

BACKGROUND AND PURPOSE

Purpose of The Downtown Development Authority Act

Act 197 of Public Acts of 1975 of the State of Michigan, commonly referred to as the Downtown Development Authority Act, was created in part to correct and prevent deterioration of business districts; to promote economic growth and revitalization; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation of the authority; to authorize the levy and collection of taxes, the issuance of bonds and the use of tax increment financing in the accomplishment of specific downtown development activities contained in locally-adopted development plans.

The Act seeks to attack problems of urban decline, strengthen existing areas and encourage new private developments in the downtown districts of Michigan communities. It seeks to accomplish this goal by providing communities with the necessary legal, monetary and organizational tools to revitalize downtown districts either through public-initiated projects or in concert with privately motivated development projects. The manner in which downtown development authorities chose to make use of these tools does, of course, depends on the problems and opportunities facing each particular downtown district and the development priorities sought by the community in the revitalization of its business area.

Creation of the Kingsley Downtown Development Authority

On February 10, 2003 the Village of Kingsley adopted Ordinance 02-10-03 establishing the Kingsley Downtown Development Authority ("DDA"). A copy of this Ordinance is included in the Appendix. The Authority was given all of the powers and duties prescribed for a downtown development authority pursuant to the Act.

Basis for The Development Plan and Tax Increment Financing Plan

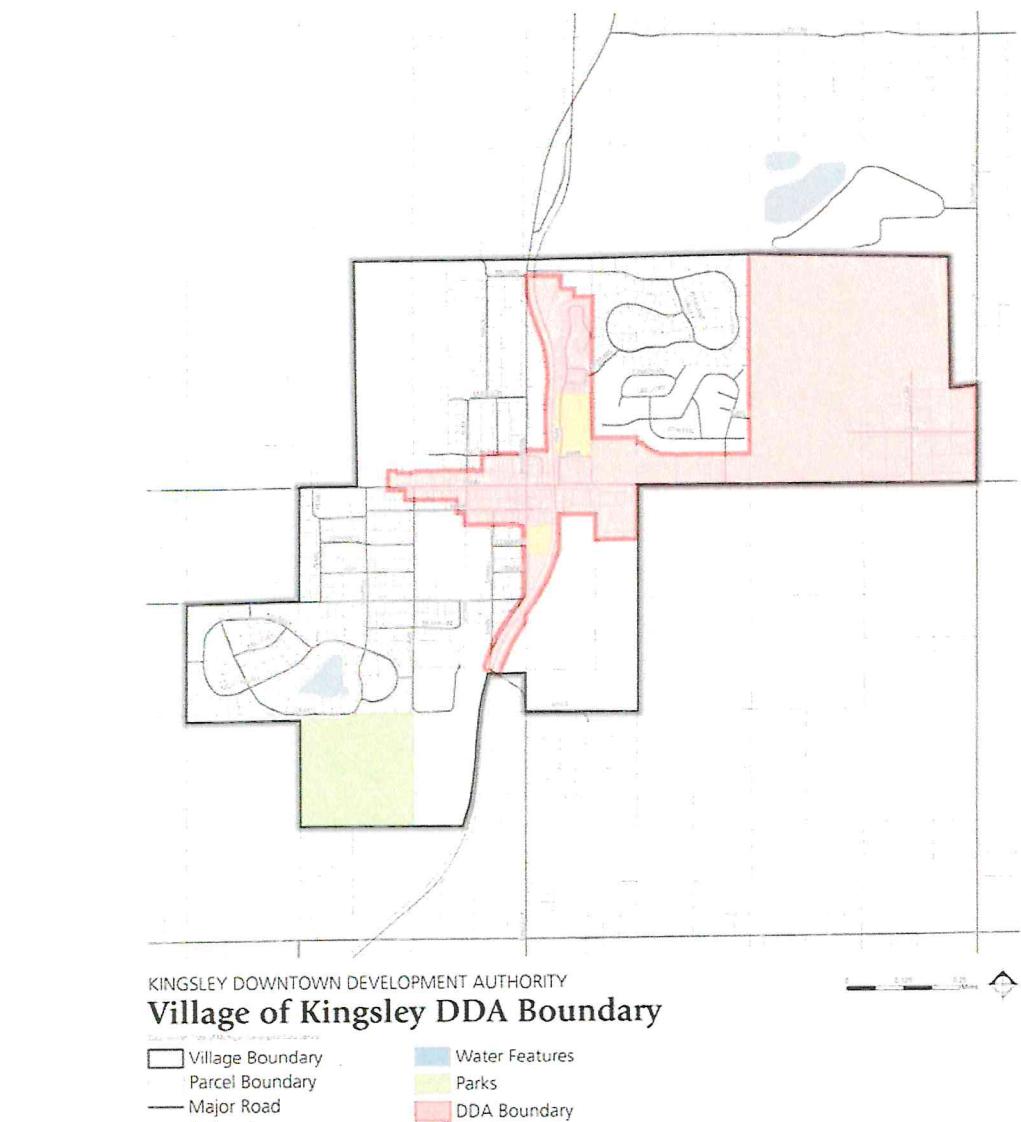
Act 197 of Public Acts of 1975, the Downtown Development Authority Act ("Act 197"), provides the legal mechanism for local officials to address the need for economic development in the central business district. In the Village of Kingsley, the DDA district incorporates the commercial and residential properties on both side of West Main Street and East Main Street between Clark Street to the eastern Village limits and along Brownson Avenue between Cottage Street to Fenton Street and along the railroad right-of-way including Park Street. Refer to Map 1: Downtown Development Authority District for a more detailed depiction of the properties within the DDA district.

The initial Development Plan and Tax Increment Financing Plan was adopted on December 15, 2003.

For purposes of designating a development plan district and for establishing a tax increment financing plan, the Act refers to a "downtown district" as being in a business district that is specifically designated by ordinance of the governing body of the municipality and a "business district" as being an area in the downtown of a municipality zoned and used principally for business. Tax increment financing can be used to provide the necessary funds for project implementation. By definition, a tax increment financing plan seeks to capitalize on and make use of the increased tax base created by economic development within the boundaries of a downtown district. The legal basis of support for the Development and Tax Increment Financing Plan is identified in Act 197. Since 2003, the Kingsley DDA has utilized tax increment financing to implement variety of capital improvement projects within the downtown development district.

GENERAL DEVELOPMENT PLAN FOR THE KINGSLEY DDA

The need for establishing the Kingsley Downtown Development Authority District (referred to as "DDA District") is founded on the basis that the future success of Kingsley's efforts to revitalize its commercial area will depend, in large measure, on the readiness and ability of its public corporate entity to initiate public improvements that strengthen the commercial area, and to encourage and participate where feasible in the development of new private uses that clearly demonstrate the creation of new jobs, the attraction of new business, and the generation of additional tax revenues. Map 1 shows the geographic limits of the Kingsley Downtown Development Authority effective with the publication of Ordinance 02-10-03. The Development Area District, or boundary, (Map 2) must be equal to or less than the geographic limits of the Downtown Development Authority District.

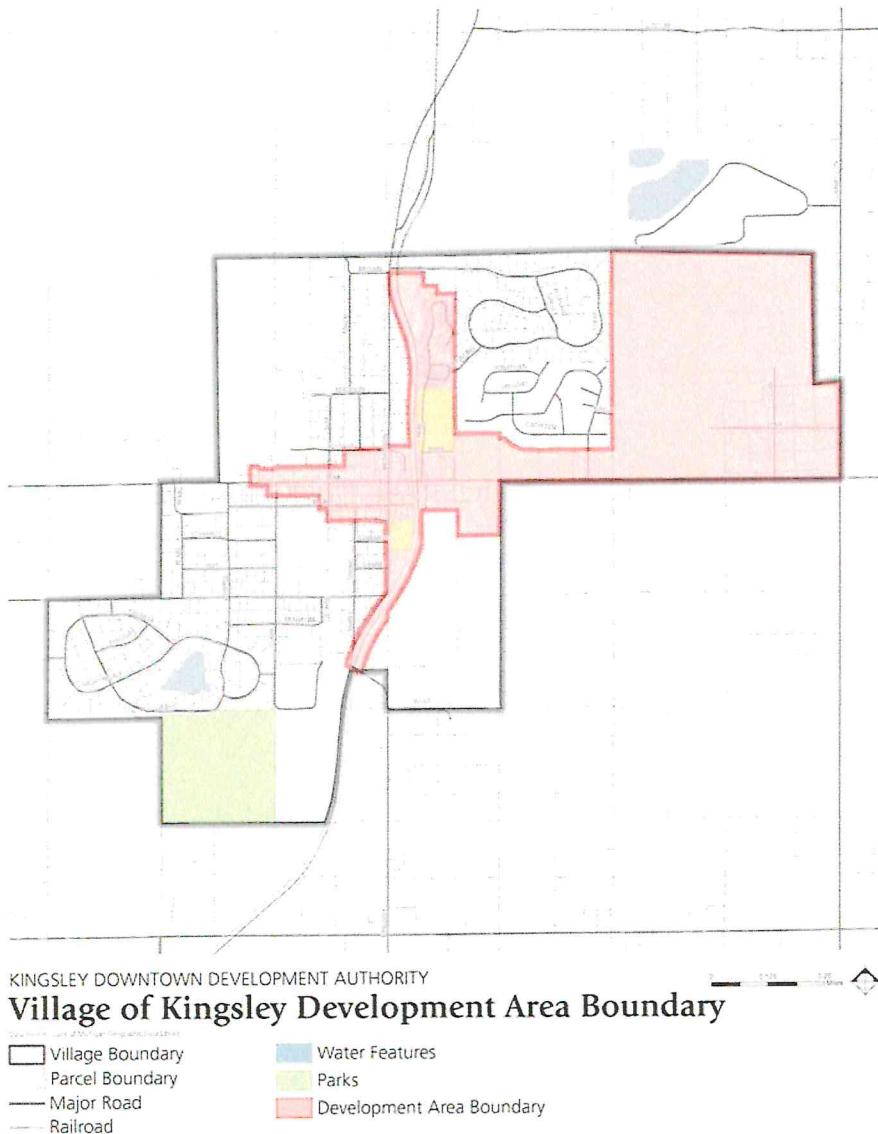


Village of Kingsley
DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT

DEVELOPMENT PLAN

1. Designation of Boundaries of the Development Area

The Development Area boundary is located within the jurisdictional limits of the Village of Kingsley and the Village of Kingsley Downtown Development Authority. The Village of Kingsley established the Downtown Development Authority pursuant to Act 197 through adoption and publication of an ordinance on February 10, 2003. The DDA district boundary and the Development Area boundary are illustrated on Map 2 below. As in most DDA's the DDA district and the Development Area district are one in the same.



Map 2

Beckett&Roeder

Village of Kingsley
DOWNTOWN DEVELOPMENT and TAX INCREMENT FINANCING PLAN BOUNDARY

2A. Location and Extent of Existing Streets and other Public Facilities within the Development Area; Location, Character and Extent of Existing Public and Private Land Uses.

The Village of Kingsley has a combination of traditional grid and suburban street networks. The traditional street grid is located west of N. Brownson Avenue and south and west of S. Brownson Avenue. Suburban streets are located in subdivisions in the northeast and southwest portions of the Village. Main Street which is a primary road and M-113 connects US-131 with M-37 and US-31. North and South Brownson Avenue serve as the second downtown connector and provide access to public facilities including Kingsley High School. The development area is fully serviced with municipal water, sanitary sewer and storm sewer facilities, as well as electrical and gas services.

Existing land uses within the Development Area are comprised of public and private uses. These land uses include retail businesses, offices, parking, and residential properties. Collectively, these land uses create a mixed-use and walkable downtown and business district.

2B. Existing Public and Private Land Uses within the Development Area.

Public Land Uses

Village of Kingsley Village Hall, Kingsley District Library, U.S. Post Office, Brownson Memorial Park, Pioneer Park Community Plaza, and Sand Hill trail access are within the boundaries of the Kingsley DDA District.

Private Land Uses

A. Residential – There are various residential, primarily single family homes, located within the DDA district.

B. Commercial - The majority of property within the DDA district and Development Area consists of commercial property. These commercial uses include professional, retail, and service businesses.

C. Industrial – There are several industrial properties within the DDA District located off of M-113 on Cougar Trail and Lynx Lane. There are also a number of several sites within the district that may have contained commercial-related businesses at one time and would be considered “brownfields” and under review by the Grand Traverse County Brownfield Redevelopment Authority.

Recreational Uses

Recreational uses within the development area consist of Brownson Memorial Park located south of the Village Hall and the District Library Building, Pioneer Park located along Park Street, the Sand Hill public trail access on Eden Road, and the community pavilion and plaza park at the southwest corner of Elm and West Main Street.

Vacant Land

There are vacant parcels located along M-113 between Clark Street and Summit City Road. The majority of vacant and development-ready property is located on the northwest quadrant of M-113 and Summit City Road.

3. Location and Extent of Proposed Public and Private Land Uses.

Proposed public projects include construction of new trails within the Village to connect several community facilities including the elementary school, high school, Pioneer Park and the regional Boardman River trails. Proposed private land uses are market-dependent and are along Main Street (M-113) and at the industrial park located at M-113 and Summit City Road.

4. Legal Description of the Development Area

The DDA shall exercise its powers and duties within the downtown development district, being specifically described as follows:

That part of Sections 4, 5, 8 and 9 of Township 25 North, Range 10 West more fully described as follows: Beginning at the Southeast Corner of said Section 4; thence North 00'02'05" West, 1077.38 feet, along the East line of said Section 4, thence South 89'48'18" West 296.99 feet; thence North 00'02'05" West 1560.00 feet; thence North 89'22'02" East, 264.00 feet, to the East One-quarter Corner of said Section 4; thence North 00'00'10" East, 1316.89 feet, along the said East line of section 4, to the North One-eighth line of Section 4, thence South 89'29'17" West, 2639.33 feet, along the said North One-eighth line, to the North-South One-quarter line of Section 4; thence South 00'01'57" West, 1322.11 feet, along the said North-South One-quarter line to the Center One-quarter Corner of said Section 4: thence South 00'07'53" East, 2243.97 feet, continuing along the said North-South One-quarter line Section 4; thence South 89'16'07" West, 454.50 feet, thence South 89'16'07" West, 118.42 feet, thence South 89'19'28" West, 290.50 feet, thence South 89'19'28" West, 129.50 feet, to the P.C. of a 348.00 foot radius curve to the right, delta angle being 53'17'38", and whose long chord bears North 64'01'51" West, 312.15 feet, thence Northwesterly along the arc of said curve 323.69 feet, thence South 89'19'28" West, 58.70 feet, thence North 00'07'27" West, 55.02 feet, thence South 89'18'42" West, 527.63 feet; thence North 00'09'09" West, 525.31 feet; thence North 00'46'05" East, 1109.27 feet, thence South 89'55'48" West, 204.04 feet; thence North 00'03'56" West, 95.89 feet; thence South 89'38'05" West, 150.00 feet, thence North 00'03'56" West, 150.79 feet, to a point on the South right-of-way line of Eden Street; thence South 89'29'04" West, 401.93 feet, along an extension of the South line of Eden Street; to a point on the Westerly right-of-way line of the Penn Central Railroad, said point being on the arc of a 1128.07 foot radius curve to the left, delta angle being 25'55'07", and whose chord bears South 10'11'46" East, 505.96 feet; thence Southeasterly, 510.30 feet, along the arc of said curve and said Westerly Railroad right-of-way line to the P.T. of said curve; thence South 21'19'03" East, 157.06 feet, continuing along said Westerly Railroad right-of-line, to the P.C. of a 1382.00 foot radius curve to the right, delta angle being 26'09'13", and whose chord bears South 08'15'33" East 625.37 feet; thence Southeasterly, 630.84 feet, along the arc of said curve and continuing along said Westerly Railroad right-of-way line, to the P.T. of said curve; thence South 04'49'04" West 164.49 feet, continuing along said Westerly Railroad right-of-way line, to the P.C. of a 2915.00 foot radius curve to the left, delta angle being 07'36'45", and whose long chord bears South 01'00'41" West, 387.01 feet; thence Southeasterly, 387.29 feet, along the arc of said curve and continuing along said Westerly Railroad right-of-way line, to the P.T. of said curve; thence South 02'47'41" West, 210.80 feet, continuing along said Westerly Railroad right-of-way line; Thence South 89'18'42" West, 295.93 feet, along an extension of the Northerly line of Lot 17 in the Assessor's Map of Kingsley, to a point on the Westerly right-of-way line of Brownson Avenue; thence South 00'01'18" East, 35.13 feet, along said Westerly right-of-way line of Brownson Avenue, to the Northerly right-of-way line of Cottage Street, thence South 89'36'20" West, 481.52 feet, along the Northerly right-of-way line of Cottage Street, thence South 00'07'56" East, 198.11 feet, along an extension of the Westerly line of Lot 21 in Block 1 of the Plat of the Village of Paradise, to a point on the Northerly right-of-way line of a thirty (30) foot wide alley; thence South 89'34'37" West, 150.03 feet, along said Northerly right-of-way line at the alley, to the Southwest Corner of Lot 24 in Block 1 of the Plat of the Village of Paradise, thence North 89'39'26" West, 50.03 feet, continuing along an extension of the North line of said alley, to the Southeast Corner of Lot 13 in Block 2 of the Plat of the Village of Paradise; thence South 89'38'41" West, 100.09 feet, along the South line of Lots 13 and 14, to an extension of the West line of Lot 2, of Block 2, in the Plat of the Village of Paradise, thence South 00'08'07" East, 15.00 feet, along said lot line extension, to a point on the centerline of a thirty (30) foot wide alley, thence South 89'38'41" West, 546.95 feet, along said alley centerline, to a point on the Westerly right-of-way line of Clark Street; thence South 00'06'15" East, 20.11 feet, along said Westerly right-of-way line; thence South 89'23'54" West, 160.00 feet; thence North 00'06'15" West 35.00 feet; thence South 89'23'54" West, 100.00 feet, to the Northwest Corner of the Consumers Power Electrical Station parcel, thence South 00'06'15" East, 232.44 feet, along an extension of the Westerly property line of said Consumers Power Electrical Station parcel, to a point on the Southerly right-of-way line of M-113; thence North 88'38'50" East 200.79 feet, along said Southerly right-of-way line; thence South 01'21'10" East, 112.50 feet, along the Westerly line of Lot 48 of the Assessor's Map of Kingsley; thence North 88'38'50" East, 60.00 feet, along the South line of said Lot 48, to the Southeast Corner of said Lot 4B, thence South 89'31'24" East 66.03 feet, to the Southwest Corner of Lot 6 in Block 1 of Wynkoops 1st Addition to the Village of Paradise; thence North 89'39'49" East, 482.66 feet, to the Northwest Corner of Lot B in Block 4 of the Plat of the village of Paradise, thence South 00'20'59" East, 159.70

feet along an extension of the West line of said Lot 6, to a point on the Southerly right-of-way line of West Blair Street; thence North 89°38'21" East, 95.86 feet, along the said Southerly right-of-way line of West Blair Street, to the Westerly right-of-way line of Elm Street; thence south 00°01'24" East, 120.04 feet, along said Westerly right-of-way line; thence North 89°35'49" East 558.89 feet, along an extension of the South line of Lots 3 through 12 of Block 5, of the Plat of the Village of Paradise, to the Southeast Corner of said Lot 3, thence South 00°00'14" West, 21.06 feet, to the Northwest Corner of Lot 23 of the Assessor's Map of Kingsley, thence North 89°33'56" East, 120.00 feet, along the North line of said Lot 23, to a point on the Westerly right-of-way of Brownson Avenue; thence South 00°00'14" West, 855.21 feet, along said Westerly right-of-way line of Brownson Avenue, to the P.C. of a 2322.27 foot radius curve to the left, delta angle being 22°35'52", and whose chord bears South 30°26'09" West 909.99 feet; thence Southwesterly, 915.92 feet, along the arc of said curve and continuing along the Westerly right-of-way line of Brownson Avenue, thence South 72°16'10" East, 208.63 feet, to a point on the arc of 1821.30 foot radius curve to the right, delta angle being 19°47'01", and whose chord bears North 27°02'03" East, 625.75 feet; thence Northeasterly, 628.87 feet, along the arc of said curve, to the P.T. of said curve; thence North 37°01'16" East, 21.15 feet; thence North 00°17'38" West, 84.68 feet, to a point on the Easterly right-of-way line of the Penn Central Railroad; thence North 37°05'51" East, 172.91 feet, continuing along said Easterly Railroad right-of-way line, to the P.C. of a 1432.23 foot radius curve to the left, delta angle being 41°31'18", and whose chord bears North 16°59'31" East, 1015.36 feet, thence Northeasterly 1037.92 feet, along the arc of said curve, and continuing along said Easterly Railroad right-of-way line, to the P.T. of said curve, thence North 02°57'14" West, 66.72 feet, continuing along said Easterly Railroad right-of-way line, thence North 89°14'15" East, 424.86 feet, thence South 00°03'38" East, 304.15 feet; thence North 89°30'43" East, 478.21 feet, to appoint on the East One-eighth line of said Section 9, thence North 00°01'26" West, 627.76 feet, along said East One-eighth line to the North line of said Section 9; thence North 89°18'42" East, 1336.66 feet, along the said North line of Section 9, to the North One-quarter Corner of said Section 9; thence North 89°49'04" East, 2635.53 feet, continuing along said North line of Section 9, to the Point of Beginning. Containing 325.48 acres of land more or less.

5. Existing Improvements in the Development Area to be Demolished, Repaired or Altered and Time Required for Completion.

Depending on infrastructure condition and unrelated activities outside the purview of the DDA there may be an occasion when infrastructure previously installed by the DDA, such as sidewalks, may have to be replaced and repaired.

6. The Location, Extent, Character and Estimated Cost of Improvements including Rehabilitation for the Development Area.

The DDA, in conjunction with Grand Traverse County Brownfield Authority (GTCBA) and Michigan State University (MSU), conducted a public engagement session on November 3, 2015 to ascertain input on future projects and programs. As a result of that session and other field assessment work associated with the Grand Traverse County Brownfield Authority initiatives the DDA has outlined several projects and programs that they will likely engage in. These are identified below.

1. Place-Based Projects: Implementation of several projects recommended through the GTCBA and MSU process including signage and wayfinding, Village clock, and gateway improvements (ornamental and landscaping).
2. Trails: Design, engineering and installation on trails through the Village. The primary shared pathway (trail) is adjacent to the railroad right-of-way which extends north and south within the DDA district. In addition, there are pathways proposed to connect the Village center and Village Hall / Library with the Middle School. Although construction of this pathway is immediately outside the DDA District, the non-motorized access connecting the downtown to the school would be beneficial to the downtown.
3. Corridor Improvements: Installation of sidewalks, landscaping and lighting along the M-113 corridor. M-113, also Main Street, is a primary access route into the community. The DDA District extends almost the length of M-113 through the Village connecting the downtown to the commercial / light industrial park on the east side of the district.

4. Pre-Development Real Estate Services: There are a number of identified redevelopment sites within the DDA District. Several of these sites will require some form of pre-development services, such as, market feasibility studies, environmental assessments (Phase 1 and Phase 2 reviews), land packaging through options or short-term land acquisition, preparation of conceptual plans and cost estimates, and professional services for legal, site design, and brownfield redevelopment.
5. Building Façade Improvements: Availability of funds to assist property owners with exterior façade improvements that support the strategy of the DDA and enhance the community character of the Village.
6. Land Acquisition: Availability of funds to acquire properties that can be used for public purposes, removal of blight and functionally obsolete properties, and/or properties needed to assist with redevelopment and expansion projects in the District.

Table 1
Forecasted Budget for Projects and Programs

Project	Forecasted Budget
Place-based Projects	\$140,000
Trail – Middle School to Downtown	\$100,000
Trail – Village Rail Trail	\$400,000
M-113 Corridor Improvements	\$235,000
Pre-Development Services	\$250,000
Building Façade Improvements	\$75,000
Land Acquisition	\$600,000
Total Forecasted Budget	\$1,800,000

Note: *The scope and cost of the project may vary depending on the final design of each component. Project descriptions reflect the overall scope of the projects envisioned by the Kingsley DDA. The DDA recognizes that market forces, private investment, future public-private partnerships, and legislative amendments may result in changes to the final design and cost, consistent with overall concepts embodied in this Development Plan and Tax Increment Financing Plan.*

7. A Statement of the Construction or Stages of Construction Planned, and the Estimated Time of Completion.

On August 16, 2016 the DDA Executive Board met to discuss the extent, probable cost and timing of projects and programs. The table below outlines the project name, description and priority and timing assigned for those projects by the DDA Executive Board for consideration by the DDA Board.

Table 2
Timeframe Associated with Forecasted Projects and Programs

Project	Timeframe
Place-based Projects	Near (1-5 Years) to Mid (6-10 Years) Term
Trail – Middle School to Downtown	Mid Term (6-10 Years)
Trail – Village Rail Trail	Long Term (10+ Years)
M-113 Corridor Improvements	Near (1-5 Years) to Mid (6-10 Years) Term
Pre-Development Services	Near (1-5 Years)
Building Façade Improvements	Near (1-5 Years) to Mid (6-10 Years) Term
Land Acquisition	Timeframe dependent on availability

8. Parts of the Development Area to be Left as Open Space and Contemplated Use.

In reference to the public improvements outlined, open space within the DDA district and Development Area will be confined to right-of-ways, plazas, and parks within the District. Existing park property in the DDA district and Development Area will remain as open space.

9. Portions of the Development Area which the Authority Desires to Sell, Donate, Exchange, or Lease to or From the Municipality and the Proposed Terms.

There are no parcels at this time that the DDA plans to acquire, sell, donate, exchange, or lease, as part of this Development Plan.

10. Desired Zoning Changes and Changes in Streets, Street Levels, Intersections and Utilities.

The Development Plan proposes no zoning changes proposed within the Development Area. The current zoning of commercial and office accommodates existing and future land uses in the subject area.

11. An Estimate of the Cost of the Development, Proposed Method of Financing and Ability of the Authority to Arrange the Financing.

Financing for the public improvement projects outlined in Section 6 would be provided through funds generated by the Tax Increment Financing Plan induced by annual increases in property valuations within the Development Area. The amount of the funding will be predicated on the stability of the taxable valuation base of the downtown area and the extent of new future redevelopment and rehabilitation projects. Sources of funding may include tax increment revenues on a "pay-as-you-go" basis, the issuance of bonds by the DDA or Village and other sources approved by the Village in accordance with the Act 197.

12. Designation of 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.

The public improvements undertaken pursuant to this Development Plan will remain in public ownership for the public benefit.

13. The Procedures for Bidding for the Leasing, Purchasing, or Conveying of all or a portion of the Development upon its completion, if there is no expressed 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 to those Persons.

At present there are no agreements for property conveyance between the Village of Kingsley, Kingsley DDA or any person(s), natural or corporation. The Development Plan utilizes a voluntary acquisition strategy to acquire property within the Development Area. Acquisition of such property would be on a negotiated basis between the Downtown Development Authority and the interested party.

Any such sale, lease or exchange shall be conducted by the DDA pursuant to requirements specified in Act 197 with the consent of the Village Board. If needed, more detailed procedures will be developed prior to the transactions, in accordance with applicable Village policy and Michigan state law.

14. Estimates of the Number of Persons residing in the Development Area and the Number of Families and Individuals to be Displaced.

Based upon a review of the properties within the DDA district and Development Area it is estimated that there are more than 100 individuals who reside within the Development Area. The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within the DDA district and Development Area.

15. A Plan for Establishing Priority for the Relocation of Persons Displaced by the Development in any New Housing in the Development Area.

The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families. As a result, a plan for compliance Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is not addressed.

16. 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 in accordance with the Standards and Provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families. As a result, a plan for compliance Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is not addressed.

17. A Plan for compliance with Act 227 of the Public Acts of 1972.

Act 227 of Public Acts of 1972 is an Act to provide financial assistance; advisory services and reimbursement of certain expenses to persons displaced from real property or deprived of certain rights in real property. This Act requires procedures and policies comparable to the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Because the Development Plan does not require the acquisition of property and displacement of persons a plan for compliance with Act 227 is not addressed.

TAX INCREMENT FINANCING PLAN

1. Definitions as Used in This Plan.

- a. "Captured assessed value" means the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (c), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.
- b. "Assessed value" means the assessed value, as equalized, as follows:
 - (i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.
 - (ii) For valuations made after December 31, 1994, the taxable value as determined under section 27a of the general property tax 15 act, 1893 PA 206, MCL 211.27a.
- c. "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 of the municipality for which equalization has been completed at the time the resolution is adopted. 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 specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision d.
- d. "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 To 207.718, Section 5 of the State Essential Services Assessment Act, 2014 PA 92, MCL 14 211.1055, Section 5 Of The Alternative State Essential Services 15 Assessment Act, 2014 PA 93, MCL 211.1075, and 1953 PA 189, MCL 211.181 to 211.182.. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.
- d. "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:
 - (i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.
 - (ii) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.
 - (iii) Tax increment revenues do not include any of the following:
 - (A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion

of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.

- (B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.
- (C) Ad valorem property taxes exempted from capture under section 3(3) or specific local taxes attributable to such ad valorem property taxes.
- (D) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183, and the Art Institute Authorities Act, 2010 PA 296, MCL 123.1201 to 123.1229.

(iv) The amount of tax increment revenues authorized to be included under subparagraph (ii) or (v), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):

- (A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.
- (B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii) or (v).

2. Purpose of the Tax Increment Financing Plan

The Kingsley Downtown Development District, was created on February 10, 2003 and was established because the downtown area experienced notable property value deterioration. In order to halt property tax value deterioration, increase property tax valuations and facilitate the overall economic growth of its business district, it is deemed to be beneficial and necessary to create and provide for the operation of a downtown development authority in the Village under the provisions of Act 197 Public Acts of Michigan, 1975 as amended (the "Act").

The Authority has determined that the extension, or amended and restated tax increment financing plan, is necessary for the achievement of the purposes of the Act and it is authorized to prepare and submit said plan to the governing body. The Tax Increment Financing Plan (the "Plan"), set forth herein includes the Development Plan, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located and a statement of the portion of the captured assessed value to be used by the Authority.

3. Explanation of the Tax Increment Procedure

The theory of tax increment financing holds that investment in necessary capital improvements in a designated area within a municipality will result in greater property tax revenues from that area than would otherwise occur if no special development were undertaken. This section is intended to explain the tax increment procedure.

- a. In order to provide a Downtown Development Authority with the means of financing development proposals, the Act affords the opportunity to undertake tax increment financing of development programs. These programs must be identified in a tax increment financing plan, which has been approved by the governing body of a municipality. Tax increment financing permits the Authority to capture incremental tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions or any other factors that cause growth in value.
- b. At the time the resolution or ordinance establishing a tax increment financing plan is adopted, the sum of the most recently taxable values, as equalized, of those taxable properties located within the development area is established as the "Initial Taxable Value" (the "ITV"). Property exempt from taxation at the time of determination of the Initial Taxable value is included as zero. In each subsequent year, the total real and personal property within the district, including abated property on separate rolls, is established as the "Current Taxable value."
- c. The amount by which the total taxable value exceeds the ITV is the Captured Taxable Value (the "CTV"). During the period in which a tax increment financing plan is in effect, local taxing jurisdictions continue to receive ad valorem taxes based on the ITV. Property taxes paid on a predetermined portion of the CTV in years subsequent to the adoption of tax increment financing plan, however, are payable to an authority for the purposes established in the tax increment financing plan.

4. Taxing Jurisdiction Agreements.

Tax increment revenues for the Downtown Development Authority result from the application of the general tax rates of the incorporated municipalities and all other political subdivisions which levy taxes in the development area to the captured assessed value. Since the Plan may provide for the use of all or part of the captured tax increment revenue, the DDA may enter into agreements with any of the taxing units to share a portion of the revenue of the District. Should the Authority find it necessary to use all of the captured revenue, it shall be clearly stated in this plan.

The Authority intends to utilize all captured revenue as referenced in Table 5, from the District until the projects addressed in the Development Plan are completed and until any bonded indebtedness is paid.

5. Property Valuations and Captured Revenue.

The property valuation on which tax increment revenues will be captured is the difference between the Initial Taxable Valuation and the Current Taxable Valuation. The purpose of this section is to set forth the Initial Taxable Valuation, the projected Captured Taxable Valuation and the anticipated increment revenues to be received by the Authority from the local taxing jurisdictions including the Village of Kingsley, Grand Traverse County, Kingsley District Public Library, Northwestern Michigan College, and any other authorities or special tax districts that may be eligible to levy property taxes within the boundaries of the Downtown Development Authority, herein collectively referred to as the "Local Taxing Jurisdictions."

- a. The Initial Taxable Valuation is established based on the 2004 state equalized valuations on real and personal property and on all non-exempt parcels within that portion of the Development Area as of December 31, 2003 finalized in May 2004. The Initial Taxable Valuation of the Authority for the 2004 district is outlined below:

Base Taxable Real and Personal Property Valuations

Village of Kingsley	2004 Taxable (12-31-2003)
Base State Equalized Valuation Used in Forecast	\$3,842,780

b. The anticipated Captured Assessed Value is equivalent to the annual total assessed value within the Development Area boundaries less the Initial Assessed Value as described above. The tax increment revenues are then the product of all millages levied by all taxing units in the Development Area on the CAV. The CAV is projected based on a number of factors including historical growth patterns, recent construction trends, economic indicators and the impact of certain development projects anticipated to be undertaken by the Downtown Development Authority. Since the enactment of Proposal A in 1994 the Consumers Price Index (CPI), which is the basis for taxable valuation adjustments, has averaged 2.4%. For projection purposes, the taxable growth is estimated to increase 2.0% per year until 2018 and then 2.5% thereafter. Growth rates do not include taxable valuation resulting from new construction, redevelopment, or the conversion of tax-exempt properties to taxable parcels. In addition, the forecast does not include personal property taxes which may be subject to capture by the DDA but the amount will be dependent on the implementation of the state wide ballot initiative passed in August 2014.

Table 3
Forecast Taxable Valuation Growth Rate

Fiscal	Year	growth rates	
		District	
2014	- 15	2.00%	
2015	- 16	2.00%	
2016	- 17	2.00%	
2017	- 18	2.00%	
2018	- 19	2.00%	
2019	- 39	2.50%	

A more detailed depiction of the Captured Taxable Valuations can be found in Table 4.

c. The Authority will receive that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Assessed Value of the eligible property included in the Development Area. The Authority may use the revenues for any legal purpose as is established under the Act including the payment of principal and interest on bonds.

Table 4
Anticipated Captured Taxable Valuation

Fiscal Year Jan-Dec	Tax Roll Assessment Date	Initial Base Valuation	Annual Taxable Growth (+ / -)	Adjusted Valuation	Taxable Valuation <i>Annual Growth</i>	Captured Valuation
- 2003 - 2004	12-31-03	\$ 3,842,780		\$ -	\$ -	
2014 15	12-31-14			\$ 6,430,060	\$ -	\$ 2,587,280
1 2015 - 16	12-31-15	2.00%	\$ 6,558,661	\$ 131,173	\$ 2,715,881	
2 2016 - 17	12-31-16	2.00%	\$ 6,689,834	\$ 133,797	\$ 2,847,054	
3 2017 - 18	12-31-17	2.00%	\$ 6,823,631	\$ 136,473	\$ 2,980,851	
4 2018 - 19	12-31-18	2.00%	\$ 6,960,104	\$ 139,202	\$ 3,117,324	
5 2019 - 20	12-31-19	2.00%	\$ 7,099,306	\$ 141,986	\$ 3,256,526	
6 2020 - 21	12-31-20	2.00%	\$ 7,241,292	\$ 144,826	\$ 3,398,512	
7 2021 - 22	12-31-21	2.00%	\$ 7,386,118	\$ 147,722	\$ 3,543,338	
8 2022 - 23	12-31-22	2.00%	\$ 7,533,840	\$ 150,677	\$ 3,691,060	
9 2023 - 24	12-31-23	2.00%	\$ 7,684,517	\$ 153,690	\$ 3,841,737	
10 2024 - 25	12-31-24	2.00%	\$ 7,838,207	\$ 156,764	\$ 3,995,427	
11 2025 - 26	12-31-25	2.00%	\$ 7,994,971	\$ 159,899	\$ 4,152,191	
12 2026 - 27	12-31-26	2.00%	\$ 8,154,871	\$ 163,097	\$ 4,312,091	
13 2027 - 28	12-31-27	2.00%	\$ 8,317,968	\$ 166,359	\$ 4,475,188	
14 2028 - 29	12-31-28	2.00%	\$ 8,484,328	\$ 169,687	\$ 4,641,548	
15 2029 - 30	12-31-29	2.00%	\$ 8,654,014	\$ 173,080	\$ 4,811,234	
16 2030 - 31	12-31-30	2.00%	\$ 8,827,094	\$ 176,542	\$ 4,984,314	
17 2031 - 32	12-31-31	2.00%	\$ 9,003,636	\$ 180,073	\$ 5,160,856	
18 2032 - 33	12-31-32	2.00%	\$ 9,183,709	\$ 183,674	\$ 5,340,929	
19 2033 - 34	12-31-33	2.00%	\$ 9,367,383	\$ 187,348	\$ 5,524,603	
20 2034 - 35	12-31-34	2.00%	\$ 9,554,731	\$ 191,095	\$ 5,711,951	
21 2035 - 36	12-31-35	2.00%	\$ 9,745,826	\$ 194,917	\$ 5,903,046	
22 2036 - 37	12-31-36	2.00%	\$ 9,940,742	\$ 198,815	\$ 6,097,962	
23 2037 - 38	12-31-37	2.00%	\$ 10,139,557	\$ 202,791	\$ 6,296,777	
24 2038 - 39	12-31-38	2.00%	\$ 10,342,348	\$ 206,847	\$ 6,499,568	
25 2039 - 40	12-31-39	2.00%	\$ 10,549,195	\$ 210,984	\$ 6,706,415	

The Treasurer will collect the general property taxes from property owners in the DDA. After taxes are collected, the Treasurer will deduct that portion of the total tax revenues that is derived from captured assessed value of the DDA and distribute them to the DDA to use for purposes outlined in the development plan. Table 6 outlines the 2015 millage rates for all Local Taxing Jurisdictions in the DDA taken from the Grand Traverse County Millage Report which are then used to create the revenue forecast enumerated in Table 5 below.

Table 5
Anticipated Captured Revenue

Fiscal Year Jan-Dec	Village of Kingsley 9.8218	Grand Traverse County 7.0291	NMC 2.8700	Dsitrict Library 1.1145	Captured Revenue 20.8354	Debt Service	Available Revenue
2003 - 2004							
2014 - 15	\$ 25,412	\$ 18,186	\$ 7,425	\$ 2,884	\$ 51,023	\$ 17,500	\$ 33,523
2015 - 16	\$ 26,675	\$ 19,090	\$ 7,795	\$ 3,027	\$ 56,586	\$ 56,255	\$ 331
2016 - 17	\$ 27,963	\$ 20,012	\$ 8,171	\$ 3,173	\$ 59,320	\$ 49,240	\$ 10,080
2017 - 18	\$ 29,277	\$ 20,953	\$ 8,555	\$ 3,322	\$ 62,107	\$ 32,113	\$ 29,995
2018 - 19	\$ 30,618	\$ 21,912	\$ 8,947	\$ 3,474	\$ 64,951	\$ 40,480	\$ 24,471
2019 - 20	\$ 31,985	\$ 22,890	\$ 9,346	\$ 3,629	\$ 67,851	\$ -	\$ 67,851
2020 - 21	\$ 33,380	\$ 23,888	\$ 9,754	\$ 3,788	\$ 70,809	\$ -	\$ 70,809
2021 - 22	\$ 34,802	\$ 24,906	\$ 10,169	\$ 3,949	\$ 73,827	\$ -	\$ 73,827
2022 - 23	\$ 36,253	\$ 25,945	\$ 10,593	\$ 4,114	\$ 76,905	\$ -	\$ 76,905
2023 - 24	\$ 37,733	\$ 27,004	\$ 11,026	\$ 4,282	\$ 80,044	\$ -	\$ 80,044
2024 - 25	\$ 39,242	\$ 28,084	\$ 11,467	\$ 4,453	\$ 83,246	\$ -	\$ 83,246
2025 - 26	\$ 40,782	\$ 29,186	\$ 11,917	\$ 4,628	\$ 86,513	\$ -	\$ 86,513
2026 - 27	\$ 42,352	\$ 30,310	\$ 12,376	\$ 4,806	\$ 89,844	\$ -	\$ 89,844
2027 - 28	\$ 43,954	\$ 31,457	\$ 12,844	\$ 4,988	\$ 93,242	\$ -	\$ 93,242
2028 - 29	\$ 45,588	\$ 32,626	\$ 13,321	\$ 5,173	\$ 96,709	\$ -	\$ 96,709
2029 - 30	\$ 47,255	\$ 33,819	\$ 13,808	\$ 5,362	\$ 100,244	\$ -	\$ 100,244
2030 - 31	\$ 48,955	\$ 35,035	\$ 14,305	\$ 5,555	\$ 103,850	\$ -	\$ 103,850
2031 - 32	\$ 50,689	\$ 36,276	\$ 14,812	\$ 5,752	\$ 107,529	\$ -	\$ 107,529
2032 - 33	\$ 52,458	\$ 37,542	\$ 15,328	\$ 5,952	\$ 111,280	\$ -	\$ 111,280
2033 - 34	\$ 54,262	\$ 38,833	\$ 15,856	\$ 6,157	\$ 115,107	\$ -	\$ 115,107
2034 - 35	\$ 56,102	\$ 40,150	\$ 16,393	\$ 6,366	\$ 119,011	\$ -	\$ 119,011
2035 - 36	\$ 57,979	\$ 41,493	\$ 16,942	\$ 6,579	\$ 122,992	\$ -	\$ 122,992
2036 - 37	\$ 59,893	\$ 42,863	\$ 17,501	\$ 6,796	\$ 127,053	\$ -	\$ 127,053
2037 - 38	\$ 61,846	\$ 44,261	\$ 18,072	\$ 7,018	\$ 131,196	\$ -	\$ 131,196
2038 - 39	\$ 63,837	\$ 45,686	\$ 18,654	\$ 7,244	\$ 135,421	\$ -	\$ 135,421
2039 - 40	\$ 65,869	\$ 47,140	\$ 19,247	\$ 7,474	\$ 139,731	\$ -	\$ 139,731
	\$ 1,079,291 47.20%	\$ 772,408 33.78%	\$ 315,376 13.79%	\$ 122,469 5.36%	\$ 2,286,661 100%	\$ 195,588 9%	\$ 2,091,074 91%

6. Maximum Indebtedness.

It is anticipated that the maximum amount of indebtedness to be incurred, if any, based on 2016 costs will not exceed \$1,000,000 projects identified in the Development Plan. A description of the various projects and the actual amounts expected to be financed are as set forth in Section 6 of the Development Plan. Revenues captured will be used to accomplish projects in the Development Area.

7. Use of Captured Revenues

Revenues captured through this Tax Increment Plan will be used to finance those improvements and projects outlined in Table 1 and Table 2 of the Development Plan in accordance with procedures specified in this Plan. Further, captured revenues can be used for the following:

- Finance current financial obligations of DDA;
- Maintenance of streetscape, public parking lots, parks, and pedestrian plazas;
- Pay for costs incurred by the Village/DDA in implementing both the Development Plan and the Tax Increment Financing Plan;
- Funding for DDA administrative staff and associated office expenses;
- Marketing, promotions and events costs;
- Special purpose grant and loan programs; and
- Pay for costs associated with the administration and operation of the Development and Tax Increment Plan and its associated projects and programs.

In addition, the Development Plan encourages the use of Tax Increment Financing Plan revenues to support public improvements associated with private redevelopment and new development projects. Table 1 enumerates the forecasted "uses" of the tax increment revenue and the amount available for capital projects.

8. Duration of the Program

The Development Plan and Tax Increment Financing Plan shall extend through December 31, 2040, or the completion of the projects described in the Development Plan, whichever is earlier.

Table 6
Anticipated Millage to Be Captured

Local Unit of Government	
Village of Kingsley	9.8218
<i>Operating</i>	9.8218
Grand Traverse County	7.0291
<i>Operating</i>	4.9838
<i>Medical Care Voted</i>	0.6595
<i>BATA</i>	0.8000
<i>Commission on Aging</i>	0.4858
<i>Commission on Aging - Center</i>	0.1000
Northwestern Michigan College	2.8700
<i>Operating</i>	2.17000
<i>Debt</i>	0.70000
Grand Traverse District Library	1.1145
<i>Operating</i>	0.95480
<i>Debt</i>	0.15970
	20.8354

9. Plan Impact on Local Taxing Jurisdictions

The Authority recognizes that future development in the Village's business district will not be likely in the absence of tax increment financing. The Authority also recognizes that enhancement of the value of nearby property will indirectly benefit all local governmental units included in this plan. It is expected that the effected local taxing jurisdictions will not experience a gain in property tax revenues from the Development Area during the duration of the plan and should realize increased property tax revenues thereafter as a result of activities

financed by the plan. Further, tax increment revenues captured from this plan will not be used to offset normal Village operations.

10. Release of Captured Revenues

When the Development and Financing Plans have been accomplished, the captured revenue is released and the local taxing jurisdictions receive all the taxes levied on it from that point on.

11. Assumptions of Tax Increment Financing Plan.

The following assumptions were considered in the formulation of the Tax Increment Financing Plan for the Roscommon Downtown Development Authority:

A. Property valuations are based on the following taxable valuation assumptions:

Fiscal	Year	growth rates	
		District	
2014	- 15	2.00%	
2015	- 16	2.00%	
2016	- 17	2.00%	
2017	- 18	2.00%	
2018	- 19	2.00%	
2019	- 40	2.50%	

B. Costs provided for the various DDA projects and programs enumerated in Table 2 are estimated costs in 2014 dollars. Final costs are determined after final design and the acceptance of bids at the time of construction. The effects of inflation may also have an undetermined amount of influence on these cost figures.

12. Operating Agreement between Downtown Development Authority and other Local Units of Government Regarding Use of Tax Increment Revenues.

The Downtown Development Authority will not spend any funds outside of those annually approved through the budget process and shall not commit to any loans, leases, or purchases without sufficient evidence of adequate revenue source to support the proposal.

In the future the Kingsley Downtown Development Authority may enter into tax increment sharing agreements with other taxing jurisdictions and/or authorities on specific projects identified in the development plan.

13. Relationship of the Tax Increment Financing Plan with Other Funding Programs.

As discussed in the Development Plan, the revitalization of the downtown business district will include tax increment financing and other forms of intergovernmental financing such as grants, special assessments, and loans. It is strongly recommended that tax increment financing revenues be used to leverage public funds and private financing in order to implement the planned program.

14. Relationship to Community Master Plan

The Development Plan indicates the need to **revitalize** the business areas of the **community**, which is an integral component of the community's redevelopment program and master plan. If it is determined that any portions of the Master Plan conflict with the provisions of the Downtown Development Plan, then the Development Plan

shall be adopted as a component of the Master Plan pursuant to Section 39 of Act 33 of 2008; the Michigan Planning Enabling Act.

15. Submission of an Annual Report to Governing Body and State Tax Commission.

Annually the Authority shall submit to the Village of Kingsley and the State Tax Commission a report on the status of the tax increment financing account. The report shall include those items enumerated in Section 15 (3) of Act 197 of 1975 (MCL 125.1665). Further, the report shall be published in a newspaper of general circulation.