

DOWNTOWN DEVELOPMENT PLAN # 6
DOWNTOWN DEVELOPMENT AUTHORITY
BAY CITY, MICHIGAN

#1987-10	Adopted August 17, 1987
#1989-11	Amended July 17, 1989
#1989-19	Amended December 18, 1989
#1993-8	Amended July 12, 1993
#1997-14	Amended August 4, 1997
#2004-6	Amended May 17, 2004
#2009-7	Amended June 1, 2009
#2013-5	Amended May 23, 2013
#2019-6	Amended August 14, 2019

Chapter 1 DOWNTOWN DEVELOPMENT PLAN

1.1 DEFINITIONS

Anticipated Taxable Value

The projected Taxable value of a proposed property improvement is to be determined by the DDA with input from the City Assessor and Finance Director.

Most Current Taxable Value

The total Taxable value of the property(s), as finally equalized by the State of Michigan, in accordance with Section 15(1) of P.A. 197 of 1975 as amended. The Most Current Taxable Value shall reflect that, for the purpose of this Downtown Development Plan, the Taxable value for those parcels identified in Appendix C hereto shall be limited to a maximum of the Taxable value of those parcels as of the 2019 tax year values.

Captured Taxable Value

The difference, in any one year, between the Initial Taxable Value and the Most Current Taxable Value, reflecting the cap on the Most Current Taxable Value set forth above.

Captured Annual Increment

The millage rate of all taxing jurisdictions multiplied by the Captured Taxable Value.

Development Agreement

A written agreement between the Downtown Development Authority and a developer committing the DDA to funding certain Internal and/or External Public Improvements pending an agreed upon level and scope of private investment by the developer.

Improved Property

Significant private rehabilitation or new construction within Development Area #6. Improved Property shall not include, for the purpose of capturing tax increments under this Downtown Development Plan, any private rehabilitation or new construction at parcels identified in Appendix C hereto.

Internal Public Improvement

An improvement made to a building in accordance with P.A. 221 of 1985 or an "improvement to a facility used by the public or a public facility" as those terms are defined in section 1 of Act. No. 1 of the Public Acts of 1966, being section 125.1351 of the Michigan Compiled Laws, which improvement is made to comply with the barrier free design requirements of the state construction code act of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.

Internal Public Improvements include, but are not necessarily limited to elevator, elevator shaft, barrier free restrooms and modifications needed in order to meet barrier free standards.

External Public Improvement

Any public facility described in section 1(1) of P.A. 197 of 1975 excluding external public improvements. External improvements include streetscape beautification, sidewalks, parking improvements and the like.

Initial Taxable Value

The total real property value as finally equalized by the State of Michigan in May of 1987.

Development Incentive (as amended 7/17/89)

A participation in an interest in real estate by the DDA, as provided by Section 7, subsections (H), (I), (J), and (K) of the Act, for the purpose of inducing private investment in this district in a manner which the DDA finds consistent with the purposes of this plan.

Development Area

The area in which tax increment financing is used for public improvements. This document establishes tax increment financing for Development Area #6.

Phase I, II

For the purposes of this plan, Phase I pertains to property improvements and public improvements beginning in 1988. Phase II improvements, which may be completed concurrently with Phase I projects, refer to projects undertaken during the duration of the plan.

1.2 GOALS AND OBJECTIVES

Based upon a review of past plans, studies and local discussion, the Downtown Development Authority has refined its immediate goals of the tax increment financing program. These goals are as follows:

1. To prioritize public improvements that spur private investment within the Development Area.
2. To make all public facilities accessible by all segments of the population, including persons with disabilities.
3. To preserve the ability of the DDA to continue parking improvements in the Development Area using tax increment revenue.

4. To encourage private investment on and near the waterfront in Downtown Bay City, on both Water Street and Saginaw Street, by means, among others, of development incentives as permitted by the act. (As amended 7/17/89)
5. To prepare an analysis of economic change in the district, to study and analyze the impact of metropolitan growth upon the district, to develop long-range plans to halt the deterioration of property values as defined in the act.

1.3 BOUNDARIES OF THE BAY CITY DOWNTOWN DEVELOPMENT AREA

1.3.1 Map of the Bay City Downtown Development District

The following map illustrates the boundaries of the Development Area within the Downtown Development Authority and highlights several major public and private land uses.



Boundaries of the Downtown Development Area # 6

1.4 LOCATION AND EXTENT OF EXISTING PUBLIC FACILITIES

1.4.1 Amended Legal Description of the Boundaries of Development Area

The following legal description of the Development Area complies with the requirements set forth in P.A. 197 of 1975.

An area beginning at the intersection of Washington Avenue and Woodside Avenue; thence south along the centerline of Washington Avenue to a point 50 feet south of Third Street, if extended, west to the centerline of Saginaw Street; thence south along the centerline of Saginaw Street to the intersection of Fourth Street and Saginaw Street; thence east along the Centerline of Fourth Street to the centerline of the alley in Block 48 Lower Saginaw, if extended; thence south along centerline of the alleys in Blocks 48, 53 and 68, Lower Saginaw, if extended to the centerline of Sixth Street; thence west along the centerline of Sixth Street to the intersection of Sixth and Water Streets; thence north along the center line of Water Street to a point 30 feet east of a point that is 99 feet north of the north line of Sixth Street; thence westerly 30 feet to the west line of Water Street; thence North 80 degrees 53 minutes 23 seconds West, 331.54 feet; thence North 61 degrees 51 minutes 24 seconds west, to the centerline of the Saginaw River; thence northerly along the centerline of the Saginaw River to a point 6 feet south of the north line of Lot 4, Block 30, said plat, if extended; thence east along said line to the centerline of Water Street; thence northerly along the centerline of Water Street to its intersection with the south line of First Street; thence west along the south line of First Street to the centerline of the Saginaw River, if extended; thence north along the centerline of the Saginaw River to the point being the south line of Woodside Avenue if extended west to the centerline of the Saginaw River; thence east along the south line of Woodside Avenue, if extended to the point of beginning.

1.4.2 General Description of Boundaries and Size of the Development Area

The Development Area is basically composed of the northwest quarter of the Bay City Downtown Development Authority. The Saginaw River is the west boundary of the district and Woodside Avenue serves as the north boundary of the district. The bulk of the property lies within a nationally certified historic district.

The following map shows the approximate location of off-street public parking, streets and alleys near the development area. The lighting and sidewalks along Water and Saginaw Streets have been improved with the exception of the areas north of Third Street and the west side of Water Street in front of Wenonah Park.

1.4.3 General Description of Proposed Development at Parcels in Appendix C

The two separate private developments below are within the district and would not otherwise have occurred absent placing a cap on the tax increment revenue captured by the DDA.

- i. **101 Center Avenue Development:** The 101 Center Avenue development includes approximately 0.689 acres of land bounded on the North by Fifth

Street, on the West by Water Street, on the South by Center Avenue and on the East by an alley. The project includes the demolition of the former Mill End Store and the construction of a proposed mixed-use multistory development. It is anticipated that the project will take approximately 18 months to complete. The building demolition was completed in 2012 and the construction of the new building was completed late 2014.

- ii. **LGK-Bay City Development:** The LGK-Bay City Development located at 1115-1117 Washington Avenue includes 0.9 acres of land bounded on the North by 2nd Street, on the West by Saginaw Street, on the South by 3rd Street and on the East by Washington Street. This project resulted in the removal and disposal of soils that were contaminated or which compromised the building site. A new building was constructed which houses the Social Security Administration in Bay City. The building is approximately 7,900 square feet and was completed in September 2010, as required under the previously amended DDA plan. Brownfield tax increment financing is expected to be completed by 2028.



1.5 EXISTING IMPROVEMENTS TO BE DEMOLISHED, REPAIRED OR ALTERED

Two basic types of public improvements may be funded with tax increment financing: Internal Public Improvements and External Public Improvements, both defined in Section 1.1. Phase I improvements are projected to occur during the first year or two of the program, as increments become available. Phase II improvements are scheduled for the remainder of the term of tax increment financing, described in Section 2.4 of this document.

1.5.1 Internal Public Improvements

Tax increment revenue may be used for funding barrier free design requirements of the state construction code promulgated under the state construction code act of 1972. P.A. 221 of 1985 amends the DDA Act to expand the definition of “public facility”. The act now states that “public facility” includes an improvement to a facility “used by the public” as those terms are defined in Section 1 of Act No. 1 of Public Acts of 1966. Section 1 of the act defines “facility used by the public” as a

building, structure, or improved area utilized for purposes of education, employment, housing other than a privately owned 1 or 2 family dwelling, transportation, or recreation and for the purchase, rental, or acquisitions of goods or services.

1.5.2 External Public Improvements

Additional tax increment revenue may be used for funding External Public Improvements described in the following section.

1.6 LOCATION, EXTENT AND CHARACTER AND COST OF PROPOSED PUBLIC AND PRIVATE IMPROVEMENTS

1.6.1 Phase I Improvements

1.6.1.1 Private Property Improvements

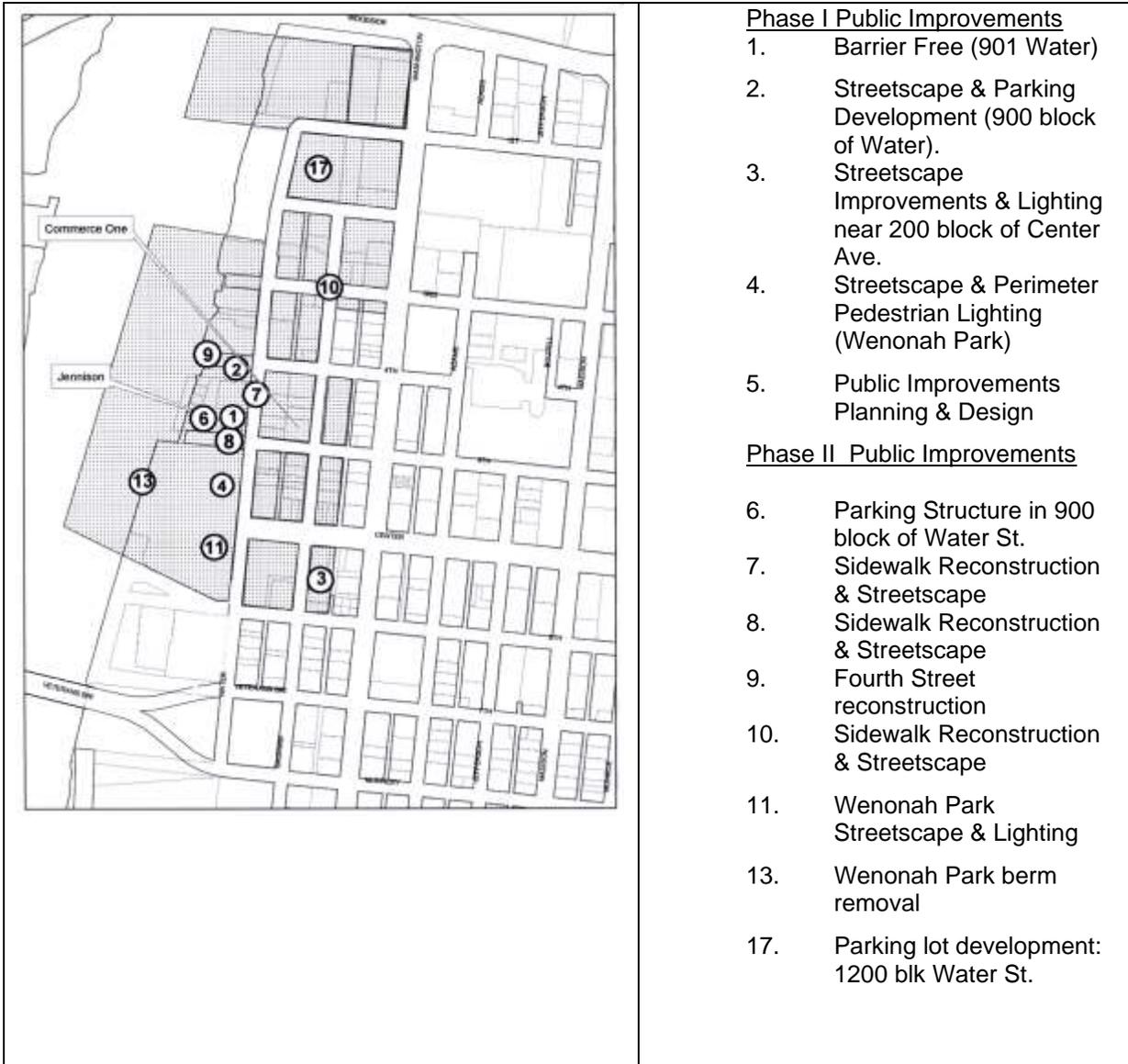
Several significant private property improvements will necessitate Internal and External Public Improvements. These include the adaptive mixed use of the former Jennison Hardware Company into condominiums and lease-able commercial space.

The Jennison Building has been totally renovated in a historically correct manner. Entirely new or substantially updated systems were installed. Barrier free design improvements include restrooms, two elevators and a lobby area servicing the elevator on the ground floor level. The residential component of the development entails 27 condominiums that are subject to tax increment financing.

A significant development near the development area is the construction of the Bay City Doubletree Hotel Conference Center featuring 150 sleeping rooms and 16,000 square feet of conference space located directly on the Saginaw River next to Wenonah Park.

1.6.1.2 Location of Proposed Public Improvements

The location of Internal and External Improvements is shown below.



PUBLIC IMPROVEMENTS

Phase I Public Improvements 1988

	Public Improvement	Purpose	Cost
1.	Barrier Free: 910 Water Street	Accessibility to all floors of mixed use development	\$100,000
2.	Streetscape & Parking Improvements 900 block of Water St., Fourth St. Reconstruction	Improved business vitality, visibility and safety	\$500,000
3.	Streetscape Improvements, Lighting near 200 block of Center Ave.	Improved business vitality, visibility and safety	\$75,000
4.	Streetscape & Perimeter Pedestrian Lighting, Wenonah Park	Visibility, safety	\$20,000
5.	Public Improvements Planning & Design	Improved business vitality	\$50,000

NOTE: All Phase I projects have been completed.

SUMMARY OF PROPOSED PHASE II PUBLIC IMPROVEMENTS: POST 1988

	Proposed Improvements	Purpose	DDA Share Est Costs	Estimated Completion Date	Complete
6.	Parking Structure in 900 block of Water Street	Public Parking Development	\$750,000	1997	√
7.	Sidewalk Reconstruction & streetscape imprvmts; west side Water St. btwn Fourth & Fifth Streets	Handicap accessibility, improved public access, visibility and safety	\$80,000	1997	√
8.	Sidewalk Reconstruction & Streetscape imprvmts; North side Fifth St. btwn the Saginaw River and Water St. W side Water St from 4 th St N to alley N of St. Laurent Brothers East side of Water St. from Third St to Second St.	Handicap accessibility, improved public access, visibility and safety	\$480,000	1998	√
9.	Fourth Street reconstruction	Improved public access	\$500,000	1999	√
10.	Sidewalk reconstruction & streetscape imprvmts; both sides of Third St from Saginaw to Washington Ave. West side of Saginaw St from Fifth to Third St.	Handicap accessibility, improved public access, visibility and safety	\$460,000	2005	√

11.	Streetscape & perimeter pedestrian lighting; Wenonah Park	Visibility & safety	\$200,000	2005	√
	Proposed Improvements	Purpose	DDA Share Est Costs	Estimated Completion Date	Complete
12.	Downtown Parking Study	Improved business vitality	\$60,000	2005	√
13.	Park Improvements Master Plan	Improve park infrastructure	\$50,000	2006	√
14.	Street Improvements Milling and resurfacing	Improved business vitality, safety, aesthetics	\$800,000	2015	√
15.	Public Improvements Planning & Design	Improved business vitality	\$100,000	2010	√
16.	Tree Replacement	Aesthetics	\$10,000	2022	
17.	Wenonah Park Improvements; Relocating berm, sidewalk improvements, utility improvements, permanent fencing	Public safety, enhanced aesthetics	\$250,000	2022	
18.	Tree Grate Replacement: aesthetics, safety	Improved safety	\$50,000	2025	
19.	Alley Improvements	Handicap accessibility and improved public access	\$300,000	2030	
20.	Façade enhancement creation, beautification throughout district (shared cost)	Improved aesthetics, business recruitment and retention	\$500,000	2049	
21.	Replacement of outdated lamp posted (shared cost)	Improved aesthetics, visibility, public safety	\$500,000	2040	

* √ Indicates project completed

All future streetscape improvements will be consistent with the overall design concept developed for the Development Area.

1.7 CONSTRUCTION PHASES AND COMPLETION SCHEDULE

Phase II improvements may commence during progress of Phase I improvements. Phase II public improvements will be completed during the remainder of the term of the Tax Increment Financing Plan.

1.8 OPEN SPACE

The development area includes public open space as shown by the map below. It is anticipated that all public open spaces, shown in the black will be retained or improved.



1.9 PROPERTY TRANSACTIONS BETWEEN THE DDA AND CITY OF BAY CITY

No portions of the development area will be sold, donated, exchanged or leased using TIF proceeds.

1.10 ZONING, STREET AND UTILITY CHANGES

No significant changes will be made in zoning, street levels and utilities. Streetscape improvements will be completed within the existing right of way. Street reconstruction will be completed as necessary. Changes in intersections and sidewalks will be completed in a manner to improve beauty and function.

In conjunction with the Hotel Conference Center project, Water Street between Sixth and Seventh Streets has been closed and vacated, as well as the alley located in Block 380 of the Plat of Lower Saginaw.

1.11 DEVELOPMENT COST AND ABILITY OF THE AUTHORITY TO ARRANGE FINANCING

The DDA may borrow money for funding public facilities as defined in P.A. 197 of 1975 as amended by P.A. 221 of 1985. According to Section 7(g) of P.A. 197, the DDA may:

acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect, thereto.

In addition, according to Section 7(f) of P.A. 197 of 1975 as amended, the DDA may *make or enter into contracts necessary or incidental to the exercise of its power and the performance of its duties.*

The DDA expects to finance the activities and projects included in the development plan from one or more of the following sources:

- a. Contributions to the Authority for the performance of its functions.
- b. Revenues from any property, building or facility sold, owned, leased, licensed or operated by the Authority or under its control.
- c. Tax increment revenue to be received pursuant to the Tax Increment Financing Plan.
- d. Interest on investments.
- e. Proceeds of tax increment bonds.
- f. Proceeds of revenue bonds.
- g. Federal, state and foundation grants.
- h. Money obtained from development agreements with property owners benefiting from public improvements.
- i. Special assessments collected by the City of Bay City for public improvements or maintenance of improvements constructed by the DDA.
- j. Money obtained from any other legal source.

The proceeds to be received from the tax increment revenues in the Development Area plus the availability of funds from other authorized sources will be sufficient to finance all

activities and improvements to be carried out under this Plan. The proceeds to be received from the tax increment revenues in the Development Area shall not include proceeds generated from tax increments in excess of the 2019 Taxable value of the parcels identified in Appendix C hereto. All expenses associated with the private development on parcels identified in Appendix C shall not be borne by the DDA. The reduction in tax increment revenues at those parcels will not adversely affect the ability of the DDA to repay any bonds issued to date or to undertake any of the elements identified in the Downtown Development Plan. The DDA shall continue to capture tax increment revenues from the parcels identified in Appendix C in the amounts captured based upon the 2019 Taxable value at those parcels. In exchange for capping the DDA capture of tax increment revenues on the parcels identified in Appendix C and maintaining the existing DDA capture at the 2019 Taxable value at those parcels, the additional tax increment revenues over those captured by the DDA shall be available to the City of Bay City Brownfield Redevelopment Authority for capture to reimburse the cost of “eligible activities” at the parcels identified in Appendix C in accordance with Michigan’s Brownfield Redevelopment Financing Act, M.C.L. Section 125.2651 et seq.

1.11.1 PUBLIC IMPROVEMENTS

The DDA may use different repayment techniques for Public Improvements. That is, Public Improvements may be financed by the developer with annual debt service payments made by the DDA using Capture Annual Increments. Also, Public Improvements may be financed by the DDA using a variety of (but not limited to) financing sources including conventional lending, foundations and grants and other public sources including revolving loan funds. The DDA maintains the right to borrow money from other sources in anticipation of captured increments.

The developer shall finance all Internal Public Improvements and shall be repaid for those improvements as reflected in a Development Agreement with the Downtown Development Authority. The cost of Internal Public Improvements may be repaid by the DDA to the developer concurrently with the developer’s overall mortgage financing. The term of repayment on Internal Public Improvements shall be sufficiently long to assure that TIF revenue will be available to pay for the needed Exterior Public Improvements identified in the plan.

In order to finance External Public Improvements, the private developer and DDA must show in the Development Agreement that the property improvement is of a magnitude to create sufficient tax increment revenues to pay for those public improvements. Public improvements may be expanded, altered or deleted as the needs of private property improvements are refined.

The Development Agreement shall specify the nature, cost and timing of improvements to be made by the developer and the DDA. It shall include at least the following components:

1. A written description of all phases of the project, including a summary of new commercial, office or residential space to be developed;
2. A cost summary of the project, including the cost of needed Interior Public Improvements;
3. A description and cost summary of needed Exterior Public Improvements;
4. The Anticipated Taxable Value of the Improved Property as determined by the DDA with input from the City Assessor and Finance Director;
5. A projected debt retirement schedule reflecting the DDA payment to the financing sources;
6. Evidence that project financing is or will likely be available for the property improvement.

1.11.2 INTERNAL PUBLIC IMPROVEMENTS

The developer shall finance the cost of all Internal Public Improvements. The developer shall be repaid principal and interest annually by the DDA from the Captured Annual Increments, providing that the developer signs a development agreement with the DDA. Upon completion of an improved property, the developer shall document the cost of all Internal Public Improvements to the Downtown Development Authority.

1.11.2.1 EXTERNAL PUBLIC IMPROVEMENTS

External Public Improvements may be financed in part by a loan to the DDA from the City of Bay City. Lending institutions may participate. This loan shall be repaid from captured annual increments as negotiated between the City of Bay City and the DDA and between local lenders and the DDA.

The DDA may borrow funds against the Revolving Fund in anticipation of tax increment financing only when a Development Agreement between the City and the DDA is executed.

1.11.3 ADDITIONAL PUBLIC IMPROVEMENTS

Public improvements shall be funded through the use of any one or more of the funding sources listed in Section 1.11 of this Plan. Additional Internal Public Improvements shall be funded by the DDA in accordance with Section 1.11. External Public Improvements may be accelerated by the use of non-TIF funds, such as federal grants – in-aid for community development.

1.11.4 DEVELOPMENT INCENTIVE (AS AMENDED 7/17/89)

The DDA, may, pursuant to the Development/Tax Financing Plan, provide development incentives for the purposes of insuring the completion of the development projects hereinabove set forth and other development projects not inconsistent with this development plan, such may be done by the acquisition of options, leases, subleases and other interests in real estate as permitted by the act.

At this time, there is no agreement to undertake any such specific incentive on behalf of any person or persons, natural or corporate (pursuant to section 17(j) of the act). It is anticipated that in any case in which the DDA extends a development incentive for the purpose of furthering this plan, that any acquisition of the real estate subject to said incentive by the developer shall be negotiated before the incentive is extended. Therefore, there is no provision for bidding for the leasing, purchasing or conveying in any manner of all or a portion of the development upon its completion. The DDA may consider incentives that are legally possible and tailor them to each separate project as it comes up.

1.12 DESIGNATION OF PARTY TO WHOM A PORTION OF THE DEVELOPMENT IS TO BE CONVEYED

Improvements that are made in order to comply with the barrier free design requirements of the state construction code (promulgated under the state construction code act of 1972, Act. No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws) will remain as the property of private property owners.

1.13 PROCEDURES FOR LEASING, PURCHASING AND CONVEYING PROPERTY

The cost of Internal Public Improvements will be repaid annually with captured tax increments, pending a development agreement with the Downtown Development Authority. The cost of External Public Improvements is described in Section 1.11. The DDA may acquire, either through purchase or otherwise, such land and other property, real or personal, or rights or interests therein, which the DDA determines is reasonably necessary to achieve the purposes of Act 197.

1.14 NUMBERS OF PERSON WITHIN THE DEVELOPMENT AREA

There are over 100 residents within Development Area #6.

1.15 RELOCATION

There will be no relocation of persons or businesses as a result of this plan.

1.16 COMPLIANCE WITH ACT NO. 227 OF 1972

The DDA intends to fully comply.

1.17 AMENDING DEVELOPMENT PLAN

This Development Plan may be amended from time to time as needed in order to reflect new projects and to assure timely payment of public improvements. The following conditions shall govern the amendment process:

1. The plan may be amended through the same process as its adoption; including two public hearing notices, the first being not less than 20 days prior to the hearing;
2. If, at any time, due to substantially depreciating property in the Development area, tax increments are projected to be insufficient to pay for Internal and External Public Improvements, the DDA may amend the Development Plan to exclude those properties, providing that internal public improvements are not being financed within those properties;
3. Although Development Area has in the past been characterized by depreciating property values, the proposed program is projected to reverse the decline;
4. Additional public improvements may be completed without amending the Development Plan to reflect new private property improvements in the development area, providing that a development agreement is executed with the City and the additional project does not delay or diminish identified as internal and external public projects. For example, an internal public improvement may become a project, providing that a Development Agreement is executed in accordance with Section 1.11.

CHAPTER 2 TAX INCREMENT FINANCING PLAN

2.1 INTRODUCTION

This tax increment financing plan is established to make possible the financing of the public improvements necessary for the development of Downtown Bay City in accordance with a Development Plan for that area and as authorized in section 1.11.4 of Chapter 1, Development Plan. Chapter One, the Development Plan is hereby incorporated by reference as part of the Tax Increment Financing Plan (adopted 12-18-89).

2.2 TAX INCREMENT FINANCING PROCEDURE

The TIF procedure as outlined in the Act requires the adoption by the City, by resolution, of a development plan and a tax increment financing plan. Following the adoption of the resolution, the municipal and county treasurers are required by law to transmit to the Downtown Development Authority that portion of the tax levy of all taxing bodies paid each year on the “capture Taxable value” of all property located in the development area. The amounts so transmitted are hereinafter referred to as “tax increment revenue.” The tax increment revenue shall not include any increments attributable to the parcels identified in Appendix C hereto in excess of the 2019 Taxable value for any of those parcels. The “captured Taxable value” is defined as the amount in any year by which the current Taxable value in the development area (including the Taxable value that appears on the tax roll under Act 198 of the Public Acts of 1974 or Act 255 of the Public Acts of 1978) exceeds the Initial Taxable Value of all property in the development area. The base Taxable value in May of 1987 was \$2,358,728 (base value). The current Taxable value, as finally equalized in May of 2019 is \$12,341,850.

The essence of the tax increment financing procedure is as follows:

1. The public makes an investment in public improvements, and also potentially in facilities to be leased or sold to or from private owners, including the possible acquisition of options, leases, subleases and other interests in real estate as permitted by the act, for the purpose of stimulating private investment in a specific area (the development area.) The investment may be made in response to a declining business climate and tax base which the public wishes to protect and develop (adopted 12-18-89.)
2. Bonds may be issued to finance the improvements. This is not mandatory, as tax increments received may be used in any manner the authority desires, provided those uses are described in this plan. Should increments be sufficient to warrant the selling of bonds (tax increment bonds) these bonds are retired in a manner prescribed by the authority.

3. Taxes generated from subsequent growth in the tax base of the development district are retained and utilized by the authority. This tax base is called the “captured Taxable value.” Specifically, it is the difference between the Taxable Value of the development area at any point in time and the Taxable Value of the area in existence at the time of the adoption of the Downtown Development Plan.
4. The taxes that are potentially available to the authority include all of the taxes normally levied by all the taxing units on the captured Taxable value of the Downtown Development District. The Plan may provide for the use of part or all of the captured Taxable value. If the Downtown Development Authority chooses, it may enter into agreements with each of the taxing units to share a portion of the captured Taxable value of the district. Should the Authority find it necessary to use all of the captured Taxable value, it shall be clearly stated in this Plan.
5. When the specified development/financing plan is accomplished, the captured Taxable value is released and the taxing units receive all the taxes levied on it from that point on.
6. Since only the growth in tax base (the captured Taxable value) in the development area is used to finance the development plan, the taxing units continue to receive their full tax levy on the District tax base in existence at the adoption of the development plan. In addition, any taxes generated by the captured Taxable value beyond the amount required by the development plan are returned each year to the taxing units.
7. In order to foster additional private investment within the District, the DDA is authorized to limit its capture of tax increment revenues at specified parcels within the District. The DDA has determined that limiting its capture on the parcels identified in Appendix C hereto is necessary to foster additional private development within the District, and that the additional private development would not have occurred unless the tax increment capture upon those parcels was limited to their 2019 Taxable values.

The justification of the tax increment financing procedure is based on the expectation that all or a portion of the “captured Taxable value” is created, following implementation of a downtown development plan, would not have occurred without the stimulation of the public investment involved in the plan implementation; and therefore, the short-term investment made by the taxing units in foregoing part of the initial growth in tax revenues is repaid by the long-term benefit of substantially greater taxes realized from a stronger commercial base.

2.3 THE AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED

Bond Debt of \$1,500,000 was incurred in 2015 for a duration of 11 years. Projects paid for with the bond included milling and resurfacing of streets, streetscape improvement and improvements to Wenonah Park.

2.4 THE DURATION OF THE PROGRAM

The development program is scheduled for completion 30 years following the adoption of the plan on August 17, 1987. In order to meet the goals of the development plan, the DDA will use all of the captured value within the development area. If the public facilities to be funded with tax increment financing are paid prior to the 30 year period, this development/tax increment financing plan and the development district shall be dissolved. Tax increment financing may only be used in a manner outlined in the development plan.

The amendment of this plan does not change its duration.

2.5 IMPACT OF TIF ON OTHER TAXING JURISDICTIONS

2.5.1 TAX INCREMENT FINANCING ISSUES

Tax increment financing is a potentially valuable tool for financing public improvements and encouraging increased private investment in Bay City. The financing for public improvements comes from the increase in property tax revenues generated by new private development. Since the increase in property taxes is captured by the DDA that increase in property taxes is directed away from the other taxing jurisdictions levying a millage in the Downtown area.

The following table specifies the millage rate, 1987 State Equalized Value and size of the development area's SEV as a percentage of SEV against which each taxing jurisdiction levies its millage.

IMPACT ON THE TAXING JURISDICTIONS

The taxing units affected by the Plan and their 2019 tax rates for each unit are as follows in Table 1:

Table 1 -- 2019 Tax Rates City of Bay City

2016				2017				2018				2019			
HMSTD	NON-HM	MBT.Personal													
		Indl	Coml												
16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615	16.9615
4.2250	4.2250	4.2250	4.2250	4.4470	4.4470	4.4470	4.4470	4.5000	4.5000	4.5000	4.5000	3.7500	3.7500	3.7500	3.7500
21.1865	21.1865	21.1865	21.1865	21.4085	21.4085	21.4085	21.4085	21.4615	21.4615	21.4615	21.4615	20.7115	20.7115	20.7115	20.7115
6.0000	6.0000	0.0000	6.0000	6.0000	6.0000	0.0000	6.0000	6.0000	6.0000	0.0000	6.0000	6.0000	6.0000	0.0000	6.0000
0.0000	17.6747	0.0000	6.0000	0.0000	17.6747	0.0000	6.0000	0.0000	17.6747	0.0000	6.0000	0.0000	17.6747	0.0000	6.0000
0.0000	0.3253	0.0000	0.0000	0.0000	0.3253	0.0000	0.0000	0.0000	0.3253	0.0000	0.0000	0.0000	0.3253	0.0000	0.0000
								0.6500	0.6500	0.0000	0.0000	0.6500	0.6500	0.0000	0.0000
2.9900	2.9900	2.9900	2.9900	2.9900	2.9900	2.9900	2.9900	2.3400	2.3400	2.3400	2.3400	2.3400	2.3400	2.3400	2.3400
0.0000	17.5896	0.0000	6.0000	0.0000	17.5896	0.0000	6.0000	0.0000	17.5896	0.0000	6.0000	0.0000	17.5896	0.0000	6.0000
0.0000	0.4104	0.0000	0.0000	0.0000	0.4104	0.0000	0.0000	0.0000	0.4104	0.0000	0.0000	0.0000	0.4104	0.0000	0.0000
2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500	2.3500
8.9900	26.9900	2.9900	14.9900	8.9900	26.9900	2.9900	14.9900	8.9900	26.9900	2.3400	14.3400	8.9900	26.9900	2.3400	14.3400
8.3500	26.3500	2.3500	14.3500												
1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563	1.5563
0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864	0.4864
2.0427															
0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891	0.1891
2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403	2.8403
1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939	1.8939
4.9233															
5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257	5.7257
42.8682	60.8682	36.8682	48.8682	43.0902	61.0902	37.0902	49.0902	43.1432	61.1432	36.4932	48.4932	42.3932	60.3932	35.7432	47.7432
42.2282	60.2282	36.2282	48.2282	42.4502	60.4502	36.4502	48.4502	42.5032	60.5032	36.5032	48.5032	41.7532	59.7532	35.7532	47.7532
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953	0.9953
0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
0.8500	0.8500	0.8500	0.8500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000
0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500	0.7500
0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952	0.0952
0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476	0.7476
11.6138	11.6138	11.6138	11.6138	11.3138	11.3138	11.3138	11.3138	11.2138							
5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881	5.8881
48.7563	66.7563	42.7563	54.7563	48.6783	66.6783	42.6783	54.6783	48.6313	66.6313	41.9813	53.9813	47.8813	65.8813	41.2313	53.2313
48.1163	66.1163	42.1163	54.1163	48.0383	66.0383	42.0383	54.0383	47.9913	65.9913	41.9913	53.9913	47.2413	65.2413	41.2413	53.2413

The adoption of this amended Plan shall in no way diminish the existing assessed values of property within the original or in the amended development area boundaries. The local taxing jurisdictions noted above shall therefore suffer no loss of tax revenues as established during the inception of the original plan in 1987 or subsequent plan amendments.

For the period during which the Tax Increment Financing Plan and Development Plan is in effect, the assessed values of properties within the development district shall effectively remain constant insofar as the local taxing jurisdictions are concerned. The increases in property values in the previously adopted development area will continue to generate tax increment revenues that shall be available to the Authority during the Plan duration.

It is anticipated that the development activities of the Authority, expected to be financed in whole by tax increment revenues, will produce a positive, material effect on the

assessed values of property within and in the proximity of the development area and will ultimately result in the eventual collection of greater real and personal property tax revenues than would otherwise have been available.

The TIFA proposes that all of the eligible taxes, levied on the Captured Taxable Value within the existing district, be used by the Authority to the extent needed from year to year to accomplish the purposes of this Plan.

Pursuant to Section 13 (4) of Act No. 450 of the Public Acts of 1980, as amended, the Authority shall fully inform the members of the Bay County Board of Commissioners and the Bay City School Board, as well as the other taxing jurisdictions, of the fiscal and economic implications of the Plan.

Appendix A

Public Hearing Notice

Appendix B

Resolution and Ordinance

-Appendix C

-Parcels With Capped Taxable Values

Street Address	Parcel Numbers-	Legal Description	2019 Taxable Value
101 Center Avenue	09-160-021-312-001-22 09-160-021-012-001-22 09-160-021-338-007-00	Lots 7 thru 12, Block 52, Lower Saginaw, Bay County, MI (Comb W/-001, -002 &-003 For 2007)	\$1,732,250
1115 Washington Avenue	09-160-021-328-003-00	LOTS 1-4 & 10-12 & N 8.5 FT LOT 9 BLK 28 & E 1/2 OF VAC ALLEY ADJ TO LOTS 1-3, 11&12 & W 1/2 VAC ALLEY ADJ TO LOT 10 & N 8.5 FT LOT 9 LOWER SAGINAW (SPLIT OFF PT OF VAC 2ND ST FOR 94)(COMB W/-001-00 FOR 2011)	\$402,995