

City of Saginaw Downtown Development Authority Development Plan and TIF Plan



July 2010

Saginaw City Council

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1. **INTRODUCTION**

A. Purpose

The statute governing a DDA Development/TIF Plan is Michigan Public Act 197 of 1975, as amended, MCL § 125.1651 *et. seq.* (the “Act”).

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

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

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

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

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

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

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

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

B. Creation Of The Downtown Development Authority

On July 13, 1981 the Saginaw City Council adopted Ordinance D-1376 creating and establishing the Downtown Development Authority of the City of Saginaw (the “DDA”). The DDA was granted all the powers permitted a Downtown Development Authority under the Act. In creating and establishing the DDA, the City found that the DDA was necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in the City’s business district, to eliminate the causes of said deterioration, and to promote economic growth.

The DDA Boundaries were expanded three times subsequent to the creation of the original DDA. These occurred as follows:

- Ordinance D-1565 enacted on September 28, 1987
- Ordinance D-1632 enacted on March 25, 1991
- Ordinance D-1703 enacted on October 25, 1993

C. History of the Development

The Saginaw City Council approved the First Development Plan for the DDA in September of 1981. It established a 3 block development district in downtown Saginaw. (See image following page.) None of the improvements outlined in that plan were able to be completed due to lack of financing.

In July of 1986, the First Development Plan was amended. The Development District was reduced to only one block, that which included the Heavenrich Building, now known as the Commerce Center. An agreement was signed with Commerce Center Partnership to share in improvements for the Commerce Center Building. That Development Plan/TIF plan extends to 2016.



*Development Area First
Development/TIF Plan 1981*



*Development Area First
Development/TIF Plan 1986
Update (i.e. Commerce
Center)*

In May of 1991, the Saginaw City Council approved a Second Development Plan for two additional development areas. Development Area A comprised approximately 7 blocks and it included the Florentine Inn and several other downtown business enterprises.

Development Area B was comprised of a triangular shaped lot known as Sil's Island. Two planned improvements in the Second Development Plan were assistance with construction of a parking lot for the Florentine Inn and assistance in the development of the Sil's Island mini-mall and parking lot. Both of these projects had agreements between the DDA and the project owners, respectively.

In May of 2003, the Saginaw City Council amended the Second Development Plan and extended it to 2013.



Development Areas A and B from the Second Development/TIF Plan 1991(extended in 2003). Area B is known as Sil's Island.

This plan serves as an amendment to the existing plans. Further, it expands the development district to include the entire DDA district.

DEVELOPMENT PLAN

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

The development area includes the entire DDA District. A map showing the boundaries of the DDA district is included as Map 1 at the end of this document.

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

Existing streets are shown on the DDA district map. Map 2 at the end of this document shows existing land use by tax classification. Map 3 shows future land use.

Sanitary sewer and public water service is available throughout the DDA. Some of the other major public facilities in the development area include Saginaw City Hall, the Saginaw County Courthouse, the Saginaw Public Library, and the Saginaw Water Treatment Plant. Map 4 shows the public parks within the DDA area.

A legal description of the development area is attached as Exhibit A at the end of this document.

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

As described in section D, below, the DDA may demolish and/or repair a variety of existing vacant or unused buildings within the DDA district. Generally, this would include only those building that are not considered to be suitable for repair or reuse. For example, the DDA would like to demolish some of the buildings that it owns such as the former Yak's Deli building on E. Genesee Street.

D. The location, extent, character and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion. Section 17 (2)(d)

In the summer and fall of 2009, Acting DDA Director Tom Miller met with several groups involved with various aspects and areas of downtown Saginaw. He asked for their input on the types of improvements needed in the downtown area. The DDA Board members and the City Council were also asked for input. From these meetings, a potential list of goals and improvements was developed. The DDA TIF subcommittee met to develop this list into potential projects and plans for the future. These are shown in the Table 1 on the following page.

Table 1 - SAGINAW DDA GOALS AND PROPOSED IMPROVEMENTS		
Goals and Projects	Estimated Cost	Phase
GOAL 1 - Add safety and security measures within the DDA.		
Provide a dedicated public safety officer for the DDA district.	\$80,000/year	1
Add security cameras to the DDA District.	\$50,000	1,2
GOAL 2 - Upgrade the Downtown Farmers Market		
Improve Parking.	\$50,000 - \$100,000	1
Construct a permanent facility.	\$250,000	1
GOAL 3 - Assist with making parcels located in the DDA marketable for further development.		
Provide land assembly services.	N.A.	1,2,3
Assist with demolition of buildings and facilities.	Varies	1,2,3
Maintain the DDA owned properties to make them more marketable.	Varies	1,2,3
Work with the Planning Commission on downtown planning and zoning regulations.	N.A.	1
GOAL 4 - Provide ongoing assistance in marketing and improving downtown properties.		
Begin a façade improvement/revolving loan program.	\$40,000	2
Encourage mixed use development, particularly that which includes residential development.	N.A.	1,2
GOAL 5 - Provide ongoing assistance with marketing downtown events and activities, where feasible.		
Purchase and/or construct a stage facility for entertainment events.	\$100,000	1
GOAL 6 - Provide ongoing infrastructure maintenance and improvements to the DDA area.		
Implement a sidewalk maintenance program.	\$20,000/year	1,2
Add lighting where needed.	Varies	1,2
GOAL 7 – Improve the downtown riverfront area so as to integrate the river into the downtown business district.		1,2,3
GOAL 8 – Enhance the main Downtown thoroughfares, including M-13, Johnson Avenue, Genesee Street, Michigan Avenue and Court Street.		
Implement an annual beautification program	\$5,000/year	1,2,3
GOAL 9 - Continue to coordinate efforts of all organizations that have an interest in business development/improvement in the DDA District.		
Provide an annual update regarding DDA activities to all organizations that have an interest in business development or improvement in the DDA district.	N.A.	1

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

Refer to Exhibit B for a proposed time of completion for each improvement. Proposed projects have been placed in phases for construction.

- Phase 1 – Years 1 through 5
- Phase 2 – Years 6 through 10
- Phase 3 – Years 11 - 20

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

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

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

All current public parks that are within the DDA will remain as open space. Among these are Ojibway Island, the Japanese Tea Garden, Bliss Park, Riverfront Park, Anderson Water Park, and the Borchard Park at Court and Michigan.

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

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

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

The entire DDA area was rezoned to riverfront multiple use in 2008. Because of this no zoning changes are anticipated during the course of this plan.

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

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

The 20-year estimate of total costs for proposed improvements that can be estimated at this time is \$2,640,000. The cost of several items such as assisting with demolition of buildings, and adding lighting where needed is unknown at this time. The DDA will undertake improvements as it is able to pay for them.

Pursuant to MCL § 125.1661, 125.1663, and 125.1666(1) the costs of acquisition and development are anticipated to be financed by:

- public and private grants
- donations received by the DDA
- tax increment revenues
- proceeds of a tax, not to exceed 2 mills, imposed pursuant to Section 12 of the Act
- general obligation bonds issued by the City in amounts limited in amount by a percentage of the anticipated tax increment revenues available for payment of debt service on such bonds
- tax increment bonds issued by the DDA pledging solely the tax increments and other revenues of the DDA
- proceeds of a special assessment district created as provided by law
- money obtained from other sources approved by the City of Saginaw or the DDA, including development agreements
- Revenue from the federal facility development act, Act No. 275 of the Public Acts of 1992, being sections 3.931 to 3.940 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11a of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611a of the Michigan Compiled Laws.
- Revenue from the federal data facility act, Act No. 126 of the Public Acts of 1993, being sections 3.951 to 3.961 of the Michigan Compiled Laws, or revenue transferred pursuant to section 11b of chapter 2 of the city income tax act, Act No. 284 of the Public Acts of 1964, being section 141.611b of the Michigan Compiled Laws.

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

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

K. The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or

a portion of the development will be leased, sold, or conveyed in any manner to those persons. Section 17 (2)(k)

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

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

More than 100 persons live in the development area.

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

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

Not applicable.

No relocation.

N. Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to transfer of title, in accordance with the standards and provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, being Public Law 91-646, 42 U.S.C. sections 4601, et. seq. Section 17(2)(n).

Not applicable.

No relocation.

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

Does not apply. No relocation planned.

2. TIF PLAN

A. Tax Increment Financing Procedure

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

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

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

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

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

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

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

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

Refer to Exhibit B for estimated captured assessed values and estimated tax increment revenues based upon various growth scenarios. These illustrations assume an initial taxable base of \$75,426,557 in the DDA area (\$46,980,457 real and \$18,446,100 personal). In accordance with the requirements of Act 197, this is the assessed value established on December 31 of 2009 and finally equalized in May of 2010.

For illustrative purposes, this exhibit is based on capturing the following taxes:

City Operating	6.2976 mills
Trash Collection	2.9532 mills
County Operating	4.8558 mills
Delta College	2.0427 mills
Saginaw Transit	3.0000 mills
Saginaw Public Library	3.9947 mills
County Senior Citizens	0.4300 mills
County Mosquito Control	0.4993 mills
Community Hospital Operating	0.2000 mills
County Law Enforcement	0.3394 mills
County Parks & Recreation	0.1615 mills
County Castle Museum	0.1997 mills
County – Event Center	0.4493 mills

The proposed capture millage rate excludes school millages, debt millages and police and fire special assessment millage.

C. Amount of bonded indebtedness to be incurred

The maximum amount of bonded indebtedness to be incurred by the DDA and/or the City of Saginaw for all bond issues or loans, including payments of capitalized interest,

principal and required reserve shall be \$3,000,000 for the proposed projects outlined in the Development Plan. Actual bonded indebtedness to be incurred will be limited by the amount of revenues anticipated to be received each year that will be available for servicing the debt load. The bonded indebtedness proceeds will be sufficient to pay the estimated costs of the development plus any associated costs of accompanying professional services. The City of Saginaw must approve any bonds or indebtedness, which pledge the full faith and credit for the City of Saginaw.

D. Duration of the Program

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

E. Estimated Impact on Assessed Value of Taxing Jurisdictions

The tax increment financing plan generates revenue based only on the captured assessed value. Each Taxing Jurisdiction will continue to levy and receive taxes on the initial taxable value of \$75,426,557 in the DDA. That taxable value will continue to be used for taxing purposes by the Taxing Jurisdictions that are not exempted by the DDA Act. In effect, the taxable value is frozen at the base level for taxing purposes for the duration of the DDA development plan.

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

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

The overall impact of the Tax Increment Financing Plan is expected to generate increased economic activity in the City of Saginaw and Saginaw County at large. This increase in activity will, in turn, generate additional amounts of tax revenue to local taxing jurisdictions through increases in assessed valuations of real and personal property and from increases in personal income due to new employment within the Development Area, the City of Saginaw, and other neighboring communities throughout Saginaw County.

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

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

The City of Saginaw has expressed concern over the potential loss of revenue due to growth in the DDA district, especially due to the City Charter Tax Cap limitations placed on the general fund property tax collection. The DDA wishes to work with the City so that the projects undertaken are beneficial to both parties.

It is important to note that as City dollars flow to the DDA, the DDA can leverage those captured dollars with captured dollars from the other taxing jurisdictions. This can allow the DDA to develop and construct projects more quickly and at less cost to the City than if the City undertakes them on its own. The DDA's goal is to create a vibrant downtown district which will in turn create jobs and grow the City's income tax base. Further, the DDA proposes an annual revenue sharing agreement with the City to plan for sharing of tax increment revenues.

G. Compliance with Section 15 of the Act

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

H. Reports

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

- 1) Form 2604 (if one school district) Form 2967 (if more than one), as amended, if required
- 2) Annual report (AR) as required by State Tax Commission Bulletin 9 of 1997, as amended (see appendix 3 of form 2604/2967 instructions). The Township annual

audit will not fulfill this requirement. At a minimum, the annual report on the status of the tax increment financing account shall contain the following (125.1665):

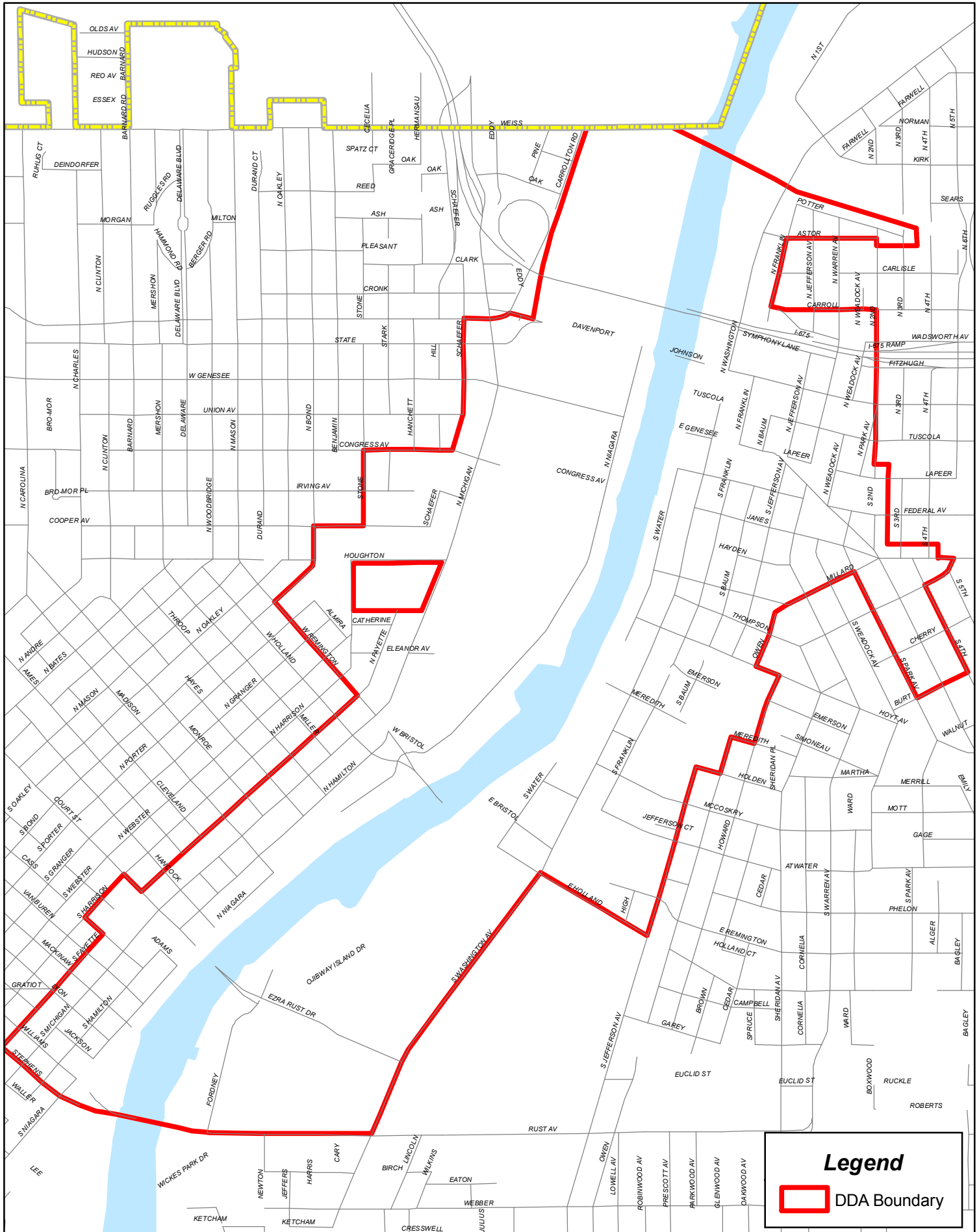
- a) The amount and source of revenue in the account
 - b) The amount in any bond reserve account
 - c) The amount and purpose of expenditures from the account
 - d) The amount of principal and interest on any outstanding bonded indebtedness
 - e) The initial assessed value of the project
 - f) The captured assessed value retained by the authority
 - g) The tax increment revenues received
 - h) The number of jobs created as a result of the implementation of the tax increment financing plan
 - i) Any additional information the City or the state tax commission considers necessary.
- 3) A copy of the assessor or treasurer's worksheet (ATW) for the authority's tax increment financing plan district, which was used to determine the plan's tax increment revenue. This is the worksheet that was used to compute how much money to send to the authority, and it may be either handwritten or computed. The worksheet should include:
- a) Millages
 - b) Initial, current, and captured values by property tax roll (i.e., ad valorem homestead, ad valorem non-homestead, IFT new, CFT new, Tech Park, IFT replacement, and CFT restored), and
 - c) The source of tax increment revenue, subdivided by each millage levied.

MAP 1 – DDA Area with existing streets



City of Saginaw

DDA Boundary

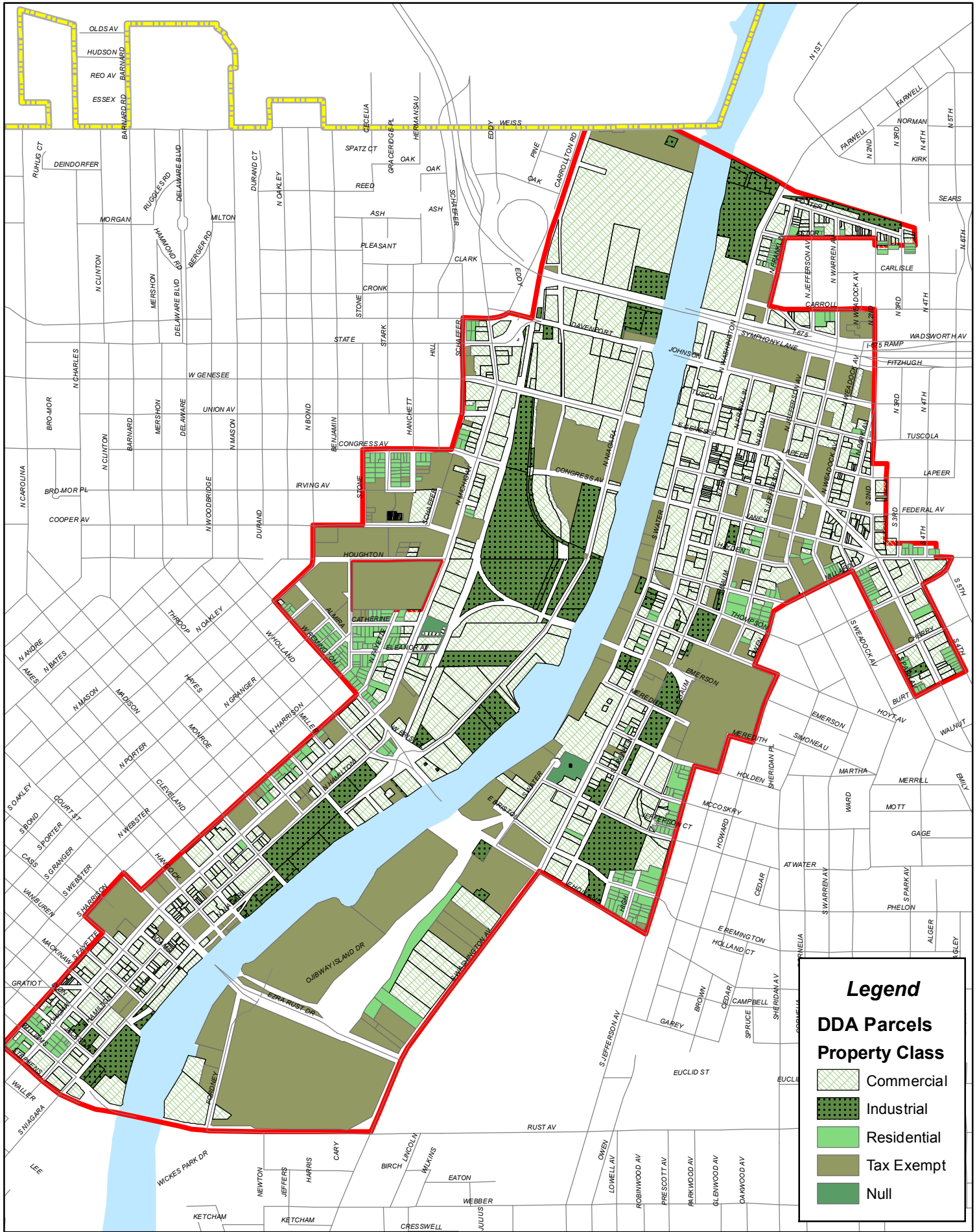


MAP 2 - Existing Land Use by Tax Classification



City of Saignaw

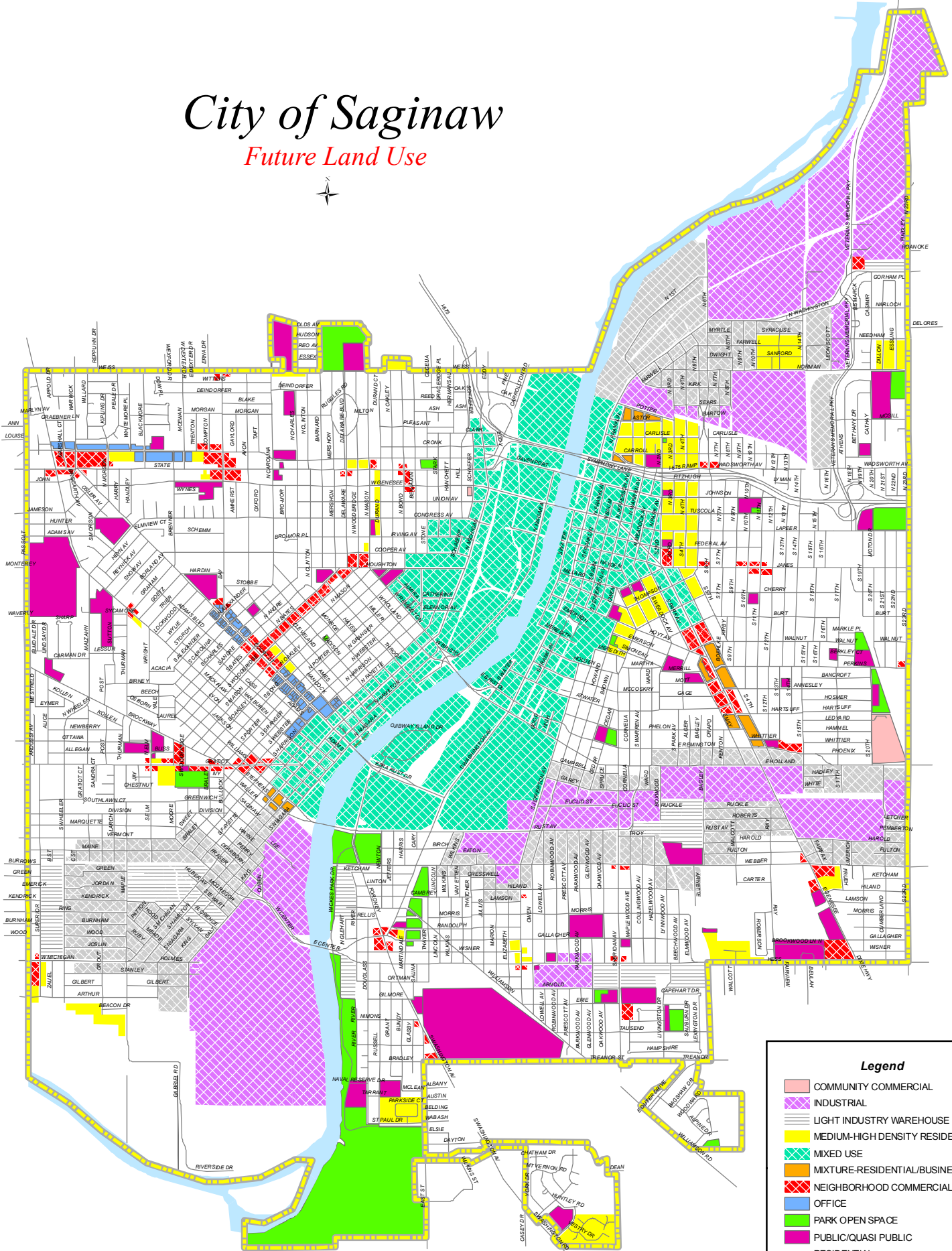
Parcel Property Class



MAP 3 - Future Land Use

City of Saginaw

Future Land Use

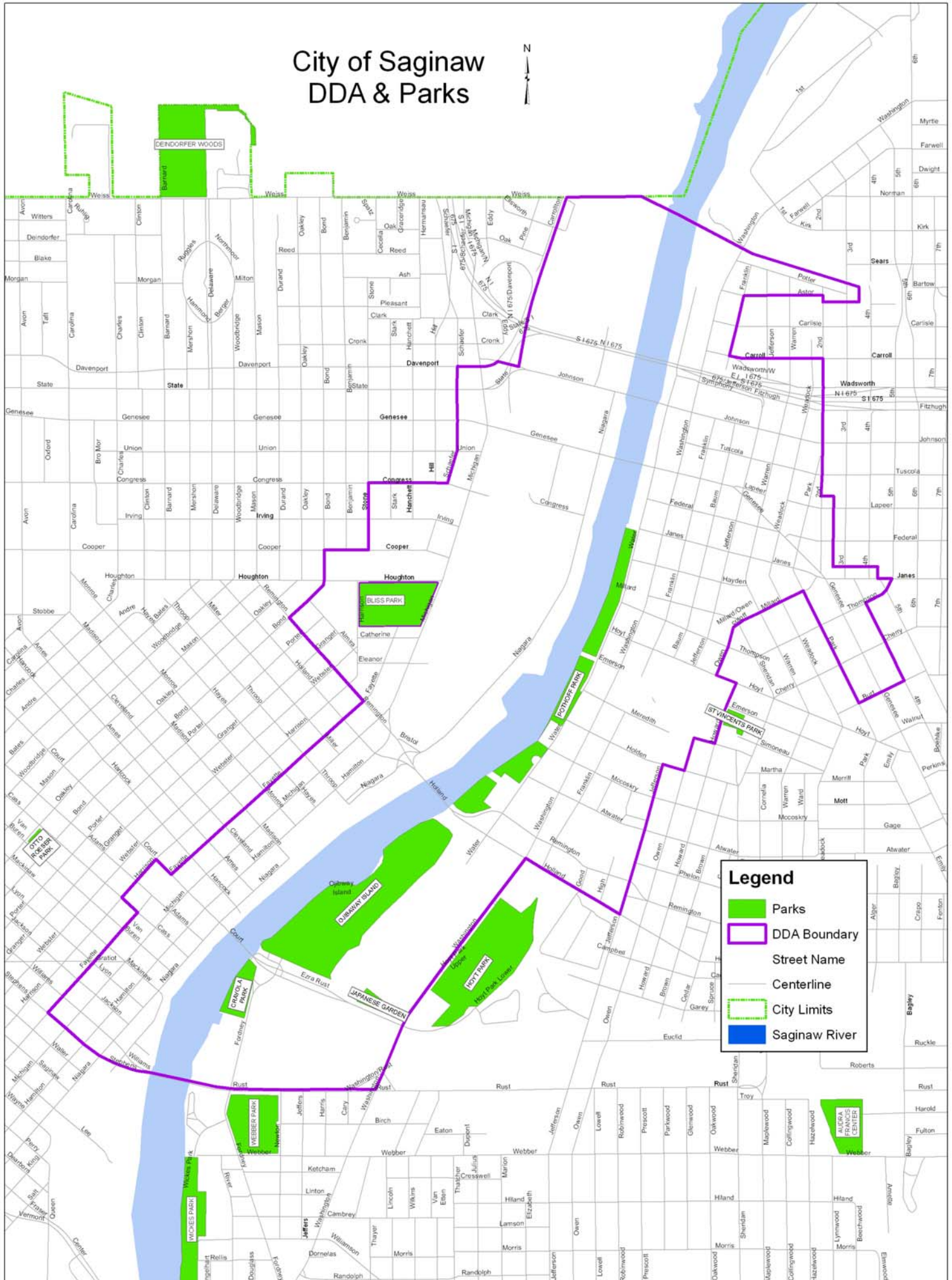


Legend

- COMMUNITY COMMERCIAL
- INDUSTRIAL
- LIGHT INDUSTRY WAREHOUSE
- MEDIUM-HIGH DENSITY RESIDENTIAL
- MIXED USE
- MIXTURE-RESIDENTIAL/BUSINESS
- NEIGHBORHOOD COMMERCIAL
- OFFICE
- PARK OPEN SPACE
- PUBLIC/QUASI PUBLIC RESIDENTIAL
- TRANSITION AREA

MAP 4 - City of Saginaw Parks within the DDA Area

City of Saginaw DDA & Parks



Legend

- Parks
- DDA Boundary
- Street Name
- Centerline
- City Limits
- Saginaw River

EXHIBIT A - legal description of the development area

Saginaw DDA Legal Description

Beginning at the northwesterly corner of Millard St., and S. Park Ave., thence southeasterly along the western line of S. Park Ave. to the southerly line of Burt St. to the easterly line of S. Fourth St., thence northwesterly along the easterly line of S. Fourth St. to the southerly line of Thompson St., thence northeasterly along the southerly line of Thompson St. to the northerly line of Janes St. thence westerly along the northerly line of Janes St. to the southeasterly corner of Lot 1, Block 56 Glasby, and Gallagher's Addition, thence northerly along the easterly line of Lot 1 to the northerly line of Lot 1, thence westerly along the northerly line of Lot 1 and Lot 1 extended to the northeasterly corner of Lot 2, Block 55 Glasby and Gallagher's Addition, thence westerly along the northerly line of Lot 3, Lot 2, Lot 1 and Lot 1 extended to the northeasterly corner of Lot 4, Block 44 of Glasby and Gallagher's Addition, thence westerly along the northerly line of Lot 4 and Lot 3 to the center line of Block 44, thence northerly along the center line of Block 44 and the center line extended to the center line of Block 45 Glasby and Gallagher's Addition, thence northerly along the center line of Block 45 and the center line extended to the center line of Block 46 Glasby and Gallagher's Addition which is also the easterly line of Lot 1, thence northerly along the easterly line of Lot 1 and Lot 2 to the northerly line of Lot 2, thence westerly along the northerly line of Lot 2 and Lot 2 extended to the westerly line of S. Second St. and N. Second St., to the southerly line of Carroll St., thence westerly along the southerly line of Carroll St. to the westerly line of N. Franklin St., thence northerly along the westerly line of N. Franklin St. to the northerly line of Astor St., thence easterly along the northerly line of Astor St. to the easterly line of N. Second St., thence southerly along the easterly line of N. Second St. to the northerly line of Lot 6 Block 109 Hoyt's Northern Addition, thence easterly along the northerly line of Lot 6 and Lot 14, Block 109 Hoyt's Northern Addition to the western line of N. Third Ave., thence easterly across N. Third Ave. to the northerly line of Lot 6 Block 114, Hoyt's Northern Addition thence northerly along the westerly line of Lots 13, 12, and 11 Block 114, Hoyt's Northern Addition to the center line of the main track of the C & O Railroad, thence westerly along the center line of the main track of the C & O Railroad (being the track crossing the Saginaw River) to the northerly limits of the City of Saginaw, thence westerly along the northern limits of the City of Saginaw, thence westerly along the northerly city limits to the center line of the main track of the Grand Trunk Railroad, thence southerly along the center line of the main track of the Grand Trunk Railroad to the southerly line of Davenport St., to the easterly line of Schaefer St., thence southerly along the easterly line of Schaefer St. to the southerly line of Congress Ave., thence westerly along the southerly line of Congress St. to the westerly line of Stone St., thence southerly along the westerly line of Stone St. to the southerly line of Cooper St., thence westerly along the southerly line of Cooper St. to the westerly line of N. Bond St. thence southerly and southwestly along the westerly line of N. Bond St. to the southerly line of Remington St., thence southeasterly along the southerly line of Remington St. to the westerly line of N. Fayette St., thence southwestly along the westerly line of N. Fayette St., to the northwesterly line of Court St., thence northwesterly along the northwesterly line of Court St. to the westerly line of S. Harrison St. thence southwestly along the westerly line of S. Harrison St. to the southerly line of Cass St., thence southeasterly along the southerly line of Cass St. to the westerly line of S. Fayette St., thence southwestly along the westerly line of S. Fayette St. to the southern line of Stephens St., thence southeasterly along the southerly line of Stephens St. to the southerly line of Rust Ave. thence easterly along the southerly line of Rust Ave. to the easterly line of S. Washington Ave. thence northeasterly along

the easterly line of S. Washington Ave. to the southerly line of E. Holland Ave. thence southeasterly along the southerly line of E. Holland Ave. to the easterly line of S. Jefferson Ave. thence northeasterly along the easterly line of S. Jefferson Ave. to the southerly line of Holden St. thence easterly along the southerly line of Holden St. to the easterly line of Owen St. thence northeasterly along the easterly line of Owen St. to the southerly line of Meredith St. thence easterly along the southerly line of Meredith St. to the easterly line of Howard St. thence northeasterly along the easterly line of Howard St. to the northerly line of Hoyt St. thence northwesterly along the northerly line of Hoyt St. to the easterly line of Owen St. thence northeasterly along the easterly line of Owen St. to the northerly line of Millard St. thence northeasterly along the northerly line of Millard St. to the westerly line of S. Park St. which is the point of beginning. Excepting from the above description Lot 1, Joseph Campau Farm lying west of Michigan Ave. and south of Houghton Ave., Lots 2, 3 & 4 Joseph Campau Farm lying west of Michigan Ave. also known as Bliss Park.

(`38 Admin. Code, Ch. 4, § 703) (Am. Ord. D-1703, passed 10-25-93, effective 11-5-93)

EXHIBIT B – Projected Tax Increment Revenues

PROPOSED DDA CAPTURE PROJECTION									
	Base Value	Projected Taxable Values				Real 61.1675 25.4232	Personal 43.1678 25.4232	Total Millage Capture Millage	
		Real	Personal	Total	Capture %			Total Capture	
CURRENTLY	75,426,557	56,980,457 75.54%	18,446,100 24.46%	75,426,557 -	0.0000% Capture 100.0000% Non-Cap 100.0000%	\$ -	\$ -	\$ -	
PROJECTION 1	75,426,557	60,000,000 75.00%	20,000,000 25.00%	80,000,000 4,573,443 75,426,557	5.7168% Capture 94.2832% Non-Cap 100.0000%	\$ 87,204	\$ 29,068	\$ 116,272	
						Est Renzone @ 20%		\$ (23,254)	
						Projected Capture		\$ 93,017	
PROJECTION 2	75,426,557	62,000,000 72.94%	23,000,000 27.06%	85,000,000 9,573,443 75,426,557	11.2629% Capture 88.7371% Non-Cap 100.0000%	\$ 177,530	\$ 65,858	\$ 243,388	
						Est Renzone @ 20%		\$ (48,678)	
						Projected Capture		\$ 194,710	
PROJECTION 3	75,426,557	65,000,000 72.22%	25,000,000 27.78%	90,000,000 14,573,443 75,426,557	16.1927% Capture 83.8073% Non-Cap 100.0000%	\$ 267,586	\$ 102,918	\$ 370,504	
						Projected Capture		\$ 370,504	
PROJECTION 4	75,426,557	68,000,000 71.58%	27,000,000 28.42%	95,000,000 19,573,443 75,426,557	20.6036% Capture 79.3964% Non-Cap 100.0000%	\$ 356,191	\$ 141,429	\$ 497,620	
						Projected Capture		\$ 497,620	
PROJECTION 5	75,426,557	71,000,000 71.00%	29,000,000 29.00%	100,000,000 24,573,443 75,426,557	24.5734% Capture 75.4266% Non-Cap 100.0000%	\$ 443,562	\$ 181,173	\$ 624,736	
						Projected Capture		\$ 624,736	
Notes:									
The projected millage rate is based upon the 2009 tax rate. The capture millage rate excludes school millages, debt milliages and police & fire special assessment millage.									
If in any year the total value of the district falls below the base value, the capture would be zero for the year.									

Notes:

The projected millage rate is based upon the 2009 tax rate. The capture millage rate excludes school millages, debt millages and police & fire special assessment millage.

If in any year the total value of the district falls below the base value, the capture would be zero for the year.

EXHIBIT C – Development Plan and TIF Plan Ordinance

Councilman Virciglio moved that an ordinance introduced January 24, 2011, entitled and reading as follows, be taken up and enacted, seconded by Councilman Wendt:

O-108

AN ORDINANCE AMENDING ORDINANCES D-1633, O-3, D-1380, and D-1511, "AN ORDINANCE TO ADOPT AND APPROVE THE DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN FOR DOWNTOWN DEVELOPMENT DISTRICT. PURSUANT TO THE PROVISIONS OF ACT 197, PUBLIC ACTS OF MICHIGAN OF 1975, AS AMENDED, AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO," TO BE NEWLY ENTITLED, "AN ORDINANCE TO ADOPT AND APPROVE THE AMENDED DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN –PURSUANT TO THE PROVISIONS OF ACT 197, PUBLIC ACTS OF MICHIGAN OF 1975, AS AMENDED, AND TO PROVIDE FOR OTHER MATTERS RELATED THERETO," TO BE ADDED TO TABLE V, ECONOMIC DEVELOPMENT OF THE TABLE OF SPECIAL ORDINANCES, OF THE SAGINAW CODE OF ORDINANCES.

The City of Saginaw Ordains:

Section 1. Definitions. The terms used in this ordinance shall have the following meaning unless the context clearly requires otherwise:

"Authority" means the City of Saginaw Downtown Development Authority.

"Base Year Assessment Roll" means the base year assessment roll prepared by the City Assessor in accordance with Section 3 of this ordinance.

"Captured Assessed Value" means the amount in any one year by which the current assessed value as finally equalized of all taxable property in the Development Area exceeds the Initial Assessed Value.

"City" means the City of Saginaw, County of Saginaw, State of Michigan.

"Current Assessment Roll" means the current assessment roll prepared by the City Assessor in accordance with Section 4 of this ordinance.

"Development Area" means more fully described as follows:

Beginning at the northwesterly corner of Millard St., and S. Park Ave., thence southeasterly along the western line of S. Park Ave. to the southerly line of Burt St. thence northeasterly to the easterly line of S. Fourth St., thence northwesterly along the easterly line of S. Fourth St. to the southerly line of Thompson St., thence northeasterly along the southerly line of Thompson St. to the northerly line of Janes St. thence westerly along the northerly line of Janes St. to the southeasterly corner of Lot 1, Block 56 Glasby, and Gallagher's Addition, thence northerly along the easterly line of Lot 1 to the northerly line of Lot 1, thence westerly along the northerly line of Lot 1 and Lot 1 extended to the northeasterly corner of Lot 2, Block 55 Glasby and Gallagher's Addition, thence westerly along the northerly line of Lot 3, Lot 2, Lot 1 and Lot 1 extended to the northeasterly corner of Lot 4, Block 44 of Glasby and Gallagher's Addition, thence westerly along the northerly line of Lot 4 and Lot 3 to the center line of Block 44, thence northerly along the center line of Block 44 and the center line extended to the center line of Block 45 Glasby and Gallagher's Addition, thence northerly along the center line of Block 45 and the center line extended to the center line of Block 46 Glasby and Gallagher's Addition which is also the easterly line of Lot 1, thence northerly along the easterly line of Lot 1 and Lot 2 to the northerly line of Lot 2, thence westerly along the northerly line of Lot 2 and Lot 2 extended to the westerly line of N. Second St., to the southerly line of Carroll St., thence westerly along the southerly line of Carroll St. to the westerly line of N. Franklin St., thence northerly along the westerly line of N. Franklin St. to the northerly line of Astor St., thence easterly along the northerly line of Astor St. to the easterly line of N. Second St., thence southerly along the easterly line of N. Second St. to the northerly line of Lot 6 Block 109 Hoyt's Northern Addition,

thence easterly along the northerly line of Lot 6 and Lot 14, Block 109 Hoyt's Northern Addition to the western line of N. Third Ave., thence easterly across N. Third Ave. to the northeast corner of Lot 6 Block 114, Hoyt's Northern Addition thence northerly along the westerly line of Lots 13, 12, and 11 Block 114, Hoyt's Northern Addition to the center line of the main track of the C & O Railroad, thence northwesterly along the center line of the main track of the C & O Railroad (being the track crossing the Saginaw River) to the northerly limits of the City of Saginaw, thence westerly along the northern limits of the City of Saginaw to the center line of the main track of the Grand Trunk Railroad, thence southerly along the center line of the main track of the Grand Trunk Railroad to the southerly line of Davenport St., thence westerly to the easterly line of Schaefer St., thence southerly along the easterly line of Schaefer St. to the southerly line of Congress Ave., thence westerly along the southerly line of Congress St. to the westerly line of Stone St., thence southerly along the westerly line of Stone St. to the southerly line of Cooper St., thence westerly along the southerly line of Cooper St. to the westerly line of N. Bond St. thence southerly and southwestward along the westerly line of N. Bond St. to the southerly line of Remington St., thence southeasterly along the southerly line of Remington St. to the westerly line of N. Fayette St., thence southwestward along the westerly line of N. Fayette St., to the northwesterly line of Court St., thence northwesterly along the northwesterly line of Court St. to the westerly line of S. Harrison St. thence southwestward along the westerly line of S. Harrison St. to the southerly line of Cass St., thence southeasterly along the southerly line of Cass St. to the westerly line of S. Fayette St., thence southwestward along the westerly line of S. Fayette St. to the southern line of Stephens St., thence southeasterly along the southerly line of Stephens St. to the southerly line of Rust Ave. thence easterly along the southerly line of Rust Ave. to the easterly line of S. Washington Ave. thence northeasterly along the easterly line of S. Washington Ave. to the southerly line of E. Holland Ave. thence southeasterly along the southerly line of E. Holland Ave. to the easterly line of S. Jefferson Ave. thence northeasterly along the easterly line of S. Jefferson Ave. to the southerly line of Holden St. thence easterly along the southerly line of Holden St. to the easterly line of Owen St. thence northeasterly along the easterly line of Owen St. to the southerly line of Meredith St. thence easterly along the southerly line of Meredith St. to the easterly line of Howard St. thence northeasterly along the easterly line of Howard St. to the northerly line of Hoyt St. thence northwesterly along the northerly line of Hoyt St. to the easterly line of Owen St. thence northeasterly along the easterly line of Owen St. to the northerly line of Millard St. thence northeasterly along the northerly line of Millard St. to the westerly line of S. Park St. which is the point of beginning. Excepting from the above description Lot 1, Joseph Campau Farm lying west of Michigan Ave. and south of Houghton Ave., Lots 2, 3 & 4 Joseph Campau Farm lying west of Michigan Ave. also known as Bliss Park.

"Development Plan" means the "Downtown Development Plan dated July, 2010 transmitted to the City Council by the Authority for public hearing and amended in January 2011 and confirmed by this ordinance, copies of which are on file in the office of the City Clerk.

"Initial Assessed Value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation.

"Project Fund" means the "Project Fund-Downtown Development Authority Area established pursuant to Section 5 of this ordinance.

"Tax Increment Financing Plan" means the "Tax Increment Financing Plan" dated July, 2010, and transmitted to the City Council by the Authority for public hearing and amended in January 2011 confirmed by this ordinance, copies of which are on file in the office of the City Clerk.

"Taxing Jurisdiction" means each unit of government levying an ad valorem property tax on property in the Development Area.

Section 2. Approval and Adoption of the Development Plan and Tax Increment Financing Plan. The Development and Tax Increment Financing Plan are hereby approved and adopted. The duration of the plan shall be 20 years, with the exception that the plan may be extended by subsequent amendment of the plan and this ordinance. A copy of the plan and all amendments thereto shall be maintained on file in the City Clerk's office.

Section 3. Preparation of Base Year Assessment Role.

(a) Within 60 days of the effective date of this ordinance, the City Assessor shall prepare the Base Year Assessment Roll. The Base Year Assessment Roll shall list each Taxing Jurisdiction in which the Development Area and the amount of tax revenue derived by each Taxing Jurisdiction from ad valorem taxes on the property in the Development Area.

(b) The Assessor shall transmit copies of the Base Year Assessment Roll to the City Treasurer, the County Treasurer, the Authority and each Taxing Jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this ordinance and the Tax increment Financing Plan.

Section 4. Preparation of Current Assessment Role. Each year within 15 days following the final equalization of property in the Development Area the Assessor shall prepare an updated assessment roll for the Development Area. This updated assessment roll shall be the Current Assessment Roll. The Current Assessment role shall show the information required on the Base Year Assessment Roll and, in addition, the Captured Assessed Value for that year. Copies of the Current Assessment Roll shall be transmitted by the Assessor to the same persons the Base Year Assessment Roll, together with a notice that it has been prepared in accordance with the ordinance and the Development Plan.

Section 5. Establishment of Project Fund; Approval of Depository. The Treasurer of the Authority shall establish a separate fund which shall be kept in a depository bank account or accounts in a bank or banks approved by the Finance Director of the City, to be designated Project Fund - Downtown Authority Plan. All tax increment revenues received by the Authority pursuant to the Development Plan and the Tax Increment Financing Plan shall be deposited in the Project Fund. All monies in that fund and earnings thereon shall be used only in accordance with the Development Plan, the Tax Increment Financing Plan and this ordinance.

Section 6. Payment of Tax Increment Revenue to Authority. The City and County treasurers shall, as ad valorem taxes are collected on properties in the Development Area, pay that portion of the tax levy of all of the Taxing Jurisdictions paid each year on the real and personal property on the Development Area on the Captured Assessed Value to the treasurer of the Authority for deposit in the Project Fund. The payments shall be made on the date or dates on which the City and County treasurers are required to remit taxes of each of the Taxing Jurisdictions.

Section 7. 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.

1. Add safety and security measures within the DDA District by providing security cameras and a public safety officer to the district.
2. Upgrading the Downtown Farmers Market by improving parking and assist in the construction of a permanent facility.
3. Assist in making parcels located within the DDA District marketable for further development by providing demolition assistance and land assembly services.
4. Providing assistance in marketing and improving downtown properties by implementation of a façade improvement/revolving loan program and encouraging mixed-use development, which would include residential development.
5. Provide ongoing assistance with marketing downtown events and activities by assistance in purchasing or constructing a stage facility for entertainment events.

6. Provide ongoing infrastructure maintenance and improvements in the DDA District by implementing a sidewalk maintenance program.
7. Improve the downtown riverfront area so as to integrate the river into the downtown business district.
8. Enhance the main downtown thoroughfares, including M-13, Johnson Avenue, Genesee Street, Michigan Avenue and Court Street by implementing an annual beautification program.
9. Continue to coordinate efforts of all organizations that have an interest in business development/improvement in the DDA District.
10. Fund a revenue sharing agreement with the City of Saginaw.

Section 8. Annual Report. Within 90 days after the end of each fiscal year, the Authority shall submit to the City Council, with copies to each Taxing Jurisdiction, a report on the status of the Project Fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the Initial Assessed Value of the Development Area, the tax increment revenue received and the amount of any surplus from the prior year, and any additional information requested by the City Council or deemed appropriate by the Authority. The Secretary of the Authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the City.

Section 9. That this ordinance shall take effect on February 17, 2011

Enacted: February 7, 2011

Adopted unanimously.

Gregory L. Branch
Mayor

Diane M. Herman
City Clerk