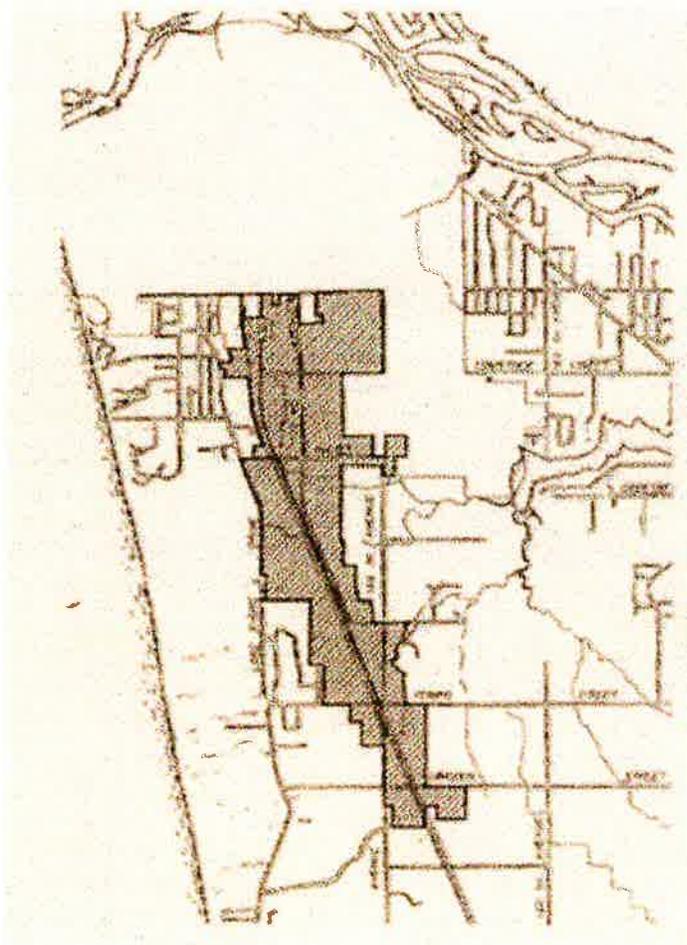




GRAND HAVEN CHARTER TOWNSHIP

DOWNTOWN DEVELOPMENT AUTHORITY PLAN



Earepweethy LeBlanc, Inc.
COMMUNITY PLANNING CONSULTANTS

Prein&Newhof

ACKNOWLEDGMENTS

Formation of the Plan was guided by the Grand Haven Township Downtown Development Authority with support from the Township Board. Their assistance and commitment to the Township is gratefully acknowledged.

Downtown Development Authority

John Heinritz, Chair
Beverly VanKampen, Vice Chair
Howard Bekins
Dave Boomgaard
William Cargo
Brad Davis
Steve Karell
Robert Robbins
William Whittaker

Township Board

John Nortier, Supervisor
Kathryne Olds, Clerk
Leroy VerMeer, Treasurer
Tom Jenkins, Trustee
Steve Karell, Trustee
William A. Kieft III, Trustee
Rosemary Van Oosterhout, Trustee

Assistance provided by:

Prein&Newhof



Langworthy LeBlanc, Inc.
COMMUNITY PLANNING CONSULTANTS

TABLE OF CONTENTS

PART I- INTRODUCTION	1
A. Basis for Downtown Development Authorities	1
B. Background	1
C. Goals of the Downtown Development Authority	1
PART II- DEVELOPMENT PLAN	3
A. Boundaries	3
B. Objectives	3
C. Location, Character and Extent of Existing Public/Private Land Uses	3
D. Improvements, Estimated Cost, and Estimated Time of Completion	4
E. Development Area to be left as Open Space	12
F. Desire to Sell, Donate, Exchange, or Lease	12
G. Zoning and Street/Utility Changes	12
H. Development Cost Estimates and Financing	12
I. Land Disposition Terms and Bidding Procedures	14
J. Number of persons residing in the Development Area/Displacement	14
K. Plan for establishing Priority for the Relocation of Persons Displaced	14
L. Provision for the Costs of Relocating Persons/Businesses	15
M. Plan Provisions for Compliance with Act 227	15
PART III- TAX INCREMENT FINANCING PLAN	16
A. Tax Increment Financing Procedure	16
B. Estimate of Captured Assessed Values/Tax Increment Revenues	17
C. Use of Tax Increment Revenue	17
D. Indebtedness to be Incurred	18
E. Millage Levy	18
F. Annual Surplus of Tax Increment Revenues	19
G. Duration of Plan	19
H. Impact on Assessed Values and Tax Revenues	19
I. Use of the Captured Assessed Values	19
J. Reports	19
K. Budget, Fund Handling and Auditing Costs	19
L. Annual Surplus of Tax Increment Revenues	20
APPENDICES	20a
MAPS/TABLES	
Township Location	2a
DDA District and Development Area	3a
Existing Land Use	4a
Zoning	4b
Project Ranking	11a
Project Location	11b

PART I - INTRODUCTION

A. Basis for Downtown Development Authorities.

Over the past several decades, the Federal and State governments have been continually forced to economize in various areas which has resulted in a reduction of funds for many public works improvement projects. As such, it has been necessary in many municipalities to look to new mechanisms to assist in stimulating economic recovery and new methods to promote public improvements.

On August 13, 1975, Public Act Number 197 (PA 197) was approved by the Michigan State Legislature allowing for the creation of Downtown Development Authorities, commonly known as DDAs. The governing body of a municipality authorizes the creation of a DDA which is a group of municipal officials, business persons, and residents who develop and implement plans to correct and prevent property value deterioration in business districts and to ensure that the growth and development of said districts are consistent with the needs and desires of the general public. DDAs use a funding tool, commonly referred to as tax increment financing, to assist in paying the costs associated with approved DDA activities.

This Plan has been prepared by Grand Haven Charter Township in response to the need and desire to revitalize the township's core business area. It is the goal of the Township to ensure that future infrastructure within the designated DDA area such as sanitary sewers, public water, streets, sidewalks, lighting, signs, drainage, and the like, as well as ancillary planning, marketing, and administrative needs, can be properly implemented.

B. Background - Grand Haven Charter Township DDA.

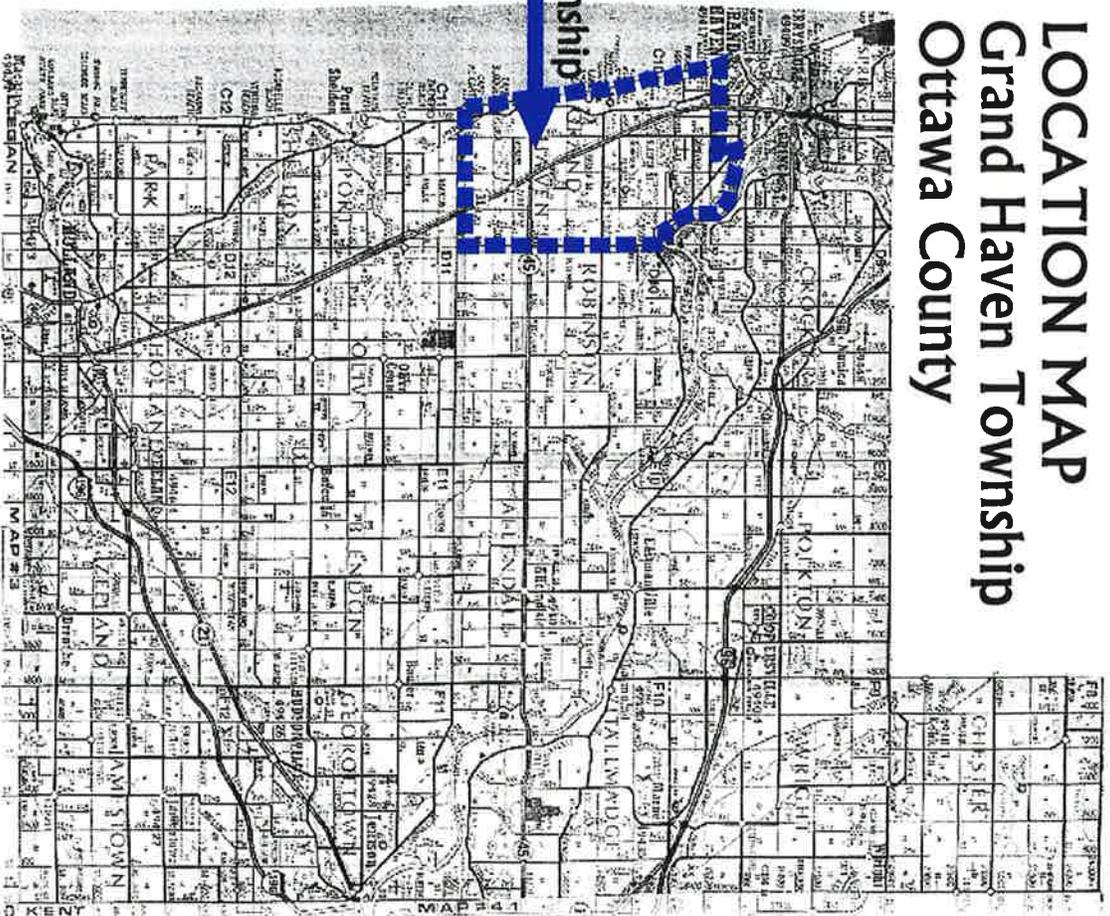
Over the years, Grand Haven Township experienced a mixture of growth and decline pursuant to local business activity. The Township was generally unable to compete with the nearby urban centers of Grand Haven, Ferrysburg, and Spring Lake in capturing and sustaining a viable business center, even though the township's population was on the increase and a demand for local services existed. Essentially, the township lacked the necessary public infrastructure within its business area sufficient to support a synergistic retail, office, and general business district. To halt property value deterioration and to promote economic growth, the Township formed a Downtown Development Authority in 1998 charged with the task of revitalizing the township's business district (see Map Exhibit 1- Township Location Map).

C. Goals of the Downtown Development Authority.

The following goals were adopted by the Grant Haven Charter Township Downtown Development Authority as a means of stimulating economic growth:

1. Stimulate private investment, growth, and diversification from new and existing business within the Grand Haven Charter Township DDA by capturing a larger percentage of the region's consumer and tourist market.
2. Improve the local and regional image and identity of the business district by improving the district's physical appearance, vehicular and pedestrian circulation, and vehicular access.
3. Sustain existing development and stimulate new investment through the implementation of infrastructure such as sanitary sewers, public water, new roads, sidewalks/pathways, streetscape/greenbelts, and related facilities.
4. Promote cooperation, coordination, appreciation, and understanding between the various business entities, organizations, agencies, and individuals that share common interests in the continued development of the township's business district.

LOCATION MAP Grand Haven Township Ottawa County



Grand Haven Township

PART II - DEVELOPMENT PLAN

A. Boundaries of the Grand Haven Township Downtown Development Area.

The boundaries of the DDA development area are set forth in Map Exhibit 2 and a general and legal description of the area may be found in Appendix 3.

B. Development Plan Objectives.

On July 13, 1998 Ordinance Number 297 was adopted by the Charter Township of Grand Haven establishing the Downtown Development Authority. The resolution includes the following purpose of the DDA:

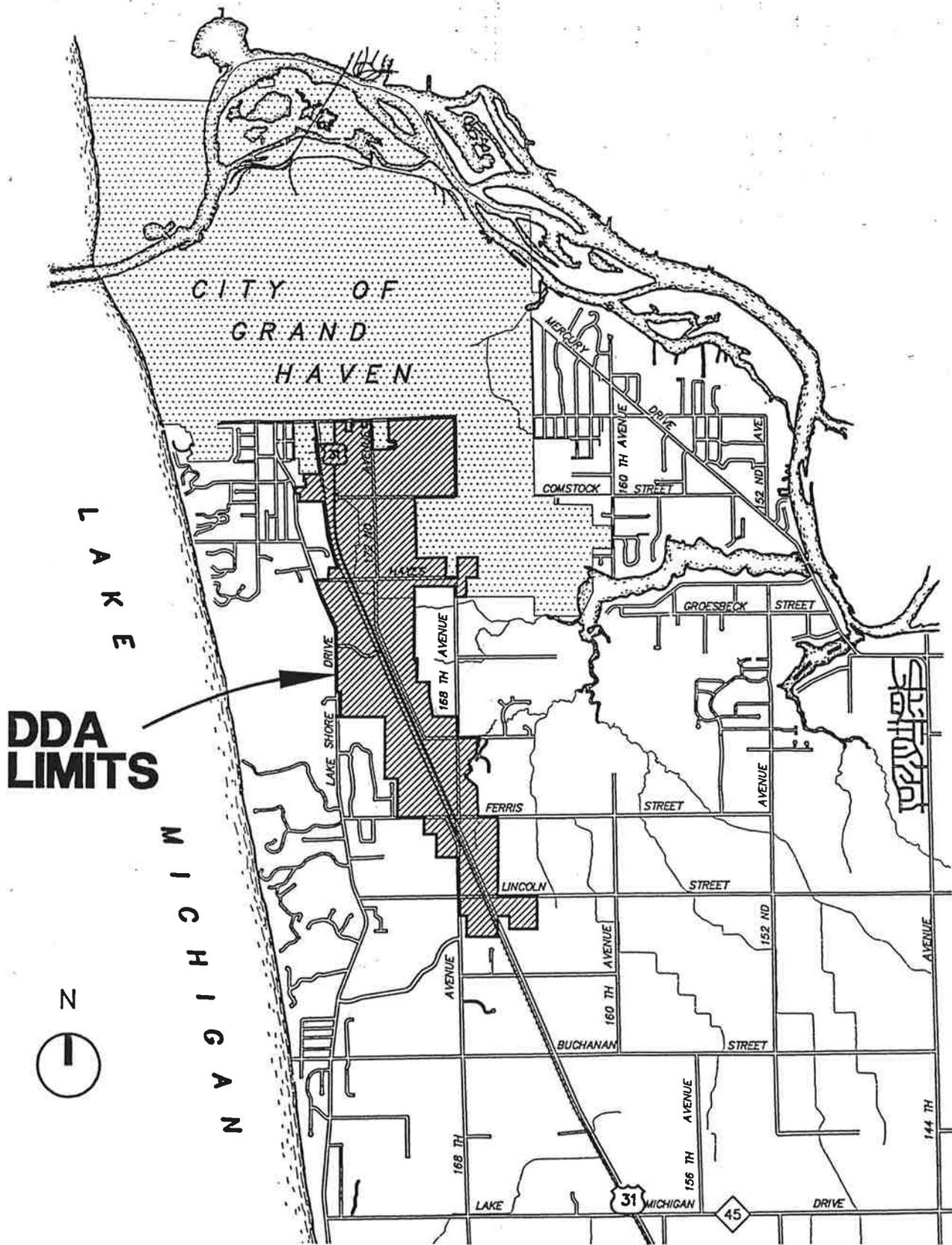
"The Township Board of the Charter Township of Grand Haven hereby determines and finds that it is necessary for the best interest of the Township to create a public body corporate in order to halt the property value deterioration, and increase property tax valuation where possible in the Downtown District, to eliminate the causes of the deterioration and to promote economic growth pursuant to Act 197."

C. Location, Character and Extent of Existing Public and Private Land Uses.

The Downtown Development Authority area of Grand Haven Township is located along the US-31 thoroughfare and C. & O. Railroad between Lincoln and Robbins Roads. This location makes the area very suitable for a variety of intensive land uses. Not surprisingly, the majority of the land uses are either Commercial or Industrial. However, Residential and Public/Quasi Public uses are also scattered throughout the area. Existing Land Uses are highlighted on Map Exhibit 3.

A large part of the area is already developed, although some development opportunities still exist in certain locations. The current development pattern is primarily suitable for infill development. There are few, although not many, industrially zoned lots along US-31 that are still vacant. There are only a limited number of locations where large tracks of contiguous vacant land exists. This includes two neighboring parcels on the west side of US-31 just south of the land owned by the Ottawa County Road Commission. The current zoning designations of land located within the DDA is illustrated on Map Exhibit 4.

Commercial and Office Uses- The majority of the commercial uses are located in the northern part of the Downtown Development Authority area, east of US-31, between Robbins and Comstock. These include gas stations, car dealers, car wash establishments, strip malls, storage facilities, banks, credit unions, insurance agencies and others. Institutional uses, such as medical offices, are also present, primarily near the intersection of Robbins and 168th Street. The new Meijer shopping complex is also located in this area (south side of Robbins Road/US-31).



DOWNTOWN DEVELOPMENT AUTHORITY
GRAND HAVEN CHARTER TOWNSHIP
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There are a few other Commercial and Office uses located further south, primarily between Lincoln and Johnson Roads. Among them are a funeral home, an animal hospital and a water craft dealer, which are all west of US-31, and an antique store, a sports bar, a storage facility and a chemical dependency clinic, which are east of US-31.

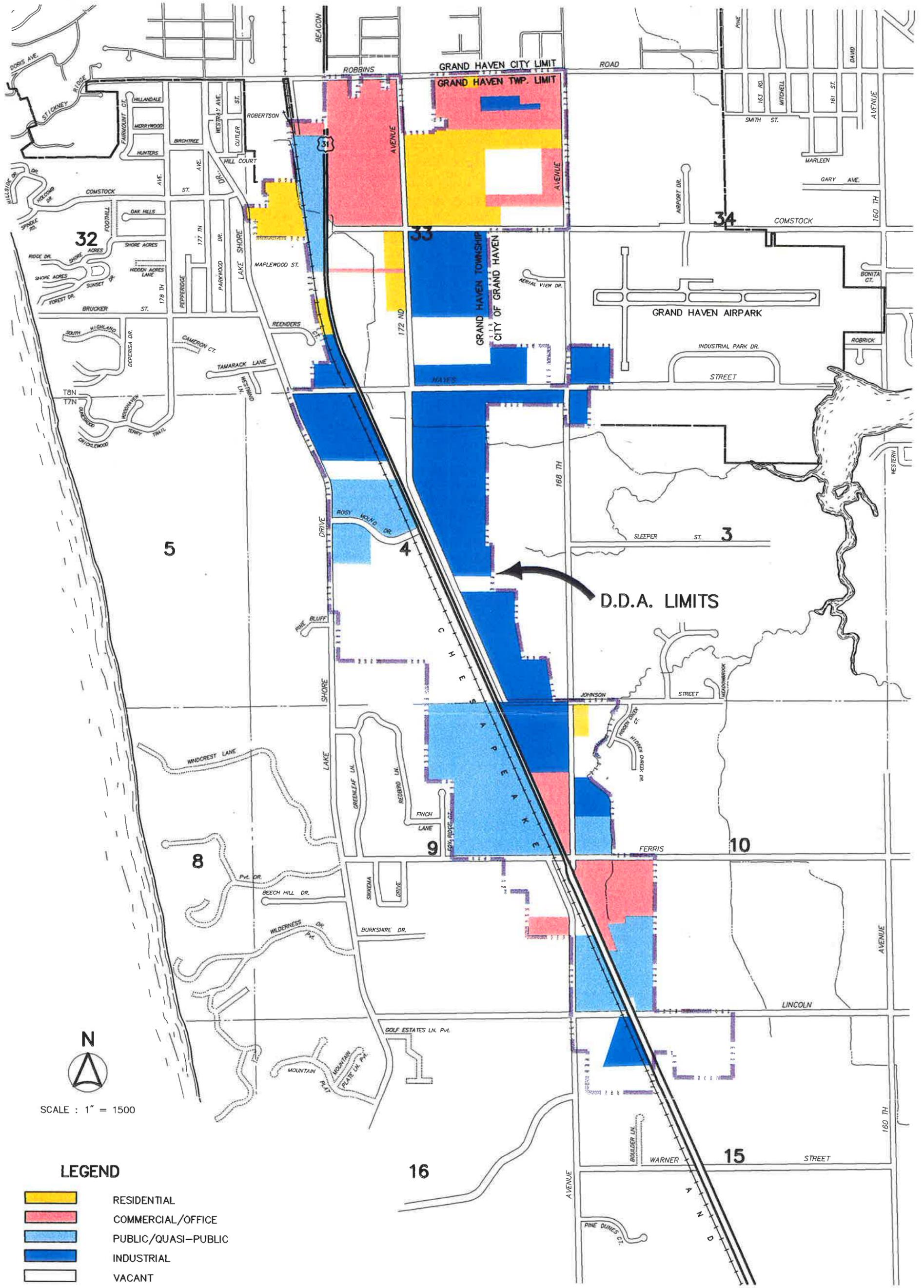
Industrial Uses- Industrial uses occupy the largest part, nearly half, of the land located within the boundaries of the Downtown Development Authority area. The majority are located on the east side of US-31, between Comstock and Ferris. Most are light industrial uses. In addition, a concrete plant is located east of US-31, and an excavation business- west of US-31, both between Hayes and Johnson. The majority of the Industrial Uses are accessible from US-31, although a few are off other roads, such as Hayes Road and 168th Street.

Public and Quasi-Public Uses- There are only a limited number of Public and Quasi-Public Uses in the area. However, some of them occupy relatively large tracks of land. These include the land owned by the Grand Haven School District, west of US-31, between Johnson and Ferris, and the Ottawa County Road Commission, also west of US-31, south of Hayes. A very attractive new school building, tennis courts and other sports facilities are located on the School District land. In addition, there are also two recreational quasi-public uses west of US-31. These are a campground south of Robbins and a golf course north of Lincoln. On the other side of US-31, across the golf course, is located a church. The Township Hall and Fire Station are at the intersection of Ferris and 168th Street.

Residential Uses- Residential Uses, primarily single-family homes of good quality and appearance, are scattered in a few locations throughout the area. Most are on average "urban size" lots, although there are a few large lots as well. Only a few residences are located as to be accessible from US-31, which is not surprising, bearing in mind how busy the road is. Almost all residential uses are located between Robbins and Hayes. These include residences behind the campgrounds west of US-31, and among the Commercial and Office uses between Robbins and Comstock, east of US-31.

D. Existing Improvements to be Demolished, Repaired, or Altered, Estimated Cost, and Estimated Time of Completion.

There are six major categories of improvements planned for the Development Area. These include sanitary sewer, water main, street & storm sewer, non-motorized paths, traffic signals, and streetscape & design. Project cost estimates are for the 1999 construction season and should be adjusted for inflation when construction occurs in subsequent years. Each of the projects listed have been prioritized from 1-5, with a "1" representing the highest priority and "5" the lowest priority. During the 25 year duration of the Plan, projects are anticipated to be completed as follows:

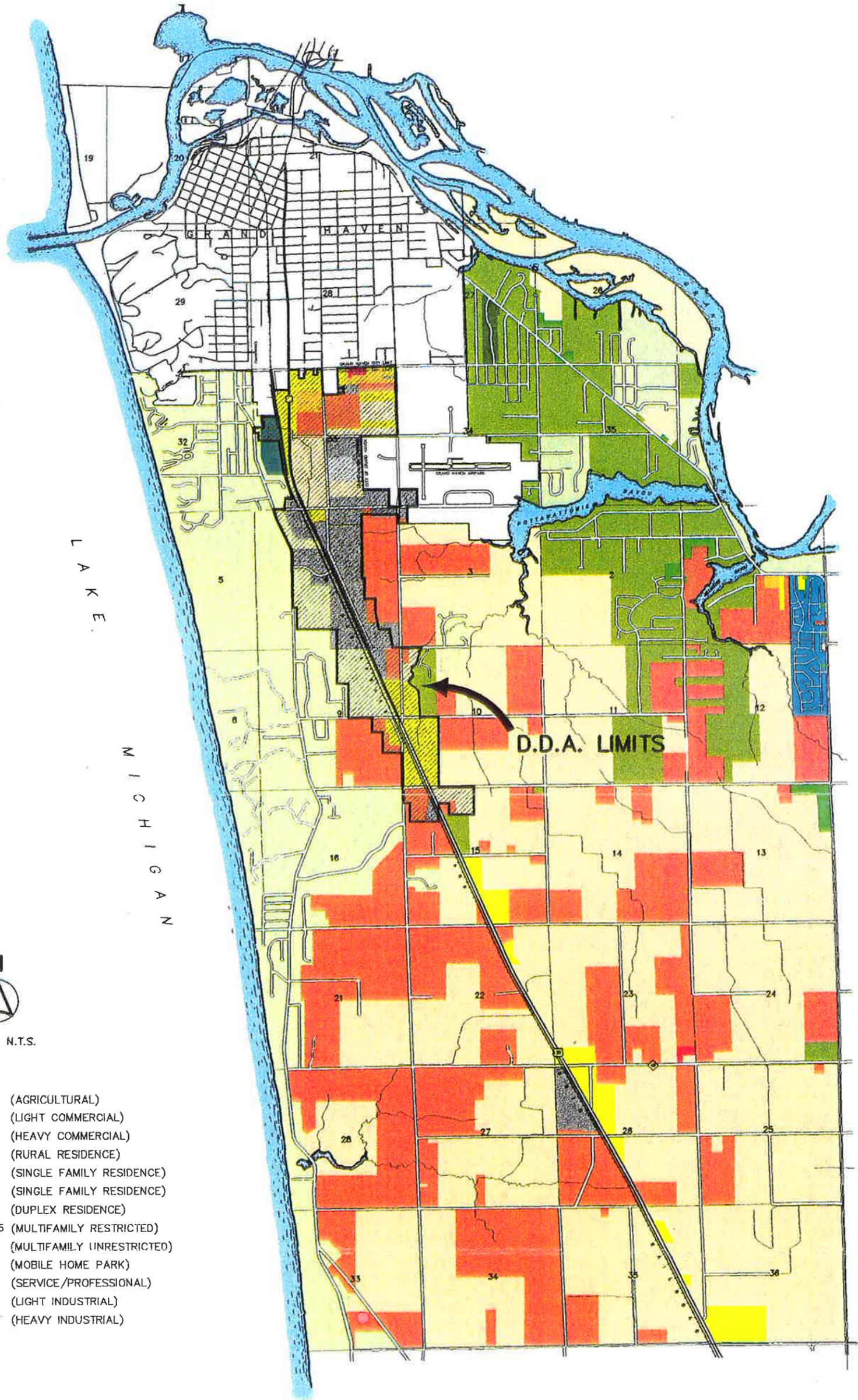


SCALE : 1" = 1500

LEGEND

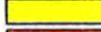
- RESIDENTIAL
- COMMERCIAL/OFFICE
- PUBLIC/QUASI-PUBLIC
- INDUSTRIAL
- VACANT

GRAND HAVEN CHARTER TOWNSHIP
 OTTAWA COUNTY, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
LAND USE MAP



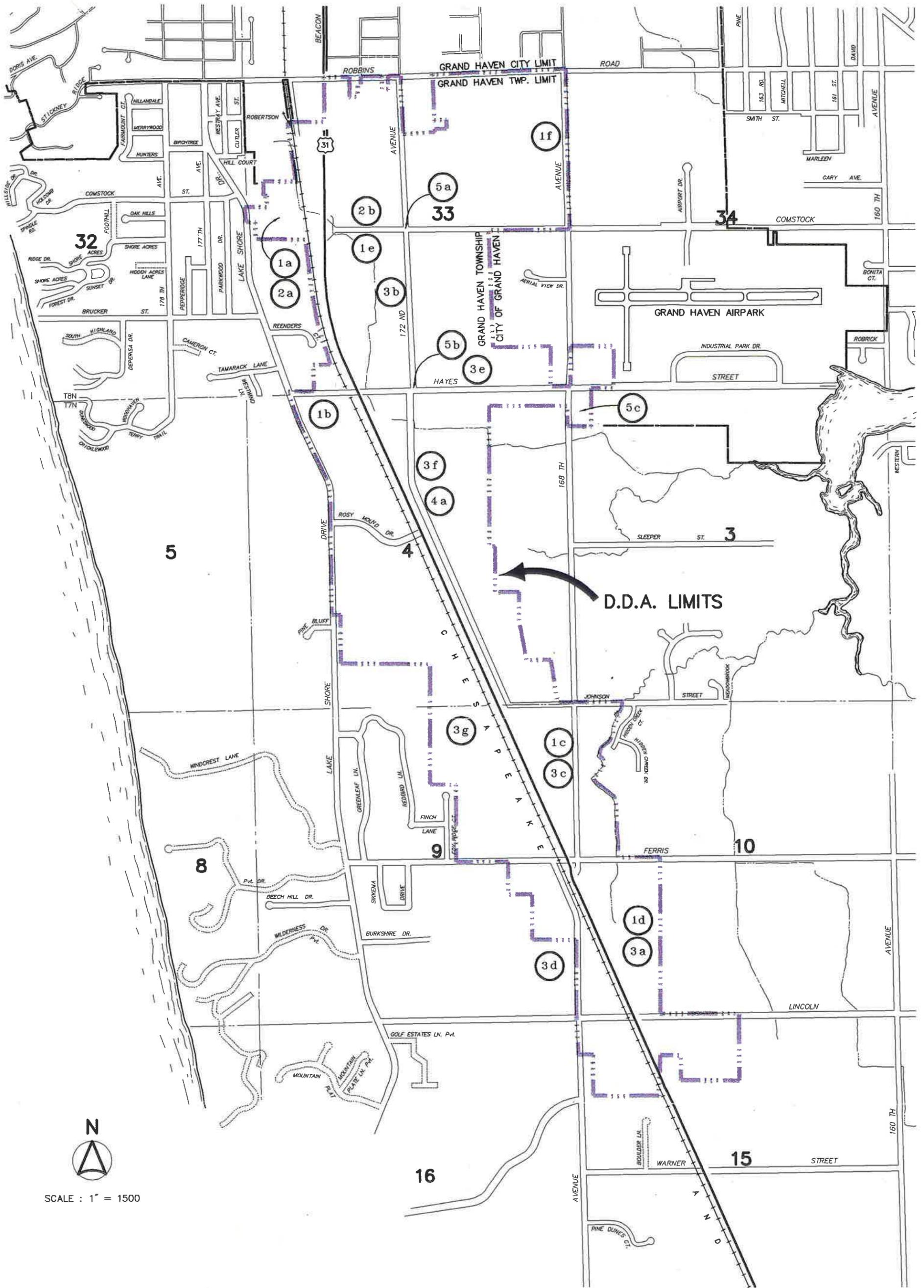
N

 SCALE : N.T.S.

-  AG (AGRICULTURAL)
-  C-1 (LIGHT COMMERCIAL)
-  C-2 (HEAVY COMMERCIAL)
-  RR (RURAL RESIDENCE)
-  R-1 (SINGLE FAMILY RESIDENCE)
-  R-2 (SINGLE FAMILY RESIDENCE)
-  R-3 (DUPLIX RESIDENCE)
-  R-3.5 (MULTIFAMILY RESTRICTED)
-  R-4 (MULTIFAMILY UNRESTRICTED)
-  R-5 (MOBILE HOME PARK)
-  SP (SERVICE/PROFESSIONAL)
-  I-1 (LIGHT INDUSTRIAL)
-  I-2 (HEAVY INDUSTRIAL)

GRAND HAVEN CHARTER TOWNSHIP
 OTTAWA COUNTY, MICHIGAN
DOWNTOWN DEVELOPMENT AUTHORITY
ZONING MAP

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GRAND HAVEN CHARTER TOWNSHIP
 OTTAWA COUNTY, MICHIGAN

**DOWNTOWN DEVELOPMENT AUTHORITY
 PROJECT LOCATION MAP**

Priority 1 Projects: 1999-2003
 Priority 2 Projects: 2004-2008
 Priority 3 Projects: 2009-2013
 Priority 4 Projects: 2014-2018
 Priority 5 Projects: 2019-2023

Project descriptions, costs, and priority/time frames are indicated below:

1. Sanitary Sewer

a. Serve area west of US-31 and north of Comstock Street Extended

(1)	12" Sanitary Sewer	1500	1.f.	\$75	\$112,500
(2)	Bore & Jack US-31	250	1.f.	\$250	<u>62,500</u>
	Sub-Total				\$175,000
	Allowance for Construction contingencies, legal, administrative and engineering				<u>50,000</u>
	Total Project Cost				\$225,000
	Completion: Priority 4				

b. Serve area west of US-31 and south of Hayes Street

(1)	12" Sanitary Sewer	2100	1.f.	\$75	\$157,500
(2)	Bore & Jack US-31	250	1.f.	\$250	62,500
	Sub-Total				\$220,000
	Allowance for Construction contingencies, legal, administrative and engineering				<u>55,000</u>
	Total Project Cost				\$275,000
	Completion: Priority 4				

c. Serve 168th Avenue south of Johnson Street to Ferris Street

(1)	12" Sanitary Sewer	3600	1.f.	\$75	\$270,000
(2)	Street Replacement	3600	1.f.	\$50	180,000

Sub-Total \$450,000

Allowance for Construction contingencies,
legal, administrative and engineering 100,000

Total Project Cost \$550,000

Completion: Priority 1

d. Serve area east of US-31 between Ferris Street and Lincoln Street

(1) 12" Sanitary Sewer 2700 l.f. \$75 \$202,500

Allowance for Construction contingencies,
legal, administrative and engineering 47,500

Total Project Cost \$250,000

Completion: Priority 2

e. Extend Sewer on Comstock Street east of 172nd Avenue to 168th Avenue

(1) 12" Sanitary Sewer 2700 l.f. \$75 \$202,500

Allowance for Construction contingencies,
legal, administrative and engineering 47,500

Total Project Cost \$250,000

Completion: Priority 1

f. Extend Sewer on 168th Avenue from Comstock Street to Robbins Road

(1) 12" Sanitary Sewer 2700 l.f. \$75 \$202,500

(2) Street Replacement 2700 l.f. \$50 135,000

Sub-Total \$337,500

Allowance for Construction contingencies,
legal, administrative and engineering 87,500

Total Project Cost \$425,000

Completion: Priority 3

2. Water Main

a. Serve area west of US-31 and north of Comstock Street Extended

(1)	12" Water Main	1500 l.f.	\$50	\$75,000
(2)	Bore & Jack US-31	250 l.f.	\$250	<u>62,500</u>
	Sub-Total			\$137,500
	Allowance for Construction contingencies, ' legal, administrative and engineering			<u>37,500</u>
	Total Project Cost			\$175,000
	Completion: Priority 4			

b. Serve Comstock Street east of 172nd Avenue

(1)	12" Water Main	2700 l.f.	\$50	\$135,000
	Allowance for Construction contingencies, legal, administrative and engineering			<u>40,000</u>
	Total Project Cost			\$175,000
	Completion: Priority 1			

3. Street & Storm Sewer Projects

a. 168th Avenue from Lincoln Street to Ferris Street

(1)	24' All Season Payment Open Ditch Drainage	2700 l.f.	\$75	\$202,500
(2)	Property Purchase	7 ac.	\$20,000	<u>\$140,000</u>
	Sub-Total			\$342,500
	Allowance for Construction contingencies, legal, administrative and engineering			<u>82,500</u>
	Total Project Cost			\$425,000
	Completion: Priority 2			

b. 172nd Avenue from Hayes Street to Comstock Street

(1)	39' Back to Back All Season Street	2700 l.f.	\$100	\$270,000
(2)	60" Storm Sewer	2700 l.f.	\$120	<u>324,000</u>
	Sub-Total Construction			\$594,000
	Allowance for Construction contingencies, legal, administrative and engineering			<u>156,000</u>
	Total Project Cost			\$750,000
	Completion: Priority 1			

c. 168th Avenue from Johnson Street to Ferris Street

(1)	36' Back to Back All Season Street	2700 l.f.	\$90	\$243,000
(2)	Storm Sewer	2700 l.f.	\$50	<u>135,000</u>
	Sub-Total			\$378,000
	Allowance for Construction contingencies, legal, administrative and engineering			<u>97,000</u>
	Total Project Cost			\$475,000
	Completion: Priority 1			

d. 168th Avenue from Lincoln Street to Ferris Street

(1)	24' All Season Pavement Open ditch Drainage			\$217,500
	Allowance for Construction contingencies, legal, administrative and engineering			<u>57,500</u>
	Total Project Cost			\$275,000
	Completion Priority: 5			

e. Hayes St from US-31 to 168th Avenue

(1)	39' Back to Back			
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	All Season Street	4800	1.f.	\$100	\$480,000
(2)	Storm Sewer	4800	1.f.	\$75	<u>360,000</u>
	Sub-Total				\$840,000
	Allowance for Construction contingencies, legal, administrative and engineering				<u>210,000</u>
	Total Project Cost				\$1,050,000
	Completion: Priority 4				

f. 172nd Avenue from Hayes Street to 168th Avenue Including Johnson Street

(1)	39' Back to Back All Season Street	6600	1.f.	\$100	\$660,000
(2)	Storm Sewer	6600	1.f.	\$50	<u>330,000</u>
	Sub-Total				\$990,000
	Allowance for Construction contingencies, legal, administrative and engineering				<u>260,000</u>
	Total Project Cost				\$1,250,000
	Completion: Priority 5				

g. Connect Rosy Mound Drive to Ferris Street on the west side of US-31

(1)	24' All Season Street*	6000	1.f.	\$70	\$420,000
	Allowance for Construction contingencies, legal, administrative and engineering				<u>105,000</u>
	Total Project Cost				\$525,000

*It is assumed that the developer will donate land for right-of-way to this project.

Completion: Priority 2

4. Non-Motorized Paths

a. 172nd Avenue from Hayes Street to 168th Avenue Including Johnson Street

(1)	8' Wide Path	6600	1.f.	\$25	\$165,000
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Allowance for Construction contingencies,
legal, administrative and engineering 60,000

Total Project Cost \$225,000

Completion: Priority 5

5. Traffic Signals

a. Comstock Street @ 172nd Avenue

(1) Traffic Signals with Pedestrian Cross Walk Signals \$40,000

Allowance for Construction contingencies,
legal, administrative and engineering 10,000

Total Project Cost \$50,000

Completion: Priority 2

b. 172nd Avenue @ Hayes

(1) Traffic Signals with Pedestrian Cross Walk Signals \$40,000

Allowance for Construction contingencies,
legal, administrative and engineering 10,000

Total Project Cost \$50,000

Completion: Priority 1

c. 168th Avenue @ Hayes

(1) Traffic Signals with Pedestrian Cross Walk Signals \$40,000

(2) Widen Intersection 40,000

Sub-Total 80,000

Allowance for Construction contingencies,
legal, administrative and engineering 20,000

Total Project Cost \$100,000

Completion: Priority 1

6. Streetscape and Design Improvements

a. Streetscape Improvements (landscaping, lighting, brick paving, pedestrian amenities as supplement to street improvements)

(1) Streetscape	6700	l.f.	\$175	\$1,175,000
Total Project Cost				\$1,175,000

Completion: Priority 5

b. Sub-Area Streetscape Design

(1) Design and facility plans				\$100,000
Total Project Cost				\$100,000

Completion: Priority 2 & 3

7. Construct Service Roads -Area North of Comstock Street Between 172nd Avenue and 168th Avenue

a. Sanitary Sewer	2700	l.f.	\$75	\$202,500
b. Water Main	2700	l.f.	\$50	135,000
c. 39' Back to Back Street with Storm Sewer	2700	l.f.	\$150	<u>405,000</u>
Sub-Total				\$1,147,500

Allowance for Construction contingencies, legal, administrative and engineering 302,500

Total Project cost \$1,450,000

Completion: Priority 3

The table on the following page summarizes these projects by ranking priority. Overall, total project costs (items 1-7) are estimated at **\$10,325,000.**

**GRAND HAVEN CHARTER TOWNSHIP
OTTAWA COUNTY, MICHIGAN**

**DOWNTOWN DEVELOPMENT AUTHORITY
RANKING OF PROJECTS**

Project No.		Priority				
		1 99-'03	2 04-'08	3 09-'13	4 14-'18	5 19-'23
Sanitary Sewer						
1a	Area west of US-31 & north of Comstock				\$225,000	
1b	Area west of US-31 & south of Hayes				\$275,000	
1c	168th Avenue south of Johnson to Ferris	\$550,000				
1d	East of US-31 between Lincoln & Ferris		\$250,000			
1e	Comstock Street east of 172nd to 168th	\$250,000				
1f	168th Avenue from Comstock to Robbins			\$425,000		
Water Main						
2a	West of US-31 & north of Comstock				\$175,000	
2b	Comstock east of 172nd	\$175,000				
Street & Storm Sewer						
3a	166th from Lincoln to Ferris		\$425,000			
3b	172nd from Hayes to Comstock	\$750,000				
3c	168th from Johnson to Ferris	\$475,000				
3d	168th from Lincoln to Ferris					\$275,000
3e	Hayes Street from Lake Shore to 168th				\$1,050,000	
3f	172nd from Hayes Street to 168th including Johnson					\$1,250,000
3g	Connect Rosy Mound to Ferris Street		\$525,000			
Non-Motorized Paths						
4a	172nd from Hayes to 168th including Johnson					\$225,000
Traffic Signals & Intersection Improvements						
5a	Comstock @ 172nd		\$50,000			
5b	172nd @ Hayes	\$50,000				
5c	168th @ Hayes	\$100,000				
Streetscape						
6a	172nd between Hayes & Comstock		\$475,000			
6b	Comstock from US-31 to 168th			\$225,000		
6c	168th Johnson to Ferris		\$475,000			
6d	Hayes Street from US31 to 172nd				\$200,000	
Service Roads						
7a	Between 172nd & 168th north of Comstock			\$1,450,000		
		<u>\$2,350,000</u>	<u>\$2,200,000</u>	<u>\$2,100,000</u>	<u>\$1,925,000</u>	<u>\$1,750,000</u>

E. Parts of the Development Area to be left as Open Space

Only a few parcels of land as identified within the existing land use analysis are currently used as open space. Small areas within the Development District may be left as open space and used as zones of separation and buffering in most cases. Public open space is not intended for other specified areas within the district with the exception of public school recreation land developed as part of the High School (Johnson/M-31 area) and areas adjacent to the Township Office Complex. In general, open space areas will be incorporated into other uses such as landscaped areas and passive areas around buildings. There are other vacant lots that may remain open space for some time, depending on when and if they are developed.

F. Desire to Sell, Donate, Exchange, or Lease, any portions of the development area to or from the municipality and the proposed terms.

The Authority intends at this time to convey to the Charter Township of Grand Haven at no cost the improvements constructed in this area and any land purchased as the result of implementing this plan. It is expected that public improvements will be operated and maintained by the Township or its designee and therefore will be conveyed to the Township at no cost.

G. Zoning and Street/Utility Changes.

The existing zoning of Grand Haven Township is reflected in Map Exhibit 4. The projects proposed in this plan do not require any change in the existing zoning configuration of the Township. Some zoning changes in the Development Area may occur pursuant to future project needs or updates to the adopted Master Plan. In conjunction with the implementation of this plan streets, intersections, and utilities may be adjusted as described in Section II.D.

H. Development Cost Estimates and Financing.

The total cost of completing all activities, projects and improvements proposed by the DDA Development Plan and to be undertaken and financed by the DDA and other sources is estimated to be \$10,325,000. The projects are set forth under Section II.D. above. The cost include expenditures for activities associated with the accomplishment of each of the projects described in this plan plus administrative expenses and contingencies.

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

- Donations received by the DDA
- Tax levy
- Bond proceeds
- Revenue from properties
- Tax increment financing (future tax increment revenues)

- Interest on investments
- Other sources

These funding sources may be generally described as follows:

- **Donations** - these funds may be from either individuals or corporations, including philanthropic foundations. At this time, no sources of potential donations have been identified. However, the DDA would consider future donations should a source, or sources, arise.
- **Tax Levy** - the DDA Act authorizes a levy of two (2) mils in taxes annually from properties located within the DDA limits. The millage would in effect be a special assessment levy in the District. At this time, the DDA (township) does not anticipate the levy as provided for.
- **Bond Proceeds** - although these are provided for in the DDA Act as a source of financing, they are only a vehicle for borrowing, not an actual source of capital. Whether revenue bonds or general obligation bonds are used, their sale requires the availability of another source of funds to repay them as they mature.

At this time, a bond sale has not been proposed for the financing of the Development Plan. However, bonds may be used for projects. The actual source of revenue for such bonds is the tax increment financing procedure, possibly combined with the township's pledge of full faith and credit.

- **Revenue from Properties** - Since the DDA owns no property, this is not a basic source of financing at this time. The plan does recognize that the DDA, with the concurrent of the township, may acquire and resell property in the future if determined necessary for the positive growth of the DDA. Any income from properties acquired during implementation of the Development Plan would be applied to costs of that implementation, but would not necessarily finance the overall costs of the construction projects proposed.
- **Tax Increment Financing** - This is the major source of revenue for realization of the Development Plan. Tax increment funds are gained via the capture of non-school millage (public, intermediate, and State) as applied to:
 - 1) New real and personal property investment in the DDA District.
 - 2) The increase in value of existing real and personal property investment in the DDA District. All such value increases occurring after 1998 will be captured. The millages for existing values will continue to go to the current taxing jurisdictions.

Although the taxing units do not receive the increase in tax increment revenue initially, they are rewarded on a long term basis with greater revenues from a significantly stronger commercial tax base and a new vitality and image of the business district.

This plan provides estimates of anticipated tax increment revenue over the next ten (10) year period. While a longer period of capture will likely be needed to finance the activities of the DDA, projection estimates beyond the ten (10) period were determined to be highly subject to error due to the unknown factors of inflation, market trends, and like economic variables. Accordingly, it is anticipated the tax increment revenue stream will be analyzed and adjusted on a regular basis.

- **Other Sources** - These might include any general revenues from the township approved by the Township Board for use by the DDA, funds obtained through development agreements with property owners benefitting from adjacent open space and other public improvements, grants, and like sources.

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

I. Proposed Land Disposition Terms and Bidding Procedures.

At the time, the DDA does not own land or other properties. Therefore, the disposal of such assets has not been included in the plan. Should the DDA acquire land, through acquisition, donation, or other means, and should said land be sold, resale arrangements will be in accordance with existing procedures and practices currently used by Grand Haven Township in disposing of other Township owned property. The DDA (township) reserves the right to make dispositions without using the bidding process, if such sale is necessary to bring about the intentions of this Development Plan and providing such sale is in the best interest of the DDA and of Grand Haven Township. The DDA and the Township Board will reserve the right to select the development proposal and or the developer whose proposal for purchase best meets the intent of this Development Plan and the best interest of the Township.

J. Estimates of the Number of Persons Residing in the Development Area and the Number of Families and Individuals to be Displaced.

There are approximately seventy persons residing in the Development Area. It is anticipated that there will be no families displaced as a result of this Plan.

K. A Plan for Establishing Priority for the Relocation of Persons Displaced by the Development Area.

Since no persons will be displaced from the development area, it is not necessary to prepare a plan to provide priority for displacements.

L. Provision for the Costs of Relocating Persons and Businesses Displaced by the Development and Financial Assistance and Reimbursement of Expenses.

There will be no persons or businesses displaced by this plan. Therefore, no provision for the cost of relocation is required.

M. Plan Provisions for Compliance With Act 227 of the Public Acts of 1972.

The relocation provisions described in "K" and "L" above meets the requirements of Act 227 of the Public Acts of 1972.

PART III - TAX INCREMENT FINANCING PLAN

This tax increment financing plan is established to make possible the financing of all or a portion of the costs associated with the carrying out and completion of those activities and improvements contained in the officially adopted Development Plan for the Development Area as may be amended from time to time.

A. Tax Increment Financing Procedure.

The tax increment financing procedure as outlined in the Act requires the adoption by the Township, by Ordinance, of a development plan and a tax increment financing plan (see Appendix 1 for the complete Act). Following the adoption of that Ordinance, the municipal and county treasurers are required by law to transmit to the DDA that portion of the tax levy of all taxing bodies paid each year on the "Captured Assessed Value of all real and personal property located in the Development Area." The tax amounts to be transmitted are hereinafter referred to as "Tax Increment Revenue". The "Captured Assessed Value" is defined by the Act as "the amount in any 1 year, by which the current assessed value of the project area, including the assessed value of property for which a commercial facilities exemption certificate has been issued pursuant to Act No. 255 of the Public Acts of 1978, as amended,... the assessed value of property for which an industrial facilities exemption certificate has been issued pursuant to Act No. 198 of the Public Acts of 1974, as amended, ... and the assessed value of property for which a commercial housing facilities exemption certificate has been issued pursuant to Act No. 438 of the Public Acts of 1976, as amended, ... exceeds the initial assessed value." The "initial assessed value" is defined by the Act as "the most recently assessed value, as finally equalized by the state board of equalization, 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. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a commercial facilities exemption certificate, an industrial facilities exemption certificate, or a commercial housing facilities exemption certificate, is in effect shall not be considered to be property which is exempt from taxation."

When the authority determines that it is necessary for the purposes of the act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 17.2 of the act, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, and shall be in compliance with section 15 of the act. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan.

Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 18 of the act. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together." Presented in Appendix 15 is the schedule of the current or "initial" assessed values of all real and personal property in the Development Area. The base year from which the initial assessed value is determined is 1998.

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

Provided in Appendix 8 is a schedule on estimated dollar amounts of captured assessed values and tax increment revenues to be realized from increases in real and personal property values from 1999 through 2008. These estimates are based on the experience of the Charter Township Tax Assessor, but must be regarded as best estimates (see Appendix 7). The estimates have taken into account actual changes or adjustments (increases and decreases) anticipated between the base year of 1998 and 1999. The projections set forth in Appendix 8 reflect a 1998 base value of 30,694,049 (taxable value) and a projected 1999 taxable value of 39,583,407. Projections beyond 1999 are based on a 2.5% CPI increase with an additional \$2,000,000 new construction each year thereafter. The cumulative tax increment for the ten year projection is estimated to be \$1,637,046.

Under this tax increment financing plan, the entire tax increment amount is to be utilized by the DDA.

C. Use of Tax Increment Revenue.

The tax increment revenue paid to the DDA by the municipal and county treasurers is to be disbursed by the DDA from time to time in such a manner as the DDA may deem necessary and appropriate in order to carry out the purposes of the development plan, including but not limited to the following:

- The principal, interest and reserve payments required for any bonded indebtedness to be incurred in its behalf for purposes provided in the Development Plan.
- Cash payments for initiating and completing any improvements or activity called for in the Development Plan.
- Any annual operating deficits, that the DDA may incur from acquired and/or leased property in the Development Area.
- Interest payments on any sums that the DDA should borrow before or during the construction of any improvement or activity to be accomplished by the Development Plan, after approval by the Township Board.
- Payments required to establish and maintain a capital replacement reserve.

- Payments required to establish and maintain a capital expenditure reserve.
- Payments to support the costs of any additional improvements to the development area that are determined necessary by the DDA and approved by the Grand Haven Charter Township Board.
- Any administrative expenditure required to meet the cost of operation of the DDA and to repay any cash advances provided by the Charter Township of Grand Haven.

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

D. Indebtedness to be Incurred.

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

1. Cash
2. Revenue bonds
3. Funds borrowed from Grand Haven Township at rates and terms to be agreed upon or as set forth elsewhere in this Development and Financing Plan.
4. Funds borrowed from the State of Michigan at rates and terms to be agreed upon.
5. Other funding sources (grants, etc.)

Whichever of the financing mechanisms is used, the realized tax collections generated by the "Captured Assessed Value" are adequate to provide for payment of principal and interest on such revenue bonds or funds borrowed from the Township or the State.

For the purpose of this plan, the amounts of bonded indebtedness or indebtedness to be incurred by the DDA and/or the Charter Township of Grand Haven for all bond issues or loans including payments of capitalized interest, principal and required reserve shall be determined by the Township Board, upon the recommendations of the DDA. Although a specific estimate has not been provided at this time, the DDA may determine that an appropriate source financing is necessary to complete the projects listed in the plan

E. Millage Levy.

This Plan does not recommend the levy of any additional millage pursuant to Section 12 of the Act. However, the DDA may in the future recommend such levy to the Township Board, if such a levy is deemed by the DDA and the Township Board to be in the best interests of the Township and the Development Area.

F. Annual Surplus of Tax Increment Revenues.

To the extent that the tax increment revenues of the DDA in any one year exceed the sum necessary for the DDA to meet the commitments and payments as set forth above, said surplus funds shall revert proportionately to the respective taxing bodies as provided in Section 15(2) of the Act.

G. Duration of Plan.

The tax increment financing plan shall last twenty five years or until all projects as outlined in the Development Plan are completed, whichever is greater. The duration of the Plan may be amended or modified from time to time by the Board of the Charter Township of Grand Haven upon recommendation of the DDA and upon notice and upon public hearing and amendment as required by the Act.

H. Impact on Assessed Values and Tax Revenues

The overall impact of the development plan is expected to generate increased economic activity in the Development Area, and the Grand Haven Business District in general. 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 of new employment within the Development Area. For purposes of determining the estimated impact of this tax increment financing plan upon those taxing jurisdictions within the Development Area, estimates of captured assessed values were used along with 1998 tax millage allocations to determine tax increment revenue amounts that would be shifted from these jurisdictions to the DDA. The amounts for the 1999-2008 tax years are shown in Appendix 9 and 10 for each taxing jurisdiction relating to the Development Area.

I. Use of the Captured Assessed Values.

The development and tax increment financing plan provides for the use of all of the captured assessed value by the DDA for the purpose herein set forth.

J. Reports.

The DDA shall submit annually to the Grand Haven Charter Township Board a report on the status of the tax increment financing account. Such report shall comply with the requirements of Section 15(3) of the DDA Act, a copy of which is provided with Appendix 1. Such report shall be prepared as of June 30th and be submitted to the Charter Township Treasurer not later than August 31, each year.

K. Budget, Fund Handling and Auditing Costs.

In addition to any budget set forth in this plan the DDA or its Director shall prepare and submit

for approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of Township departments. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in the act or by the Township Board. The Township Board may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

L. Expense Publication.

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

APPENDICES

To illustrate and support this Development and Financing Plan, the following exhibits are provided.

1. P.A. 197, as amended
2. Township Ordinance creating the DDA
3. Legal description of the DDA
4. Documentation of filings with the State of MI.
5. DDA bylaws
6. Notices of Public Hearing on the Plan
7. Taxable value of the DDA-Tax Assessor correspondence
8. Tax Increment Projection
9. Impact on Taxing Jurisdictions- Ottawa County
10. Impact on Taxing Jurisdictions-Grand Haven Township
11. 1998 Millage Rates
12. Notices to taxing jurisdictions
13. DDA resolution adopting the Plan
14. Township Ordinance adopting the Plan
15. DDA properties and base value