

SUMMARY REPORT TO MANAGER
For City Council Meeting of November 14, 2005

SUBJECT: Downtown Development Authority Tax Increment Financing Plan
Amendment 2

INITIATED BY: Christin O'Callaghan, Downtown Development Authority Executive Director

RESOLUTION SUMMARY:

This resolution will set a public hearing for Monday, December 19, 2005, on the proposal to amend the Downtown Development Authority Tax Increment Financing Plan

ITEMS ATTACHED:

1. Letter of transmittal
2. Resolution
3. Tax Increment Financing Plan Amendment 2
4. Ordinance

CITY COUNCIL ACTION:

- 3/5 affirmative vote required for adoption

4. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed downtown district.

5. Following the public hearing, the ordinance shall be enacted in accord with the provisions of the City Charter, which require two readings prior to final adoption of the ordinance. Since the TIF plan cannot be amended prior to the expansion of the boundaries of the downtown district, second reading cannot occur until the ordinance amending the boundaries has been adopted.

Following is a schedule incorporating the above steps to amend the TIF plan:

<u>Date</u>	<u>Action</u>
November 14, 2005	City Council sets public hearing on amending the TIF plan for Monday, December 19, 2005
November 15 – November 28, 2005	<p>Publish notice of public hearing twice in the Midland Daily News</p> <p>Mail notice to property taxpayers in the proposed district</p> <p>Certified mail notice to the governing body of each taxing jurisdiction in the proposed district</p> <p>Post 20 notices in the proposed district</p>
December 19, 2005	Conduct public hearing and give first reading of an ordinance amending the TIF plan
February 20, 2006	Second reading and adoption of an ordinance amending the TIF plan

Attached is a resolution that will set the public hearing and give first reading of the ordinance on Monday, December 19, 2005. In conjunction with the boundary amendment, the ordinance will have its second reading on February 20, 2006.

The DDA recommends that the City Council approve the resolution setting the public hearing on Monday, December 19, 2005 to amend the TIF plan, as attached.

Sincerely,

A handwritten signature in black ink, appearing to read "Christin O'Callaghan". The signature is written in a cursive, flowing style with a large initial "C".

Christin O'Callaghan
Executive Director, DDA



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BY COUNCILMAN

**RESOLUTION CALLING HEARING REGARDING
APPROVAL OF AMENDMENTS TO THE TAX INCREMENT FINANCING PLAN AND
DEVELOPMENT PLAN NO. 1 OF THE CITY OF MIDLAND DOWNTOWN DEVELOPMENT
AUTHORITY**

WHEREAS, the City of Midland, Counties of Midland and Bay, State of Michigan (the "City"), is authorized by the provisions of Act 197, Public Acts of Michigan, 1975, as amended ("Act 197"), to create a downtown development authority; and

WHEREAS, pursuant to Act 197, the City Council of the City duly established the City of Midland Downtown Development Authority (the "Authority") which exercises its powers within the Downtown District designated by the City Council (the "District"); and

WHEREAS, the City Council approved the Authority's Tax Increment Financing Plan and Development Plan No. 1 (the "Plan"), for the Development Area described in the Plan on December 11, 1989, as amended on December 16, 1991, pursuant to an ordinance duly adopted by the City; and

WHEREAS, in accordance with the provisions of Act 197, the Authority has prepared and submitted to the City Council for approval the amendments to the Plan attached hereto as Exhibit A (the "Plan Amendments"); and

WHEREAS, prior to approval of the Plan Amendments, it is necessary to conduct a public hearing in connection with the consideration of such proposed ordinance as required by Act 197.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council hereby acknowledges receipt of the Plan Amendments from the Authority and directs the City Clerk to advise all local taxing jurisdictions of the Plan Amendments within the Authority's District by certified mail.

2. There shall be a public hearing on Monday, the 19th day of December, 2005, at 7:00 o'clock, p.m. at the City Council chambers to consider adoption by the City Council of an ordinance approving the Plan Amendments.

3. The City Clerk shall cause notice of said public hearing to be published twice before the public hearing in the Midland Daily News, a newspaper of general circulation in the City, qualified under State law to publish legal notices. The first such notice shall be published not less than 20 days, nor more than 40 days, before the date set for the public hearing and shall be published as a display advertisement prominent in size. The Clerk also shall cause the

3. The City Clerk shall cause notice of said public hearing to be published twice before the public hearing in the Midland Daily News, a newspaper of general circulation in the City, qualified under State law to publish legal notices. The first such notice shall be published not less than 20 days, nor more than 40 days, before the date set for the public hearing and shall be published as a display advertisement prominent in size. The Clerk also shall cause the notice to be mailed by first class mail not less than 20 days, nor more than 40 days, prior to the hearing to all property taxpayers of record in the Authority's District as shown by the most recent tax roll of the City. The Clerk also shall post, or cause the posting of, the notice in at least 20 conspicuous and public places in the District not less than 20 days, nor more than 40 days, before the hearing.

YEAS:

NAYS:

ABSENT:

I hereby certify that the attached is a true and complete copy of a resolution adopted by the City Council of the City of Midland, Counties of Midland and Bay, State of Michigan, at a regular meeting held on the 14th day of November, 2005 and that public notice of said meeting was given pursuant to and in full compliance with Act No 267, Public Acts of Michigan, 1976, and that minutes of the meeting were kept and will be or have been made available as required by said Act.

Selina Tisdale, City Clerk

EXHIBIT A

**CITY OF MIDLAND DOWNTOWN DEVELOPMENT AUTHORITY
TAX INCREMENT FINANCING PLAN AND DEVELOPMENT PLAN No. 1
AMENDMENT No. 2**

CITY OF MIDLAND DOWNTOWN DEVELOPMENT AUTHORITY

TAX INCREMENT FINANCING PLAN AND DEVELOPMENT PLAN No. 1

AMENDMENT No. 2

Approved by the Board of Directors of the City of Midland Downtown Development Authority
on April 13, 2005.

Approved by the City Council of the City of Midland on _____, 2005,
subsequent to a public hearing held on _____, 2005.

**AMENDMENT No. 2
TO THE
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN**

In 1989 the City of Midland Downtown Development Authority (the "Authority") adopted its Tax Increment Financing Plan and Development Plan No. 1 (the "Original Plan") pursuant to the requirements of Act 197, Public Act of Michigan 1975, as amended (the "Act"). The Original Plan was approved by the City Council of the City of Midland (the "City") in December of 1989. In 1991, the Authority and the City amended the Original Plan to provide for additional projects, extend the length of the Original Plan and to provide for an increased maximum bonded indebtedness (the amendments, together with the Original Plan, the "Plan"). The purpose of this Amendment No. 2 to the Tax Increment Financing Plan and Development Plan No. 1 (the "Amendment") is to include new projects and public improvements to be financed by the Authority which were not described in the Plan, to extend the length of the Plan and to provide for an increased maximum bonded indebtedness.

The Amendment supplements the Plan it does not supersede or replace the Plan. The Amendment references and amends only those sections of the Plan that are supplemented by the information contained in the Amendment and should be read in conjunction with the Plan.

1. Section Titled "Public Improvements in the Development Area" is amended to add the following line items:

- f. Karl B. Robertson Bridge
Projected Year of Completion: 2012
Estimated Cost: \$500,000
Project Description: Participation in design and implementation of enhancements of the Karl B. Robertson Bridge or its replacement for the purposes of improving public safety and enhancing the public view of Downtown Midland. Such enhancement--including but not limited to painting, signage, etc.-- will assist in maintaining a favorable image of downtown as well as attracting new shoppers, tourists, businesses, and residents.

- g. Parking Construction
Projected Year of Completion: 2015
Estimated Cost: \$5,500,000
Project Description: Acquisition of property and construction of facilities to support parking demand in the Development Area.

- h. Programming
Projected Year of Completion: Beginning in 2006 and annually thereafter
Estimated Cost: \$400,000
Project Description: Engaging in outreach, education, training, recruitment, and marketing efforts to further improve the desirability, business climate, and consumer, employee, and citizen experiences in the district, all in a manner consistent with the Act. Such programming --including but not limited to seminars, community events, and partnerships with other community

organizations -- will assist in maintaining a favorable image of downtown as well as attracting new shoppers, tourists, businesses, and residents.

i. Property Acquisition

Projected Year of Completion: 2008

Estimated Cost: \$1,000,000

Project Description: Purchase, development, or redevelopment of property within the district for the purpose of attracting new shoppers, tourists, businesses, and residents.

j. Streetscape Expansion

Projected Year of Completion: 2009

Estimated Cost: \$300,000

Project Description: Continuation of the streetscape concept established on Main Street to any public right-of-way within the district for the purpose of enhancing the physical appearance and value of property within the district. Such enhancement--including but not limited to the addition of brick paver sidewalks and crosswalks, additional lighting and planter boxes-- will assist in maintaining a favorable image of downtown as well as attracting new shoppers, tourists, businesses, and residents.

k. Utility Relocations

Projected Year of Completion: 2010

Estimated Cost: \$5,000,000

Project Description: Relocation of utility improvements within the district to upgrade appearance and performance of the utility systems. Such relocations, whether underground or otherwise, will assist in supporting new business development, property development and redevelopment, and streetscape improvements.

Total Estimated Cost of New Projects

\$12,700,000

2. Articles IV and V shall be deleted and replaced in their entirety by the following:

The maximum amount of bonded indebtedness shall be \$15,000,000.

The Plan, as amended, shall not expire prior to June 30, 2030.

State and federal grants, loans, loan guarantees and other funding sources may be sought for carrying out the activities listed in the Plan, as amended. The Plan, as amended, can be financed through the authorization, issuance and sale of revenue bonds, general obligation bonds and tax increment bonds by the Authority, the City, or other related entities.

3. The plan as amended shall apply to the Downtown Development Authority District Boundaries as established by City Council action on February 20, 2006.

ORDINANCE NO. ____

ORDINANCE APPROVING AMENDMENTS TO TAX INCREMENT FINANCING PLAN AND
DEVELOPMENT PLAN NO. 1 FOR THE
CITY OF MIDLAND DOWNTOWN DEVELOPMENT AUTHORITY

WHEREAS, the City of Midland Downtown Development Authority (the "Authority") has previously prepared and approved a Tax Increment Financing Plan and Development Plan No. 1, as amended (the "Original Plan"), which was approved by the City Council (the "City Council") of the City of Midland (the "City") pursuant to Ordinance No. 1184, originally adopted on December 4, 1989; and

WHEREAS, the Authority has prepared and recommended for approval an amendment attached hereto as Exhibit A (the "Plan Amendments") to the Original Plan; and

WHEREAS, the City Council held a public hearing on December 19, 2005 on the Plan Amendments pursuant to Act 197, Public Acts of Michigan, 1975, as amended (the "Act").

NOW, THEREFORE, THE CITY OF MIDLAND ORDAINS:

1. Findings.

(a) The Original Plan as amended by the Plan Amendments meets the requirements set forth in section 17(2) of the Act and the tax increment financing authority plan portion of the Original Plan as amended by the Plan Amendments meets the requirements set forth in section 14(2) of the Act.

(b) The proposed method of financing the development is feasible and the Authority has the ability to arrange the financing.

(c) The development is reasonable and necessary to carry out the purposes of the Act.

(d) Any land included within the Development Area to be acquired is reasonably necessary to carry out the purposes of the Act.

(e) The Original Plan as amended by the Plan Amendments is in reasonable accord with the master plan of the City.

(f) Public services, such as fire and police protection and utilities, are or will be adequate to service the Development Area.

(g) Changes in zoning, streets, street levels, intersections, and utilities, to the extent required by the Amended Plan as amended by the Plan Amendments, are reasonably necessary for the Amended Plan as amended by the Plan Amendments and for the City.

2. Public Purpose. The City Council hereby determines that the Original Plan as amended by the Plan Amendments constitutes a public purpose.

3. Best Interest of the Public. The City Council hereby determines that it is in the best interests of the public to halt property value deterioration, increase property tax valuation, eliminate the causes of the deterioration in property values, and to promote growth in the Downtown District to proceed with the Original Plan as amended by the Plan Amendments.

4. Approval and Adoption of Plan Amendments. The Plan Amendments are hereby approved and adopted. A copy of the Original Plan, the Plan Amendments and all later amendments thereto shall be maintained on file in the City Clerk's office.

5. Amendment to Ordinances; Conflict and Severability. Ordinance Nos. 1184 and 1231 of the Original Plan, as amended, are hereby amended by this Ordinance. All ordinances, resolutions and orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict hereby repealed, and each section of this Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of this Ordinance.

6. Paragraph Headings. The paragraph headings in this Ordinance are furnished for convenience of reference only and shall not be considered to be a part of the Ordinance.

7. Publication and Recordation. This Ordinance shall be published in full promptly after its adoption in the Midland Daily News, a newspaper of general circulation in the City, qualified under State law to publish legal notices, and shall be recorded in the Ordinance Book of the City, which recording shall be authenticated by the signature of the City Clerk.

8. Effective Date. This Ordinance is hereby determined by the City Council to be immediately necessary for the interests of the City and shall be in full force and effect from and after its passage and publication as required by law.

YEAS:

NAYS:

ABSENT:

I hereby certify that the attached is a true and complete copy of a resolution adopted by the City Council of the City of Midland, Counties of Midland and Bay, State of Michigan, at a regular meeting held on the 20th day of February 2006, and that public notice of said meeting was given pursuant to and in full compliance with Act No 267, Public Acts of Michigan, 1976, and that minutes of the meeting were kept and will be or have been made available as required by said Act.

Selina Tisdale, City Clerk