the district the DDA board will create an identity for the downtown that is easily identifiable. Improvements can include but are not limited to benches, trash receptacles, picnic tables, bike racks, planters, flower baskets, street lights and signage.

11. INVESTIGATE BUSINESS INCUBATOR OPPORTUNITIES

The DDA will investigate opportunities to create business incubators within the downtown district. If the proper building is available the DDA may wish to create a business incubator to house start up business ventures. Costs associated with business incubation could be advertisement, utilities and other expenses not listed here directly related to the creation and maintenance of a business incubator.

12. PROPERTY ACQUISITION

It may be desirable and/or necessary to acquire, demolish, rehabilitate, or redevelop dilapidated properties located throughout the Development Area to accomplish various improvement projects. It may be necessary to undertake site preparation activities following acquisition, such as surveying, demolition, hauling debris, back filling, drainage, grading, and excavation. Potential development projects include but are not limited to immediate expansion of parks, parking, and residential or commercial facilities. Additional property that could be leased or offered for private development in the future may be acquired by the DDA as it becomes available.

The DDA may look at purchasing property for recreational use, greater public access, public parking, or development property. Acquisition costs may include necessary legal fees, recording fees, surveys and appraisals.

13. MARKET VACANT BUSINESS BUILDINGS

The DDA board will work to market vacant buildings by both private parties and the DDA. This will be done by compiling an inventory of all vacant buildings and creating a log of available buildings with pertinent information on a form known as a

building inventory form. This information may be used by the DDA director or the City to inform potential businesses regarding vacant buildings.

14. MAINTAIN A REVOLVING LOAN FUND

The DDA will maintain a revolving loan fund that will be accessible to businesses located within the development district. This revolving loan fund will allow the DDA to loan money if approached by a business. The DDA board will ultimately serve as the authority on whether to approve or disapprove any loan request. It is the intention that this would be utilized by businesses for improvements to the interior or exterior.

15. PRESERVE AND RESTORE HISTORIC BUILDINGS

The DDA will work in any capacity possible ensure that preservation of historic features in downtown district remain intact. This may be accomplished by informing businesses of loan and facade programs to restore historic features. The DDA board will review all requests in the DDA district and make decisions that protect and restore historic features as possible.

16. PROMOTE EXISTING DOWNTOWN BUSINESSES

The DDA may want to promote existing businesses through the means of promotional brochures, publications, advertising, banners or other means as necessary. The successes of existing businesses should contribute toward growth with community involvement, support, and enthusiasm. The DDA board will work with existing businesses on additional ways to promote businesses in the future.

17. SPONSOR AND PROMOTE SPECIAL EVENTS IN THE DDA

The DDA may want to sponsor and promote events in the downtown development district. The development of promotional literature and assisting potential interests will enable the DDA to provide additional businesses, such as retail, service, and professional offices additional exposure. The success of these types of activities should contribute toward growth with community involvement, support, and enthusiasm. The provision of promotional brochures, publications, advertising, banners, and decorations fall within this category.

Table 1 - VASSAR DDA PROPOSED IMPROVEMENTS		
Projects	**Estimated Cost**	**Phase**
Communicate with business owners and residents on DDA goals, future projects, and accomplishments.	$2,000/annually	1, 2, 3
Focus on improvement of blighted properties in the Downtown area	Unknown	1,2,3
Enhance Streetscape area.	$200,000	2
Enhance the riverfront area.	Varies	1, 2, 3
Enhance and expand seasonal landscaping.	$5,000/yr	1
Continue offering a grant program for façade improvements. Include rear entrance enhancements.	$40,000	1, 2, 3
Hire a DDA Director when needed.	Unknown	1
Improve and/or expand parking	Varies	1,2
Improve signage in the downtown.	$50,000	1
Add benches, trash receptacles and other amenities.	$10,000	1
Investigate business incubator opportunities.	N/A	2, 3
Property Acquisition	Unknown	2,3
Market Vacant Business Buildings	$5,000/annually	1,2,3
Maintain a revolving loan fund to provide gap financing to businesses that wish to locate in the DDA.	$20,000	1, 2, 3
Preserve and restore historic buildings.	Varies	2, 3
Promote existing downtown businesses with brochures, newspaper ads, web sites, etc.	$10,000	1, 2, 3
Sponsor and promote special events in the DDA	$10,000/yr	1, 2, 3

E. A statement of the construction or stages of construction planned, and the estimated time of completion for each stage. Section 17 (2)(e)

Refer to Table 1 above for a proposed time of completion for each improvement. Proposed projects have been placed in phases for estimated time of completion. Several of the projects are ongoing and will be worked on throughout the duration of the plan.

- Phase 1 – Years 1 - 5
- Phase 2 – Years 6 – 10
- Phase 3 – Years 10 - 20

The improvements contemplated by this Development Plan will commence as monies become available to pay for them.

A specific project may need to be moved to a different phase of construction if growth and development occur at a different rate or in a different area than anticipated, and as specific grant funds become available.

F. A description of any parts of the development area to be left as open space and the use contemplated for the space. Section 17 (2)(f)

The areas that are open along the riverfront are intended to be left as open space. They will be used as park greenways for gathering and enjoying the river.

G. A description of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms. Section 17 (2)(g)

It is unknown at this time if the DDA intends to sell, donate, exchange or lease any portions of the development area to or from the municipality. If it is determined necessary to do so in order to achieve the goals and objectives of the DDA, the DDA will use the City's typical process for doing so.

H. A description of desired zoning changes and changes in streets, street levels, intersections, or utilities. Section 17 (2)(h)

No street changes, street level changes, intersection changes, or utility changes are planned for at this time. However, certain types of development may require that some of these changes occur.

I. An estimate of the costs of development, a statement of the proposed method of financing the development and the ability of the authority to arrange the financing. Section 17 (2)(i)

The estimate of total costs for all of the proposed developments is $740,000. This is the estimate based on the projects that have an estimated cost on Table 1 on the previous page. Some of the projects do not yet have costs determined. Pursuant to MCL § 125.1661, 125.1663, and 125.1666(1) the costs of acquisition and development are anticipated to be financed by:

- public and private grants
- donations received by the DDA
- tax increment revenues
- proceeds of a tax, not to exceed 2 mills, imposed pursuant to Section 12 of Act 197
- general obligation bonds issued by the Township in amounts limited in amount by a percentage of the anticipated tax increment revenues available for payment of debt service on such bonds

- tax increment bonds issued by the DDA pledging solely the tax increments and other revenues of the DDA
- proceeds of a special assessment district created as provided by law
- money obtained from other sources approved by the City of Vassar or the DDA, including development agreements
- Revenue transferred pursuant to section 11a of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611a of the Michigan Compiled Laws.
- Revenue transferred pursuant to section 11b of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611b of the Michigan Compiled Laws.

J. Designation of the person or persons, natural or corporate, to whom all or a portion of the development is to be leased, sold, or conveyed in any manner and for whose benefit the project is being undertaken if that information is available to the authority. Section 17 (2)(j)

The Vassar DDA does not have any plans to lease, sell, or convey any of the development to a specific person, natural or corporate at the time this plan was developed. As development and market opportunities occur, the DDA may enter into agreements to lease, sell, or convey a portion of the development to natural or corporate persons if it is determined to be in the best interest of the DDA and its goals in preventing deterioration and revitalizing its downtown area.

K. The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons. Section 17 (2)(k)

If the DDA determines that it is in its best interest to lease, sell, or convey a portion of the development, it will proceed with the process that the City ordinarily uses for leasing, selling, or conveying property.
.

L. Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. Section 17(2)(l).

Approximately 100 persons live in the development area.

The DDA has no plans to displace any persons as a result of the development plan.

The DDA attempted to form a development area citizens council in August of 2010. it sent a letter to each resident in the DDA boundaries asking if he/she wished to serve on a development area citizens council No one responded to this request so a development area citizens council was not formed. Pursuant to Section 24 (4), failure of a

development area citizens council shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of the act.

M. A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area. Section 17(2)(m).

Not applicable.

No relocation.

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 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. Section 17(2)(n).

Not applicable.

No relocation.

O. A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws. Section 17(2)(o).

Does not apply. No relocation planned.

3. TIF PLAN

A. Tax Increment Financing Procedure

The Tax Increment Financing procedure outlined in the Act requires the passage of an ordinance by the City of Vassar to adopt or amend a Downtown Development Plan and Tax Increment Financing Plan. Following adoption of the ordinance approving the Development and Tax Increment Financing Plan, the Township and County Treasurers are required by law to transmit to the DDA that portion of the tax levy of all taxing jurisdictions paid each year on the captured assessed value of all real and personal property included in the Tax Increment Financing Plan. The Tax Increment Financing Plan may be modified if the City of Vassar follows the same modification and public hearing procedures as were required to adopt the original Plan.

At the time the first Tax Increment Financing Plan was adopted, the "initial assessed value" was determined. The initial assessed value means the assessed value, as equalized, of all the taxable property within the boundaries of the Development Area at the time the ordinance establishing the Tax Increment Financing Plan is approved, as shown by the most recent assessment roll for which equalization has been completed at the time the ordinance is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included at zero. Property for which a specific local tax is paid in lieu of property tax shall not be considered exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of property tax is determined as provided below.

The percentage of taxes levied for school operating purposes that is captured and used by the tax increment financing plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, Michigan Public Act 62 of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws. Tax increment revenues used to pay bonds issued by the Township under section 16(1) of the Act shall be considered to be used by the tax increment financing plan rather than shared with the Township.

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

assessed value and current assessed value for which a specific local tax was paid in lieu of a property tax.

B. Estimated Captured Assessed Values, and Estimated Tax Increment Revenues

The tax increment revenues or "captured assessed value" means the amount in any one year by which the current assessed value of the project area, including the current assessed value of property for which specific local taxes are paid in lieu of property taxes, exceeds the initial assessed value. Tax Increment Revenue to be transmitted to the Authority by the City Treasurer and/or County Treasurer shall be that portion of the tax levy of all taxing bodies paid each year on the assessed value of real and personal property in the Development Area on the captured assessed value.

The DDA is not authorized to capture tax increment revenues from any ad valorem taxes or specific local taxes attributable to the levy by the State of the six-mill education tax pursuant to Michigan Public Act 331 of 1993, as amended, or taxes levied by any local or intermediate school district.

Refer to Exhibit c for estimated captured assessed values and estimated tax increment revenues based upon a 3% annual taxable value growth rate in the DDA district. Although the actual tax increment revenues available to the DDA may vary from the estimates herein provided, the estimates of tax increment revenue in the exhibit are based on the following:

- Millage rates:
  - City of Vassar 17.5
  - Tuscola County General Allocated 3.9141
  - County Bridge/Streets/Roads 1.4241
  - County Senior Citizens .1989
  - County Road Patrol .8953
  - County Medical Care .2474
  - County Mosquito Control .6316
  - County Recycling .1483
  - MFC Construction Debt 1.000
- An initial taxable base of $2,588,195 in the DDA area. In accordance with the requirements of Act 197, this is the assessed value established on December 31 of 1981 and finally equalized in May, 1982.
- In 2010, the Vassar DDA reached an agreement with the Vassar Public Library to not capture the tax increment from the Library millage.
- All voted millages will be renewed throughout the duration of the plan.
- No local, intermediate school district or state education taxes will be captured.
- 15% of the taxes generated from the increase in taxable values will be shared back with the taxing jurisdictions. This replaces the current formula whereby 50% of the revenues from *new construction* are shared back with the jurisdictions. The current formula is troublesome because new construction and any subsequent loss cannot be properly accounted for over time.

C. Amount of bonded indebtedness to be incurred

The maximum amount of bonded indebtedness to be incurred by the DDA and/or the City of Vassar for all bond issues or loans, including payments of capitalized interest, principal and required reserve shall be $5,000,000 for the proposed projects outlined in the Development Plan. Actual bonded indebtedness to be incurred will be limited by the amount of revenues anticipated to be received each year that will be available for servicing the debt load. The bonded indebtedness proceeds will be sufficient to pay the estimated costs of the development plus any associated costs of accompanying professional services. The City of Vassar must approve any bonds or indebtedness, which pledge the full faith and credit for the City of Vassar.

D. Duration of the Program

The Tax Increment Financing Plan will remain in effect to the end of fiscal year 2030, unless amended after hearing and notice in accordance with section 19(2) of the Act to a shorter or longer period. Further, if repayment of the Bonds or any future bonds issued by the Authority has not been completed by 2030, the Development Plan will be extended until the bonds have been retired.

E. Estimated Impact on Assessed Value of Taxing Jurisdictions

The tax increment financing plan generates revenue based only on the captured assessed value. Each Taxing Jurisdiction will continue to levy and receive taxes on the initial taxable value of $2,588,195 in the DDA. That taxable value will continue to be used for taxing purposes by the Taxing Jurisdictions that are not exempted by the DDA Act. In effect, the taxable value is frozen at the base level for taxing purposes for the duration of the DDA development plan. In addition, the DDA plans to share 15% of the tax revenues from any increase in taxable value back to the respective taxing jurisdictions.

The Intermediate School District, the local school district, and the State of Michigan Education Tax fund will receive revenues from all increases in taxable value.

The justification of the tax increment financing procedure is based on the expectation that all or a portion of the “capture assessed value” that is created following implementation of a downtown development plan, would not have occurred without the stimulation of the public investment involved in the plan implementation. Therefore, the short term investment made by the taxing unit in foregoing part of the initial growth in tax revenues is repaid by the long-term benefit of substantially greater taxes realized from a stronger commercial base when the plan is completed. Furthermore, this plan uniquely tries to retain the same value of tax revenues throughout the plan, while encouraging revenue generation for all taxing jurisdictions.

The overall impact of the Tax Increment Financing Plan is expected to generate increased economic activity in the City of Vassar and Tuscola County at large. This increase in activity will, in turn, generate additional amounts of tax revenue to local taxing

jurisdictions through increases in assessed valuations of real and personal property and from increases in personal income due to new employment within the Development Area, the City of Vassar, and other neighboring communities throughout Tuscola County.

F. Provision for use of part or all of the captured assessed value to be used by the DDA

As mentioned in B, above, the Vassar DDA will not capture tax increments from the Vassar Public Library.

The DDA plans to share 15% of the tax increment revenues with the taxing jurisdictions. Those include the City of Vassar and Tuscola County.

The DDA shall expend the tax increments received from the development plan only in accordance with the Tax Increment Financing Plan. Tax Increment revenues in excess of the estimated tax increment revenues or in excess of the actual cost of the Plan to be paid by the tax increment revenues may be retained by the DDA only for purposes that, by the resolution of the DDA Board, are determined to further the development plan in accordance with the Tax Increment Financing Plan. The excess revenue not so used shall revert proportionately to the respective taxing jurisdictions upon the execution of a resolution directing said action. The resolution should only be adopted if the DDA Board determines that all of the projects listed in the TIF Plan are completed and it has no intention to begin the process to amend its plan to add additional projects. These revenues shall not be used to circumvent existing property tax laws that provide a maximum authorized rate for the levy of property taxes.

G. Compliance with Section 15 of the Act

As referred to above, it is the intent of these plans to comply with Section 15 of the Act regarding tax increments, amount of tax increments, expenditure of tax increments, and submission of the tax increment financing report. These revenues shall not be used to circumvent existing property tax limitations.

H. Reports

The authority shall file the following with the State Tax Commission within ninety (90) days of the end of the fiscal year of the authority

1) Form 2604 (if one school district) Form 2967 (if more than one), as amended, if required

2) Annual report (AR) as required by State Tax Commission Bulletin 9 of 1997, as amended (see appendix 3 of form 2604/2967 instructions). The City annual audit will not fulfill this requirement. At a minimum, the annual report on the status of the tax increment financing account shall contain the following (125.1665):
   a) The amount and source of revenue in the account
   b) The amount in any bond reserve account

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

3) A copy of the assessor or treasurer's worksheet (ATW) for the authority's tax increment financing plan district, which was used to determine the plan's tax increment revenue. This is the worksheet that was used to compute how much money to send to the authority, and it may be either handwritten or computed. The worksheet should include:
   a) Millages
   b) Initial, current, and captured values by property tax roll (i.e., ad valorem homestead, ad valorem non-homestead, IFT new, CFT new, Tech Park, IFT replacement, and CFT restored), and
   c) The source of tax increment revenue, subdivided by each millage levied.

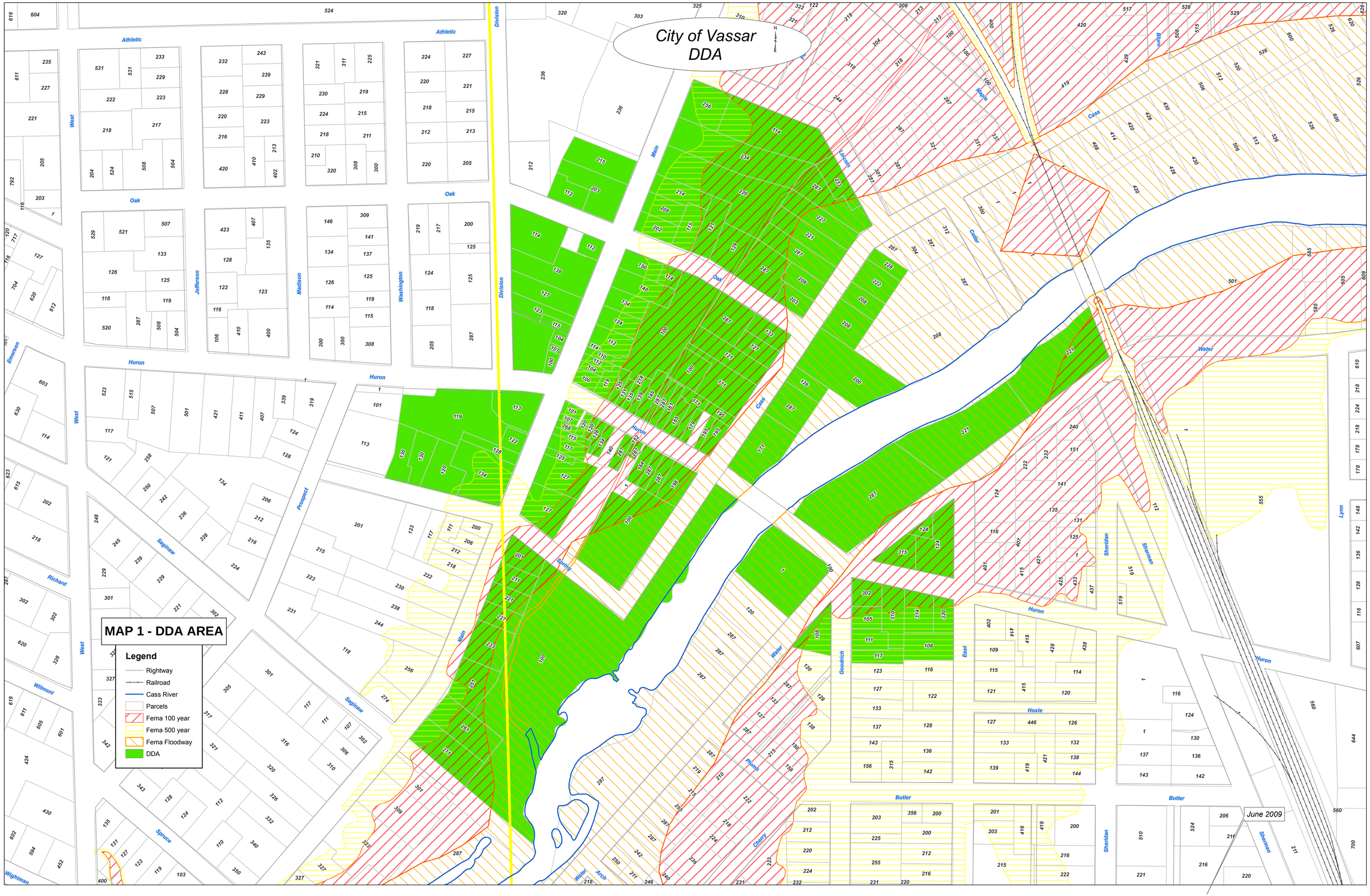
City of Vassar
DDA
MAP 1 - DDA AREA
Legend
Rightway
Railroad
Cass River
Parcels
Fema 100 year
Fema 500 year
Fema Floodway
DDA
June 2009
Athletic
Oak
Huron
Main
Division
Jefferson
Madison
Washington
West
Emerson
Prospect
Saginaw
Richard
Wilmont
Spruce
Wightman
Lincoln
Maple
Cass
Cedar
Blurn
Water
Lynn
Sheridan
Sherman
Goodrich
East
Hoxie
Butler
Plumb
Cherry
Arch
Spring

Exhibit C

City of Vassar Downtown Development Authority
Tax Increment Financing Plan
3% Projected Annual Growth - 85/15 Share

	A	B	A - B	C	D	E	F	G	H	D + F + H
Year	Current Taxable Value	1982 Taxable Base	Captured Taxable Value	County General Tax Increment Revenue	85% of Column C	County Special Millages Tax Increment Revenue	85% of Column E	City Tax Increment Revenue	85% of Column G	Tax Increment Revenue to DDA
				3.9141 mills		4.5705 mills		17.5 mills		
2010	$4,376,333	$2,588,195	$1,788,138	$6,999	$5,949	$8,173	$6,947	$31,292	$26,599	$39,494
2011	$4,507,623	$2,588,195	$1,919,428	$7,513	$6,386	$8,773	$7,457	$33,590	$28,551	$42,394
2012	$4,642,852	$2,588,195	$2,054,657	$8,042	$6,836	$9,391	$7,982	$35,956	$30,563	$45,381
2013	$4,782,137	$2,588,195	$2,193,942	$8,587	$7,299	$10,027	$8,523	$38,394	$32,635	$48,457
2014	$4,925,601	$2,588,195	$2,337,406	$9,149	$7,777	$10,683	$9,081	$40,905	$34,769	$51,626
2015	$5,073,369	$2,588,195	$2,485,174	$9,727	$8,268	$11,358	$9,655	$43,491	$36,967	$54,890
2016	$5,225,570	$2,588,195	$2,637,375	$10,323	$8,775	$12,054	$10,246	$46,154	$39,231	$58,251
2017	$5,382,338	$2,588,195	$2,794,143	$10,937	$9,296	$12,771	$10,855	$48,897	$41,563	$61,714
2018	$5,543,808	$2,588,195	$2,955,613	$11,569	$9,833	$13,509	$11,482	$51,723	$43,965	$65,280
2019	$5,710,122	$2,588,195	$3,121,927	$12,220	$10,387	$14,269	$12,128	$54,634	$46,439	$68,954
2020	$5,881,426	$2,588,195	$3,293,231	$12,890	$10,957	$15,052	$12,794	$57,632	$48,987	$72,737
2021	$6,057,868	$2,588,195	$3,469,673	$13,581	$11,544	$15,858	$13,479	$60,719	$51,611	$76,634
2022	$6,239,604	$2,588,195	$3,651,409	$14,292	$12,148	$16,689	$14,185	$63,900	$54,315	$80,648
2023	$6,426,793	$2,588,195	$3,838,598	$15,025	$12,771	$17,544	$14,913	$67,175	$57,099	$84,783
2024	$6,619,596	$2,588,195	$4,031,401	$15,779	$13,412	$18,426	$15,662	$70,550	$59,967	$89,041
2025	$6,818,184	$2,588,195	$4,229,989	$16,557	$14,073	$19,333	$16,433	$74,025	$62,921	$93,427
2026	$7,022,730	$2,588,195	$4,434,535	$17,357	$14,754	$20,268	$17,228	$77,604	$65,964	$97,945
2027	$7,233,412	$2,588,195	$4,645,217	$18,182	$15,455	$21,231	$18,046	$81,291	$69,098	$102,598
2028	$7,450,414	$2,588,195	$4,862,219	$19,031	$16,177	$22,223	$18,889	$85,089	$72,326	$107,391
2029	$7,673,926	$2,588,195	$5,085,731	$19,906	$16,920	$23,244	$19,758	$89,000	$75,650	$112,328
2030	$7,904,144	$2,588,195	$5,315,949	$20,807	$17,686	$24,297	$20,652	$93,029	$79,075	$117,413

Total DDA Tax increment Revenue 2010 - 2030 $1,571,390