



**CITY OF OTSEGO**  
**DOWNTOWN DEVELOPMENT**  
**AUTHORITY**  
**DEVELOPMENT PLAN/TAX**  
**INCREMENT FINANCING PLAN**

**2005-2025**  
**CITY OF OTSEGO**  
**DOWNTOWN DEVELOPMENT PLAN/TAX**  
**INCREMENT FINANCING PLAN**

ADOPTED – OCTOBER 15, 1985

By Downtown Development Authority

ADOPTED – DECEMBER 2, 1985

By City Commission

AMENDED – DECEMBER 16, 1991

By Downtown Development Authority & City Commission

2005 AMENDMENT EXTENDING BOUNDARIES  
& EFFECTIVE DATE TO 2025

ADOPTED – JUNE 6, 2005

By Downtown Development Authority

ADOPTED – JULY 5, 2005

By City Commission

**ORIGINAL ADOPTED**  
**DDA PLAN**  
**1985**

## TABLE OF CONTENTS

### INTRODUCTION

- 1.0 Designation of Development Area Boundaries
- 2.0 Location and Extent and Character of Streets, Public Facilities,  
Land Use and Legal Description of Development Area
  - 2.1 Streets
  - 2.2 Public Facilities
  - 2.3 Existing Land Use
  - 2.4 Proposed Land Use
  - 2.5 Legal Description
- 3.0 Description of Improvements and Time Required for Completion
  - 3.1 Improvements in the Development Area
  - 3.2 Repairs and Alterations
- 4.0 Location, Extent, Character and estimated Cost of Improvements
  - 4.1 Location, Extent, Character and Cost of Improvements
  - 4.2 Construction Phases and Completion Schedule
- 5.0 Open Space
- 6.0 Land Transactions
- 7.0 Properties to be Acquired
- 8.0 Changes in Zoning, Streets and Utilities
  - 8.1 Zoning
  - 8.2 Streets
  - 8.3 Utilities
- 9.0 Cost Estimates of Development, Methods of Financing and Ability of  
Authority to Arrange Financing
  - 9.1 Cost Estimate
  - 9.2 Methods of Financing
  - 9.3 Ability to Arrange Financing
- 10.0 Sale, Lease or Conveyance of Development
- 11.0 Conveyance Procedures
- 12.0 Socio-Economic Status of Development Area
  - 12.1 Number of Residents
  - 12.2 Number of Families Displaced
  - 12.3 Income and Racial Composition
  - 12.4 Description of the Housing Supply

- 13.0 Relocation of Persons Displaced
- 14.0 Relocation Compliance
- 15.0 Plan for Compliance with Act No. 227
- 16.0 Other Material
- 17.0 Detailed Explanation of Tax Increment Procedure
- 18.0 Priority of Use of Monies in the Project Fund
- 19.0 Amount of Bonded Indebtedness
- 20.0 Duration of Program
- 21.0 Impact of Taxing Jurisdictions

## INTRODUCTION

The Otsego Downtown Development Authority has been established in accordance with Michigan Act 197, 1975. (See Appendix for bylaws, resolution of intent to establish DDA and ordinance to adopt resolution). The basic purpose of this authority is to reestablish and maintain the vitality of the Central Business District of the City of Otsego. The authority district encompasses 54 businesses, 4 government facilities, 4 fraternal lodges, the Chamber of Commerce and 31 residences, including second story apartments in commercial buildings.

A Revitalization Plan for the downtown area was completed July of 1985. Basic components of the plan include parking, streetscape improvements, land acquisition for parking and recreation and renovated buildings. Implementation for all activities and coordination with facilitating organizations has been built into this Plan.

Preliminary planning is advancing to the design stage. Funds obtained through this Plan will be used to develop the area according to the Redevelopment Plan including certain administrative costs for legal and design services. Both public and private funding commitments will be used to implement the Downtown Plan. Funds obtained through this Tax Increment Financing Plan will be used to develop the downtown area over the 20 year period of this Plan.

The purpose of this document is to establish Development Plan/Tax Increment Finance improvements within the boundary of the DDA of The City of Otsego. This Development Plan/Tax Increment Finance Plan will be used to implement specific project components of the overall Downtown Revitalization Plan as adopted by the Downtown Development Authority.

The governing body shall hold a public hearing before adoption of an ordinance approving the Development Plan/Tax Increment Financing Plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall be not less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the Downtown district not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the downtown district not less than 20 days before the hearing.

The notice of the time and place of hearing on a development plan shall contain: a description of the proposed development area in relation to highways, streets, streams, or otherwise; a statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing; and other information that the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference thereto. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the Development Plan/Tax Increment Financing Plan.

Before the public hearing on the Development Plan/Tax Increment Financing Plan, the governing body shall provide a reasonable opportunity to the members of the County Board of

Commissioners of Allegan County, the Allegan Intermediate School District and the Otsego School Board in which the development area is located to meet with the governing body. The authority shall fully inform members of the County Board of Commissioners and of the School Boards of the fiscal and economic implications of the proposed development area. The members of the County Board of Commissioners and of the School Board may present their recommendations at the public hearing on the Development Plan/Tax Increment Financing Plan.

The document contained herein may be amended from time to time in order to reflect expanded project or financing needs in order to carry out the goals and objectives of the Downtown Revitalization Plan. Any such amendments will be in accordance with the requirements of Public Act 197, 1975, as amended.

Only those tax increases within the “Development Area”, not the entire area affected such as the county or school districts, are captured. All projects undertaken by the Tax Increment Financing Plan will be within the designated development area.

1.0 DESIGNATION OF BOUNDARIES OF THE DEVELOPMENT AREA IN RELATION TO HIGHWAYS, STREETS, STREAMS, OR OTHERWISE (See Map 1)

The Otsego Downtown Development Area is generally bounded by the west line of the municipal parking lot on the west and the eastern City limits on the east, the northern boundary is River Street, the southern boundary is the southern line of Orleans Street. The boundaries of this development plan coincide with the boundaries of the Downtown Development Authority.

2.0 LOCATION AND EXTENT OF EXISTING STREETS AND OTHER PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA AND THE LOCATION, CHARACTER, AND EXTENT OF THE CATEGORIES OF PUBLIC AND PRIVATE LAND USES EXISTING AND PROPOSED FOR THE DEVELOPMENT AREA, INCLUDING RESIDENTIAL, RECREATIONAL, COMMERCIAL, INDUSTRIAL, EDUCATIONAL, AND OTHER USES AND A LEGAL DESCRIPTION OF THE DEVELOPMENT AREA (See Map 2)

2.1 LOCATION AND EXTENT OF EXISTING STREETS WITHIN THE DEVELOPMENT AREA

Streets within the development area include Allegan (M89), Kalamazoo, Farmer, Fair, Orleans and Court. All streets have curb and gutter and range from 40' two lane to 80' four lane.

2.2 LOCATION AND EXTENT OF PUBLIC FACILITIES WITHIN THE DEVELOPMENT AREA

About one-third of the development area is served by the full range of public utilities (water, sanitary sewer, and storm drains). No schools, libraries or hospitals exist within the development area. The City Hall and Police Complex is located at the corner of Fair and Orleans Streets and the Otsego Volunteer Fire Department is at the corner of Farmer and Orleans Streets. The City's public works yard is situated on the south bank of the Kalamazoo River, east of Farmer Street and the U.S. Post Office is on Farmer Street north of Allegan Street. The Otsego Township Hall is on Farmer Street adjacent to the Volunteer Fire Station.

2.3 LOCATION AND EXTENT OF EXISTING LAND USE

Land uses and activities existing within the Tax Increment Finance District consist of the following:

<u>Commercial</u>	<u>Number</u>
Hardware Stores	2
Jewelry Store	1
Gasoline Service Stations	2
Taverns	2
General Store	1
Photographic Studio	1
Offices	6
Beauty Shops	3



Restaurants	5
Drug Stores	2
Variety Store	1
Shoe Repair	1
Health Spa	1
Fabric Store	1
Used Clothing Store	1
Carpet/Floor Covering Store	1
Dentist Office	1
Arts/Crafts Store	1
Bakery	1
Dry Cleaners	1
Music Store	1
Bank	1
Dance Studio	1
Florist	1
Trophy Shop	1
New Clothing Store	1
Auction Sales Store	1
Printing Shop	1
Appliance Store	1
Natural Food Store	1
Antique Store	1
Newspaper Office	1
Ice Cream Store	1
Optometrists	2
Funeral Home	1
Supermarket	1
Barber Shop	1
Glass/Radiator Repair Shop	1

Industrial

Machine Shop	1
Paper Mill	1

Public/Quasi-Public Facilities

City Hall	1
Fire Station	1
Township Hall	1
Post Office	1
Public Works Garage and Yard	1
Chamber of Commerce Office	1
Fraternal Lodges	4

<u>Residences</u>	
Single-Family	19
Rental/Duplex	12
<u>Vacant Parcels</u>	9
<u>Vacant Buildings</u>	3

2.4 LOCATION, CHARACTER AND EXTENT OF THE CATEGORIES OF PROPOSED PUBLIC AND PRIVATE LAND USES IN THE DDA (Appendix A contains existing property uses, ownership and 1985 SEV for real, personal, IFT and CFT properties)

<u>PARCEL #</u>	<u>MAP #</u>	<u>ADDRESS OF PROPERTY</u>	<u>PROPOSED USE</u>
100-011-00	322	131-133 W. Allegan St.	Commercial
		105-107 Kalamazoo St.	
100-012-00	324,325, 326	125 W. Allegan St.	Commercial
100-012-70	327-1	123 W. Allegan St.	Commercial
100-015-00	336, 337, 338, 339	115-117 W. Allegan St.	Commercial
100-016-50	340	101-103 W. Allegan St.	Commercial
		108-110 S. Farmer St.	
100-052-00	341, 382	120 S. Farmer St.	Commercial
100-025-40	367-1	136 E. Allegan St.	Commercial
100-025-20	366	132 E. Allegan St.	Commercial
100-024-40	364-1	E. Allegan St.	Parking (Private)
100-024-60	364-A-1	130 E. Allegan St.	Commercial
100-024-20	363-1	128 E. Allegan St.	Office
100-024-00	362-1	124 E. Allegan St.	Commercial/Residential
100-021-50	355	122 E. Allegan St.	Commercial
100-021-00	353, 354-1	116 E. Allegan St.	Commercial
100-020-80	352-1	108-110 E. Allegan St.	Commercial
100-020-30	350-1	106 S. Farmer St.	Parking (Private)
100-020-60	351-1	109 S. Farmer St.	Commercial
100-051-00	380	111 S. Farmer St.	Commercial
100-047-00	356, 356-A	113 1/2 S. Farmer St.	Fraternal Lodge
100-144-00	370, 373, 374, 375, 381	117 E. Allegan St.	Public Facility/Public Parking
100-026-10	369	135 E. Allegan St.	Fraternal Lodge
100-026-00	368	133 E. Allegan St.	Office
100-023-00	360	131 E. Allegan St.	Commercial
100-022-50	359	123 E. Allegan St.	Commercial
100-022-00	358	110 E. Allegan St.	Commercial
100-048-20	357-1	117 E. Allegan St.	Commercial
100-019-20	345-A, B	116 E. Allegan St.	Commercial
100-019-90	349	113 E. Allegan St.	Commercial
100-019-80	348	107 E. Allegan St.	Commercial

100-019-70	347	101 E. Allegan St.	Commercial
100-019-60	346-1	107 N. Farmer St.	Office
100-019-00	345-1	110 N. Farmer St.	Commercial
100-120-70	472	120 N. Farmer St.	Commercial
100-120-00	469, 470, 471	124 N. Farmer St.	Fraternal Lodge
100-121-00	473	Court St.	Parking (Private)
100-023-50	361	N. Fair St.	Parking (Private)
100-122-00	474	118 Court St.	Residential
100-123-00	475	117 N. Fair St.	Residential
100-123-50	476	124 Court St.	Residential
	318, 319, 320	Allegan St. Parking Lot	Parking (Public)
100-010-00	321	134, 134A W. Allegan St.	Commercial
100-010-10	321-A	134B W. Allegan St.	Commercial
100-010-20	321-B	Lot - Allegan St.	Commercial
100-013-00	328	126 W. Allegan St.	Commercial
100-013-50	329	Vacant Lot	Commercial
100-013-70	330	122 W. Allegan St.	Commercial
100-014-00	331, 332	114 W. Allegan St.	Commercial
100-014-70	335	106-110 W. Allegan St.	Commercial
100-017-50	344	100 W. Allegan St.	Commercial
100-014-25	333, 343	109 N. Farmer St.	Commercial
100-014-50	334	109 N. Farmer St.	Commercial
100-017-00	342	113 N. Farmer St.	Commercial
100-119-00	468-1	117 N. Farmer St.	Commercial
899-001-00	999/1	River St.	Transportation
023-030-00	241, 241A	340 N. Farmer St.	Industrial
023-031-00	241, 241A	N. Farmer St.	Vacant
023-031-00	244	N. Farmer St.	Public Park
500-009-00	1035	Jewell St.	Vacant
023-042-00	254	Along River	Recreational
101-003-00	478	Along River	Recreational
101-001-00	447	201 Court St.	Residential
100-114-00	465	127 Court St.	Residential
023-033-00	245-250, 466, 467	N. Farmer St.	Public Facilities/Recreational
102-111-00	511	206 Court St.	Residential
102-110-00	510	116 N. Fair St.	Residential
102-028-00	506	207 E. Allegan St.	Commercial/Residential
102-031-00	507	211 E. Allegan St.	Commercial/Residential
104-029-00	549	204 E. Allegan St.	Commercial
104-030-00	550-A	109 S. Fair St.	Fraternal Lodge
104-043-00	550	113 S. Fair St.	Commercial
104-040-50	558	115 S. Fair St.	Commercial/Residential
104-043-50	559	123 S. Fair St.	Commercial/Residential
100-049-50	377	203 S. Farmer St.	Commercial/Residential
100-054-00	385	204 S. Farmer St.	Residential

100-057-50	392-A	109 W. Orleans St.	Commercial
100-057-00	392	115 W. Orleans St.	Commercial
100-058-50	394	209 Kalamazoo St.	Residential
100-058-00	393	121 W. Orleans St.	Parking (Private)
100-060-00	396, 397	112 Kalamazoo St.	Church
100-007-80	316-A	110 Kalamazoo St.	Residential
100-007-50	316	203 W. Allegan St.	Commercial/Residential
100-007-00	315	207 W. Allegan St.	Residential
100-003-50	311	211 W. Allegan St.	Residential
100-005-50	314	208 W. Allegan St.	Commercial/Residential
100-008-00	317	204 W. Allegan St.	Commercial/Residential
023-040-00	252	W. Allegan St.	Commercial/Public Parking
023-039-00	251	141 N. Farmer St.	Commercial/Public Parking
023-004-00	214	River St.	Industrial
023-005-00	216, 217	S and E of River St.	Industrial
023-006-00	218	River St.	Industrial
023-007-00	219	River St.	Industrial
023-029-00	240		Vacant
102-112-00	512	216 Court St.	Residential
100-054-00	387, 388	214 S. Farmer St.	Residential
100-054-20	386	210 S. Farmer St.	Residential

The following are properties that have been approved for reduced property tax millage levies pursuant to P.A. 255. Under these two acts, only one-half of the total millage is applied to the assessed value of the property for a period up to 12 years.

<u>Parcel #</u>	<u>Address of Property</u>	<u>Proposed Use</u>
999-500-10	141 N. Farmer St.	Industrial
999-700-10	141 N. Farmer St.	Industrial
999-500-50	320 N. Farmer St.	Industrial
999-500-51	320 N. Farmer St.	Industrial
999-500-52	320 N. Farmer St.	Industrial
999-500-53	320 N. Farmer St.	Industrial
999-700-11	320 N. Farmer St.	Industrial
999-900-10	119 N. Farmer St.	Industrial

## 2.5 LEGAL DESCRIPTION OF DEVELOPMENT AREA

Beginning at the Southeast Corner of the intersection of the rights-of-way of Orleans and Fair Streets, thence running East to the West lot line of parcel #592, thence North along the West lot lines of parcels #557 and #551 to the center line of Allegan Street, thence East to a point coterminous with the Southern extension of the East lot line of parcel #507, thence North to the South lot line of parcel #512, thence East to the East lot line of parcel #512, thence North to the center line of Court Street, thence West to point

coterminous with the Southern extension of the East lot line of parcel #477, thence North to the Northeast corner of parcel #477, thence Northeast to the Southeast corner of parcel #478, thence North to the Northwest corner of parcel #482, thence Northeast to the Northeast corner of parcel #483, thence South to the Northwest corner of parcel #484, thence Northeast to the Northwest corner of parcel #1035, thence South to the Southwest corner of parcel #1035, thence East to the Southeast corner of parcel #1035, thence North to the Northeast corner of parcel #1035, thence in a southeasterly direction, following the Southern bank of the Kalamazoo River to the Eastern boundary of the City, thence North to the Northeast corner of parcel #219, thence West along the Southern right-of-way of River Street to the Southeast corner of the intersection of River and Farmer Streets, thence South to the Southern bank of Kalamazoo River, thence West along the Southern bank of the Kalamazoo River to the Northwest corner of parcel #251, thence South to the Southwest corner of parcel #251, thence East to the Northwest corner of parcel #252, thence South to the Southwest corner of parcel #252, thence West to the Northwest corner of parcel #314, thence South to the centerline of Allegan Street, thence West to point coterminous with the Northerly extension of the West lot line of parcel #311, thence South to the Southern right-of-way of Orleans Street, thence East to the Southeast corner of the intersection of the rights-of-way of Kalamazoo and Orleans Streets, thence South to the Southwest corner of parcel #394, thence east to the Southeast corner of parcel #394, thence South to the Southwest corner of parcel #392, thence East to the Southeast corner of parcel #392, thence South to the Southwest corner of combined parcels #387 and #388, thence East to the point of intersection with the West boundary of Farmer Street, thence North to the Southeast corner of parcel #385, thence East to the point of intersection with the Western boundary of parcel #376, thence North to the Southern right-of-way of Orleans Street, thence East to the point of beginning, CITY OF OTSEGO, COUNTY OF ALLEGAN AND STATE OF MICHIGAN.

3.0 A DESCRIPTION OF IMPROVEMENTS TO BE MADE IN THE DEVELOPMENT AREA, A DESCRIPTION OF ANY REPAIRS AND ALTERATIONS NECESSARY TO MAKE THOSE IMPROVEMENTS, AND AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION OF THE IMPROVEMENTS

3.1 A DESCRIPTION OF IMPROVEMENT TO BE MADE IN THE DEVELOPMENT TO BE MADE IN THE DEVELOPMENT AREA

Public Improvements in the Development Area include:

- a) Off-Street Parking – Both existing public parking lots are designated for improvements. These improvements consist of additional parking, improved access, beautification and lighting.
- b) Streets and Sidewalks – Allegan, Orleans, Court, Kalamazoo, Farmer and Fair Streets are scheduled for improvements to provide a unifying them to the Downtown area. While no street realignments are called for, landscaping, sidewalk and crosswalk improvements, street lighting and street furniture improvements are scheduled. One street closure is scheduled for Orleans Street between Farmer and Kalamazoo. Alteration in curb cuts for ingress and

egress to and from Harding's Supermarket are part of the development program.

- c) Alleys – Landscaping, pedestrian, parking, traffic flow and utility improvements are scheduled for the alleys in the Central Business District.
- d) Parks and Recreation – New public parks with facilities and amenities are scheduled along the Kalamazoo River to capitalize on the river as a focal point for passive and active recreation. Linear bike paths/walkways are also scheduled to tie these park areas to existing community parks.

Private improvements in the Development Area include:

- a) Parking – Six existing privately owned off-street parking lots will be improved through expansion, realignment of parking spaces, landscaping, paving and resurfacing. A new privately owned off-street parking facility will be constructed within the southeast block of the Central Business District, with access off of the alley.
- b) Buildings and Structures – Six new commercial structures/additions are proposed for the Development Area (see Map 3). Three are separate, freestanding buildings and the remaining three are proposed as “fill-in” buildings or additions to existing structures. A new industrial building/buildings is scheduled north of the Kalamazoo River. Landscaping, loading area, walkways and trash receptacles are proposed for the rear spaces of commercial buildings.

### 3.2 A DESCRIPTION OF REPAIRS AND ALTERATIONS NECESSARY TO MAKE IMPROVEMENTS

- a) New storefronts and rear facades will be constructed over the period of the Plan along Allegan Street, Farmer Street and Fair Street within the Development Area. This construction will require some coordination in design. Materials should be matched with façade improvements of other buildings as well as streetscape and sidewalk treatments. This will create an overall theme pulling all the buildings together and establishing strong visual unification. Rear façade improvements should highlight rear entrances and make business more accessible from off-street parking design, increasing pedestrian traffic, separated from vehicular traffic in these areas.
- b) Curb and gutter repairs will be made on all streets within the Development Area to facilitate existing and future street and sidewalk improvements.
- c) Two existing structures located at the rear of commercial buildings will be removed for easier pedestrian and vehicular movement.
- d) Overhead utility lines located in alleyways in the Central business District will be relocated underground and existing poles will be removed. Alleys will be limited to one-way traffic in a westerly direction. Overhead utility lines on Allegan Street and Farmer Street will be placed underground and existing street lights removed with new added at pedestrian scale.

- e) Improvements to off-street parking lots may present temporary parking problems during construction. No more than one parking lot or portion of a lot should be under reconstruction at one time to minimize the impacts of the development plan proposes realignment of existing off-street parking to accommodate 19 additional spaces.
- f) Additional landfill will be required in the commercial block north of Allegan Street and west of Farmer Street to provide a site for a proposed commercial structure.

3.3 AN ESTIMATE OF THE TIME REQUIRED FOR COMPLETION

The Development Plan is estimated to take 20 years to complete. Estimated completion date is the year 2005.

4.0 THE LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF THE IMPROVEMENTS INCLUDING REHABILITATION CONTEMPLATED FOR THE DEVELOPMENT AREA AND AN ESTIMATE OF TIME REQUIRED FOR COMPLETION INCLUDING A STATEMENT OF THE CONSTRUCTION OR STAGES OF CONSTRUCTION PLANNED, AND THE STIMATED TIME OF COMPLETION OF EACH STAGE.

The improvements proposed in this Development Plan/Tax Increment Finance Plan are recommended improvements. They are, however, susceptible to change over time in accordance with the defined needs and desires of the Downtown Development Authority, City Commission and local residents.

4.1 THE LOCATION, EXTENT, CHARACTER AND ESTIMATED COST OF IMPROVEMENTS CONTEMPLATED FOR THE DEVELOPMENT AREA(see Map 3)  
(1985 Dollars)

Allegan Street – West of Kalamazoo Street

<u>Public Improvements</u>	\$27,300
-remove light poles and overhead wires	
-remove existing curb and install new curb	
-saw cut pavement	
-install planters and 1- 1/2” diameter trees with grates	
- install 10 flag poles	

<u>Private Improvements</u>	
Building facade renovations	\$3,000

Allegan Street – East of Fair Street

<u>Public Improvements</u>	\$31,800
-remove light poles and overhead wires	
-remove existing curb and install new curb	
-saw cut pavement	
-install planters and 1-1/2” diameter trees with grates	
-install 10 flag poles	

Private Improvements

New operation in existing vacant commercial building (personal property) \$6,000

Allegan Street – Kalamazoo Street to Farmer Street

Public Improvements \$282,600

- remove light poles and overhead wires and place wires underground
- remove existing curb and replace with new curb
- install new cantilevered traffic signal
- install pedestrian style lighting
- install tree grates around existing trees
- reconstruct sidewalks with brick and concrete
- saw cut pavement
- add new paint striping on Allegan Street
- install benches, moveable planters and 1-1/2" diameter trees with grates
- install a wooden kiosk and trash receptacles

Private Improvements \$17,000

Building facade renovation (573 linear ft. @ \$30/ft.)

Allegan Street – Fair Street to Farmer Street

Public Improvements \$219,500

- remove light poles and overhead wires and place wires underground
- install pedestrian style lighting
- install curbing
- install tree grates
- reconstruct sidewalks with brick and concrete
- saw cut pavement
- add new paint striping
- install benches, moveable planters and 1-1/2" diameter trees with grates
- install trash receptacles and outdoor clock

Private Improvements

Front facade renovation (387 linear ft. @ \$30/ft.) \$12,000

New building construction (2,470 sq. ft. @ \$50 sq. /ft.) \$123,500

Farmer Street – Allegan Street to Orleans Street

Public Improvements \$160,000

- remove light poles and overhead wires and place wires underground
- install pedestrian style lighting
- install curbing



- reconstruct sidewalks with brick and concrete
- add paint striping to Farmer Street
- install benches, moveable planters and 1-1/2" diameter trees with grates and trash receptacles
- construct brick wall near Olympia parking lot

Private Improvements

Building facade renovation (100 linear ft. @ \$30/ft.) \$3,000

Farmer Street – South of Orleans Street

Public Improvements \$26,000

- remove curb and replace with new curbing

Farmer Street – Allegan Street to Court Street

Public Improvements \$85,800

- remove overhead wires and place underground
- install pedestrian style lighting
- install new curbing
- reconstruct sidewalk with new brick and concrete pavement
- add paint striping to Farmer Street
- install benches, moveable planters and 1-1/2" diameter trees with grates and trash receptacles

Private Improvements

Building facade renovation (340 linear ft. @ \$30/ft.) \$10,000

Court Street

Public Improvements \$13,100

- remove curb and replace with new curbing
- install 1-1/2" diameter trees with grates
- install trash receptacles

Farmer Street – North of Court Street

Public Improvements \$16,900

- remove curb and replace with new curbing
- install 1-1/2" diameter trees with grates
- remove existing sidewalk and replace with new concrete

Orleans Street – Kalamazoo Street to Farmer Street

Private Improvements

New building construction for Harding's	\$1,500,000
<u>Orleans Street – Fair Street to Farmer Street</u>	
<u>Public Improvements</u>	\$11,400
-remove curb and install new curbing (entrance)	
-install 1-1/2" diameter trees with grates	
-install trash receptacles	
-remove sidewalk and replace with bituminous pavement (entrance)	
<u>Orleans Street – West of Kalamazoo Street</u>	
<u>Public Improvements</u>	\$2,800
-install 1-1/2" diameter trees with grates	
<u>Kalamazoo Street – Orleans Street to Allegan Street</u>	
<u>Public Improvements</u>	\$65,000
-remove curb and gutter and install new curbing	
-install 1-1/2" diameter trees with grates and trash receptacle	
-paint striping for new parking alignment	
<u>Private Improvements</u>	
Storefront facade renovation and new building	\$3,000
<u>Kalamazoo Street – South of Orleans Street</u>	
<u>Public Improvements</u>	\$14,000
-remove curb and gutter and install new curbing	
-install 1-1/2" diameter trees	
-paint striping for new parking alignment	
<u>Fair Street – Allegan Street to Orleans Street</u>	
<u>Public Improvements</u>	\$14,700
-remove curb and install new curbing	
-install 1-1/2" diameter trees with grates	
-install trash receptacles	
<u>Fair Street – Allegan Street to Court Street</u>	
<u>Public Improvements</u>	\$20,100
-remove curb and install new curbing	
-install 1-1/2" diameter trees with grates	

The following describes proposed alterations and costs for the public and private areas (off-street parking, alleys, parks, walkways, bike-paths) behind existing commercial buildings.

Southeast Block

Public Improvements \$71,900

- remove and replace bituminous surface in municipal parking lot
- install street signs and curbing
- remove existing concrete pavement and replace with new concrete
- install plants and construct fence (temporary)
- install trees with and without grates
- remove poles and bury cable underground
- install brick paving in public outdoor events area
- removal of single story structure attached to rear of photo shop
- parking lot and sidewalk construction
- landscaping
- trash receptacle areas (2)

Private Improvements

Rear and side building façade renovation (290 linear ft. @ \$20/ft.)	\$6,000
Elks Lodge/Tribune building facade renovation	\$8,000
Sealcoat and paint parking area – Olympia Restaurant	\$800

Southwest Block

Public Improvements \$44,200

- remove and replace bituminous surface in alleyway
- install street signs
- remove existing pavement and replace with concrete pavement
- install 1-1/2” diameter trees
- remove poles and bury cable underground
- install new curbing – 900 linear ft.
- landscaping
- walkway construction
- construct trash receptacle area

Private Improvements

Sealcoat existing parking lot 2,880 sq. yds.	\$1,500
Paint and stripe parking lot	\$250
Rear facade renovation (333 linear ft. @ \$20/ft.)	\$7,000
New Harding’s building	\$1,500,000

## Northeast Block

### Public Improvements \$72,900

- remove and replace bituminous surface (alleyway)
- install street signs
- install 1-1/2" diameter trees
- remove poles and bury cable underground
- install wood rail divider
- construct foot bridge to island
- grade, sealcoat, paint stripe parking lots and install curb for plantings
- landscaping
- construct walkway – 1,200 sq. ft.
- demolish Modern Cleaners Annex Building
- construct trash receptacle areas (2)

### Private Improvements

- Construct new addition to Modern Cleaners –  
400 sq. ft. @ \$20/sq. ft. \$8,000
- Renovate rear building facades (333 linear ft. @ \$20/ft.) \$6,700
- U.S. Post Office new facility \$400,000

## Northwest Block

### Public Improvements \$445,000

- remove and replace bituminous surface
- install curbing and planters
- install plantings and 1-1/2" diameter trees
- remove poles and bury cable underground
- sealcoat, paint and stripe parking lot surface
- purchase proposed park property
- install wood rail divider
- construct amphitheater seating and stage
- install gazebo, ice skating rink and restroom
- construct walkway and observation deck
- remodel alleyway (canopy, floor, facades)
- construct trash receptacle areas (2)
- construct sidewalk, curb, sealcoat and paint parking area

### Private Improvements

- Construct new retail space (14,375 sq. ft. total @ \$35/sq. ft.) \$503,000
- Remodel interior – Newman's Clothing, Judy's Restaurant  
(Mall) \$30,000

Renovate rear and side building facades  
(750 linear ft. @ \$35/sq. ft.) \$26,000

River Front Improvements – East of Farmer Street

Public Improvements \$26,900

- 2,150 linear ft. of 6 ft. wide bituminous bike path
- footbridge to Island Park
- Island Park - 6 picnic tables @ \$150 ea.

Other Projected Improvements Within the Proposed Tax Increment Finance District

Menasha Corporation Industrial Expansion \$3,000,000

Menasha Corporation Equipment Expansion \$5,000,000

TOTAL PUBLIC IMPROVEMENTS 1985 =\$1,651,900

TOTAL PRIVATE IMPROVEMENTS 1985 =\$12,194,850

## 4.2 CONSTRUCTION PHASES AND COMPLETION SCHEDULE

### PUBLIC IMPROVEMENTS

	PROJECT	YEAR	ANNUAL COST IN	
			1985 DOLLARS	CURRENT \$ @ 4% ANNUAL INFLATION
	Allegan St. - West of Kalamazoo St. (except for underground wiring)	1986	\$59,100	\$61,460
1	Allegan St. - East of Fair St. (except for underground wiring)	1986		
2	Allegan St. - Kalamazoo St. to Farmer St. (includes removing light poles and overhead wires on both sides of Allegan St. from west Kalamazoo St. to east of Fair St.)	1987-1988	\$141,300	1987-\$152,800 1988-\$158,900
3	Allegan St. - Fair St. to Farmer St.	1989-1990	\$109,750	1989-\$128,400 1990-\$133,500
4	Farmer St. - Allegan St. to Orleans St.	1991	\$116,000	\$141,000
5	Farmer St. - South of Orleans St.	1992	\$26,900	\$35,400
6	River Front Improvements	1992-1993		1992-\$47,308 1993-\$49,200
	Southeast Block (includes underground utilities along alley on Southeast)	1992-1993	\$35,950	
	Southwest Block	1994	\$44,200	\$62,900
7	Kalamazoo St.- Orleans St. to Allegan St.	1995	\$20,600	\$29,300
	Kalamazoo St.- South of Orleans St.	1995	\$20,600	\$29,300
8	Fair St. - Allegan St. to Orleans St.	1996-1997		1996-\$37,700 1997-\$39,200
	Orleans St. - Fair St. to Farmer St.	1996-1997		1996-\$37,700 1997-\$39,200
	Orleans St. - Kalamazoo St. to Farmer St.	1996-1997		1996-\$37,700 1997-\$39,200
	Orleans St. - West of Kalamazoo St.	1997	\$24,500	\$39,200
9	Northeast Block (inc. underground utilities in alley on northeast and northwest blocks)	1998	\$72,900	\$121,383
				1999-\$192,700 2000-\$200,400 2001-\$208,400 2002-\$216,700
10	Northwest Block	1999-2002	\$111,300	
	Farmer St. - Allegan St. to Court St.	2003	\$85,800	\$173,800
11	Farmer St. - North of Court St.	2004	\$16,900	\$34,300
12	Fair St.- Allegan St. to Court St.	2005	\$20,100	\$45,900
13	Farmer St. - North of Court St.	2005	\$16,900	\$39,000

### PRIVATE IMPROVEMENTS

The following construction schedules and cost estimates for private improvements are speculative, as it is not possible to accurately predict the type, extent, costs and timing of new construction and renovation of privately-owned businesses. The annual costs are based upon the description of proposed private improvements in Section 4.1. The private improvements, for

purposes of this Plan, are programmed to occur within a year after the public improvements are completed within the same block or street front.

	IMPROVEMENT	YEAR	ANNUAL COST IN	
			1985 DOLLARS	CURRENT \$ @ 4% ANNUAL INFLATION
1	New Construction - Menasha Corp.	1985	\$5,000,000	\$5,000,000
2	New Construction - Menasha Corp.	1986	\$2,500,000	\$2,625,000
3	Allegan St. east of Kalamazoo St.	1987	\$3,000	\$3,250
4	Allegan St. east of Fair St. - new restaurant operations in existing vacant building	1987	\$6,000	\$6,500
5	Allegan St. - Kalamazoo St. to Farmer St. - storefront facade renovation	1988-1989	\$17,000	1988-\$19,100 1989-\$19,900
6	Allegan St. - Fair St. to Farmer St. Storefront facade renovation	1990-1991	\$12,000	1990-\$14,600 1991-\$15,200
	New Building Construction	1991	\$123,500	\$156,300
7	Farmer St. - Allegan St. to Orleans St. - Storefront facade renovation	1992	\$3,000	\$3,800
	Southeast Block -			
8	Rear and side building facade renovation	1993	\$6,000	\$8,200
	Sealcoat and paint parking area	1993	\$800	\$1,100
	Elks Lodge facade renovation	1994	\$8,000	\$11,400
	Southwest Block -			
9	Parking lot expansion and renovation, landscaping	1995	\$1,750	\$2,600
	Rear building facade renovation	1995	\$7,000	\$10,400
10	Orleans St. - Kalamazoo St. to Farmer St. Storefront facade renovation	1996	\$1,800	\$2,800
11	US Postal Service	1992	-	\$400,000
12	Harding's new building	1992	-	\$1,500,000
13	Kalamazoo St. - Orleans St. to Allegan St. - Storefront facade renovation	1996	\$3,000	\$4,600
14	Southeast Corner - Kalamazoo and Orleans St. - Pave, stripe and landscape streetscape	1997	\$32,200	\$51,500
	Northeast Block			
15	Construct building addition, renovate rear building facades	1999	\$14,700	\$25,500
	Northwest Block			
16	Construct new retail space	2000	\$503,000	\$906,000
	Remodel building interior	2001	\$30,000	\$56,200
	Renovate rear and side building facades	2003	\$26,000	\$52,700
17	Farmer St. - Allegan St. to Court St. Storefront facade renovation	2004	\$10,000	\$21,100

5.0 A DESCRIPTION OF ANY PARTS OF THE DEVELOPMENT AREA LEFT AS OPEN SPACE AND THE USE CONTEMPLATED FOR THE SPACE

Although there is no Open Space Plan, public open space is intended for selected areas within the Tax Increment Finance District. The proposed Riverside Park will cover approximately 1.3 acres, and include a gazebo, concrete stage, amphitheater seating, restrooms and landscaping. During the winter, a portable ice-skating rink will be located on the site and will be replaced by portable picnic tables and outdoor barbeque grills during the summer. The property designated as Island #2 will be used as a picnic/natural area with access from the proposed river walk. This island covers approximately .5 acres and is periodically flooded during spring high water volumes. Such flooding should not negatively affect use of the island during summer months. Approximately 13 acres north of the Kalamazoo River is a lowland-floodplain area. This property, east of the Menasha Corporation property, is owned by the City of Otsego and because of its topographic/soils characteristics, is not suitable for building. The land bordering the south bank of the Kalamazoo River (property roll #'s 245 through 250) is the former Otsego landfill. This property is now partially improved as the City's public works garage/storage yard. Most of this area, however, will be retained as open space. The river walk/bike path will be constructed in this area, running parallel to the southern bank of the Kalamazoo River. The bike path will continue along property adjacent to the River and owned by the City. The bituminous path will run along the south bank of the river for approximately 2,000 ft. from the west end of the proposed Riverside Park to Jewell Street. Parcel #1035, owned by the City, is currently vacant and will remain as open space until the City develops or sells this parcel.

6.0 DESCRIPTION OF ANY PORTIONS OF THE DEVELOPMENT AREA WHICH THE AUTHORITY DESIRES TO SELL, DONATE, EXCHANGE, OR LEASE TO OR FROM THE MUNICIPALITY AND THE PROPOSED TERMS

The Authority does not plan to sell, donate, exchange or lease any land in the Development Area to or from the municipality.

7.0 PROPERTIES TO BE ACQUIRED

The Development Plan calls for the City DDA to purchase approximately 1.3 acres behind the Otsego Machine Shop to be used as a public park, approximately 200 linear ft. adjacent to the Kalamazoo River north of Otsego Machine Shop for a 6 ft. wide public walkway/bike path. The City will also acquire the property currently owned by Modern Cleaners on which the store's annex building is located. Upon demolition of this structure, the City will purchase that 1,000 sq. ft. area for a landscaped island in the parking lot in that block. Island #2 (covering approximately .5 acres) is scheduled to be purchased from Menasha Corporation. The City DDA will also acquire Lots #511 and #512 for the site of the new Post Office and sell it to the United States Postal Service.

8.0 A DESCRIPTION OF DESIRED ZONING CHANGES AND CHANGES IN STREETS, STREET LEVELS, INTERSECTIONS AND UTILITIES

8.1 CHANGES IN ZONING

Zoning changes that should be required within the Development Area as a result of this project are the addition of more complete sign control requirements and



procedures for the Central Business District, and the addition of a section defining the membership, powers and duties, organization, procedure, review standards, and appeals process of an architectural review board.

## 8.2 CHANGES IN STREETS, STREET LEVELS AND INTERSECTIONS

Street changes will consist of the changes in turning radius at the intersection of Allegan and Farmer Streets, Allegan and Kalamazoo Streets, the southern intersection of Fair and Allegan Streets, and the entrance into the municipal parking lot off of Allegan Street. Bituminous street intersections, crosswalks along Allegan Street from Fair Street to Kalamazoo Street, including the curb cut into the municipal parking lot, will be replaced by 15 ft. wide brick pavers of the same material scheduled for sidewalks in this area. A pedestrian walk and street furniture area will be extended approximately 12-15 ft. into the street, with brick pavement tapering down to street level, at all four corners of the intersection of Allegan and Farmer Streets, as well as the southwest corner of the intersection of Fair and Allegan Streets, the southeast corner of Kalamazoo and Allegan Streets and on both side of the entrance into the municipal parking lot off of Allegan Street.

Approximately 65 ft. of parking space on the east side of Farmer Street between the proposed covered mall/walkway entrance and the projection of the sidewalk at the intersection of Allegan and Farmer Streets, will be designated as a loading/unloading zone for commercial delivery vehicles during specified hours. Vehicular parking will be allowed at all other hours. Vehicular parking will be allowed at all other hours. A bike lane (approximately 4-6 ft. wide) will be designated along the west side of Kalamazoo Street to Memorial Park. The lane will be defined by a painted white or yellow stripe on the bituminous surface of Kalamazoo Street and street signs placed approximately one block apart will designate this lane as a bike route. This will require the prohibition of parking on the west side of Kalamazoo Street.

The street right-of-way between Kalamazoo and Farmer Street on Orleans Street will be abandoned to help develop an expanded parking lot. This will result in grade changes at the intersection.

## 8.3 CHANGES IN UTILITIES

Approximately 1,800 linear ft. of existing overhead electrical and telephone lines and 22 wooden poles will be removed at the rear of existing commercial buildings within the alleys and utility easement rights-of-way. Approximately 4,500 linear ft. of above-ground electrical line (used for existing street lighting) along both sides of Allegan Street and Farmer Street will be removed. The electrical and telephone lines within the alleys and rights-of-way at the rear of the commercial buildings in the Northwest Block will be placed underground following the same general alignment currently used. A modification in alignment of these utilities may be required within the Northwest Block, as existing buildings prohibit placing these utilities underground along the existing alignment. Power lines used for street lighting on Allegan and Farmer Streets will be buried underground and

used for existing light poles west of Kalamazoo Street and east of Fair Street and for new pedestrians scale lighting as designated in the Development Plan (see Map 3). Existing street lighting posts will be retained east of Fair Street and west of Kalamazoo Street with underground power lines between those streets and the proposed flag standards. The 30 ft. fluorescent standards on Allegan and Farmer Streets within the Development Area will be removed and a portion of those will be placed in the municipal parking lot. New water main and sanitary lines will be installed in some areas, as inadequate and older lines are replaced.

9.0 AN ESTIMATE OF THE COST OF THE DEVELOPMENT, A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE DEVELOPMENT AND THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING

9.1 AN ESTIMATE OF THE COST OF THE DEVELOPMENT

The public improvements being proposed in the Development Plan have an anticipated acquisition cost of \$300,000 and a development cost of over \$4.0 million, in 1991 dollars.

9.2 A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE DEVELOPMENT

The activities of the Authority and the development of public improvements shall be financed from one or more of the following sources. Where receipt of specific funds are indicated as being anticipated by the Authority, methods of repayment will be established as necessary. Where repayment is not necessary, funds shall be credited to the Authority's general fund for the purpose of financing only those activities, as indicated in this Plan or otherwise appropriate as provided in Michigan Act 197, P.A. 1975.

- a) Donations from foundations, corporations, groups, individuals or others.
- b) Money borrowed from a bank, savings and loan, or any other type of approved lender.
- c) Revenues from any property, building or facility, or a revenue bond secured by said revenues or the full faith and credit of the City.
- d) Proceeds of Tax Increments – As captured assessed value exceeds initial assessed value, tax increment revenues will accrue in significant enough amounts to provide meaningful working capital. It will be possible to use these annual revenues to help finance subsequent phases of the scheduled public improvements. The Authority may use tax increment proceeds on an annual basis, spending or obligating only as much revenues as is generated, or it may decide that the revenue is substantial enough to warrant the sale of tax increment bonds, or it may use that revenue to repay general obligation bonds sold by the municipality.
- e) Special Assessment – Phases of the scheduled public improvements may be funded by special assessment bonds to the benefit of property owners within the District. A special assessment district will be established and property maps will detail property ownership and the amount of associated individual assessments. The property owners described therein will be assessed an

annual fee. This fee will apply equally to all properties on the basis of total front footage or square footage. Specified benefits will be assigned to each property owner for work in Master Plan as approved by municipality. These benefits will be subject to change when increases or decreases in front footage or square footage occur on an individual basis.

- f) Potential Funding Sources – The City may apply for Community Development Block Grant funds to assist in public improvements associated with new commercial building construction. Construction of the proposed mall area in the northwest block could qualify as a potential block grant project, provided a reasonable number of new jobs would be created or retained as a result of this facility.
- Public improvement would include improvement to the existing alleyway, parking lot improvements, and the provision of utilities to the building proposed for the northwest corner of the parking lot.
- As an alternative to Community Development Block Grant funds for public improvements in the northwest block, the City could attract a developer/investor to construct proposed new buildings in this area and, through application for an Urban Development Action Grant, construct proposed parking lot and required utility improvements.
- The City should apply to the State of Michigan for Land and water Conservation funds for the purchase of, and improvements to, the proposed Riverside Park and Island #2. The City should also apply to the Michigan Department of Transportation under Act 51 for funds to construct the proposed bike path/walkway. Additional funding sources include contributions from non-taxable beneficiaries such as Churches and Special Interest Groups and from Downtown Development Authority sponsored fund raisers.
- g) Money provided from any other sources approved by the governing body or the municipality or received by the Authority in any other way shall be deposited to the credit of the Authority, subject to disbursement in accordance with this Plan.
- h) The Authority may issue tax increment bonds or request the municipality to issue general obligation bonds. The proposed issuance of these bonds would be structured as follows:
- (1) Purpose: the purpose of this Tax Increment Financing Plan is to produce revenues sufficient to pay the principal, interest, administrative costs, including agent fees and accounting costs for the bond issue which is proposed to finance this Downtown Development Plan.
  - (2) Direct Payment: The DDA proposes to use the captured increase in assessed value for the first year of the Tax Increment Finance program to finance the initial improvement projects called for in this Plan. The entire or partial costs of improvements of the first

one to three years of the Tax Increment Finance program will be paid directly from revenues resulting from captured increases in assessments. It must be emphasized that the sequence of projects and the time allocated for completing those projects is only a proposal. Conditions, events and available financing will certainly affect the ability of the City and the Downtown Development Authority to adhere to the proposed project schedule.

- (3) Bonded Indebtedness: The DDA may propose the sale of a bond issue in any year after the first year of the Tax Increment Finance program in the amount not to exceed \$4M to be repaid over 20 years. A capital recovery schedule is shown in Table 2.
- (4) Initial Assessed Value: It is proposed that the City Commission adopt this Plan any time before December 30, 1985; and therefore, that the “initial assessed value” (i.e., the base year SEV from which the “captured assessed value” is calculated) shall be the 1985 State Equalized Valuation of the Otsego Downtown Development District, as finally determined by the State Tax Commission.
- (5) Portion of “Captured Assessed Value” to be Used: The DDA proposes that all of the taxes levied by all taxing units on the captured assessed value of real, personal, IFT and CFT properties within the District be used by the Authority, to the extent needed from year to year to accomplish the above stated purpose.
- (6) Duration of the Program: The duration of this Tax Increment Financing plan shall be twenty (20) years or until any bonded indebtedness is completely retired.
- (7) Projection of Captured Assessed Value and Revenue: A projection of captured assessed value is presented in Table 2. Based on this projection, an estimated millage rate for all taxing units of 52.71 mills may be applied to the captured assessed value to estimate the potential tax revenues available to this DDA. This is presented in Table 2 and compared to the capital recovery needs based on proposed bond issue not to exceed \$4M at 7.5% annual interest.

### 9.3 A STATEMENT OF THE ABILITY OF THE AUTHORITY TO ARRANGE THE FINANCING

This financing plan will not act as an impetus to lever loan money for individual businessmen to make improvements. The DDA will seek funds from various funding sources. Private sector funds can come from a 2 mill levy in the Downtown Area. These funds may be used for public improvements in this area to assist in leveraging low interest loans, or for management and operation of Downtown services. The project development area has been estimated as the entire area under DDA, and the improvements described in Section 4. The 1985

SEV for all property within the DDA area is \$11,686,000. This constitutes the initial assessed value for purposes of this Plan. The estimated improvement in the SEV, along with its presentation is shown in Table 3. The estimated annual revenue amounts shown as captured taxes will be available to finance the Development Plan.

10.0 DESIGNATION OF THE PERSON OR PERSONS, NATURAL OR CORPORATE TO WHOM ALL OR A PORTION OF THE DEVELOPMENT IS TO BE SOLD, LEASED OR CONVEYED IN ANY MANNER AND FOR WHOSE BENEFIT THE PROJECT IS BEING UNDERTAKEN IF THAT INFORMATION IS AVAILABLE TO THE AUTHORITY

Not applicable.

11.0 THE PROCEDURES FOR BIDDING FOR THE LEASING, PURCHASING OR CONVEYING IN ANY MANNER OF ALL OR A PORTION OF THE DEVELOPMENT UPON ITS COMPLETION, IF THERE IS NO EXPRESS OR IMPLIED AGREEMENT BETWEEN THE AUTHORITY AND PERSONS, NATURAL OR CORPORATE, THAT ALL OR A PORTION OF THE DEVELOPMENT WILL BE LEASED, SOLD OR CONVEYED IN ANY MANNER TO THOSE PERSONS

Not applicable.

12.0 ESTIMATES OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT AREA AND THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED. IF OCCUPIED RESIDENCES ARE DESIGNATED FOR ACQUISITION AND CLEARANCE BY THE AUTHORITY, A DEVELOPMENT PLAN SHALL INCLUDE A SURVEY OF THE FAMILIES AND INDIVIDUALS TO BE DISPLACED

12.1 AN ESTIMATE OF THE NUMBER OF PERSONS RESIDING IN THE DEVELOPMENT AREA

Approximately 90 persons reside in the DDA Development Area.

12.2 AN ESTIMATE OF THE NUMBER OF FAMILIES AND INDIVIDUALS TO BE DISPLACED

Four families, about 10 individuals, are living on site and will move from the parcels to be acquired when their leases have expired and the parcels are vacant.

12.3 A SURVEY OF THE INCOME AND RACIAL COMPOSITION OF THE FAMILIES AND INDIVIDUALS TO BE DISPLACED

All families are lower income and have other dwelling units in the City in which to locate.

12.4 A STATISTICAL DESCRIPTION OF THE HOUSING SUPPLY IN THE COMMUNITY

A) There are 1,561 total housing units within the City. 65% are owner-occupied and 71% are single-family units. There has been no recognizable change in the number or overall composition of housing units since 1990 Census and there are no public housing units within the City.

- B) The condition of Existing Housing units – According to the 1990 Census of Population and Housing Characteristics, the general condition of housing in Otsego appears to be average. All but 2 housing units are year round and 3.9% of the units are vacant, while 10 are mobile homes. The average is 2.62 persons per household.
- C) The Annual Rate of Turnover of the Various Types of Housing and the Range of Rents and Sale Prices – The rate of owner-occupied housing turnover in Otsego is relatively low. A greater turnover is evident in rental units with single-family rental units having the greatest demand. Rents range mostly from \$300 to \$400 with an average of \$302/month.
- D) An Estimate of the Total Demand for Housing in the Community – Demand for owner-occupied housing in Otsego is considered moderate by County standards while the demand for rental housing is substantial. An adequate and full range supply of housing is available with average movement in the market place. Few single-family housing and multiple-family complexes have been built as needed in the past 10 years.
- E) The Estimated Capacity of Private and Public Housing Available to Displaced Families and Individuals is good, but some waiting may occur to find the “right” unit.

13.0 A PLAN FOR ESTABLISHING PRIORITY FOR THE RELOCATION OF PERSONS DISPLACED BY THE DEVELOPMENT IN ANY NEW HOUSING IN THE DEVELOPMENT AREA

Not applicable.

14.0 PROVISION FOR THE COSTS RELOCATING PERSONS DISPLACED BY THE DEVELOPMENT AND FINANCIAL ASSISTANCE AND RETIREMENT OF EXPENSES, INCLUDING LITIGATION EXPENSES AND EXPENSES INCIDENTAL TO THE TRANSFER OF TITLE IN ACCORDANCE WITH THE STANDARDS AND PROVISIONS OF THE FEDERAL UNIFORM RELOCATION 1970, BEING PUBLIC LAW 91-646, 42 (S.C. SECTIONS 4601. et. seq.)

Not applicable.

15.0 A PLAN FOR COMPLIANCE WITH ACT NO. 227 OF THE PUBLIC ACTS OF 1972, BEING SECTIONS 213.321 TO 213.332 OF THE MICHIGAN COMPILED LAWS

The City fully intends to comply.

16.0 OTHER MATERIAL WHICH THE AUTHORITY, LOCAL PUBLIC AGENCY, OR GOVERNING BODY DEEMS PERTINENT

Not applicable.

17.0 A DETAILED EXPLANATION OF THE TAX INCREMENT PROCEDURE

The tax increment financing procedure was new to Michigan law with the 1975 DDA statute, but had been effectively used in other states. The procedure may be proposed by a downtown development authority as a method of financing a downtown development plan. It then may be adopted by the City Commission, following consultation with the taxing units involved and a public hearing as required by statute. 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 private owners, for the purpose of stimulating private investment in a specific downtown commercial area (the Downtown Development District). The investment may be made in response to a declining business climate and commercial tax base, or in response to a stable business climate and tax base which the public wishes to protect and develop.
- (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 the subsequent growth in the tax base of the Downtown Development District are retained and utilized by the Authority. This tax base growth is called the “captured assessed value” (CAV). Specifically it is the difference between the State Equalized Value (SEV) of the Downtown Development District at any point in time, and the SEV of the District in existence at the time of the adoption of the Downtown Development Plan.
- (4) The taxes which are potentially available to the Authority include all of the taxes normally levied by all the taxing units on the captured assessed value of the Downtown Development District. The plan may provide for the use of part or all of the captured assessed 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 assessed value of the district. Should the Authority find it necessary to use all of the captured assessed value, it shall be clearly stated in this plan.
- (5) When the specified development/financing plan is accomplished, the captured assessed value is released from the taxing units receive all the taxes levied on it from that point on.
- (6) Since only the growth in tax base (the captured assessed value) in the Downtown Development District 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.

The justification of the tax increment financing procedure is based on the expectation that all or a portion of the “captured assessed value” which 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 significantly stronger commercial tax base.

#### 18.0 PRIORITY OF USE OF MONIES IN THE PROJECT FUND

The money credited to the project fund and on hand therein from time to time shall annually be used in the following manner and following order of priority:

1. To pay into the debt retirement fund, or funds, for all outstanding series of bonds, if any, issued pursuant to this plan, an amount equal to the interest and principal coming

due (in the case of principal whether by maturity or mandatory redemption) prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.

2. To establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan, an amount equal to one-fifth of the largest combined, annual principal and interest payment due on bonds issued, until the reserve account is equal to the largest combined annual interest and principal requirement during the life of the plan.
3. To pay the administrative and operating costs of the DDA and City for the development area, including planning and promotion, to the extent provided in the annual budget of the Downtown Development Authority.
4. To finance, to the extent determined desirable by the Downtown Development Authority and approved by the City, the cost of improvement as set forth in the development plan to the extent those costs are not financed from the proceeds of bonds.
5. To finance the cost of any additional improvements to the development as determined necessary by the Downtown Development Authority and approved by the City Commission.
6. To reimburse the City with interest for funds advanced to acquire property, clear land, make preliminary plans and improvements necessary for the development of the development area in accordance with this Plan.
7. To finance, to the extent determined desirable or necessary by the Downtown Development Authority, as determined by inclusion in its final budget for said fiscal year, funding and administration of a revolving loan program to provide financial assistance to qualifying parties and projects (based upon procedures and criteria to be established by the Downtown Development Authority) in the development area for the purpose of improving, renovating, repairing, altering, or expanding existing private facilities, or construction of new private facilities, including a reserve in an amount established from time to time by the Authority to meet losses incurred in such loans and/or to expand funds available for loan.

Any tax increment receipts in excess of those needed under the preceding paragraphs would revert to the taxing jurisdictions or would be used for future development activities within the development area, as defined in the development plan or as expanded to include all or parts of the downtown development district pursuant to amendment or modification of this development plan and tax increment financing plan pursuant to applicable provisions of P.A. 197 and other laws.

#### 19.0 THE AMOUNT OF BONDED INDEBTEDNESS TO BE INCURRED

A tax increment bond not to exceed \$4.0 million is planned as revenues under the Development Plan/Tax Increment Finance Plan.

#### 20.0 THE DURATION OF THE PROGRAM

The development program is scheduled for completion approximately 20 years following the adoption of the Plan.



21.0 A STATEMENT OF THE ESTIMATED IMPACT OF TAX FINANCING ON THE ASSESSED VALUES OF ALL TAXING JURISDICTIONS IN WHICH THE DEVELOPMENT AREA IS LOCATED

Under a tax increment financing plan, the annual revenue generated in any given year is calculated by multiplying the captured assessed value by the total millage levied by all local taxing jurisdictions. At the present time, (Table 1 presents a breakdown of total millage by taxing jurisdiction), total millage levied is 56.6137 mills. Table 1 also shows the relative value of the DDA District as a percent of the total S.E.V. of the individual taxing jurisdiction. For example, the DDA represented 25.49% of the total S.E.V. for the City of Otsego in 1985.

Since the tax increment financing plan generates revenue based only on the captured S.E.V. over and above the established level, each taxing jurisdiction will still levy taxes against the current S.E.V. of \$11,686,800. That S.E.V. will be used for taxing purposes by the taxing authorities throughout the life of the tax increment plan as adopted by the City of Otsego. In effect, the S.E.V. is frozen at that level for taxing purposes.

In recent years, the City's S.E.V. has increased at an annual rate of approximately 1.5%. Assuming this rate applies to the growth in S.E.V. between 1985 and 1986, the amount of City revenues diverted to the tax increment financing plan amounts to 2.6% of the total property tax revenue generated by the City; and, since property taxes represent 53% of the City's operating budget, the Tax Increment Plan would divert about 1.4% of the City's total operating budget. In the same manner property tax revenue diverted from the Otsego Public School District for the Tax Increment Plan in 1986 would amount to just 0.9% of the property tax revenues (and only 0.64% of the total revenues) received by the School District, the Development Plan Tax Increment Finance Plan would divert only 0.18% of the projected 1986 Intermediate School District revenues and 0.09% of all Intermediate School District revenues. In the same year Allegan County's tax revenue used for Downtown Otsego improvements would comprise 0.12% of the County's projected tax revenues and 0.07% of projected total revenues. The estimated effects of this Development plan/TIF Plan on the revenues of the different jurisdictions is displayed in Table 2.

**TABLE 1**

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	1	2	3	4
	1991		1985	
	Millage		DDA %	Taxes
	Rate	1985 S.E.V.	of	from
			S.E.V.*	1986
<b>Otsego Public Schools</b>	31.79	125,704,000	9.3	373,277
<b>Allegan Intermediate School District</b>	5.5674	652,065,000	1.79	37,000
<b>County of Allegan</b>	6.7563	984,094,000	1.19	77,427
<b>City of Otsego</b>	12.5	45,847,000	25.49	128,500
Total	56.6137			

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*\*DDA 1985 S.E.V. is \$11,686,800 with \$2,914,200 for commercial property, \$2,314,600 for industrial property, \$389,800 for residential property and \$6,068,200 for personal property.*

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## TABLE 2

### CITY OF OTSEGO TAX INCREMENT FINANCING

STARTING YEAR OF TIF PROGRAM	1985
NUMBER OF YEARS FOR TIF PROGRAM	20
MILLAGE RATE FOR TIF PROGRAM	52.71
INFLATION AND APPRECIATION RATE	5.00
PRESENT MONTH INTEREST RATE	6.00
INITIAL SEV OF TIF AREA	\$11,686,800.00

### CAPITAL IMPROVEMENTS

Year of Improvement	SEV of Improvement	Name of Improvement
1985	\$625,000	New Improvements, Menasha
1986	\$650,000	New Improvements, Menasha
1987	\$4,000	Facade Renovation
1988	\$9,600	Facade Renovation
1989	\$865,700	Facade Renovation, End Menasha IFT
1990	\$7,300	Facade Renovation
1991	\$94,800	New Construction, End Otsego Machine Shop IFT
1992	\$1,900	Facade Renovation
1993	\$219,800	SE Block Improvements, End Menasha IFT
1994	\$5,700	SE Block Improvements
1995	\$6,500	SW Block Improvements
1996	\$367,000	Facade Renovation, End Menasha IFT, Shopper's Guide CFT
1997	\$117,700	Parking Improvements, End Menasha IFT
1998	\$1,178,500	NE Block Improvements, End Menasha IFT
1999	\$13,200	NE Block Improvements, End Menasha IFT
2000	\$453,000	NW Block Improvements
2001	\$28,100	NW Block Improvements
2003	\$26,400	NW Block Improvements
2004	\$10,600	Facade Renovation

# CITY OF OTSEGO TAX INCREMENT FINANCING

1. Year	2. SEV	3. Capital Investment in SEV	4. Mills	5. Levied Taxes	6. Captured Taxes	7. Cumulative Cap. Tax	8. Present Worth of Column 7 at 6%
1985	\$11,686,800	\$625,000	52.71	\$616,011	\$0	\$0	\$0
1986	\$12,921,100	\$650,000	52.71	\$681,073	\$65,062	\$65,062	\$68,965
1987	\$13,571,200	\$4,000	52.71	\$715,338	\$99,326	\$164,389	\$89,663
1988	\$14,259,400	\$9,600	52.71	\$751,611	\$135,600	\$299,988	\$112,228
1989	\$15,838,000	\$865,700	52.71	\$834,822	\$218,811	\$518,799	\$149,721
1990	\$16,637,200	\$7,300	52.71	\$876,948	\$260,937	\$779,736	\$185,106
1991	\$17,563,900	\$94,800	52.71	\$925,793	\$309,781	\$1,089,520	\$221,567
1992	\$18,444,000	\$1,900	52.71	\$972,182	\$356,171	\$1,445,690	\$258,973
1993	\$19,586,000	\$219,800	52.71	\$1,032,380	\$416,366	\$1,862,050	\$299,857
1994	\$20,571,000	\$5,700	52.71	\$1,084,300	\$468,285	\$2,330,340	\$342,611
1995	\$21,606,000	\$6,500	52.71	\$1,138,850	\$522,843	\$2,853,180	\$387,656
1996	\$23,053,300	\$367,000	52.71	\$1,215,140	\$599,130	\$3,452,310	\$437,729
1997	\$24,323,700	\$117,700	52.71	\$1,282,100	\$666,091	\$4,118,400	\$491,231
1998	\$26,718,400	\$1,178,500	52.71	\$1,408,330	\$792,315	\$4,910,720	\$554,715
1999	\$28,067,500	\$13,200	52.71	\$1,479,440	\$863,427	\$5,774,150	\$621,211
2000	\$29,923,900	\$453,000	52.71	\$1,577,290	\$961,276	\$6,735,420	\$693,497
2001	\$31,448,200	\$28,100	52.71	\$1,657,630	\$1,041,620	\$7,777,040	\$769,555
2002	\$33,020,600	\$0	52.71	\$1,740,520	\$1,124,500	\$8,901,550	\$849,606
2003	\$34,698,000	\$26,400	52.71	\$1,828,930	\$1,212,920	\$10,114,500	\$934,138
2004	\$36,443,500	\$10,600	52.71	\$1,920,940	\$1,304,930	\$11,419,400	\$1,023,420
2005	\$38,265,700	\$0	52.71	\$2,016,980	\$1,400,970	\$12,820,400	\$1,117,740

## CITY OF OTSEGO TAX INCREMENT FINANCING - CITY

STARTING YEAR OF TIF PROGRAM	1985
NUMBER OF YEARS FOR TIF PROGRAM	20
MILLAGE RATE FOR TAXING JURISDICTION	11
INITIAL NON-PROPERTY TAX REVENUE	\$443,871
GROWTH RATE OF NON-PROPERTY TAX REVENUE	5
INITIAL SEV OF TAXING JURISDICTION AREA	\$45,847,000

CITY OF OTSEGO TAX INCREMENT FINANCING- CITY										
Year	Projected SEV at 1.5% Growth		Mills	Non-Property Tax Revenue at 5%	Projected Tax Revenue		Total Revenue		Revenue Difference	
	Without TIF	With TIF			Without TIF	With TIF	Without TIF	With TIF	Dollars	Percent
1985	\$45,847,000	\$45,847,000	11.00	\$443,871	\$504,317	\$504,317	\$948,188	\$948,188	\$0	0.00
1986	\$46,534,700	\$45,300,400	11.00	\$466,065	\$511,882	\$498,304	\$977,946	\$964,369	\$13,578	1.39
1987	\$47,232,700	\$45,348,300	11.00	\$489,368	\$519,560	\$498,832	\$1,008,930	\$988,199	\$20,728	2.05
1988	\$47,941,200	\$45,368,700	11.00	\$513,836	\$527,353	\$499,055	\$1,041,190	\$1,012,890	\$28,298	2.72
1989	\$48,660,300	\$44,509,100	11.00	\$539,528	\$535,264	\$489,600	\$1,074,790	\$1,029,130	\$45,663	4.25
1990	\$49,390,200	\$44,439,800	11.00	\$566,504	\$543,293	\$488,838	\$1,109,800	\$1,055,340	\$54,454	4.91
1991	\$50,131,100	\$44,254,000	11.00	\$594,830	\$551,442	\$486,794	\$1,146,270	\$1,081,620	\$64,648	5.64
1992	\$50,883,100	\$44,125,900	11.00	\$624,571	\$559,714	\$485,385	\$1,184,280	\$1,109,960	\$74,329	6.28
1993	\$51,646,300	\$43,747,100	11.00	\$655,800	\$568,109	\$481,218	\$1,223,910	\$1,137,020	\$86,891	7.10
1994	\$52,421,000	\$43,536,800	11.00	\$688,590	\$576,631	\$478,905	\$1,265,220	\$1,167,490	\$97,726	7.72
1995	\$53,207,300	\$43,288,100	11.00	\$723,019	\$585,281	\$476,169	\$1,308,300	\$1,199,190	\$109,111	8.34
1996	\$54,005,400	\$42,638,900	11.00	\$759,170	\$594,060	\$469,028	\$1,353,230	\$1,228,200	\$125,032	9.24
1997	\$54,815,500	\$42,178,600	11.00	\$797,129	\$602,971	\$463,965	\$1,400,100	\$1,261,090	\$139,006	9.93
1998	\$55,637,700	\$40,606,200	11.00	\$836,985	\$612,015	\$446,668	\$1,449,000	\$1,283,650	\$165,348	11.41
1999	\$56,472,300	\$40,091,600	11.00	\$878,834	\$621,195	\$441,008	\$1,500,030	\$1,319,840	\$180,188	12.01
2000	\$57,319,400	\$39,082,300	11.00	\$922,776	\$630,513	\$429,906	\$1,553,290	\$1,352,680	\$200,608	12.92
2001	\$58,179,200	\$38,417,800	11.00	\$968,915	\$639,971	\$422,596	\$1,608,890	\$1,391,510	\$217,375	13.51
2002	\$59,051,900	\$37,718,100	11.00	\$1,017,360	\$649,571	\$414,899	\$1,666,930	\$1,432,260	\$234,672	14.08
2003	\$59,937,600	\$36,926,400	11.00	\$1,068,230	\$659,314	\$406,191	\$1,727,540	\$1,474,420	\$253,123	14.65
2004	\$60,836,700	\$36,080,000	11.00	\$1,121,640	\$669,204	\$396,880	\$1,790,840	\$1,518,520	\$272,324	15.21
2005	\$61,749,300	\$35,170,400	11.00	\$1,177,720	\$679,242	\$386,874	\$1,856,960	\$1,564,600	\$292,368	15.74

## CITY OF OTSEGO TAX INCREMENT FINANCING - ALLEGAN COUNTY

STARTING YEAR OF TIF PROGRAM	1985
NUMBER OF YEARS FOR TIF PROGRAM	20
MILLAGE RATE FOR TAXING JURISDICTION	6.6116
INITIAL NON-PROPERTY TAX REVENUE	\$4,112,290
GROWTH RATE OF NON-PROPERTY TAX REVENUE	1
INITIAL SEV OF TAXING JURISDICTION AREA	\$984,094,000

CITY OF OTSEGO TAX INCREMENT FINANCING- ALLEGAN COUNTY										
Year	Projected SEV at 4% Growth		Mills	Non-Property Tax Revenue at 1%	Projected Tax Revenue		Total Revenue		Revenue Difference	
	Without TIF	With TIF			Without TIF	With TIF	Without TIF	With TIF	Dollars	Percent
1985	\$984,094,000	\$984,094,000	6.6116	\$4,112,290	\$6,506,440	\$6,506,440	\$10,618,700	\$10,618,700	\$0	0.00
1986	\$1,023,460,000	\$1,022,220,000	6.6116	\$4,153,410	\$6,766,690	\$6,758,530	\$10,920,100	\$10,911,900	\$8,161	0.07
1987	\$1,064,400,000	\$1,062,510,000	6.6116	\$4,194,950	\$7,037,360	\$7,024,900	\$11,232,300	\$11,219,800	\$12,459	0.11
1988	\$1,106,970,000	\$1,104,400,000	6.6116	\$4,236,900	\$7,318,860	\$7,301,850	\$11,555,800	\$11,538,700	\$17,009	0.15
1989	\$1,151,250,000	\$1,147,100,000	6.6116	\$4,279,270	\$7,611,610	\$7,584,160	\$11,890,900	\$11,863,400	\$27,446	0.23
1990	\$1,197,300,000	\$1,192,350,000	6.6116	\$4,322,060	\$7,916,070	\$7,883,340	\$12,238,100	\$12,205,400	\$32,730	0.27
1991	\$1,245,190,000	\$1,239,320,000	6.6116	\$4,365,280	\$8,232,720	\$8,193,860	\$12,598,000	\$12,559,100	\$38,857	0.31
1992	\$1,295,000,000	\$1,288,240,000	6.6116	\$4,408,930	\$8,562,030	\$8,517,350	\$12,971,000	\$12,926,300	\$44,676	0.34
1993	\$1,346,800,000	\$1,338,900,000	6.6116	\$4,453,020	\$8,904,510	\$8,852,280	\$13,357,500	\$13,305,300	\$52,226	0.39
1994	\$1,400,670,000	\$1,391,790,000	6.6116	\$4,497,550	\$9,260,690	\$9,201,950	\$13,758,200	\$13,699,500	\$58,738	0.43
1995	\$1,456,700,000	\$1,446,780,000	6.6116	\$4,542,530	\$9,631,110	\$9,565,530	\$14,173,600	\$14,108,100	\$65,582	0.46
1996	\$1,514,970,000	\$1,503,600,000	6.6116	\$4,587,950	\$10,016,400	\$9,941,210	\$14,604,300	\$14,529,200	\$75,152	0.51
1997	\$1,575,570,000	\$1,562,930,000	6.6116	\$4,633,830	\$10,417,000	\$10,333,500	\$15,050,800	\$14,967,300	\$83,550	0.56
1998	\$1,638,590,000	\$1,623,560,000	6.6116	\$4,680,170	\$10,833,700	\$10,734,300	\$15,513,900	\$15,414,500	\$99,380	0.64
1999	\$1,704,130,000	\$1,687,750,000	6.6116	\$4,726,970	\$11,267,000	\$11,158,700	\$15,994,000	\$15,885,700	\$108,300	0.68
2000	\$1,772,300,000	\$1,754,060,000	6.6116	\$4,774,240	\$11,717,700	\$11,597,200	\$16,492,000	\$16,371,400	\$120,570	0.73
2001	\$1,843,190,000	\$1,823,430,000	6.6116	\$4,821,980	\$12,186,400	\$12,055,800	\$17,008,400	\$16,877,800	\$130,650	0.77
2002	\$1,916,920,000	\$1,895,580,000	6.6116	\$4,870,200	\$12,673,900	\$12,532,800	\$17,544,100	\$17,403,000	\$141,050	0.80
2003	\$1,993,590,000	\$1,970,580,000	6.6116	\$4,918,910	\$13,180,800	\$13,028,700	\$18,099,700	\$17,947,600	\$152,140	0.84
2004	\$2,073,340,000	\$2,048,580,000	6.6116	\$4,968,100	\$13,708,100	\$13,544,400	\$18,676,200	\$18,512,500	\$163,680	0.88
2005	\$2,156,270,000	\$2,129,690,000	6.6116	\$5,017,780	\$14,256,400	\$14,080,700	\$19,274,200	\$19,098,400	\$175,730	0.91

## CITY OF OTSEGO TAX INCREMENT FINANCING - OTSEGO SCHOOLS

STARTING YEAR OF TIF PROGRAM	1985
NUMBER OF YEARS FOR TIF PROGRAM	20
MILLAGE RATE FOR TAXING JURISDICTION	31.93
INITIAL NON-PROPERTY TAX REVENUE	\$1,981,060
GROWTH RATE OF NON-PROPERTY TAX REVENUE	5
INITIAL SEV OF TAXING JURISDICTION AREA	\$125,704,000

CITY OF OTSEGO TAX INCREMENT FINANCING- OTSEGO SCHOOLS										
Year	Projected SEV at 1% Growth		Mills	Non-Property Tax Revenue at 5%	Projected Tax Revenue		Total Revenue		Revenue Difference	
	Without TIF	With TIF			Without TIF	With TIF	Without TIF	With TIF	Dollars	Percent
1985	\$125,704,000	\$125,704,000	31.9300	\$1,981,060	\$4,013,730	\$4,013,730	\$5,994,790	\$5,994,790	\$0	0.00
1986	\$126,961,000	\$125,727,000	31.9300	\$2,080,110	\$4,053,870	\$4,014,450	\$6,133,980	\$6,094,570	\$39,411	0.64
1987	\$128,231,000	\$126,346,000	31.9300	\$2,184,120	\$4,094,400	\$4,034,230	\$6,278,520	\$6,218,350	\$60,169	0.96
1988	\$129,513,000	\$126,940,000	31.9300	\$2,293,330	\$4,135,350	\$4,053,200	\$6,428,670	\$6,346,530	\$82,143	1.28
1989	\$130,808,000	\$126,657,000	31.9300	\$2,407,990	\$4,176,700	\$4,044,150	\$6,584,690	\$6,452,140	\$132,547	2.01
1990	\$132,116,000	\$127,166,000	31.9300	\$2,528,390	\$4,218,470	\$4,060,400	\$6,746,860	\$6,588,790	\$158,066	2.34
1991	\$133,437,000	\$127,560,000	31.9300	\$2,654,810	\$4,260,650	\$4,073,000	\$6,915,460	\$6,727,810	\$187,656	2.71
1992	\$134,772,000	\$128,015,000	31.9300	\$2,787,550	\$4,303,260	\$4,087,500	\$7,090,810	\$6,875,060	\$215,757	3.04
1993	\$136,119,000	\$128,220,000	31.9300	\$2,926,930	\$4,346,290	\$4,094,070	\$7,273,220	\$7,021,000	\$252,221	3.47
1994	\$137,481,000	\$128,596,000	31.9300	\$3,073,280	\$4,389,760	\$4,106,080	\$7,463,030	\$7,179,360	\$283,673	3.80
1995	\$138,855,000	\$128,936,000	31.9300	\$3,226,940	\$4,433,650	\$4,116,930	\$7,660,590	\$7,343,870	\$316,720	4.13
1996	\$140,244,000	\$128,878,000	31.9300	\$3,388,290	\$4,477,990	\$4,115,060	\$7,866,280	\$7,503,350	\$362,932	4.61
1997	\$141,646,000	\$129,010,000	31.9300	\$3,557,700	\$4,522,770	\$4,119,270	\$8,080,470	\$7,676,980	\$403,497	4.99
1998	\$143,063,000	\$128,031,000	31.9300	\$3,735,590	\$4,568,000	\$4,088,040	\$8,303,590	\$7,823,630	\$479,959	5.78
1999	\$144,494,000	\$128,113,000	31.9300	\$3,922,370	\$4,613,680	\$4,090,640	\$8,536,040	\$8,013,010	\$523,036	6.13
2000	\$145,938,000	\$127,701,000	31.9300	\$4,118,480	\$4,659,810	\$4,077,500	\$8,778,300	\$8,195,990	\$582,310	6.63
2001	\$147,398,000	\$127,636,000	31.9300	\$4,324,410	\$4,706,410	\$4,075,430	\$9,030,820	\$8,399,840	\$630,982	6.99
2002	\$148,872,000	\$127,538,000	31.9300	\$4,540,630	\$4,753,480	\$4,072,290	\$9,294,110	\$8,612,920	\$681,189	7.33
2003	\$150,361,000	\$127,349,000	31.9300	\$4,767,660	\$4,801,010	\$4,066,260	\$9,568,670	\$8,833,920	\$734,748	7.68
2004	\$151,864,000	\$127,107,000	31.9300	\$5,006,040	\$4,849,020	\$4,058,540	\$9,855,060	\$9,064,580	\$790,482	8.02
2005	\$153,383,000	\$126,804,000	31.9300	\$5,256,340	\$4,897,510	\$4,048,850	\$10,153,900	\$9,305,190	\$848,665	8.36

## CITY OF OTSEGO TAX INCREMENT FINANCING - ISD

STARTING YEAR OF TIF PROGRAM	1985
NUMBER OF YEARS FOR TIF PROGRAM	20
MILLAGE RATE FOR TAXING JURISDICTION	3.17
INITIAL NON-PROPERTY TAX REVENUE	\$2,060,000
GROWTH RATE OF NON-PROPERTY TAX REVENUE	5
INITIAL SEV OF TAXING JURISDICTION AREA	\$652,065,000

CITY OF OTSEGO TAX INCREMENT FINANCING- ISD										
Year	Projected SEV at 3.25% Growth		Mills	Non-Property Tax Revenue at 5%	Projected Tax Revenue		Total Revenue		Revenue Difference	
	Without TIF	With TIF			Without TIF	With TIF	Without TIF	With TIF	Dollars	Percent
1985	\$652,065,000	\$652,065,000	3.1700	\$2,060,000	\$2,067,050	\$2,067,050	\$4,127,050	\$4,127,050	\$0	0.00
1986	\$673,257,000	\$672,023,000	3.1700	\$2,163,000	\$2,134,230	\$2,130,310	\$4,297,230	\$4,293,310	\$3,913	0.09
1987	\$695,138,000	\$693,254,000	3.1700	\$2,271,150	\$2,203,590	\$2,197,610	\$4,474,740	\$4,468,760	\$5,974	0.13
1988	\$717,730,000	\$715,157,000	3.1700	\$2,384,710	\$2,275,200	\$2,267,050	\$4,659,910	\$4,651,760	\$8,155	0.18
1989	\$741,056,000	\$736,905,000	3.1700	\$2,503,940	\$2,349,150	\$2,335,990	\$4,853,090	\$4,839,930	\$13,159	0.27
1990	\$765,141,000	\$760,190,000	3.1700	\$2,629,140	\$2,425,500	\$2,409,800	\$5,054,640	\$5,038,940	\$15,692	0.31
1991	\$790,008,000	\$784,131,000	3.1700	\$2,760,600	\$2,504,320	\$2,485,690	\$5,264,920	\$5,246,290	\$18,630	0.35
1992	\$815,683,000	\$808,926,000	3.1700	\$2,898,630	\$2,585,720	\$2,564,290	\$5,484,340	\$5,462,920	\$21,421	0.39
1993	\$842,193,000	\$834,293,000	3.1700	\$3,043,560	\$2,669,750	\$2,644,710	\$5,713,310	\$5,688,270	\$25,040	0.44
1994	\$869,564,000	\$860,680,000	3.1700	\$3,195,740	\$2,756,520	\$2,728,350	\$5,952,250	\$5,924,090	\$28,163	0.47
1995	\$897,825,000	\$887,905,000	3.1700	\$3,355,520	\$2,846,100	\$2,814,660	\$6,201,630	\$6,170,180	\$31,444	0.51
1996	\$927,004,000	\$915,637,000	3.1700	\$3,523,300	\$2,938,600	\$2,902,570	\$6,461,900	\$6,425,870	\$36,031	0.56
1997	\$957,132,000	\$944,495,000	3.1700	\$3,699,460	\$3,034,110	\$2,994,050	\$6,733,570	\$6,693,510	\$40,059	0.59
1998	\$988,238,000	\$973,207,000	3.1700	\$3,884,440	\$3,132,720	\$3,085,070	\$7,017,150	\$6,969,500	\$47,650	0.68
1999	\$1,020,360,000	\$1,003,980,000	3.1700	\$4,078,660	\$3,234,530	\$3,182,600	\$7,313,190	\$7,261,260	\$51,927	0.71
2000	\$1,053,520,000	\$1,035,280,000	3.1700	\$4,282,590	\$3,339,650	\$3,281,840	\$7,622,240	\$7,564,430	\$57,812	0.76
2001	\$1,087,760,000	\$1,068,000,000	3.1700	\$4,496,720	\$3,448,190	\$3,385,550	\$7,944,910	\$7,882,270	\$62,643	0.79
2002	\$1,123,110,000	\$1,101,780,000	3.1700	\$4,721,560	\$3,560,260	\$3,492,630	\$8,281,810	\$8,214,190	\$67,629	0.82
2003	\$1,159,610,000	\$1,136,600,000	3.1700	\$4,957,640	\$3,675,960	\$3,603,020	\$8,633,600	\$8,560,650	\$72,946	0.84
2004	\$1,197,300,000	\$1,172,540,000	3.1700	\$5,205,520	\$3,795,430	\$3,716,950	\$9,000,950	\$8,922,470	\$78,478	0.87
2005	\$1,236,210,000	\$1,209,630,000	3.1700	\$5,465,790	\$3,918,780	\$3,834,530	\$9,384,580	\$9,300,320	\$84,255	0.90



**APPENDIX A**

**DDA BY-LAWS**

BY-LAWS  
DOWNTOWN DEVELOPMENT AUTHORITY  
CITY OF OTSEGO

ARTICLE I. Purposes and Powers

The purpose or purposes for which the authority is organized are as follows: To act as a Downtown Development Authority in accordance with Act 197 of the Public Acts of 1975, as amended, including, but not limited to: to correct and prevent deterioration in the Downtown Development District, to encourage historic preservation, to create and implement development plans, to authorize the acquisition and disposal of interests in real and personal property, and to promote economic growth in the district. In furtherance of these purposes, the authority shall have all of the powers which now or hereafter may be conferred by law on authorities organized under Act 197, Public Acts of 1975; Act 227, Public Acts of 1972; Act 149, Public Acts of 1911; Act 202, Public Acts of 1943; Act 94, Public Acts of 1933; Act 344, Public Acts of 1945, as amended; and Public Law 91-646, being the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. The power or authority given under Public Act 197 is as follows:

- A. Prepare an analysis of economic changes taking place in the downtown district;
- B. Study and analyze the impact of metropolitan growth upon the downtown district;
- C. Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of public facilities, and existing buildings, or multi-family dwelling units which may be necessary or appropriate to the execution of a plan which, in the opinion of the board, aids in the economic growth of the downtown district;
- D. Develop long-range plans in cooperation with the agency which is chiefly responsible for planning in the City of Otsego, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible;
- E. Implement any plan of development in the downtown district necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act;
- F. Make and enter into contracts necessary or incidental to the exercise of its powers and performance of its duties;
- G. 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 of 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;
- H. Improve land and construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair, and operate any building including multi-family dwellings, and any necessary or desirable appurtenances thereto, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof;

- I. Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof of facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority;
- J. Lease any building or property under its control, or any part thereof;
- K. Accept grants and donations of property, labor, or other things of value from a public or private source;
- L. Acquire and construct public facilities.

## ARTICLE II. Board

Section 1. General Powers. The authority shall be under the supervision and control of a board, and shall exercise all powers provided in Act 197 of the Public Acts of 1975.

Section 2. Number, Tenure, and Qualifications. The board of the authority shall consist of nine persons, the Mayor of the City of Otsego, and eight (8) other persons appointed by the, Mayor of the City of Otsego subject to the approval of the city commission. Other than the mayor, members shall be appointed for a term of four years except that of members first appointed, two shall be appointed for one year, two for two years, two for three years, and two for four years. At least five of the members shall be persons having an interest in property located in the downtown district. At least one of the members shall be a resident of the downtown district, if the downtown district has one hundred or more persons residing within it. The term of office shall begin on the 16th day of September. Before assuming the duties of office, a member shall qualify by taking-and subscribing to the constitutional oath of office.

Section 3. Compensation of Members. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary out-of-pocket expenses as approved by the board.

Section 4. Expiration of Term, Continuation in Office, Reappointment, and Filling Vacancies. A member shall hold office until the member's successor is appointed. If a vacancy is created by the death, resignation, or removal of a member, an appointment to fill a vacancy shall be made by the Mayor of the City of Otsego, subject to the approval of the city commission, for the unexpired term only.

Section 5. Removal. Pursuant to proper notice and an opportunity to be heard, a member of the board may be removed for cause by a majority vote of the city commission. Cause shall include failure to attend three successive regularly scheduled meetings of the board. Removal of a member is subject to the review of Circuit Court.

Section 6. Disclosure of Interest. A board member who has a direct interest in any matter before the authority shall disclose his interest prior to the authority taking any action with respect to the matter which disclosure shall become a part of the record of the authority's official proceedings. Further, any member making such disclosure shall then refrain from participating in the authority's decision-making process relative to such matter.

Section 7. Ex Officio Member. The city manager of the City of Otsego may serve as an ex officio member of the board of the authority. The city manager may attend all meetings of the

board, but shall not have a vote on any decision by the board. He shall receive copies of communications, records, memorandums or other documents received by or prepared by the board or any of its agents or employees.

### ARTICLE III. Officers

Section 1. Officers. The officers of the authority shall be a chairman, vice chairman, secretary, and treasurer.

Section 2. Removal of Officers. An officer may be removed by the board whenever, in its judgment, the best interest of the authority would be served.

Section 3. Filling of Vacancies. A vacancy may be filled by the board for the unexpired portion of the term.

Section 4. Chairman. The chairman shall preside at all meetings of the board. He shall discharge the duties of a presiding officer.

Section 5. Vice Chairman. In the absence of the chairman or in the event of his inability or refusal to act, the vice chairman shall perform all duties of the chairman, and when so acting, shall have all the powers and be subject to all restrictions of the chairman.

Section 6. Secretary. The secretary shall maintain custody of the official seal of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings, and shall perform such other duties as are delegated by the board. In the absence of a treasurer, the secretary shall be assigned those duties.

Section 7. Treasurer. The board may designate the treasurer of the City of Otsego as treasurer who shall keep the financial records of the authority and who, together with the chairman, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated to him by the board and shall furnish bond in an amount prescribed by the board. The premium of the bond shall be deemed an operating expense of the authority, payable from funds available to the authority for expenses of operation.

### ARTICLE VI. Meetings.

Section 1. Annual Meeting. The annual meeting shall be held on the first Tuesday of October at the hour of 7:00 p.m., in the Otsego Chamber of Commerce office, 100 W. Allegan Street, Otsego, Michigan 49078, or such other place or places as the board shall hereafter determine. The election of officers shall occur at the annual organizational meeting. If the election of officers should not occur on the day designated, or in the adjournment thereof, the board shall cause the election to be held at a regular or special meeting of the board within ninety days of the annual meeting.

Section 2. Regular Meetings. Regular meetings of the board shall be held at 7:00 p.m. on the first Tuesday of each month in the Otsego Chamber of Commerce office, 100 W. Allegan Street, Otsego, Michigan 49078, or such other place or places as the board shall hereafter determine. In

the event the meeting shall fall on a holiday, the meeting will occur on the following day. At each regular meeting all expense items of the authority shall be publicized. The financial records shall always be open to the public. Any regularly scheduled meeting may be canceled for lack of quorum.

Section 3. Special Meetings. Special meetings of the board may be called by the chairman, by the vice chairman in the absence of the chairman, by any three members, or by the city commission by giving twenty-four hours' notice of the meeting, stating the purpose of the meeting and by posting the notice eighteen hours prior to the meeting.

Section 4. Notice of Meeting. All meetings shall be preceded by public notice posted eighteen hours prior to the meeting in accordance with Act 267 of the Public Acts of 1976, as amended.

Section 5. Agenda. The chairman may prepare the agendas for all meetings and send them to the authority members at least twenty-four hours prior to the meeting. Any member of the authority may request any item to be placed upon the agenda.

Section 6. Quorum and Voting. A majority of the voting members of the board in office shall constitute a quorum for the transaction of business. An affirmative vote of five members shall constitute the action of the board unless the vote of a larger number is required by statute or elsewhere in these by-laws. In the event that effective membership is reduced because of disclosure of interest (Article II, Section 6) a majority of the remaining members eligible to vote shall constitute the action of the board.

Section 7. Rules of Order. Roberts Rules of Order will govern the conduct of all meetings.

## ARTICLE V. Employment of Personnel

Section 1. Director. The board may employ and fix the compensation of a director subject to the approval of the City Commission of Otsego. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of his office, the director shall take and subscribe to the constitutional oath and furnish bond by posting a bond in the penal sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the Otsego City Clerk. The premium on the bond shall be deemed an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the Chief Executive Officer of the authority. Subject to the approval of the board, the director shall supervise and be responsible for the preparation of plans and the performance of the functions of the authority in the manner authorized by Act 197 of Public Acts of 1975, as amended. The director shall attend the meetings of the board and shall render to the board and to the governing city commission of the City of Otsego a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath and furnish bond as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

Section 2. Legal Counsel. The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

Section 3. Other Personnel and Agents. The board may employ other personnel and agents deemed necessary by the board.

Section 4. Employee Residency Requirement. All employees of the downtown development authority shall be bona fide residents of the City of Otsego or become bona fide residents of the City of Otsego within six months from the beginning date of employment.

#### ARTICLE VI. Committees and Advisory Boards

Section 1. Committees. The board by resolution may designate and appoint one or more committees to advise the board. The chairman of the authority shall appoint the members and select the chairperson. The committees may be terminated by a vote of the authority. At the annual meeting, the committees will be evaluated and reappointed or dissolved. A majority of the members of a committee will constitute a quorum. A majority of the members present at the meeting at which a quorum is present shall be empowered to act on behalf of the committee.

Section 2. Task Forces. The board may by resolution authorize the establishment of one or more task forces, each task force to consist of one or more members of the authority. The chairperson shall select with the advice and consent of the authority members the members of each task force so established. Each member appointed to a task force shall serve until replaced by action of the chairperson with the advice and consent of the authority members.

#### ARTICLE VII. Contracts and Funds

Section 1. Contracts. The board may authorize the executive director or an agent or agents of the authority to enter into any contract or execute and deliver any instrument on behalf of the authority within the limits authorized by Public Act 197.

Section 2. Funds. All checks, drafts, or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the authority shall be signed by the treasurer and countersigned by the chairman of the authority. One other member of the board may be authorized to execute documents in the absence of the treasurer or chairman. Monies received by the authority shall immediately be deposited to the credit of the authority, subject to disbursement pursuant to Act 197. The board shall select banks, trust companies, or other depositories for the deposit of authority funds. No funds of the authority shall be disbursed except as provided for in the budget of the authority. No budget shall be adopted by the board of the authority until it has been approved by the city commission of the City of Otsego.

Section 3. Contributions or Gifts. The board may accept on behalf of the authority any contribution, gift, bequest, or device for the general purposes or for any special purpose of the authority.

## ARTICLE VIII. Books and Records

Section 1. Bookkeeping, Minutes, and the Annual Audit. The authority shall keep correct and complete records of books and accounts and minutes of the meetings. The records shall be kept at the principal office of the authority which will have a record of the names and addresses of the members of the authority. All books and records of the authority shall be open to the public. The authority shall submit financial reports to the city commission at the same time and on the same basis as departments of the city are required to submit reports. The authority shall be audited annually by the same independent auditors auditing the city and copies of the audit report shall be filed with the city commission.

Section 2. Fiscal Year. The fiscal year of the authority shall begin on the first day of July and end on the last day of June of each year.

## ARTICLE IX. Raising of Funds

The activities of the authority shall be financed from one or more of the following sources:

- A. Donations to the authority for the performance of its functions.
- B. Bonds. The authority may borrow money and issue its negotiable bonds therefor pursuant to the Act and Act 94 of Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws. Bonds issued by the authority shall not, except as provided in the Act, be deemed a debt of the City of Otsego or the State of Michigan.
- C. Revenues from any property, building, or facility owned, leased, licensed, or operated by the authority or under its control subject to the limitations imposed upon the authority by trusts or other agreements.
- D. Tax Increment Financing. When the authority determines that it is necessary for the achievement of the purposes of Act 197, Public Acts of 1975, the authority shall prepare and submit a tax increment financing plan to the city commission of the City of Otsego. The plan shall include a development plan as provided in Section 17, Act 197, Public Acts of 1975, a detailed explanation of the tax increment procedure, the amount of bonded indebtedness to be incurred, the duration of the program, and shall be in compliance with Section 15 of that Act. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan.
- E. Proceeds from a special assessment district created as provided by law.
- F. Money obtained from other sources approved by the city commission of the City of Otsego.

## ARTICLE X. District Boundaries

The authority shall exercise its powers within the following area of the downtown district of the City of Otsego:

(See legal description attached.)

## ARTICLE XI. Amendment to By-Laws

These by-laws may be altered, amended, or repealed, and new rules adopted, by the affirmative vote of five members of the authority at any regular or special meeting called for that purpose, subject to the approval of the city commission of the City of Otsego.

**ARTICLE XII. Interpretation**

The invalidity or un-enforceability of any provisions hereof shall in no way affect the validity or enforceability of the remaining provisions hereof.

When applicable, pronouns and relative words shall be read as plural, feminine or neuter, respectively.



# **APPENDIX B**

## **DDA PLAN AMENDMENTS**

**FIRST AMENDMENT TO  
CITY OF OTSEGO  
DOWNTOWN DEVELOPMENT AUTHORITY'S  
DEVELOPMENT PLAN**

The First Amendment to the City of Otsego Downtown Development Authority's Development Plan (the "Amendment") is made and approved by the City Commission of the City of Otsego as of November 6, 1995.

**WITNESSETH:**

**WHEREAS;** the City Commission of the City of Otsego created a City of Otsego Downtown Development Authority (the "DDA") on December 2, 1985, and at the same time approved the DDA's Development Plan (the "Plan"); and

**WHEREAS,** the DDA would like to amend the Plan to include the acquisition and renovation of the OMS Building at 141 N. Farmer Street for future use by the City's Department of public Works, redevelopment of the existing Department of Public Works site, and the renovation and expansion of the City Hall; as well as other projects contingent upon property being included within the Development Area as defined in the Plan; and

**WHEREAS,** in order to include the new projects in the Plan, it is necessary to amend several of the provisions of the Plan as well as the Exhibits attached thereto.

**NOW, THEREFORE,** the Plan is hereby amended in the following manner:

1. The proposed use for 141 N. Farmer Street in section 2.4 of the Plan is amended to read as follows:

023-039-00                      251                      141 N. Farmer St.                      Public Facilities

2. The Public Improvements listed under section 3.1 of the Plan are amended to read as follows:

**3.1      A DESCRIPTION OF IMPROVEMENTS TO BE MADE IN THE  
DEVELOPMENT AREA**

Public Improvements in the Development Area include:

- a) Parks and Recreation – New public parks with facilities and amenities are scheduled along the Kalamazoo River to capitalize on the river as a focal point for passive and active recreation. Linear bikepaths/walkways are also scheduled to tie these park areas to existing community parks.
- b) Buildings and Structures – Acquisition of the new site and building for the City's Department of Public Works site for other uses; and renovation and expansion of the City Hall, including improved parking, access beautification and lighting.

c) Anticipated Infrastructure Projects – Reconstruction and renovation of the Farmer Street Bridge, an essential piece of infrastructure which provides access to the Development Area.

3. Section 4.1 of the Plan is amended to include the following new Public Improvements:

Farmer Street  
Public Improvements \$500,000  
 - Acquisition of OMS Building at 141 N. Farmer Street  
 - Renovation of OMS Building for use by City’s Department of Public Works  
 - Redevelopment of existing Department of Public Works site for other uses

Orleans Street west of Fair Street  
Public Improvements \$800,000

-Renovation and expansion of City Hall

Farmer Street  
 Public Improvements \$1,500,000

-Reconstruction and renovation of Farmer Street Bridge

4. Section 4.2 of the Plan is amended to include the following projects:

	<b>Project</b>	<b>Year</b>	<b>Annual Cost in 1995 Dollars</b>	<b>Annual Cost in Current Dollars at 4% Annual Inflation</b>
14	Acquisition renovation of 141 N. Farmer Street for future use by City's Department of Public Works and redevelopment of existing Department of Public Works site for other use	1995-1996	\$500,000	\$520,000
15	Renovation and expansion of City Hall at 117 E. Orleans St.	1999	\$800,000	\$935,887
16	Reconstruction and renovation of Farmer Street Bridge	2000	\$-	\$1,500,000

5. Section 7.0 of the Plan is amended to include the following project:  
 Acquisition of the OMS Building south of the river and west of Farmer Street to be used by the City’s Department of Public Works.

6. Section 9.1 of the Plan is amended to read as follows:

9.1 AN ESTIMATE OF THE COST OF THE DEVELOPMENT

Public Improvements being proposed in the Development Plan have an anticipated acquisition and development cost of over \$2.8 million, in 1995 dollars.

Effective Date December 10, 1995



- c) Anticipated Infrastructure Projects – Reconstruction and renovation of the Farmer Street Bridge, an essential piece of infrastructure which provides access to the Development Area.
- d) Street and Utilities Improvement – Installation, improvement or repair of streets and alleys within the Development Area, including, without limitation, landscaping, sidewalks, crosswalks, street lighting and street furniture; installation, improvement or repair of sanitary sewer, storm sewer or water main within the Development Area.

4. Section 4.1 of the Plan is amended to include the following new Public Improvements:

Court Street

Public Improvements \$2,500,000  
Expansion of City Hall for a new police station at 125 Court Street

N. Farmer Street

Public Improvements \$500,000  
Redevelopment of the existing waterworks building for civic or commercial use.

5. Section 4.2 of the Plan is amended to include the following projects:

	<b>Project</b>	<b>Year</b>	<b>Annual Cost in 1998 Dollars</b>	<b>Estimated Annual Cost in Current Dollars at 4% Annual Inflation</b>
17	Expansion of the City Hall for a new police station at 125 Court Street	1998	\$2,500,000	\$2,500,000
18	Redevelopment of existing waterworks building for other uses	1998	\$500,000	\$500,000

6. Section 9.1 of the Plan is amended to read as follows:

9.1 AN ESTIMATE OF THE COST OF THE DEVELOPMENT

Public Improvements being proposed in the Development Plan have an anticipated acquisition and development cost of over \$5.4 million, in 1998 dollars.

7. Section 9.2 of the Plan is amended to read as follows:

9.2 A STATEMENT OF THE PROPOSED METHOD OF FINANCING THE DEVELOPMENT

The activities of the Authority and the development of public improvements shall be financed from one or more of the following sources. Where receipt of specific funds are indicated as being anticipated by the Authority, methods of repayment will be established as necessary. Where repayment is not necessary, funds shall be credited

to the Authority's general fund for the purpose of financing only those activities, or subsequent debts as a result of those activities, as indicated in this Plan or otherwise appropriate as provided in Michigan Act 197, P.A. 1975.

- a) Donations from foundations, corporations, groups, individuals or others.
- b) Money borrowed from a bank, savings and loan, or any other type of approved lender.
- c) Revenues from any property, building or facility, or a revenue bond secured by said revenues or the full faith and credit of the City.
- d) Proceeds of Tax Increments – As captured assessed value exceeds initial assessed value, tax increment revenues will accrue in significant enough amounts to provide meaningful working capital. It will be possible to use these annual revenues to help finance subsequent phases of the scheduled public improvements. The Authority may use tax increment proceeds on an annual basis, spending or obligating only as much revenues as is generated, or it may decide that the revenue is substantial enough to warrant the sale of tax increment bonds, or it may use that revenue to repay general obligation bonds sold by the municipality. The Authority may also accrue or accumulate these annual revenues to finance approved projects in future years to reduce or remove the need to sell tax increment bonds.
- e) Special Assessment – Phases of the scheduled public improvements may be funded by special assessment bonds to the benefit of property owners within the District. A special assessment district will be established and property maps will detail property ownership and the amount of associated individual assessments. The property owners described therein will be assessed an annual fee. This fee will apply equally to all properties on the basis of total front footage. Specified benefits will be assigned to each property owner for work in place that is in conformance with the Downtown Master Plan as approved by the municipality. These benefits will be subject to change when increases or decreases in front footage occur on an individual basis.
- f) Potential Funding Sources – The City may apply for Community Development Block Grant funds to assist in public improvements associated with new commercial building construction. Construction of the proposed mail area in the northwest block could qualify as a potential block grant project, provided a reasonable number of new jobs would be created or retained as a result of this facility.  
Public improvement would include improvement to the existing alleyway, parking lot improvements, and the provision of utilities to the building proposed for the northwest corner of the parking lot.  
As an alternative to Community Development Block Grant funds for public improvements in the northwest block, the City could attract a developer/investor to construct proposed new buildings in this area and, through application for an Urban Development Action Grant, construct proposed parking lot and required utility improvements.

The City should apply to the State of Michigan for Land and Water Conservation funds for the purchase of, and improvements to, the proposed Riverside Park and Island #2. The City should also apply to the Michigan Department of Transportation under Act 51 for funds to construct the proposed bike path/walkway. Additional funding sources include contributions from non-taxable beneficiaries such as Churches and Special Interest Groups and from Downtown Development Authority sponsored fund raisers.

Money provided from any other sources approved by the governing body or the municipality or received by the Authority in any other way shall be deposited to the credit of the Authority, subject to disbursement in accordance with this Plan.

- g) The Authority may issue tax increment bonds or request the municipality to issue general obligation bonds. The proposed issuance of these bonds would be structured as follows:
- (1) Purpose: The purpose of this Tax Increment Financing Plan is to produce revenues sufficient to pay the principal, interest, administrative costs, including agent fees and accounting costs for the bond issue which is proposed to finance this Downtown Development Plan.
  - (2) Direct Payment: The DDA proposes to use the captured increase in assessed value for the first year of the Tax Increment Finance Program to finance the initial improvement projects called for in this Plan. The entire or partial costs of improvements of the first one to three years of the Tax Increment Finance program will be paid directly from revenues resulting from captured increases in assessments. It must be emphasized that the sequence of projects and the time allocated for completing those projects is only a proposal. Conditions, events and available financing will certainly affect the ability of the City and the Downtown Development Authority to adhere to the proposed project schedule.
  - (3) Bonded Indebtedness: The DDA may propose the sale of a bond issue in any year after the first year of the Tax Increment Finance program in the amount not to exceed \$4.0 million to be repaid over 20 years. A capital recovery schedule is shown in Table 2.
  - (4) Initial Assessed Value: It is proposed that the City Commission adopt this Plan any time before December 30, 1985; and therefore, that the "initial assessed value" (i.e., the base-year SEV from which the "captured assessed value" is calculated) shall be the 1985 State Equalized Valuation of the Otsego Downtown Development District, as finally determined by the State Tax Commission.
  - (5) Portion of the "Captured Assessed Value" to be Used: The DDA proposes that all of the taxes levied by all taxing units on the captured assessed value of real, personal, IFT and CFT properties within the District be used

by the Authority, to the extent needed from year to year to accomplish the above-stated purpose.

(6) Duration of the Program: The duration of this Tax Increment Financing Plan shall be twenty (20) years or until any bonded indebtedness is completely retired.

(7) Projection of Captured Assessed Value and Revenue: A projection of captured assessed value is presented in Table 2.

Based on this projection, an estimated millage rate for all taxing units of 52.71 mills may be applied to the captured assessed value to estimate the potential tax revenues available to the DDA. That is presented in Table 2 and compared to the capital recovery needs based on a proposed bond issue not to exceed \$4,000,000 at 7.5 percent annual interest.

8. Section 18.0 of the Plan is amended to read as follows:

18.0 PRIORITY OF USE OF MONIES IN THE PROJECT FUND

The money credited to the project fund and on hand therein from time to time shall annually be used in the following manner and following order of priority:

1. To pay into the debt retirement fund, or funds, for all outstanding series of bonds, if any, issued pursuant to this plan, an amount equal to the interest and principal coming due (in the case of principal, whether by maturity or mandatory redemption) prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.
2. To establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan, an amount equal to one-fifth of the largest combined annual principal and interest payment due on bonds issued, until the reserve account is equal to the largest combined annual interest and principal requirement during the life of the plan.
3. To pay to the Otsego District Library tax increment revenues on captured assessed value in accordance with the revenue sharing agreement between the DDA and the Otsego District Library.
4. To pay the administrative and operating costs of the DDA and City for the development area, including planning and promotion, to the extent provided in the annual budget of the Downtown Development Authority.
5. To finance (using tax increment revenues from the present year or tax increment revenues accrued or accumulated from a prior year), to the extent determined desirable by the Downtown Development Authority and approved by the City, the cost of improvements as set forth in the development plan to the extent those costs are not financed from the proceeds of bonds.
6. To finance the cost of any additional improvements to the development as determined necessary by the Downtown development Authority and approved by the City Commission.
7. To reimburse the City with interest for funds advanced to acquire property, clear land, make preliminary plans and improvements necessary for the development of the development area in accordance with this Plan.



8. To finance, to the extent determined desirable or necessary by the Downtown Development Authority, as determined by inclusion in its annual budget for said fiscal year, funding and administration of a revolving loan program to provide financial assistance to qualifying parties and projects (based upon procedures and criteria to be established by the Downtown Development Authority) in the development area for the purpose of improving, renovating, repairing, altering, or expanding existing private facilities, or construction of new private facilities, including a reserve in an amount established from time to time by the Authority to meet losses incurred in such loans and/or to expand funds available for loan.

Any tax increment receipts in excess of those needed under the preceding paragraphs would revert to the taxing jurisdictions or would be used for future development activities within the development area, as defined in the development plan or as expanded to include all or parts of the downtown development district pursuant to amendment or modification of this development plan and tax increment financing plan pursuant to applicable provisions of P.A. 197 and other laws.

Effective Date: October 25, 1998

**CITY COMMISSION  
CITY OF OTSEGO  
ALLEGAN COUNTY, MICHIGAN**

**ORDINANCE NO. 143**

**AN ORDINANCE TO AMEND CHAPTER 22, ARTICLE II, SEC. 22-34  
OF THE CODE OF ORDINANCES OF THE CITY OF OTSEGO, MICHIGAN,  
ENTITLED “OTSEGO CODE OF ORDINANCES”**

**THE CITY OF OTSEGO ORDAINS:**

Section 1. Amendment of Section 22-34. Section 22-43 of the Otsego City Code is hereby amended to consist of the following described territory:

22-34 Boundaries of the Downtown District

The proposed amended boundaries over which the Downtown Development Authority will exercise its powers, and shown on the attached map, are described as follows:

Beginning at the Southeast corner of the intersection of the rights-of-way of Orleans and Fair Streets, thence running East to the West lot line of Parcel #03-54-023-107-041-00, thence North along the West lot lines of parcels #03-54-023-104-040-00 and #03-54-023-104-03-50 to the center line of Allegan Street, thence East to a point coterminous with the Southern extension of the East lot line of parcel #03-54-023-102-031-00, thence North to the South lot line of parcel #03-54-023-102-112-00, thence East to the East lot line of parcel #03-54-023-102-00, thence North to the center line of Court Street, thence West to point coterminous with the Southern extension of the East lot line of parcel #03-54-023-101-001-00, thence North to the Northeast corner of parcel #03-54-023-101-001-00; thence Northeast to the Southeast corner of parcel #03-54-023-101-003-00, thence North to the Northwest corner of parcel #03-54-023-101-005-00, thence Northeast to the Northwest corner of parcel #03-54-023-101-042-00, thence South to the Southwest corner of parcel #03-54-023-500-042-00, thence South to the Southwest corner of parcel #03-54-023-500-042-00, thence Northeast to the Northwest corner of parcel #03-54-023-101-009-00, thence South to the Southwest corner of parcel #03-54-500-101-009-00, thence East to the Southeast corner of parcel #03-54-023-500-009-00, thence North to the Northeast corner of parcel #03-54-023-500-042-00, thence in a southeasterly direction, following the Southern bank of the Kalamazoo River to the Eastern boundary of the City, thence North to the intersection of the Eastern boundary of the City with the Southern right-of-way of River Street, thence West along the Southern right-of-way of River Street to the Southwest corner of the intersection of River and Farmer Streets, thence South along the Western right-of-way of Farmer Street to the Northeast corner of parcel #03-54-023-250-042-00, thence West along the lot line between parcel #03-54-023-250-042-00 and parcel #03-54-023-250-041-00, thence West along the North lot line of parcel #03-54-023-250-034-00 to the Southwest corner of parcel #03-54-023-250-035-50, thence South to the Southeast corner of

parcel #03-54-023-250-035-10, thence West to the Southwest corner of parcel #03-54-023-250-034-60, thence North to the Northwest corner of parcel #03-54-023-250-034-60, thence West along the Southern right-of-way of Helen Avenue to the Penn Central Railroad right-of-way to the Northwest corner of parcel #03-54-023-250-034-50, thence South along the Western boundary of parcel #03-54-023-250-034-50 to a point coterminous with the Southern bank of the Kalamazoo River, thence east along the Southern bank of the Kalamazoo River to the Northwest corner of parcel #03-54-023-100-040-00, thence Southeast and South along the West boundary of parcel #03-54-023-100-040-00 to the Southwest corner of parcel #03-54-023-100-040-00, thence West to the Northwest corner of parcel #03-54-023-100-005-50, thence South to the centerline of Allegan Street; thence West to point coterminous with the northerly extension of the West lot line of parcel #03-54-023-100-003-50, thence South to the Southern right-of-way of Orleans Street, thence East to the Southeast corner of the intersection of the right-of-way of Kalamazoo and Orleans Streets, thence South to the Northwest corner of parcel #03-54-023-100-058-70, thence East to the Northeast corner of parcel #03-54-023-100-058-70, thence South to the Southwest corner of parcel #03-54-023-100-058-70, thence East to the Northeast corner of parcel #03-54-023-100-072-50, thence South to the Southwest corner of parcel #03-54-023-100-054-40, thence East to the point of intersection with the West boundary of farmer Street, thence North to the Northeast corner of parcel #03-54-023-100-054-20, thence East to the point of intersection with the Eastern boundary of Farmer Street, thence North to the Southwest corner of parcel #03-54-023-100-049-50, thence East to the Southeast corner of parcel #03-54-023-100-049-50, thence North to the Southern right-of-way of Orleans Street, thence East to the point of beginning, CITY OF OTSEGO, COUNTY OF ALLEGAN AND STATE OF MICHIGAN.

Section 2. Conflicting Ordinances. Except as amended, Chapter 22, Article II, Sec. 22-34 of the Otsego City Code is and shall remain in full force and effect. All Ordinances and parts of Ordinances in which conflict herewith are hereby repealed to the extent of the conflict.

Section 3. Filing. The City Clerk shall file by certified mail a copy of this Ordinance with the Secretary of State promptly after its adoption.

Section 4. Publication. The City Clerk shall publish a copy of this Ordinance in the *Union Enterprise*, a newspaper of general circulation in the City of Otsego, as soon as possible after its adoption.

Section 5. Effective Date. This Ordinance shall be effective twenty (20) days after its adoption or upon its publication in a newspaper of general circulation within the City whichever occurs later.

Section 6. Severability. If any portion of this Ordinance shall be held to be unlawful, the remaining portions shall remain in full force and effect.

Effective: June 29, 2005

**CITY COMMISSION  
CITY OF OTSEGO  
ALLEGAN COUNTY, MICHIGAN**

**ORDINANCE NO. 144**

**AN ORDINANCE TO APPROVE THE YEAR 2005 AMENDMENT TO THE  
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN PROPOSED BY  
THE DOWNTOWN DEVELOPMENT AUTHORITY OF THE CITY OF OTSEGO AND  
TO PROVIDE FOR THE COLLECTION OF TAX INCREMENT REVENUES**

**THE CITY OF OTSEGO ORDAINS:**

Section 1. Title. This Ordinance shall be known and may be cited as the “Ordinance providing for the Year 2005 Amendment to the 1985 Development Plan and Tax Increment Financing Plan, as amended.”

Section 2. Definitions. The terms used herein shall have the same meaning given them in Act 197 as hereinafter in this section provided, unless the context clearly indicates to the contrary. As used in this Ordinance:

- (a) “Act 197” shall mean Act No. 197 of the Public Acts of 1975, as amended, as now in effect or hereinafter amended, being known as the Michigan Downtown Development Authority Act.
- (b) “Authority” shall mean the Downtown Development Authority of the City of Otsego.
- (c) “Authority Board” shall mean the Board of Authority, its governing body
- (d) “City Commission” shall mean the City Commission of the City of Otsego, Allegan County, Michigan, a municipal corporation of the state of Michigan
- (e) “Development Area” shall mean the development area designated in the Development Plan
- (f) “Development Plan” shall mean the Development Plan portion of the Plan
- (g) “Plan” shall mean the City of Otsego Downtown Development Authority 1985 Development Plan and Tax Increment Financing Plan, originally approved by Ordinance No. 72, as amended by the Year 1991 Amendment, the Year 1995 Amendment, and the Year 1998 Amendment
- (h) “Tax Increment Financing Plan” shall mean the Tax Increment Financing Plan portion of the Plan for the collection of tax increments
- (i) “Year 2005 Amendment” shall mean the Year 2005 Amendment to the City of Otsego Downtown Development Authority 1985 Development Plan and Tax Increment Financing Plan, as amended, submitted by the Authority to the City Commission pursuant to Act 197 and approved by this Ordinance as it may be hereafter amended.

Section 3. Public Purpose. The City Commission finds and confirms the continued necessity to halt property value deterioration, to eliminate the causes of such deterioration and to promote economic growth, and hereby determines that the Year 2005 Amendment adopted by

the Authority Board on June 6, 2005 and presented to the City Commission constitutes a public purpose.

Section 4. Considerations. In accordance with Section 19 of Act 197, the City Commission has considered the factors enumerated in that section and herein stated, making the following determinations:

- (a) There being less than 100 residents in the Development Area, a development area citizens council was not formed.
- (b) The Development Plan meets the requirements set forth in Section 17(2) of Act 197.
- (c) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.
- (d) The development is reasonable and necessary to carry out the purposes of Act 197.
- (e) The land included within the Development Area which may be acquired is reasonably necessary to carry out the purposes of the Development Plan and of Act 197 in an efficient and economically satisfactory manner.
- (f) The Development Plan is in reasonable accord with the City's Master Plan.
- (g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.
- (h) Changes in zoning, streets, street levels, intersections and utilities are reasonably necessary for the project and for the municipality.

Effective: August 7, 2005

## EXHIBIT A

### YEAR 2005 AMENDMENT TO THE OTSEGO DOWNTOWN DEVELOPMENT AUTHORITY DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

The Otsego Downtown Development Authority (the “Authority”) hereby amends its Development Plan and Tax Increment Financing Plan (the “Plan”) which was approved by the City Commission of the City of Otsego, Michigan (the “City”) pursuant to the provisions of Act 197, Public Acts of Michigan, 1975, as amended (“Act 197”) and also pursuant to Ordinance No. 71 enacted by the City Commission on December 2, 1985.

The Year 2005 Amendment to the Development Plan and Tax Increment Financing Plan (the “Amendment”) was adopted by the Authority June 6, 2005 and approved by the City Commission on July 5, 2005, by Ordinance No. 144.

References herein to the “Plan” shall mean the original Plan as amended by the Amendment and any previous amendments. References to “Development Plan” shall mean the Development Plan portion of the Plan and “Tax Increment Plan” shall mean the Tax Increment Financing Plan portion of the Plan. Terms used in this amendment shall have the definition set forth in the original Plan, as amended.

Section 1. The Designation of Boundaries of the Development Area in Relation to Highways, Streets, Streams, or Otherwise in section 1.0 of the Plan is amended to add the following paragraph:

On June 6, 2005, the City Commission of the City of Otsego (the “City”) adopted an ordinance adding additional territory to the DDA’s downtown district. The property added to the downtown district is located north of the Kalamazoo River and west of Farmer Street. This property is added to the development area of the DDA and the boundaries of the development area will continue to be coterminous with the downtown district of the DDA.

Section 2. The Location and Extent of Public Facilities Within the Development Area in section 2.2 of the Plan is amended to add the following paragraph:

The new territory being added to the development area will be developed to be used as the City’s Department of Public Works facility.

Section 3. The Location and Extent of Existing Land Uses Within the Development Area in section 2.3 of the Plan is amended to add the following sentence:

The new territory being added to the development area contained abandoned buildings and a junk yard prior to being purchased by the City. This property is zoned commercial.

Section 4. The Location, Character and Extent of the Categories of proposed Public and Private land Uses in the DDA in section 2.4 of the Plan is amended to add the following sentence:

The new territory being added to the development area will be developed to be used as the City's Department of Public Works facility.

Section 5. The Legal Description of the Development Area in section 2.5 of the Plan is amended to read as follows:

Beginning at the Southeast corner of the intersection of the rights-of-way of Orleans and Fair Streets, thence running East to the West lot line of Parcel #03-54-023-107-041-00, thence North along the West lot lines of parcels #03-54-023-104-040-00 and #03-54-023-104-03-50 to the center line of Allegan Street, thence East to a point coterminous with the Southern extension of the East lot line of parcel #03-54-023-102-031-00, thence North to the South lot line of parcel #03-54-023-102-112-00, thence East to the East lot line of parcel #03-54-023-102-00, thence North to the center line of Court Street, thence West to point coterminous with the Southern extension of the East lot line of parcel #03-54-023-101-001-00, thence North to the Northeast corner of parcel #03-54-023-101-001-00; thence Northeast to the Southeast corner of parcel #03-54-023-101-003-00, thence North to the Northwest corner of parcel #03-54-023-101-005-00, thence Northeast to the Northwest corner of parcel #03-54-023-101-042-00, thence South to the Southwest corner of parcel #03-54-023-500-042-00, thence South to the Southwest corner of parcel #03-54-023-500-042-00, thence Northeast to the Northwest corner of parcel #03-54-023-101-009-00, thence South to the Southwest corner of parcel #03-54-500-101-009-00, thence East to the Southeast corner of parcel #03-54-023-500-009-00, thence North to the Northeast corner of parcel #03-54-023-500-042-00, thence in a southeasterly direction, following the Southern bank of the Kalamazoo River to the Eastern boundary of the City, thence North to the intersection of the Eastern boundary of the City with the Southern right-of-way of River Street, thence West along the Southern right-of-way of River Street to the Southwest corner of the intersection of River and Farmer Streets, thence South along the Western right-of-way of Farmer Street to the Northeast corner of parcel #03-54-023-250-042-00, thence West to the Northwest corner of parcel #03-54-023-250-042-00, thence South and west along the lot line between parcel #03-54-023-250-042-00 and parcel #03-54-023-250-041-00 to the most Southeasterly corner of parcel #03-54-023-250-041-00, thence West along the North lot line of parcel #03-54-023-250-034-00 to the Southwest corner of parcel #03-54-023-250-035-50, thence South to the Southeast corner of parcel #03-54-023-250-035-10, thence West to the Southwest corner of parcel #03-54-023-250-034-60, thence North to the Northwest corner of parcel #03-54-023-250-034-60, thence West along the Southern right-of-way of Helen Avenue to the Penn Central Railroad right-of-

way, thence South and Westerly along the Southern boundary of the Penn Central Railroad right-of-way to the Northwest corner of parcel #03-54-023-250-034-50, thence South along the Western boundary of parcel #03-54-023-250-034-50 to a point coterminous with the Southern bank of the Kalamazoo River, thence East along the Southern bank of the Kalamazoo River to the Northwest corner of parcel #03-54-023-100-040-00, thence Southeast and South along the West boundary of parcel #03-54-023-100-040-00 to the Southwest corner of parcel #03-54-023-100-040-00, thence West to the Northwest corner of parcel #03-54-023-100-005-50, thence South to the centerline of Allegan Street; thence West to point coterminous with the northerly extension of the West lot line of parcel #03-54-023-100-003-50, thence South to the Southern right-of-way of Orleans Street, thence East to the Southeast corner of the intersection of the right-of-way of Kalamazoo and Orleans Streets, thence South to the Northwest corner of parcel #03-54-023-100-058-70, thence East to the Northeast corner of parcel #03-54-023-100-058-70, thence South to the Southwest corner of parcel #03-54-023-100-058-70, thence East to the Northeast corner of parcel #03-54-023-100-072-50, thence South to the Southwest corner of parcel #03-54-023-100-054-40, thence East to the point of intersection with the West boundary of Farmer Street, thence North to the Northeast corner of parcel #03-54-023-100-054-20, thence East to the point of intersection with the Eastern boundary of Farmer Street, thence North to the Southwest corner of parcel #03-54-023-100-049-50, thence East to the Southeast corner of parcel #03-54-023-100-049-50, thence North to the Southern right-of-way of Orleans Street, thence East to the point of beginning, CITY OF OTSEGO, COUNTY OF ALLEGAN AND STATE OF MICHIGAN.

Section 6. The Description of Improvements to be Made in the Development Area in section 3.1 is amended to add the following projects:

- (a) Public Works Facilities- The purchase, acquisition, and construction of new public works facilities and equipment, including, but not limited to, the demolition of structures, site work, acquisition and construction of buildings, salt storage, transfer station, parking facilities, paving, utilities, furnishings, equipment and related facilities and appurtenances.
- (b) Park Facilities- Construction and improvement of public park facilities in the City, including, but not limited to a river front walk, new park space, a gazebo, a band shell, parking facilities for the parks and museum, and park equipment including but not limited to playground equipment.
- (c) Fire Station Improvements- Renovation and expansion of City fire station facilities.

Section 7. The Estimate of the Time Required for Completion in section 3.3 is amended to read as follows:





- Construction of a river front walk
- Construction of a park gazebo
- Construction of a band shell
- Removal of old grass, plantings, debris, soil and other material, installation of irrigation, landscaping, including, but not limited to, the installation of grass, bushes, trees, other plantings, wood chips, ground coverings and other decorative items
- Installation of benches, picnic tables, playground equipment, trash receptacles, lighting, signage, banners, dumpster enclosures, tree grates, etc., construction of picnic enclosures, shelters or other structures
- Construction of sidewalks and parking facilities to serve the parks and the museum
- Construction of linear bike paths/walkways connecting City park facilities
- The creation of a commercial lot to be carved out from the portion of the old Department of Public Works site to be developed for park purposes
- Such other improvements as the DDA Board deems to be necessary or incidental to the items set forth above

Private Improvements

None

### Fire Station Improvements

Public Improvements

\$2,000,000

This project includes renovation and expansion of City fire station facilities, including the possible acquisition of land for the expansion

Items of this component may include, but are not limited to:

- Acquisition of new property
- Site work, architecture, construction and engineering expenses and fees and legal and other professional fees
- Renovation of existing buildings and construction of an addition

Such other improvements as the DDA Board deems to be necessary or incidental to the items set forth above

Private Improvements

None

Section 9. The Construction Phases and Completion Schedule in section 4.2 of the Plan is amended to add the following projects:

	Project	Year	Estimated Total Cost in 2005 Dollars
19	Public Works Facilities	2005-2011	\$3,500,000
20	Park Facilities	2005-2015	\$160,000-\$230,000
21	Fire Station Improvements	2015-2025	\$2,000,000

Section 10. The Estimate of the Cost of the Development contained in section 9.1 of the Plan is amended to add the following with respect to the cost of the projects added by this Amendment:

The public improvements added by this Amendment forward are estimated to cost \$5,730,000, in 2005 dollars.

Section 11. Section 20 of the Plan is amended to read as follows:

20.0 The Duration of the Program

The Plan will remain in effect to the end of the calendar year 2025, except as the same may be modified from time to time by the City Commission of the City of Otsego in accordance with the procedures required by Act 197. However, if repayment of any bonds issued by the Authority has not been completed by 2025, the Plan will be extended until the bonds have been retired.

Section 12. Exhibit B updates the impact of the tax increment financing on the taxing jurisdictions whose taxes are subject to capture by the DDA.

Section 13. The original Plan and the previous amendments to it are ratified and confirmed by this 2005 Amendment and shall remain in full effect as amended.

**EXHIBIT B**

**YEAR 2005 CAPTURED ASSESSED VALUE AND REVENUE**

Property Categories	1985 Taxable Value	2005 Taxable Value	Captured Taxable Value	Non-Exempt Capture Rate (1)	Tax Increment Funds Available
Real Ad Valorem	\$3,338,800	\$8,164,421	\$4,825,621	19.6515	\$94,831
Personal Ad Valorem	\$6,068,300	\$20,469,000	\$14,400,700	19.6515	\$282,995
IFT Real	\$39,500	\$903,300	\$863,800	9.8258	\$8,487
IFT Personal - New	\$1,931,900	\$1,200,000	(\$731,900)	9.8258	(\$7,191)
IFT Personal - Rehab	\$0	\$106,400	\$106,400	19.6515	\$2,091
CFT Real	\$22,000	\$0	(\$22,000)	9.8258	(\$216)
Totals	\$11,400,500	\$30,843,121	\$19,442,621	88.4318	\$380,997

(1) Based upon 2005 proposed City Tax Rate (to be considered 6/6/05) and 2004 County tax rate. The non-exempt millage capture rate of 18.3745 mills consists of the City tax rate of 12.2313 mills and the County tax rate of 6.7878 mills and excludes all taxes for school purposes pursuant to MCL 125.1651. Additionally, the Otsego District Library millage of .9888 mills (2004) which is captured by the DDA is refunded to the library pursuant to the mutual agreement of the DDA and the Library. The 2004 millage rates of all taxing units are as follows:

Jurisdiction

City of Otsego	12.9341
Allegan County	6.6275
Otsego Public Schools	24.7170
Allegan Intermediate Schools	4.1520
State Education	
Otsego District Public Library	0.9888
Total	55.4194

Note: IFT Expirations

IFT Real New Expires:	12/30/2007
IFT Personal New Expires:	12/30/2007
IFT Personal Rehab Expires:	12/30/2011

Once these expire, the two IFT New categories will result in negative captures

**APPENDIX C**  
**DDA DISTRICT MAP**

OTSEGO DDA / TIF DISTRICT

