

2007 AMENDED DEVELOPMENT PLAN
- and -
TAX INCREMENT FINANCING PLAN
- For -
THE CITY OF ESSEXVILLE DEVELOPMENT AREA

City of Essexville Downtown Development Authority
City of Essexville, Bay County, Michigan

April 10, 2007

DEVELOPMENT PLAN

Act 197, Public Acts of Michigan, 1975, as amended (the "DDA Act") requires that certain information be set forth in a development plan and this Development Plan, therefore, will follow the outline of information required by Section 17 (2) of the DDA Act.

- A. The designation of boundaries of the development area in relation to highways, streets, streams, or otherwise.

The boundaries of the proposed development area shall be the same as the current Downtown Development District as described in Exhibit A.

The boundaries of the development area on the north are the northern City limits which is the Saginaw River; the south boundaries vary as shown on Exhibit "B"; the west boundaries vary as shown on Exhibit "B". The eastern boundaries are the eastern City limits.

- B. The location and extent of existing streets and other public facilities within the development area and shall designate the location, character, and extent of 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 shall include a legal description of the development area.

The location and extent of existing streets, the approximate location and size of existing public utilities, including water mains, sanitary sewers, and sewage pumping stations are shown on the enclosed maps labeled Exhibit "C" "Location of Public Facilities within Downtown Development Area."

The existing land uses and zoning of the proposed development area, are shown on Exhibit "D" and Exhibit "E". Any future zoning changes which may occur would be along the riverfront to allow development of water oriented activities and to limit industrial development along the riverfront.

- 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.

AND

- 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.

AND

- E. A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

Any projects to be undertaken by the Downtown Development Authority will have approvals by the Downtown Development Authority and City Council.

The Downtown Development Authority is proposing the following projects.

The projects listed in this Development Plan are as follows:

PROPOSED PROJECTS

1. Develop a 5 to 10 year Development Plan for Riverfront/Business District, including Long Range/Short Range Plans.
2. Water System Improvements along Woodside Avenue.
3. Vacant Property Purchase.
4. Clean-up of Vacant Property.
5. Downtown Beautification Projects.
6. Sidewalk Improvements.
7. Streetscape Projects.
8. Street Lighting Improvements
9. Welcome Signs to Business District.
10. Develop Overall Theme for Downtown District.
11. Remove Overhead Power Lines along Woodside Avenue.
12. Riverfront Improvements.
13. Multi-Family/Senior Citizen Development Projects.
14. Store Front Improvements
15. Industrial Park Redevelopment at the East End of Development District.
16. Develop Old Land Fill into Future Recreational Vehicle Park.
17. City Park Improvements.
18. Boat Launch/Parking Improvements.
19. Boardwalk along River with Retail Shops Behind.
20. Marina Developments.
21. Mini Amphitheater.
22. Downtown Parking Improvements.
23. Walk/Bike Path along River.
24. Street Improvements.
25. Renovation of the City's Department of Public Works Maintenance and Operation's Facility to be located at 1500 Pine Street.

The construction time table for each project is dependent to a large extent on Tax Increment Revenues which in turn are dependent primarily on new construction in the development area. A supplemental or amended Development Plan and Tax Increment Financing Plan will be approved, if necessary, prior to the commencement of any future project.

- F. A description of any parts of the development area to be left as open space and the use contemplated for the space.

The existing park area adjacent to the river front will remain open space unless future development of a water oriented business would request to exchange a similar size parcel which would be suitable for park purposes, providing approvals from all governmental agencies are obtained.

- G. A 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.

At the present time, the Authority has no plans to sell, donate, exchange or lease to or from the Municipality any part of the development area.

- H. A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

No changes in streets, street levels, or intersections are contemplated as part of the projects noted in the Development Plan. The DDA may recommend rezoning for the riverfront area to allow the development of water oriented projects, such as marinas and other related uses.

If changes in streets or intersections are to occur, the DDA would revise the plan to incorporate these changes.

- I. 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.

Development of Master Plan for Downtown District

The DDA plans on preparing a master development plan for the development area. The master development plan will consist of both a short range and long range plan which will be used for future development of the district in order to halt the deterioration of property values in the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

The cost to prepare the master development plan is estimated to be \$15,000. This cost will be dependent on the extent of time and expenses incurred to prepare a plan which will be acceptable to the DDA and City Council. The DDA may elect to apply for grant funding to help finance this project, with the balance of funds required coming from tax increment revenues.

Recreational Projects

The DDA is proposing to complete miscellaneous recreational projects within the district. The cost of these projects and financing will be dependent on what public grants are available with the remaining funding coming from tax increment revenues.

Sidewalk Improvements, Beautification Projects

It is estimated that the aggregate cost of these two items will be dependent upon the amount of revenues received during the year. The DDA has estimated that it could be possible to expend \$5,000 to \$10,000 per year for an ongoing project within the development area.

Department of Public Works Facilities Renovation Project

The Department of Public Works Facilities Renovation Project shall consist of the building and facilities retrofit and improvements, site work including drainage and utility improvements, and the acquisition and installation of related fixtures and equipment. Construction of the Department of Public Works Facilities Renovation Project is expected to commence in 2007. It is anticipated that the Department of Public Works Facilities Renovation Project will be completed by December 31, 2007.

The cost of the Department of Public Works Facilities Renovation Project is presently estimated at \$300,000. The project will be financed with tax increment revenues and City funds.

Other Projects

All other projects will be undertaken with tax increment revenues not used for other projects listed above; these projects are dependent on the tax increment revenues received each year.

- 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.
- 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.

If the DDA would purchase property for resale, the DDA would request approval from the City Council for the procedure that would be used to solicit bids for the property.

- L. Estimate 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, including their income and racial composition, a statistical description of the housing supply in the community, including the number of private and public units in existence, the number of owner occupied and renter-occupied units, the annual rate of turnover of the various types of housing and the range of rents and sale prices, and estimate of the total demand for housing in the community, and the estimated capacity of private and public housing available to displaced families and individuals.

The estimated number of persons residing in the development area is 50. No occupied residences are designated for acquisition and clearance by the authority.

- M. A plan for establishing priority for the relocation of persons displaced by the development in any new housing in the development area.

Not applicable.

- 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 the transfer of title, in accord 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.

Not applicable.

- O. A plan for compliance with Act No. 227 of the Public Acts of 1972; specifically MCL 213.321 – MCL 213.332.

Not applicable.

- P. Other material which the authority, local public agency, or governing body deem pertinent.

The development area may be expanded as deemed pertinent. When and if such modifications are required, an amended or supplemental development plan and tax increment financing plan will be submitted.

**CITY OF ESSEXVILLE
BAY COUNTY, MICHIGAN
TAX INCREMENT FINANCING PLAN**

Section 14(2) of the DDA Act provides that when the authority determines that it is necessary for the achievement of the purposes of the DDA Act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The DDA Act requires that the plan include: (A) a detailed explanation of the tax increment procedure, (B) the maximum amount of bonded indebtedness to be incurred, (C) the duration of the program, (D) compliance with Section 15 of the DDA Act, (E) a statement of the estimated impact of tax increment financing on the assessed value of all taxing jurisdictions in which the development area is located and (F) a statement of the portion of the captured assessed value intended to be used by the authority.

A. Detailed explanation of tax increment financing procedure.

The DDA Act enables downtown development authorities to undertake a broad range of downtown improvement activities which will contribute to the economic growth and the halting of deterioration of property values in a designated downtown district. These improvement activities include, but are not limited to, the following: plan and propose construction, renovation, repair, remodeling, rehabilitation, restoration or reconstruction of public facilities; developments of long range plans; and otherwise implement any plan of development in the downtown district necessary to achieve the purposes of the DDA Act.

In order to provide the Downtown Development Authority with the means of financing the planning and implementation of development proposals, the DDA Act affords the opportunity to undertake tax increment financing of the development program. These programs must be identified in a tax increment financing plan which has been approved by the governing body of a municipality.

Simply stated, tax increment financing permits the authority to capture tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alteration, additions, or to such other factors as the assessor may deem appropriate.

At the time the tax increment financing plan is approved, the sum of the most recently assessed values, i.e., the values as finally equalized by the State Board of Equalization, of those taxable properties located within the development area is established as the "Initial Assessed Value". Property exempt from taxation at the time of determination of the Initial Assessed Value shall be included as zero.

In each subsequent year, the total assessed value of real and personal property within the district is termed the "Current Assessed Value".

The difference in any one year between the Current Assessed Value and the Initial Assessed Value is the "Captured Assessed Value". During that period during which the tax increment financing plan is in place, local taxing jurisdictions continue to receive ad valorem taxes based on the Initial Assessed Value. Taxes paid on the Captured Assessed Value in years subsequent to the establishment of the development are, however, are payable to the authority for the purposes set forth in the tax increment financing plan.

For example, in Year One a development area is created in the downtown district. An Initial Assessed Value of \$10,000,000 is established. Assuming a 50 mill tax rate, the tax revenue from the development area is \$500,000. In Year Two, new construction within the development area increases the total assessed valuation to \$11,000,000. The difference between the Current Assessed Value of \$11,000,000 and the Initial Assessed Value of \$10,000,000 is the capture increment. While the normal taxing jurisdictions continue to receive \$500,000 the authority would receive tax increment revenue equal to the Captured Assessed Value, \$1,000,000, times the rate of 50 mills.

The tax increment payable to the authority in Year Two is, therefore, \$50,000. Additional increases in value would augment the authority's tax increment revenues commensurately while the normal taxing jurisdictions would continue to receive \$500,000 annually for the duration of the tax increment financing program.

B. Maximum Amount of Bonded Indebtedness to be Incurred.

There are no projects to be bonded at this time.

C. The Duration of the Program.

The plan will remain in effect until the projects, as listed in the development plan, are fully completed.

D. Compliance with Section 15 of Act No. 197, Public Acts of Michigan, 1975, as amended.

It is recognized that the amount of tax increment revenue to be transmitted to the authority by the City Treasurer and County Treasurer shall be that portion of the tax levy of all taxing bodies paid annually on the assessed value of real and personal property in the development area in excess of the initial assessed value.

It is further recognized that tax increment revenues shall be expended only in accordance with the provisions of the tax increment financing plan and the surplus tax increment revenues not used for projects as listed in the development plan, shall revert proportionately to the respective local taxing jurisdictions.

It is also recognized that tax increment revenues shall not be used to circumvent existing levy limit laws and that the City of Essexville Commission may abolish the tax increment financing plan when it finds that the purposes for which the plan was created are accomplished. Pursuant to Section 15(3) of the DDA Act, the authority shall submit to the City Commission an annual report on the status of the tax

increment financing account. The report shall include, but not be limited to, the following items:

1. Amount and source of revenue in the account.
2. Amount and purpose of expenditures from the account.
3. Amount of principal and interest on outstanding bonded indebtedness, if any.
4. Initial assessed value of the project area.
5. Captured assessed value retained by the authority.
6. Tax increments received by the authority.
7. Such other additional information as is deemed necessary by the City of Essexville.

The authority shall publish or cause to be published the annual tax increment financing account report in the local legal newspaper, that currently being the Bay County Democrat.

- E. Statement of the estimated impact of tax increment financing on the assessed value of all taxing jurisdictions in which the development area is located.

The tax increment financing plan will in no way diminish the assessed values of property within the area boundaries. Local taxing jurisdictions, City of Essexville, Bay County, Essexville Hampton School District, Delta College, Special Education and Vocation Skill Center will therefore, suffer no loss of current tax revenues.

For the period during which the tax increment financing plan is in effect, the assessed values of properties within the development area will effectively remain constant insofar as the local taxing jurisdictions are concerned. Any increase in property values will generate tax increment revenues which will be available only to the authority during the duration of the plan unless excess funds are available and if available will be distributed proportionately to the taxing units.

It should be noted, however, that Act No. 404 of the Public Acts of 1974, as amended, specifically authorizes the exclusion of the Captured Assessed Value of the development area in computations made by school districts to determine state financial assistance.

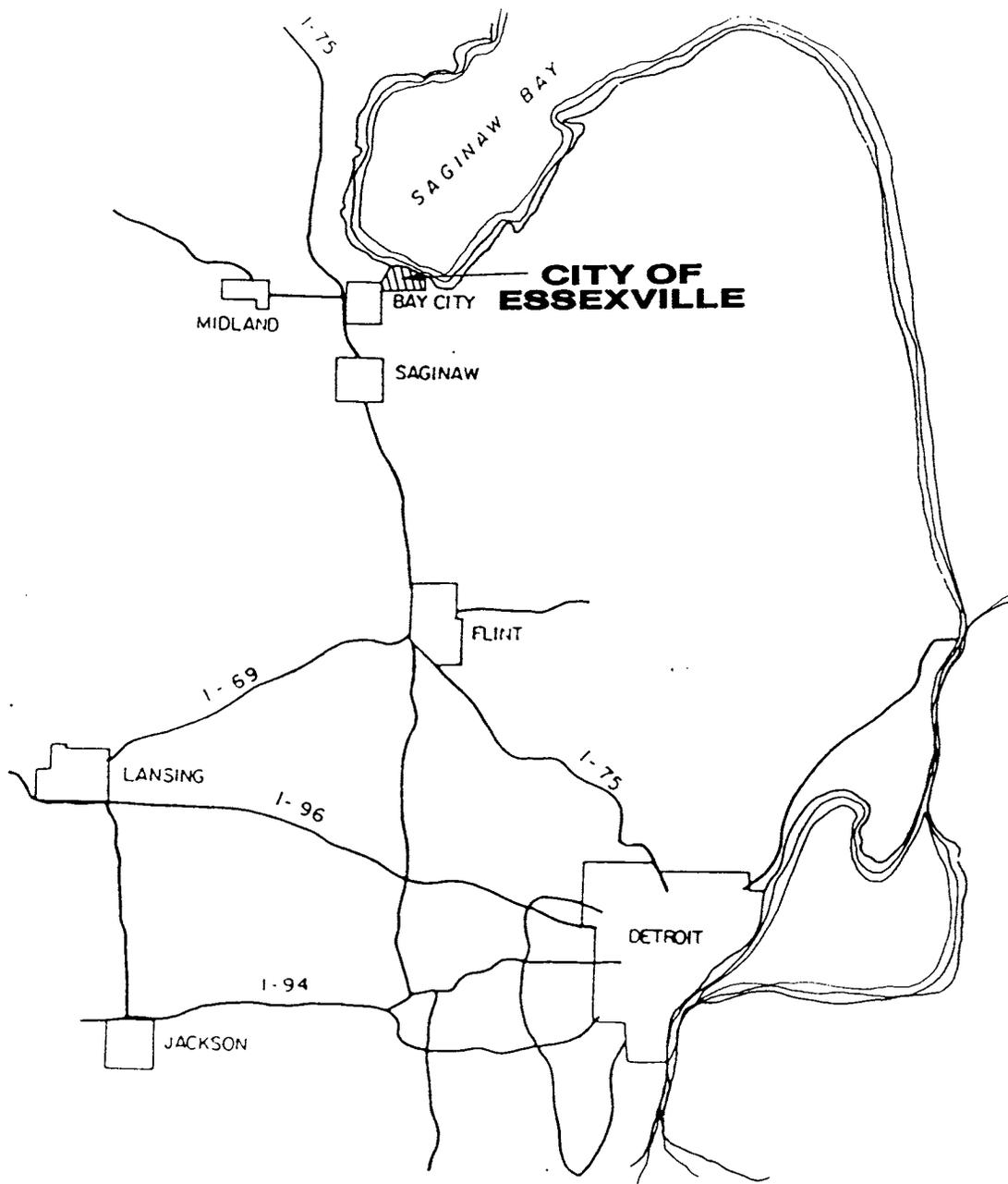
It is anticipated that the development activities of the authority financed in whole or in part by tax increment revenues will produce a positive, material effect on the assessed values of property within and in the proximity of the development and will ultimately result in the eventual collection of greater real and personal property tax revenues than would otherwise have been available; and that the improvements will be fully paid for in less than twenty years.

Pursuant to Section 14(4) of the DDA Act, the authority shall fully inform the members of the Bay County Board of Commissioners and the members of the various school boards of the fiscal and economic implications of the proposed development area.

- F. Statement of the portion of the Captured Assessed Value intended to be used by the authority.

In view of the necessity of halting property value deterioration and of promoting economic growth within the development area, it is the intention of the authority to expend or otherwise obligate all tax increment revenues collected to achieve the purposes of the DDA Act.

The tax increment revenues which are generated by the Captured Assessed Value will be used to pay costs which are not financed by the issuance of bonds, in connection with the described projects or to amortize bonds if used for future projects.



LOCATION MAP

**CITY OF ESSEXVILLE
BAY COUNTY, MICHIGAN**

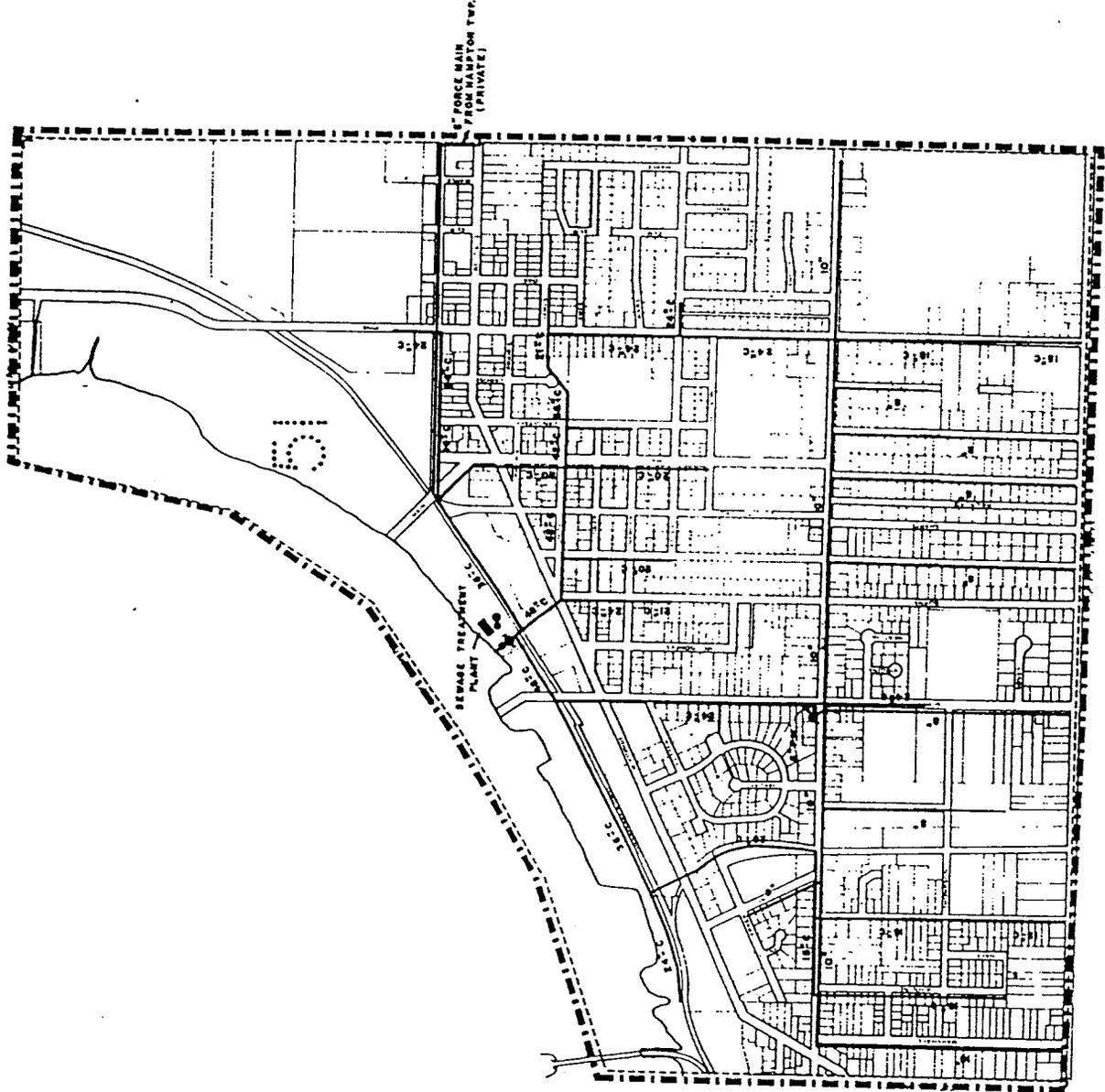
Roberts, Bartow & Associates, Inc.

Engineers, Planners, Surveyors

701 N. Jefferson, Bay City, Michigan 48708 15171 892 4221

EXHIBIT "A"

ALL THAT PROPERTY LYING NORTH OF A LINE AND BOUNDED BY THE WEST AND EAST CITY LIMITS LYING WITHIN THE CITY OF ESSEXVILLE, BAY COUNTY, MICHIGAN COMMENCING 1,800 FEET MORE OR LESS SOUTH OF THE NORTHWEST CORNER OF THE CITY OF ESSEXVILLE TO THE SOUTHERLY RIGHT-OF-WAY LINE OF WOODSIDE AVENUE, THENCE EASTERLY 285 FEET MORE OR LESS TO THE EAST RIGHT-OF-WAY LINE OF MARSHALL STREET, THENCE NORTH ALONG THE EAST RIGHT-OF-WAY LINE OF MARSHALL STREET 380 FEET MORE OR LESS, THENCE EASTERLY 209 FEET MORE OR LESS, THENCE NORTHERLY 420 FEET MORE OR LESS TO THE SOUTHERLY RIGHT-OF-WAY LINE OF WOODSIDE AVENUE, THENCE NORTHEASTERLY 280 FEET MORE OR LESS ALONG SAID RIGHT-OF-WAY LINE, THENCE SOUTHEASTERLY 120 FEET ALONG THE COMMON LOT LINE OF LOT 16 AND 17, LOT 4 OF D.H. FITZHUGH'S SUBDIVISION, THENCE NORTHEASTERLY 300 FEET MORE OR LESS TO THE WESTERLY RIGHT-OF-WAY LINE OF THIRD STREET, THENCE NORTHWESTERLY 120 FEET MORE OR LESS TO THE SOUTHERLY RIGHT-OF-WAY LINE OF WOODSIDE AVENUE, THENCE NORTHEASTERLY 300 FEET MORE OR LESS ALONG SAID RIGHT-OF-WAY LINE, THENCE SOUTHEASTERLY 120 FEET MORE OR LESS ALONG THE COMMON LOT LINE OF LOT 12 AND 13, LOT 3 OF D.H. FITZHUGH'S SUBDIVISION, THENCE NORTHEASTERLY 180 FEET MORE OR LESS, THENCE NORTHWESTERLY 120 FEET MORE OR LESS TO THE SOUTHERLY RIGHT-OF-WAY LINE OF WOODSIDE AVENUE, THENCE NORTHEASTERLY 1,141 FEET MORE OR LESS ALONG SAID RIGHT-OF-WAY LINE, THENCE SOUTHEASTERLY 120 FEET MORE OR LESS, THENCE NORTHEASTERLY 105 FEET MORE OR LESS, THENCE EASTERLY 151 FEET MORE OR LESS, THENCE NORTHERLY 210 FEET MORE OR LESS TO THE SOUTHERLY RIGHT-OF-WAY LINE OF WOODSIDE AVENUE, THENCE NORTHEASTERLY 119 FEET MORE OR LESS ALONG SAID RIGHT-OF-WAY LINE TO THE SOUTH RIGHT-OF-WAY LINE ON DUNBAR STREET, THENCE EAST ALONG SAID RIGHT-OF-WAY LINE 565 FEET MORE OR LESS TO THE EAST RIGHT-OF-WAY LINE OF BURNS STREET, THENCE NORTH ALONG SAID RIGHT-OF-WAY LINE 260 FEET MORE OR LESS TO THE SOUTH RIGHT-OF-WAY LINE OF SMITH STREET, THENCE EAST ALONG SAID RIGHT-OF-WAY LINE 621 FEET MORE OR LESS TO THE EAST RIGHT-OF-WAY LINE OF THE ABANDONED NEW YORK CENTRAL RAILROAD, THENCE NORTH ALONG SAID RIGHT-OF-WAY LINE 305 FEET MORE OR LESS TO THE SOUTHERLY RIGHT-OF-WAY LINE OF WOODSIDE AVENUE THENCE NORTHEAST 71.9 FEET MORE OR LESS ALONG SAID RIGHT-OF-WAY LINE TO THE SOUTH RIGHT-OF-WAY LINE OF PRAIRIE STREET, THENCE EAST 585 FEET MORE OR LESS ALONG SAID RIGHT-OF-WAY LINE TO THE EAST RIGHT-OF-WAY LINE OF LANGSTAFF STREET, THENCE NORTH ALONG SAID RIGHT-OF-WAY LINE 100 FEET MORE OR LESS TO THE SOUTH RIGHT-OF-WAY LINE OF PRAIRIE STREET, THENCE EAST ALONG SAID RIGHT-OF-WAY LINE 316 FEET MORE OR LESS TO THE EAST RIGHT-OF-WAY LINE OF LAROSE COURT, THENCE NORTH ALONG SAID RIGHT-OF-WAY LINE 160 FEET MORE OR LESS, THENCE EAST 50 FEET ALONG THE COMMON LOT LINE OF LOT 1 AND 12, BLOCK 4 OF LANGSTAFF'S FIRST ADDITION TO ESSEXVILLE, THENCE NORTH 100 FEET ALONG THE EAST LINE OF LOT 1, BLOCK 4 OF LANGSTAFF'S FIRST ADDITION TO ESSEXVILLE, TO THE SOUTH RIGHT-OF-WAY LINE OF WOODSIDE AVENUE, THENCE EAST ALONG SAID RIGHT-OF-WAY LINE 316 FEET MORE OR LESS TO THE EAST RIGHT-OF-WAY LINE OF PINE STREET, THENCE NORTH ALONG SAID RIGHT-OF-WAY LINE 526 FEET MORE OR LESS, THENCE EAST 200 FEET, THENCE SOUTHERLY 200 FEET TO THE NORTH RIGHT-OF-WAY LINE OF SALINE STREET, THENCE WEST 100 FEET ALONG SAID RIGHT-OF-WAY LINE, THENCE SOUTHERLY 160 FEET, THENCE EASTERLY 100 FEET, THENCE NORTH 100 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF SALINE STREET, THENCE EAST ALONG SAID RIGHT-OF-WAY 1,125 FEET MORE OR LESS TO THE EAST CITY LIMITS, THENCE NORTH ALONG THE EAST CITY LIMITS LINE 3,064 FEET MORE OR LESS TO THE NORTHEAST CORNER OF THE CITY OF ESSEXVILLE.



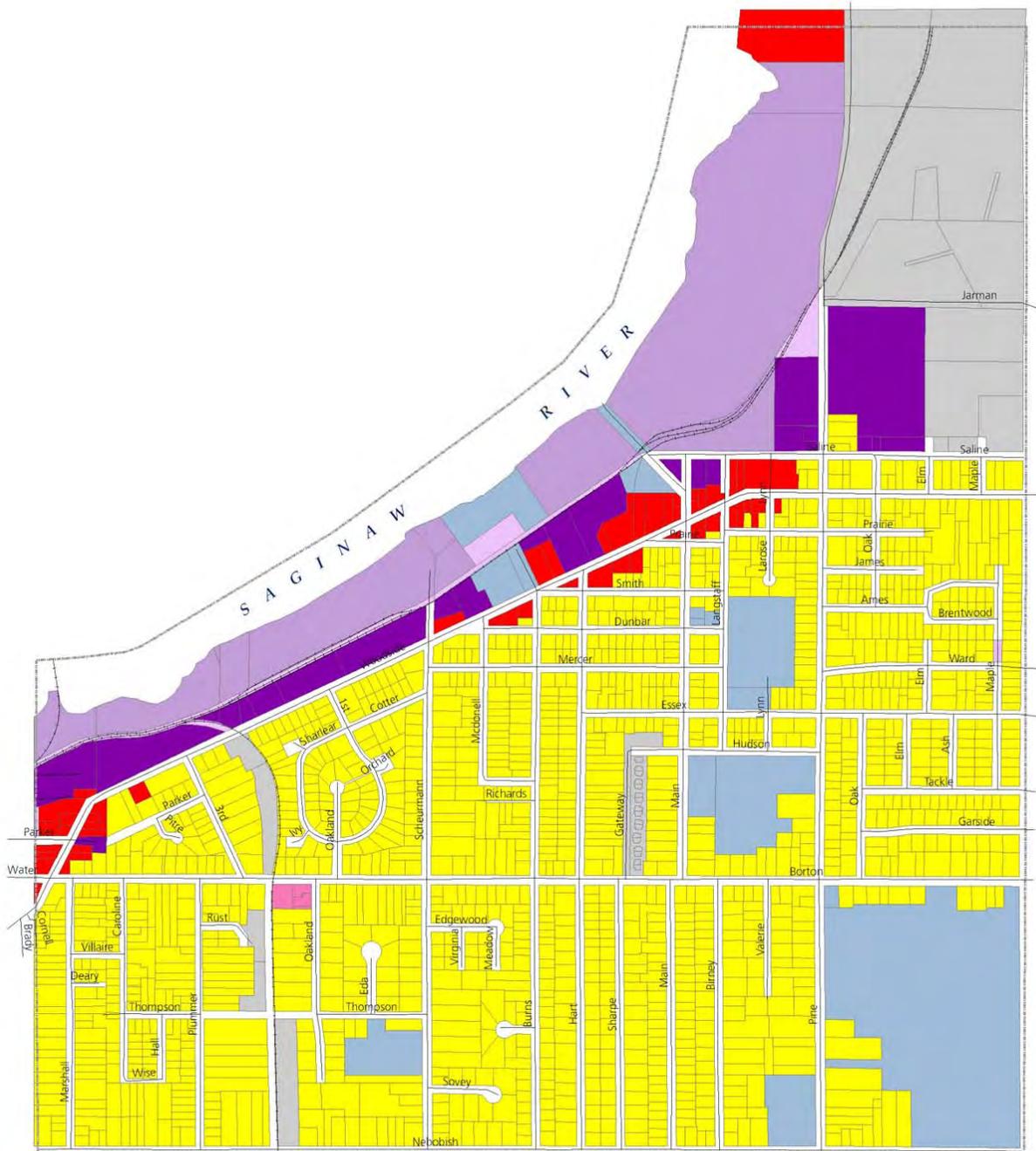
LEGEND

- EXIST. DISTRICT LIMITS
- PROP. DISTRICT LIMITS
- EXIST. SANITARY SEWERS
- PROP. SANITARY SEWERS
(by subject)
- EXIST. PUMP STATION
- EXIST. COMBINED SEWERS
- CENSUS TRACT LIMITS
- CENSUS TRACT NUMBER 52

EXHIBIT 'C'

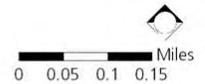


BAY COUNTY
 CITY OF ESSEXVILLE
 SANITARY SYSTEMS
 BAY REGIONAL PLANNING COMMISSION
 OCTOBER 1971

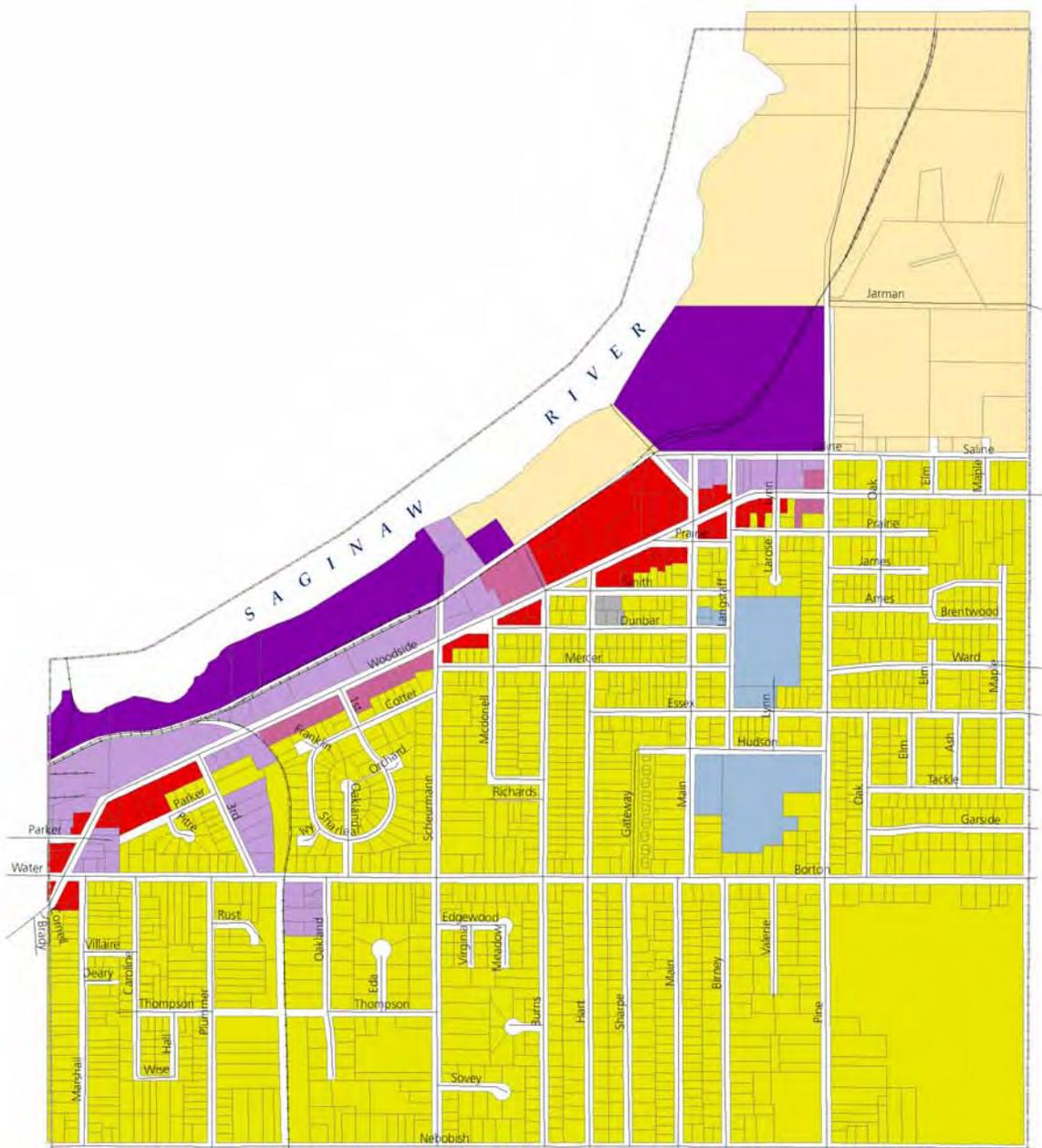


City of Essexville
Existing Land Use

Data Source: City of Essexville
 Map Source: Beckett & Raeder Inc.

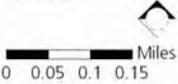


- Land Use Key**
- Residential
 - Commercial
 - Professional Office
 - Institutional
 - Industrial
 - Industrial Marine
 - Vacant/Undeveloped



City of Essexville
Zoning

Data Source: City of Essexville
 Map Source: Beckett & Raeder Inc.



Zoning Key

- Residential
- Office
- Business
- Industrial (Limited)
- Industrial (Intensive)
- Development District
- Parking