

**VILLAGE OF QUINCY
DOWNTOWN
DEVELOPMENT
PLAN
AND
TAX INCREMENT
FINANCING PLAN**

SEPTEMBER, 1992

TABLE OF CONTENTS

- I. GENERAL
- II. STATEMENT OF OVERALL DOWNTOWN DEVELOPMENT GOALS
- III. STATEMENT OF PROJECT OBJECTIVES
- IV. DESCRIPTION OF THE DEVELOPMENT AREA
- V. LAND USE
 - A. EXISTING LAND USE
 - B. FUTURE LAND USE
 - C. ZONING CHANGES
 - D. RIGHT-OF-WAY VACATION
 - E. NEW FACILITY INSTALLATION
- VI. REDEVELOPMENT PROJECTS
 - A. DESCRIPTION OF PROJECTS
 - B. PROJECT COST ESTIMATES
 - C. FINANCING OF PROJECTS
 - D. PROJECT IMPLEMENTATION SCHEDULE
- VII. TAX INCREMENT FINANCING
- VIII. OTHER
- IX. APPENDICES
 - A. DOWNTOWN DEVELOPMENT DISTRICT BOUNDARIES
 - B. EXISTING LAND USE
 - C. FUTURE LAND USE
 - D. DEVELOPMENT PROJECTS
 - E. TAX INCREMENT FINANCING MILLAGE RATE ANALYSIS

VILLAGE OF QUINCY DOWNTOWN DEVELOPMENT PLAN
AND TAX INCREMENT FINANCING

I. GENERAL

This report is intended to describe the objectives and Goals of the Planning Committee and the Downtown Development Authority considered necessary to implement a Development plan in downtown Quincy. It is intended that this plan will establish the basis for projects and will describe what steps must be taken to accomplish the implementation of these projects and this plan. After it has been adopted, the Downtown Plan should be all of the following:

- (1) A long-range guide for evaluating proposals for physical changes and for scheduling improvements in the central business districts.
- (2) A framework for developing policies for zoning ordinances, building codes, and other public codes and ordinances.
- (3) A guide for making recommendations and establishing priorities in the downtown district and for assessing possible improvements and developments.
- (4) A foundation for conducting more specific and detailed studies of the central business district and for assessing possible improvements and developments.

- (5) A source of information and a statement of policy, which is useful to citizens and businessmen in making private investment decisions.

In 1991, a planning committee was organized to prepare a development authority for the downtown area. The creation of a Downtown Development Authority under Act 197, Public Acts of Michigan 1974, was recommended.

The act provides for the establishment of a downtown development authority for the purpose of halting property deterioration, increasing property tax valuation, and promoting economic growth in the central business district.

Pursuant to the provisions of the Act, the Village of Quincy adopted an ordinance #125 on June 6, 1991, which created the Village of Quincy Downtown Development Authority. The Authority was given all of the powers and duties prescribed in the Act, including implementing development plans and authorizing the use of the tax increment financing.

The primary purpose of this Downtown Development Plan/Tax Increment Financing Plan is to provide a means whereby the Quincy Downtown Development Authority can coordinate downtown development. The improvement projects undertaken in connection with this plan will enhance the shopping environment of the downtown area and encourage movement between the retail stores and the adjacent parking areas. They will reinforce downtown development programs and assure the success of the Village's redevelopment efforts.

STATEMENT OF OVERALL DOWNTOWN DEVELOPMENT GOALS

The Village of Quincy is seeking to strengthen the position of its downtown and adjacent areas. Competitive shopping centers and the threat of major development occurring out of the Village have led Village Officials to take steps necessary to enhance the downtown area. The following goals have been identified by the Downtown Development Authority and the Planning Commission and are basis for determining the objectives and projects described in this plan.

- Assure the future of the downtown area as a viable commercial center and guarantee its economic well being.
- Reinforce the Village's existing retail and commercial activity area through programs of physical redevelopment and improvements, which will enhance the viability of the downtown.
- Assure the success of downtown redevelopment projects by development programs, which will facilitate and compliment each other.
- Provide a means for the Village to expand its economic base and employment opportunities although physically limited in size.
- Encourage new development in forms and patterns which preserve and enhance the character of the downtown and the Community.
- Assure the preservation, enhancement, and maintenance of places and structure of historical, cultural, or architectural value to the downtown, and discourage

remodeling which would destroy the character of these significant places/structures.

--Provide good access to downtown facilities for all types of vehicular traffic and pedestrians, particularly the elderly and handicapped.

--Stimulate marketing and promotional efforts to attract retail businesses and shoppers to the downtown.

--Encourage land uses which will provide compatibility and unity of architectural treatment and consideration of the relationship of the land.

--Encourage all financial opportunities available to the Village for redevelopment activities and seek new sources of funding wherever possible.

STATEMENT OF PROJECT OBJECTIVES

Redevelopment and design objectives for the Village of Quincy's Downtown Development District are as follows:

- (1) Establish design guidelines and development controls for the downtown development district to insure that the development goals previously identified may be realized and provide for a harmonious redevelopment program.
- (2) Provide new utilities, landscaping, and other features necessary to adequately serve and enhance the downtown area.
- (3) Develop guidelines for an overall streetscape system and create a visual theme for the district.
- (4) Develop a store front renovation program which will unite the different types of architecture in the downtown.
- (5) Consolidate and intensify the downtown district as a specialized shopping environment.
 - (a) Develop a common identity for the downtown, a logo (Gateway to the Chain of Lakes) to be used for public signs, advertising and promotion.
 - (b) Strengthen the retail commercial base of the downtown through aggressive marketing and promotional efforts to attract retail businesses.
 - (c) Intensify advertising efforts to attract shoppers.

- (6) Improve pedestrian and vehicular access through the creation of a pedestrian circulation system and improved off-street parking facilities.
- (7) Eliminate structures which are blighting influences or which become incompatible land uses and detract from the economic welfare and overall appearance of the downtown.

DESCRIPTION OF THE DEVELOPMENT AREA

The following is a description of the Downtown Development District in which the redevelopment activities described later in this plan will be carried out.

Beginning at the most northerly corner of lot #162 of said Plat, thence southeasterly along the easterly margin of said lot #162 to the most easterly corner of said lot #162; thence southeasterly along the southerly margin of said lot #162 and the southerly margins of lots #165,166,169,170, and 174 of said plat to the most southerly corner of said Lot #174; thence northwesterly along the westerly margin of said lot #174 to the southeast corner of Lot #179 of said plat; thence westerly along the southerly margin of said Lot #179 to the southwest corner of said lot #179; thence southwesterly to the southeast corner of Lot #5 of said plat; thence westerly along the southerly margin of said Lot #5 to the easterly margin of Lot #12 of said plat; thence southwesterly parallel with Chicago Street per said plat to the westerly margin of the property occupied by the Village of Quincy Office; thence northwesterly along said westerly margin to the southerly margin of said Chicago Street; thence northwesterly to the most southerly corner of Lot #143 of said plat; thence northwesterly along the westerly margin of said Lot #143 to a line parallel with the northerly margin of said Chicago Street and which said parallel line intersects with the southeast corner of Lot #140 of said plat; thence northeasterly along said parallel line to the southerly extension of the westerly margin of said lot #140; thence northerly along said

southerly extension of said westerly margin to the southerly margin of the Rail Road right of way; thence northeasterly along said southerly margin of the Rail Road right of way to the westerly margin of Main Street per said plat; thence continuing northeasterly along the extension of said southerly margin to the northerly extension of the westerly margin of Depot Street per said plat; thence southeasterly along said northerly extension of Depot Street to the most northerly corner of Lot #125 of said plat; thence continuing southeasterly along said westerly margin of Depot Street to the northerly margin of said Chicago Street; thence southeasterly to the point of beginning.

AND USE

A. Existing Land Use:

The accompanying Existing Land Use Map (Appendix B) shows the location of existing streets and rights of way and illustrates the types of land use, which currently exist in the district. The principal commercial area consists of that portion of the district along both sides of Chicago Street starting at Depot Street and continuing West to Maiden Lane to Railroad on North to the South edge of the South Parking Lot on Main Street. Some professional offices are scattered throughout the area, and there are a number of rental apartments located above commercial/professional businesses in the district. The Village Hall and Public Library are located in the downtown with accompanying public parking. There are two (2) small residential areas in the district; approximately four dwellings along Main Street on the Northwest boundary, and Depot Street on Northeast boundary. The area is bounded by residential areas on the South, West and East sides, and industrial on the Northwest and Village Park on Northeast.

B. Future Land Use:

The Future Land Use Map (Appendix C) illustrates the generalized future use of land in the Downtown Development District. This includes land set aside for public uses such as parking, open space and pedestrian rights of way. Efforts will be made to ensure that individual land use activities are grouped together in

accordance with the degree of compatibility between then, and efforts will be made to maximize areas to be left as open space. Future development within the area will be adequately served through existing or proposed utility services; and public services such as fire and police protection are adequate to serve the development area.

C. Zoning Changes:

Currently the Village is not zoned, but plans are being drawn to establish a Zoning Ordinance in concurrence with our Master Plan.

D. Rights of Way Vacation:

No vacation or abandonment of rights of way in the Downtown Development District will be necessary to achieve the goals and objectives of this plan.

E. New Facility Installation:

The construction of new street improvements, utilities, public parking facilities, building renovation, and other physical features shall be undertaken in accordance with quality design, construction, and improvement standards required by the Village and approved by the Downtown Development Authority.

REDEVELOPMENT PROJECTS

The redevelopment projects provided for in this plan are intended to initiate substantial development in the Downtown Development District. The goals and objectives described in the plan are to be achieved by undertaking projects which will enhance the downtown as well as visually and physically connect the development areas as a cohesive entity. These redevelopment projects will also improve parking areas and provide for pedestrian connection between the parking areas and retail businesses. Focal points and public areas will be identified and other physical improvements will be undertaken which will create a more advantageous and attractive environment. Building renovation guidelines will lead to physical development action and achieve design objectives of façade restoration and rear entrance improvements.

A. Description of Projects:

The following redevelopment projects are presented in the order of their importance according to priorities identified by the consultant, Downtown Development Authority and the Village Planning Committee. Phase I deals with those improvements necessary to create an improved truck parking area, community parking, reconstruction of Depot Street, the Northeast downtown area, and amend our boundaries to include a portion of the Bracy & Jahr property in the Northwest Section, Tom Boyd's property in the Northeast Section, and Ray Sattler's property in the Southwest Section. Phase II describes improvements necessary to improve the Northwest Community

Parking areas and reconstruct Maiden Lane. Phase III deals with improvements to the Southeast Community Parking Area. Phase IV describes the construction of the parking area and the renovation of the Village of Quincy Offices which will create easier access. Phase V deals with retaining a consultant to create an improved streetscape.

At the completion of each phase, the plan should be re-evaluated to determine if, in fact, the activities described in the next phase are still project priorities. It is important to keep the plan flexible to meet the changing needs of the downtown.

PHASE I: NORTHEAST SECTION WITH BOUNDARY AMENDMENT

1. Boundary Amendments - This phase of the plan involves amending the downtown development district to include Lot 122 and 123 in the Northeast section, and a portion of Lots 8 and 12 and a portion of Lots 5 and 6 in the Southwest section.
2. Utility Improvements - In conjunction with improvements described in this plan all utility wires located within this project area will be placed underground. The elimination of overhead clutter will greatly enhance the visual effectiveness of the other improvements being made in the downtown.

PHASE II: NORTHWEST SECTION

1. Utility Improvements - These will be the same as in Phase I.
2. Resurface Parking Lots and Connecting Alley - This will be done for additional public parking in the downtown and to enhance existing parking areas.

PHASE III: SOUTHEAST SECTION

1. Utility Improvements - These will be the same as in Phase I.

PHASE IV: SOUTHWEST SECTION

1. Parking Improvements - Remove the existing shed. Excavate and resurface alley and acquired property for the purpose of improved and expanded parking area for Village services.
2. Renovation of Village Offices - Easier availability and safety to relocate the Village Offices from the front

of the building to the rear of the building to better serve the citizens of the community.

PHASE V: CREATION OF IMPROVED STREETSCAPE

1. Landscaping - Additional landscaping will be installed as needed throughout the Downtown Development District to help create a new streetscape in the downtown area. This landscaping would include the installation of planters at various intervals along Chicago Street.
2. Lighting Improvements - Distinctive low-level sodium vapor lighting will be installed on existing light poles in the Downtown Development District. This would include the lights located along Chicago Street and North and South Main Street as well as in the parking lots and other public places. These lights would be sodium vapor globe lights located at approximately the second story level of the downtown buildings. The addition of this lighting will be a major ingredient in the creation of a unique downtown environment in the development district.
3. Sidewalk Repair - Sidewalks will be repaired/replaced as needed in conjunction with other public improvements.
4. Graphic Communications - A graphic communications system will be developed to coordinate all informational, directional, and advertising signs. A uniform sign, shape, size and color scheme will be developed in order to build an identity for the downtown. The Downtown Development Authority will adopt a community logo, which will be incorporated into the sign system. A slogan and lettering style will also be adopted and used in the informational system.

Special signs will be constructed incorporating the logo and slogan/motto of the community that will identify the entrance into the central business district. These signs will be located at the east and west entrances to the downtown along us 12. All public and informational signs in the downtown will incorporate the community logo.

5. **Storefront and Façade Improvements** - In an attempt to guide development in the Downtown Development District, the Downtown Development Authority and the Village Planning Committee will retain a Consultant for the purpose of restoring storefronts and facades. The Downtown Development authority will work with the Village Council to implement effective controls so that the storefront and façade improvements will, in fact, be done in accordance with the program guidelines. A Building Review Ordinance would be passed which will allow the DDA to review proposed building renovations against program guidelines. Attempts will be made to stimulate private investment by property owners and merchants through the availability of low interest loans for building renovation.
6. **Marketing and Promotion** - The Downtown Development Authority will implement an aggressive marketing strategy to attract businesses and shoppers to Quincy. The community logo will be used in all marketing and promotional literature. One promotional brochure will be developed to attract businesses and one promotional brochure will be developed to attract shoppers. The DDA will work with area wide economic development organizations and the tourist council to promote downtown Quincy.

B. Financing of Projects

The Downtown Development Authority Act, Act 197, of
Public Acts of 1975, as amended, authorizes a new

concept in financing projects undertaken by Downtown Development Authorities. This concept is referred to as "tax increment financing" and is a method whereby the taxes on the increased value of property which has benefited from development projects becomes available to finance further development. The Village of Quincy Downtown Development Authority has determined that, in order to finance the projects contained in the plan, a tax increment-financing plan must be adopted. The tax increment-financing plan allows the Downtown Development Authority to acquire funds from the "captured assessed value" of the development area. The "captured assessed value" means the increase in assessed valuation (State Equalized Values) of the development area in any given year over the value at the time this tax increment financing/downtown development plan is adopted. Tax rates levied on property in the development area, for all units of government, applied to the captured assessed value of the development area will become available to finance the projects described in this plan. The State Equalized Value (SEV) for all property within the development district, which is the initial assessed value for purposes of this plan, has not been determined at this time. The 1992 SEV, the basis for this plan, will be certified in the spring of 1993. The SEV and the millage rates for 1992 and 1993 are shown in Appendix E. In addition to funds provide through the tax increment financing plan, the Quincy Downtown Development Authority and the Village of Quincy will seek various grants, solicit contributions, and encourage the adoption of special assessment

projects are required to supplement and expedite redevelopment projects in the downtown area. The issuance of either revenue or general revenue bonds, as authorized under the Downtown Development Authority Act, is not anticipated.

C. Project Implementation Schedule

The following project implementation schedule is an estimation of the length of time each development activity will take, as well as a description of which projects should be undertaken in conjunction with each other. A final project implementation schedule will be developed when the SEV is finalized for the Downtown Development District and the captured assessed value is determined. The implementation schedule may be subject to revision as a result of the propagation of final drawing and engineering specifications; however, these changes are anticipated to be minor.

TAX INCREMENT FINANCING

The theory of tax increment financing is greater tax revenues will be generated in an area in which development is taking place, and that it is appropriate to utilize a

portion of this increased tax revenue for the purpose of paying for further redevelopment.

The tax increment financing approach provides downtown areas with the means to enhance opportunities for developments and helps to overcome the comparatively higher costs of construction and site improvements in downtown areas. The competitive advantage to suburban development is offset under tax increment financing and the system provides a method of obtaining funds to undertake projects which will motivate developers and investors to reinvest in the downtown area. Tax increment financing acknowledges and provides an equitable solution to the manifestation of "value increment" due to a governmental unit's initiative and expenditures.

The tax increment financing approach is based on the concept of "captured assessed value" which refers to the increase in assessed valuation of the project area in any given year over the value at adoption of the development plan. The operational definition of assessed valuation is the assessed value as finally equalized. Tax rates levied on property in the development area, for all units of government, applied to the captured assessed value of the area will become available to finance the development efforts. The amount of tax increment revenue to be transmitted to the authority by the County Board of Commissioners and the School Board is that portion of their respective tax levied on the captured assessed value of real and personal property in the development area. At the present time, total millage levied within the development area by all taxing jurisdictions is 73.8032 mills.

Appendix E presents a breakdown of total millage by the taxing jurisdictions.

Since the tax increment-financing plan will generate revenues based only on captured State Equalized Value (SEV) over and above the 1992 level, each taxing jurisdiction will still levy taxes against the 1992 SEV. The 1992 SEV will be used for taxing purposes throughout the life of the tax increment plan. The Downtown Development Authority shall expend tax increment revenues received only in accordance with the tax increment financing and development plan. It is the intention of the Authority to use the entire captured assessed value in the development district for the number of years necessary to complete the development projects outlined in the development plan. This period of time is projected to be five (5) years initially.

The Downtown Development Authority shall submit a report on the tax increment financing account showing the revenue received and the amount and purpose of expenditures from the account. Reports will also be required showing the initial assessed value of the development district and the amount of captured assessed value retained by the Authority. The report shall be submitted to the Quincy Village Plan Committee and contain such additional information as the Plan Committee deems necessary. An opportunity will be made available to the County Board of Commissioners and the School Board to meet with the governing body to discuss the fiscal and economic implications of the proposed financing and development plans. The Village Plan Committee upon notice and after

public hearings may modify the tax increment-financing plan. The governing body may abolish the tax increment-financing plan when it finds that the purpose for which it was established is accomplished.

It is not anticipated that occupied residences will be acquired nor any families or individuals residing in the area will be displaced by the development projects described in Phase I of this plan or any of the following Phases.

DOWNTOWN DISTRICT BUILDING PERMIT REVIEW PROCEDURE
VILLAGE OF QUINCY, MICHIGAN

Section 1.01 – ARCHITECTURAL DESIGN

- A. The Village Council hereby finds that excessive similarity, dissimilarity or inappropriateness in exterior design and appearance of buildings in relation to the prevailing appearance of property in the Downtown Development District and also in relation to the Building Improvement/Design Standards, adversely affects the desirability of immediate and neighboring areas and impairs the benefits of occupancy of existing property in such areas. These differences in design also impair the stability and taxable value of land and buildings in such areas, prevent the most appropriate use of real estate and the most appropriate development of such areas, produce degeneration of property in such areas with attendant deterioration of conditions affecting the public health, safety, comfort, morals and welfare of the citizens thereof, deprive the village of tax revenue which it otherwise could receive and destroy a proper balance in relationship between the taxable value of real property in such areas and cost of the municipal services provide therefore.
- B. No building permit shall be issued for any new building
 - o for remodeling or alteration of an existing building in the Downtown Development District which, if erected, remodeled or altered, would produce one or more of the harmful effects set forth in Paragraph A of Section 1.01.
- C. Whenever the Building Inspector receives an application for a building permit for a property located in the Downtown Development District, he shall refer the application to the DDA for review. No building permit shall be issued upon any application which has been

referred to the DDA unless the DDA by a majority vote finds that the erection, remodeling or alteration of the building will not produce one or more of the harmful effects set forth in Paragraph A of Section 1.01.

D. In considering whether the erection, remodeling or alteration of a building will produce one or more of the harmful effects set forth in Paragraph A of Section 1.01, the Building Inspector and the DDA shall consider whether there exists one or more of the following:

1. Incompatibility with the goals and objectives of the Downtown Development Plan and Building Improvement/Design Standards.
2. Excessive similarity or dissimilarity of design in relation to any other structure existing or for which a permit has been issued within a distance of 1,000 feet of the proposed site, or in relation to the characteristics of building design generally prevailing in the area, in respect to one or more of the following features:
 - (a) Apparently identical façade;
 - (b) Substantially identical size and arrangement of either doors, windows, porticoes or other openings or breaks in the façade facing the street, including a reverse arrangement thereof;
 - (c) Cubical contents;
 - (d) Gross floor area;
 - (e) Other significant design features, such as, but not limited to, roof line, height of building, construction, material, or quality of architectural design; or

(f) Location and elevation of building upon the site in relation to the topography of the site and in relation to contiguous properties.

3. Inappropriateness in relation to any other property in the same or any adjoining district of design, landscaping, building materials and use thereof, orientation to site, or placement of parking, storage or refuse areas.

E. Where an application for a building permit has been referred to the DDA, and the DDA shall find that the erection, remodeling or alteration of a building as proposed in the application for a building permit, will not produce one or more of the harmful effects set forth in Paragraph A of Section 1.01, then the DDA shall give written notice of its approval of the application to the Building Inspector, who shall thereupon issue a building permit in accordance with the application therefore, provide that all other requirements of the ordinances of the Village of Quincy shall have been fulfilled. The DDA shall be deemed to have given its approval to an application if no action has been taken on it by the DDA for more than 20 days after the date of referral of the application to the DDA.

F. Where an application for a building permit has been referred to the DDA, and the DDA shall find that the erection, remodeling or alteration of a building as proposed in the application for a building permit, will produce one or more of the harmful effects set forth in Paragraph A of Section 1.01, then the DDA shall give written recommendations of its findings to the Building Inspector, who shall, in turn, notify the applicant. In such event, a building permit shall not be issued on the

application until the applicant has complied with the recommendations of the DDA or by express direction of the Planning Commission upon appeal as hereinafter set forth.

G. In the even of denial of a building permit by reason of the action of the DDA, the applicant shall have the right to appeal the action directly to the Planning Commission. Such appeal, either at a regular meeting or at a special meeting called for that purpose, as it may elect. Upon such appeal, all records and findings concerning the application shall be submitted to the Planning commission by the Building Inspector, and by the DDA respectively. The Planning commission may, by a majority vote, refer the application back to the DDA for further consideration; or, by the favorable vote of not less than two-thirds of all of its members, the Planning commission may set aside the action of the DDA and direct that the Building Inspector issue a building permit in accordance with the application therefore.

TAX INCREMENT FINANCING PLAN-TAX INCREMENT PROCEDURE

Tax increment revenue to be transmitted to the authority is generated when the current assessed value of all properties

within a development area exceeds the initial assessed value of those properties. The initial assessed value is defined in Act 197, as amended by Act 425, Public Acts of Michigan, 1988, as "the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the development area is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the (ordinance) is adopted." The current assessed value refers to the assessed value of all properties, real and personal, within the development area as established each year subsequent to the adoption of the tax increment financing plan. The amount in any one year by which the current assessed value exceeds the initial assessed value, including real and personal property, is defined as the "captured assessed value." The tax increment revenue transmitted to the Authority results from applying the total tax levy of all taxing units within the development area to the captured assessed value.

Following adoption of the ordinance establishing the original Plan, the Village and County Treasurers were required by law to transmit to the Authority that portion of the tax levy of all taxing units paid each year on the captured assessed value of real and personal property located in the Development Area. The amounts so transmitted, hereinafter referred to as "tax Increment revenues," are deposited by the Authority in the "project fund" of the Authority.

Tax increment revenues transmitted to the Authority can be used as they accrue annually for improvements described in

the Plan, can be held to accumulate amounts necessary to make improvements described in the Plan, or can be pledged for debt service on tax increment bonds issued by the Authority or general obligation tax increment bonds issued by the Village. The tax increment revenues may also be used to pay administrative and similar expenses of the authority as provided in the Authority's annual budget.

The Authority has determined that beginning with the 1992 tax levies it will collect tax increment revenues derived from non-debt millage only.

The Authority may use all or a portion of the tax increment revenues for improvements described in the Plan. If bonds are to be sold, the Authority of the Village may not pledge for annual debt service requirements in excess of 80% of the estimated tax increment revenue to be received from a development area for that year. Should actual tax increment revenues fall below projections, any previously accumulated tax increment revenue may be devoted to retirement of the bonds to the extent provided in the Plan. Tax increment revenues not required to pay debt service on bonds may be used in the manner provided in the Plan. The Authority may expend tax increment revenues only in accordance with the Plan; surplus revenues are returned proportionately to the respective taxing units. Surplus revenues are revenues not required to implement the Plan. The Authority expects to carry over and accumulate tax increment revenues to pay the costs of the various projects described in the Plan and to pay administrative expenses.

Bonds pledging tax increment revenues may be issued under Act 197 by either the Authority or the Village. Bonds issued by the Village are general obligations of the Village as well. If tax increment revenues are insufficient to pay debt service for any reason, the Michigan Municipal Finance Act provides that if the bond issue has not been approved by the electors of the Village, the Village must meet debt service requirements from its general fund and, if necessary, levy ad valorem taxes on all taxable property in the Village to meet such obligations, subject to applicable constitutional statutory and charter tax rate limitations.

A tax increment financing plan may be modified upon approval of the Council after notification and hearings as required by Act 197. When the Council finds that the purposes for which a tax increment financing plan was established have been accomplished, it may abolish the Plan.

MAXIMUM INDEBTEDNESS AND DURATION OF PLAN

The maximum amount of bonded indebtedness to be incurred under the Plan is \$500,000, sufficient to pay the estimated costs of the improvements described in the bonds, if any, plus any associated costs of engineers, architects, attorneys, planning, bond printing costs, costs of publication of required notices and all costs associated with the preparation of this Plan.

ESTIMATED IMPACT ON ALL TAXING JURISDICTIONS

Tax increment revenues are derived from the application of annual millage rates to captured assessed valuation (i.e., the state equalized valuation of property in the Development Area as determined annually, the "current assessed valuation") minus the initial assessed valuation. The assessed valuation of the property at the time the initial assessed valuation is calculated is not affected. The taxing jurisdictions continue to collect taxes on the initial assessed valuations.

Moreover, tax increment revenues are derived only from property in the Development Area. The Plan has no direct impact on assessed values outside the Development Area. The taxing jurisdictions continue to collect taxes annually based upon the state equalized valuation of the real and personal property located outside the Development Area without regard to the Plan.

IMPROVEMENTS AND USES OF THE TAX INCREMENT REVENUES

This plan describes the proposed projects of the Plan, the estimated costs thereof, and the anticipated manner of financing the projects. The Authority also expects to undertake other projects from time to time and to use tax increment revenues to pay the costs thereof. The Plan describes certain projects and the Authority expects to continue these projects and undertake other projects in the future. If the Authority identifies additional improvements that will benefit the Downtown District, the authority may amend the Plan and make these improvements. The Authority may elect to issue additional bonds to finance any of the projects described in the Plan and any

amendments thereto and to amend the tax increment finance plan contained in the Plan accordingly.