

**CITY OF MONTROSE
DOWNTOWN DEVELOPMENT AUTHORITY**

**DOWNTOWN DEVELOPMENT PLAN
AND
TAX INCREMENT FINANCING PLAN**

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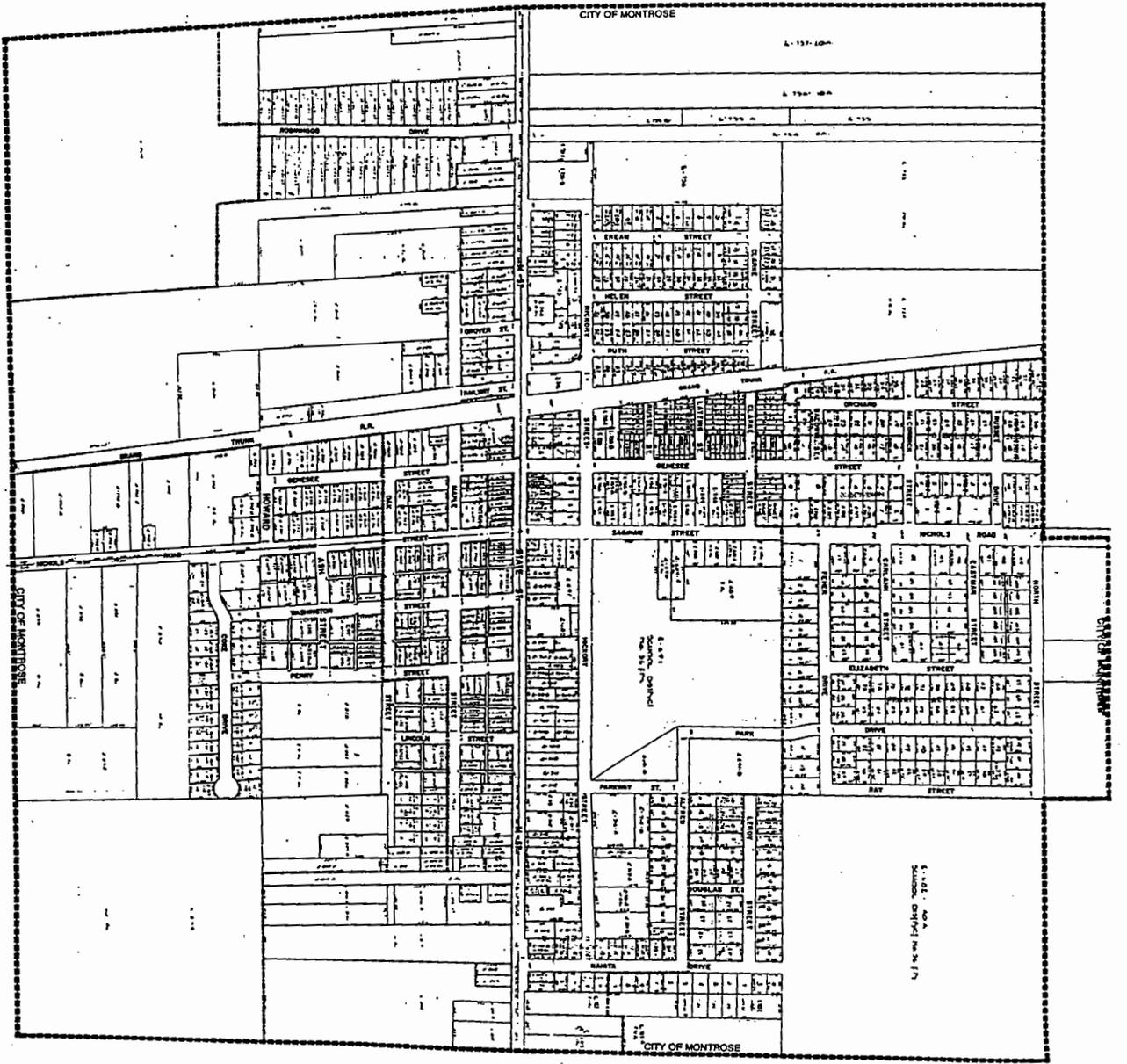
**May, 1993
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DEVELOPMENT PLAN

Section 17.(2)(a)

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

Map 1 illustrates the boundaries of the development area in relation to the individual properties, transportation facilities, and water bodies. The development area boundaries are coterminous with the DDA District boundaries.



DDA DISTRICT
 DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF MONTROSE
 GENESSEE COUNTY, MICHIGAN
 Made-Tfm



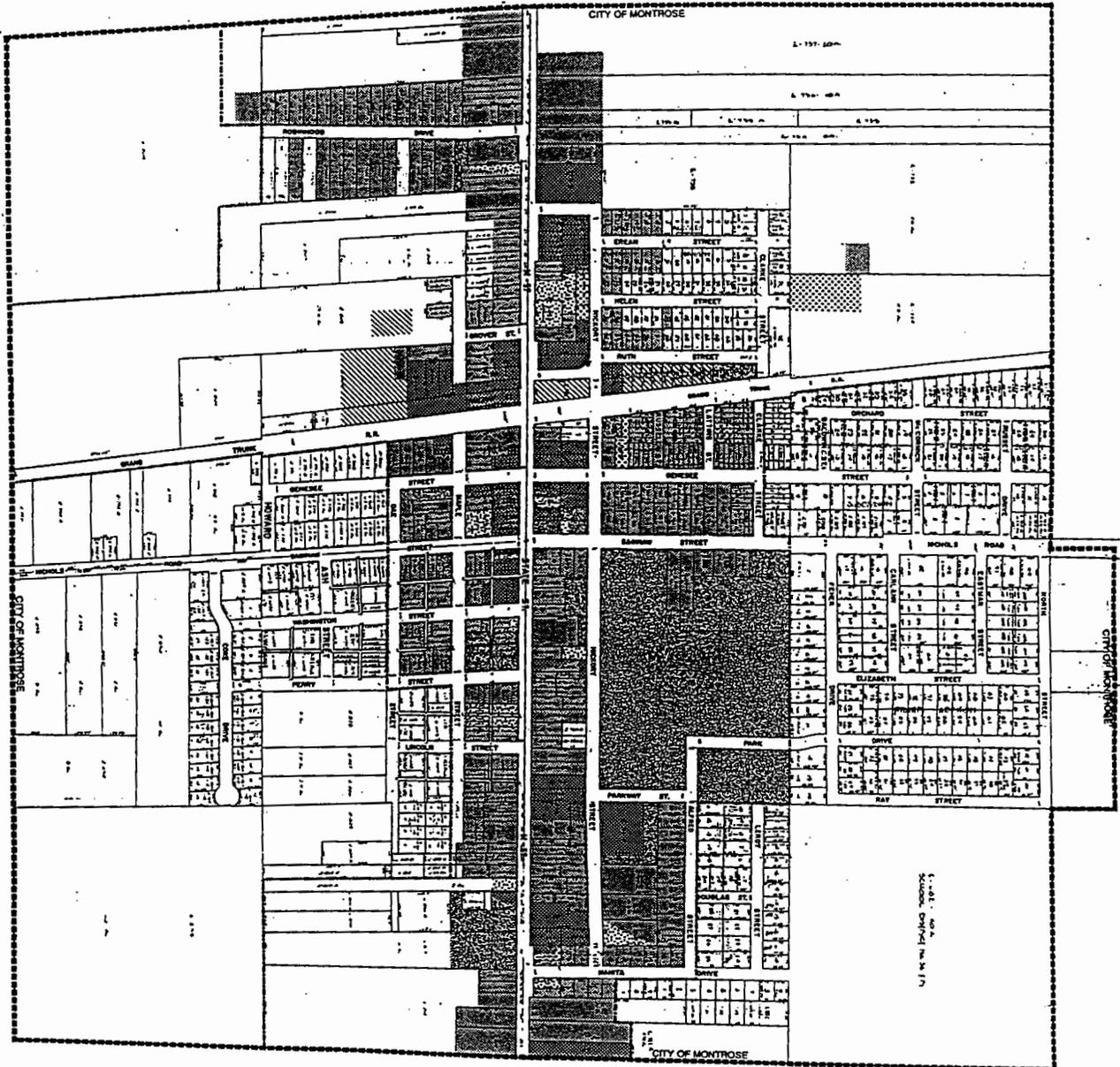
DDA DISTRICT

Section 17.(2)(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 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 shall include a legal description of the development area.

The location and extent of existing public and private land uses within the development area are presented on Map 2. Public and semi-public facilities include the following land uses:

- a. U.S. Post Office
- b. City of Montrose Offices
- c. Carter Elementary School Facility
- d. City of Montrose Department of Public Works Building
- e. Montrose Community Center
- f. Montrose Township Hall
- g. Montrose Baptist Church
- h. Montrose Wesleyan Church (two locations, current and under construction)
- i. Spirit of Promise Church
- j. Montrose Community Park
- k. Montrose Chamber of Commerce Offices
- l. Masonic Temple
- m. Montrose Historical Museum
- n. Montrose Child Development Center
- o. Montrose Historical and Telephone Museum
- p. CTE Telephone Substation
- q. United Methodist Church



- DDA DISTRICT
- SINGLE FAMILY RESIDENTIAL
- MULTIPLE FAMILY
- OFFICE
- COMMERCIAL
- INDUSTRIAL
- PUBLIC/SEM-PUBLIC

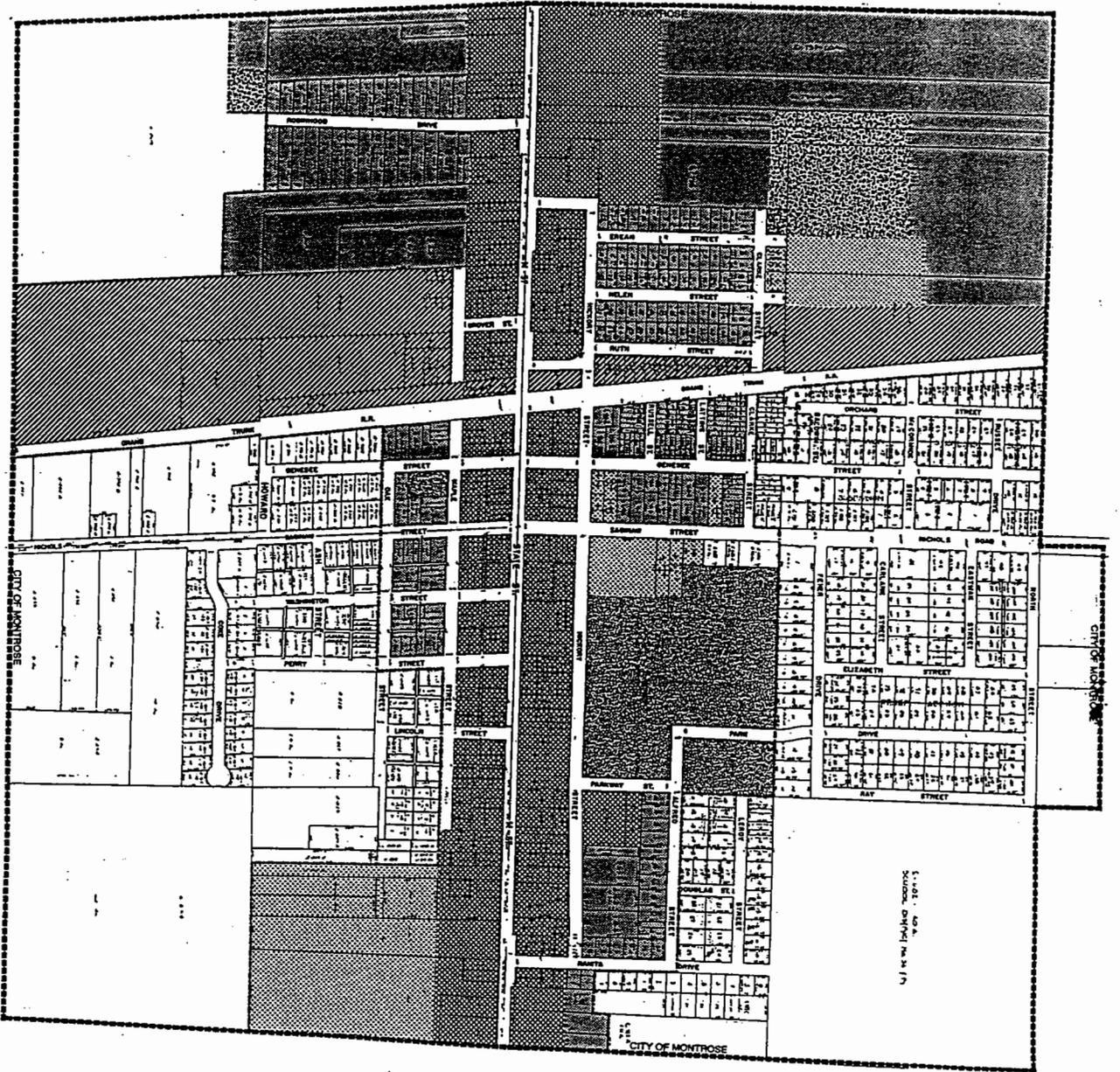


EXISTING LAND USE
 DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF MONTROSE
 GENESEE COUNTY, MICHIGAN
 Wade-Tirm

- r. Electrical Substation
- s. Fiber Optic Booster Station
- t. Montrose Adult and Alternative Education Center
- u. Old Junior High

The land development pattern proposed for the development area is shown on Map 3. The future land use proposals shown on Map 3 are as adopted by the City of Montrose Planning Commission in 1989.

A legal description of the property contained in the development area is presented in the following pages.



- DDA DISTRICT
- GOVERNMENT, EDUCATION, CHURCH
- SINGLE FAMILY
- MULTIPLE FAMILY
- COMMERCIAL
- INDUSTRIAL/MANUFACTURING
- PROPOSED PARK



FUTURE LAND USE
 DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF MONTROSE
 GENESEE COUNTY, MICHIGAN
 Wade-Timm

CITY OF MONTROSE
DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT
LEGAL DESCRIPTION

LAND LOCATED IN PORTIONS OF SECTION 16,17,20, AND 21, TOWN 9 NORTH, RANGE 5 EAST, CITY OF MONTROSE, MONTROSE TOWNSHIP, GENESEE COUNTY, MICHIGAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTER CORNER OF SAID SECTION 17, ALSO BEING THE NORTHWEST CORNER OF THE MONTROSE CITY LIMITS, PROCEEDING THENCE ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION 17, ALSO BEING THE NORTHERLY LIMITS OF THE CITY OF MONTROSE, ABOUT 1,778 FEET TO A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF THE GRAND TRUNK RAILROAD (66 FEET WIDE); THENCE SOUTHEASTERLY ALONG SAID EASTERLY GRAND TRUNK RAILROAD RIGHT-OF-WAY LINE. ALSO BEING THE SOUTHWESTERLY LINE OF LOTS 31 THROUGH 40, "STICKLAND" SUBDIVISION AND THE SOUTHWESTERLY LINE OF LOTS 28 THROUGH 35, "McCORMICK" SUBDIVISION, APPROXIMATELY 1,306 FEET TO THE SOUTHWEST CORNER OF LOT 28, "McCORMICK" SUBDIVISION; THENCE EASTERLY ALONG THE SOUTH LINE OF SAID LOT 28, APPROXIMATELY 17 FEET TO THE EASTERLY RIGHT-OF-WAY LINE OF THE GRAND TRUNK RAILROAD (100 FEET WIDE); THENCE SOUTHEASTERLY ALONG SAID EASTERLY GRAND TRUNK RAILROAD RIGHT-OF-WAY LINE, APPROXIMATELY 135 FEET TO THE INTERSECTION OF SAID GRAND TRUNK RAILROAD RIGHT-OF-WAY LINE WITH THE NORTH RIGHT-OF-WAY LINE OF CLARKE STREET (50 FEET WIDE) ALSO BEING THE SOUTHWEST CORNER OF LOT 14, BLOCK 6 "CLARKES" ADDITION TO THE VILLAGE OF MONTROSE PLAT; THENCE EASTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE OF CLARKE STREET, APPROXIMATELY 668 FEET TO THE INTERSECTION OF SAID NORTH RIGHT-OF-WAY LINE OF CLARKE STREET WITH THE WEST RIGHT-OF-WAY LINE OF SAGINAW STREET (66 FEET WIDE); THENCE NORTHERLY ALONG SAID WEST RIGHT-OF-WAY LINE OF SAGINAW STREET 132 FEET TO THE SOUTHEAST CORNER OF PARCEL E-731; THENCE EASTERLY ALONG THE PROLONGATION OF THE SOUTH LINE OF LOTS 1 THROUGH 14 "FEHER ADDITION" PLAT, APPROXIMATELY 1,332 FEET TO THE SOUTHEAST CORNER OF LOT 14, "FEHER ADDITION" PLAT, ALSO BEING THE NORTHWEST CORNER OF LOT 1 "JOHNSON" ADDITION; THENCE SOUTHERLY ALONG THE WEST LINE OF "JOHNSON ADDITION" PLAT, APPROXIMATELY 457 FEET TO THE INTERSECTION OF SAID WEST LINE OF "JOHNSON ADDITION" PLAT WITH THE NORTH RIGHT-OF-WAY LINE OF ALFRED STREET (60 FEET WIDE); THENCE EASTERLY ALONG THE NORTH RIGHT-OF-WAY LINE OF ALFRED STREET, APPROXIMATELY 891 FEET TO A POINT ON THE EAST RIGHT-OF-WAY LINE OF NANITA DRIVE (60

FEET WIDE); THENCE SOUTHERLY ALONG THE EAST RIGHT-OF-WAY LINE OF NANITA DRIVE, APPROXIMATELY 398 FEET TO THE NORTHWEST CORNER OF LOT 6, "STEVENS-JENNINGS ADDITION" PLAT; THENCE EASTERLY ALONG THE NORTH LINE OF SAID LOT 6 AND ITS EXTENSION APPROXIMATELY 223 FEET TO A POINT ON THE WEST LINE OF PARCEL E-722-A; THENCE NORTHERLY ALONG THE WEST LINE OF PARCEL E-722-A APPROXIMATELY 75 FEET TO THE SOUTHWEST CORNER OF PARCEL E-722-F; THENCE EASTERLY ALONG THE SOUTH LINE OF PARCEL E-722-F, APPROXIMATELY 189 FEET TO THE NORTHEAST CORNER OF PARCEL E-723 ALSO BEING THE EASTERLY LIMITS OF THE CITY OF MONTROSE; THENCE SOUTHERLY ALONG THE EASTERLY LIMITS OF THE CITY OF MONTROSE, ABOUT 1,800 FEET TO THE SOUTHEAST CORNER OF PARCEL E-812-1; THENCE WESTERLY ALONG THE SOUTH LINE OF PARCEL E-812-1 AND ITS EXTENSION, ABOUT 900 FEET TO THE SOUTHWEST CORNER OF PARCEL E-817-A; THENCE NORTHERLY ALONG THE WEST LINE OF PARCEL E-817-A, APPROXIMATELY 960 FEET TO THE NORTHEAST CORNER OF PARCEL E-817-D; THENCE WESTERLY ALONG THE NORTH LINES OF PARCEL E-817-D AND E-818-A APPROXIMATELY 126 FEET TO THE NORTHWEST CORNER OF PARCEL E-818-A; THENCE SOUTHERLY ALONG THE WEST LINE OF PARCEL E-818-A, APPROXIMATELY 29 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF MAPLE STREET (66 FEET WIDE); THENCE WESTERLY ALONG THE SOUTH LINE OF MAPLE STREET, ABOUT 860 FEET TO THE INTERSECTION OF THE SOUTH LINE OF MAPLE STREET WITH THE EAST RIGHT-OF-WAY LINE OF PERRY STREET (66 FEET WIDE); THENCE SOUTHERLY ALONG THE EAST LINE OF PERRY STREET, APPROXIMATELY 315 FEET TO THE INTERSECTION OF THE EAST LINE OF PERRY STREET WITH THE SOUTH RIGHT-OF-WAY LINE OF OAK STREET (66 FEET WIDE); THENCE WESTERLY ALONG THE SOUTH LINE OF OAK STREET, APPROXIMATELY 1,055 FEET TO A POINT OF THE WEST RIGHT-OF-WAY LINE OF GENESEE STREET (66 FEET WIDE); THENCE WESTERLY ALONG A LOT LINE COMMON TO PARCELS E-785 AND E-786, APPROXIMATELY 168 FEET TO A POINT ON THE GRAND TRUNK RAILROAD RIGHT-OF-WAY (100 FEET WIDE); THENCE SOUTHEASTERLY ALONG THE GRAND TRUNK RAILROAD RIGHT-OF-WAY LINE APPROXIMATELY 617 FEET TO A POINT ON THE SOUTH RIGHT-OF-WAY LINE OF HOWARD STREET (VARIABLE WIDTH); THENCE WESTERLY APPROXIMATELY 17 FEET TO A POINT ON THE GRAND TRUNK RAILROAD RIGHT-OF-WAY LINE (66 FEET WIDE) ALSO BEING THE NORTHWEST CORNER OF PARCEL E-793; THENCE SOUTHEASTERLY ALONG SAID GRAND TRUNK RAILROAD RIGHT-OF-WAY, APPROXIMATELY 1,240 FEET TO THE SOUTHERLY LIMITS OF THE CITY OF MONTROSE (ALSO BEING THE SW CORNER OF PARCEL E-795); THENCE WESTERLY ALONG THE SOUTH LIMITS OF THE CITY OF MONTROSE, ALSO BEING THE EAST-WEST 1/4 LINE OF SAID SECTION 20, APPROXIMATELY 857 FEET TO THE SOUTHEAST

CORNER OF PARCEL E-809-H-1, THENCE NORTHERLY ALONG THE EAST LINE OF PARCEL E-809-H-1 ABOUT 1,040 FEET TO THE SOUTHEAST CORNER OF PARCEL E-806; THENCE WESTERLY ALONG THE SOUTH LINE OF PARCEL E-806, APPROXIMATELY 429 FEET TO THE SOUTHWEST CORNER OF PARCEL E-806; THENCE NORTHERLY ALONG THE WEST LINE OF PARCEL E-806, APPROXIMATELY 203 FEET TO THE SOUTHEAST CORNER OF LOT 15, "ORCHARD LANE" PLAT; THENCE WESTERLY ALONG THE SOUTH LINE OF SAID LOT 15, APPROXIMATELY 390 FEET TO THE WEST RIGHT-OF-WAY LINE OF ROBINHOOD DRIVE (60 FEET WIDE), ALSO BEING THE SOUTHEAST CORNER OF LOT 16, "ORCHARD LANE" PLAT; THENCE SOUTHERLY ALONG THE PROLONGATION OF SAID WEST RIGHT-OF-WAY LINE OF ROBINHOOD DRIVE, APPROXIMATELY 208 FEET TO THE SOUTHEAST CORNER OF PARCEL E-809-J-1; THENCE WESTERLY ALONG THE SOUTH LINE OF PARCEL E-809-J-1, APPROXIMATELY 494 FEET TO A POINT ON THE NORTH-SOUTH 1/4 LINE OF SAID SECTION 20, ALSO BEING THE WESTERLY LIMITS OF THE CITY OF MONTROSE; THENCE NORTHERLY ALONG THE NORTH-SOUTH 1/4 LINE OF SECTION 20, ABOUT 1,530 FEET TO THE NORTH 1/4 CORNER OF SAID SECTION 20 ALSO BEING THE SOUTH 1/4 CORNER OF SAID SECTION 17 (ALSO BEING THE CENTERLINE OF STATE STREET); THENCE ALONG THE NORTH-SOUTH 1/4 LINE OF SAID SECTION 17, ALSO BEING THE WEST LINE OF PARCEL E-737-A, ABOUT 2,595 FEET TO THE CENTER CORNER OF SAID SECTION 17 AND THE POINT OF BEGINNING OF THIS DESCRIPTION.

(DESCRIPTION BASED ON TAX MAP, DATED FEBRUARY 16, 1987, AND TAX ROLLS FURNISHED BY THE CITY OF MONTROSE)

Section 17.(2)(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.

A full description of all projects, including those which involve any of the changes described above is provided in Section 17.(2)(d).

Section 17.(2)(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.

Table 1 provides a list of improvements within the development area. These are broken down into short-term, long-term, and other projects. The proposed improvements are discussed below.

One of the primary issues facing the DDA is improving the overall business climate of Montrose. In addition, the DDA has noted numerous other items within the DDA District that are contributing to the lack of business growth development and expansion. These items include:

1. Undersized or nonexistent utility infrastructure.
2. Lack of economic growth and vitality in the business district, including loss of customers to surrounding communities.
3. Poor quality undersized and/or missing roadways to access properties and allow for development.
4. Unavailable and inadequately planned or coordinated commercial/industrial sites.
5. Poor signage control and streetscape appearance.
6. Poor visual aesthetics.

The DDA has organized these problem areas into short-term, long-term, and other projects. The proposed projects are discussed below and are shown in Table 1.

Short Term

- I. Short-term projects include the following:
 1. Throughout many parts of the DDA District, infrastructure is obsolete undersized, and even nonexistent. The DDA realizes that quality infrastructure is vitally important to both create new economic development as well as maintain an environment capable of sustaining expansion of the existing business base. Infrastructure improvement related projects that the Montrose DDA would like to consider pursuing include, but are not limited to:
 - a. Underground burial of wiring to eliminate poles and overhead wires in the Downtown area.

- b. Street lighting.
 - c. Parking, including off-street parking facilities.
 - d. Paving of the south alley and other streets within the DDA District.
 - e. Crosswalks, including over the railroad tracks.
 - f. Roadways, water and sewer lines, sanitary sewers, and other utility related projects.
2. As a method of not only spurring new economic growth and development, but also encouraging participation by existing local business, the Montrose DDA has determined that property development/redevelopment related projects would be a significant way of producing the impetus to continued economic development within the district. Property development/redevelopment projects under consideration include, but are not limited to:
- a. Using the old railroad depot in a new location as a visitors/Chamber of Commerce center.
 - b. Eliminating unused buildings or renovating them for productive use.
 - c. Providing a new industrial park area.
 - d. Acquiring properties now on the tax sale list.
3. While physical, bricks, and mortar improvements are obvious examples of ways to spur economic growth within the district, the Montrose DDA also feels that aesthetic related improvements can make a significant contribution to improving the overall image and economic well being of the community. Aesthetic improvement projects considered important by the DDA include, but are not limited to:
- a. Improving the appearance and coordination of signage with the DDA District.
 - b. Filling in the ditches along the railroad tracks.
 - c. Streetscape and facade development along M-57 and intersecting streets.

Long Term

II. Long-term projects include the following:

1. As a method of attracting new business to Montrose, as well as maintaining the existing economic base, the Montrose DDA feels that providing recreational opportunities within the DDA District is vital. Recreational projects include, but are not limited to:
 - a. Providing new park lands.
 - b. Providing mini-parks, perhaps as linkages between larger parks.
 - c. Development or acquisition of a rental hall or large community center.
2. While the Montrose DDA feels that it is very important to quickly provide evidence of economic development in their district, over the long-term it will be equally important to provide a mechanism to promote Montrose to businesses considering moving to the district. Potential marketing projects include, but are not limited to:
 - a. Job creation and new business attraction.
 - b. Development of the old Junior High site.
 - c. Promote new housing development.
 - d. Promote pride in Montrose.

Other Projects

A. Administration

It is intended that monies for program administration will be utilized for the employment and compensation of a permanent director or other personnel, considered necessary by the DDA Board, under Section 5 of PA 197 of 1975. Included in this item are expenses for supplies, materials, postage, newspaper publications, etc.

B. Professional Services

In addition to those professional services necessary to fully design bid and construct previously mentioned projects, the DDA may employ various professionals to enable it to fully manage, fund, and implement the goals of the DDA districts. These services will include, but not be limited to; signage regulations, grant and financing assistance, proposed zoning ordinance changes, architectural guidelines, facade study, recreation plan, municipal facilities plan, legal, financial, and accounting services, etc.

C. Contingencies

A contingency line item is added to cover project cost overruns due to inflation, unforeseen circumstances, or grant programs which could leverage additional working capital. This amounts to approximately seven and one-half (7-1/2) percent of the district's capture.

Table 1
Proposed Development Projects
for the
City of Montrose Downtown Development Authority

Short-Term Priority Projects	
Infrastructure Improvements	2,100,000
Property Development Projects	2,750,000
Aesthetic Improvements	1,250,000
Long-Term Priority Projects	
Recreational Improvements	550,000
Marketing	200,000
Other Projects	
Administration	550,000
Professional Services	300,000
Contingencies	624,822
	8,324,819

Section 17.(2)(e)

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

The statement of the stages of planned construction is identified in Section 17.(2)(d). Refer to Table 4 for the estimated time each project is expected to be completed.

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

The areas to be left as public open space within the development area are:

- a. Montrose Community Park.
- b. Carter Elementary School and grounds and recreation fields.
- c. Montrose City Hall and Community Center grounds.

Section 17.(2)(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.

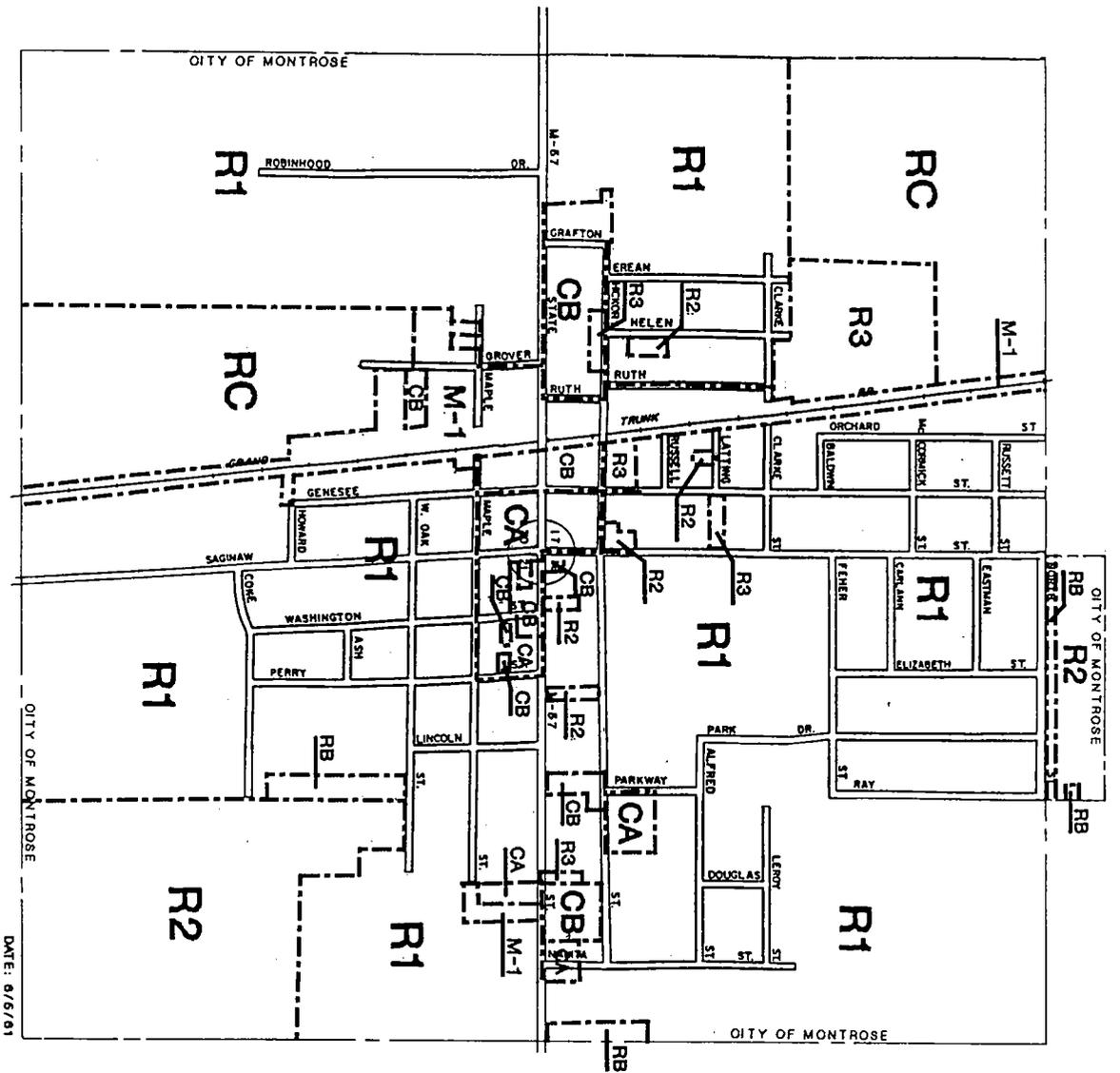
Not Applicable.

Section 17.(2)(h)

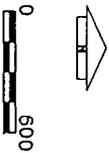
A description of desired zoning changes and changes in streets, street levels, intersections, and utilities.

The zoning categories found within the DDA District are shown on Map 4. The existing utility network is shown on Map 5a - c. No zoning changes are proposed as part of the development plan activities. Changes to streets, intersections, and utilities were previously identified under Sections 17.(2)(c) and 17.(2)(d).

**ZONING DISTRICT MAP
CITY OF MONTROSE**

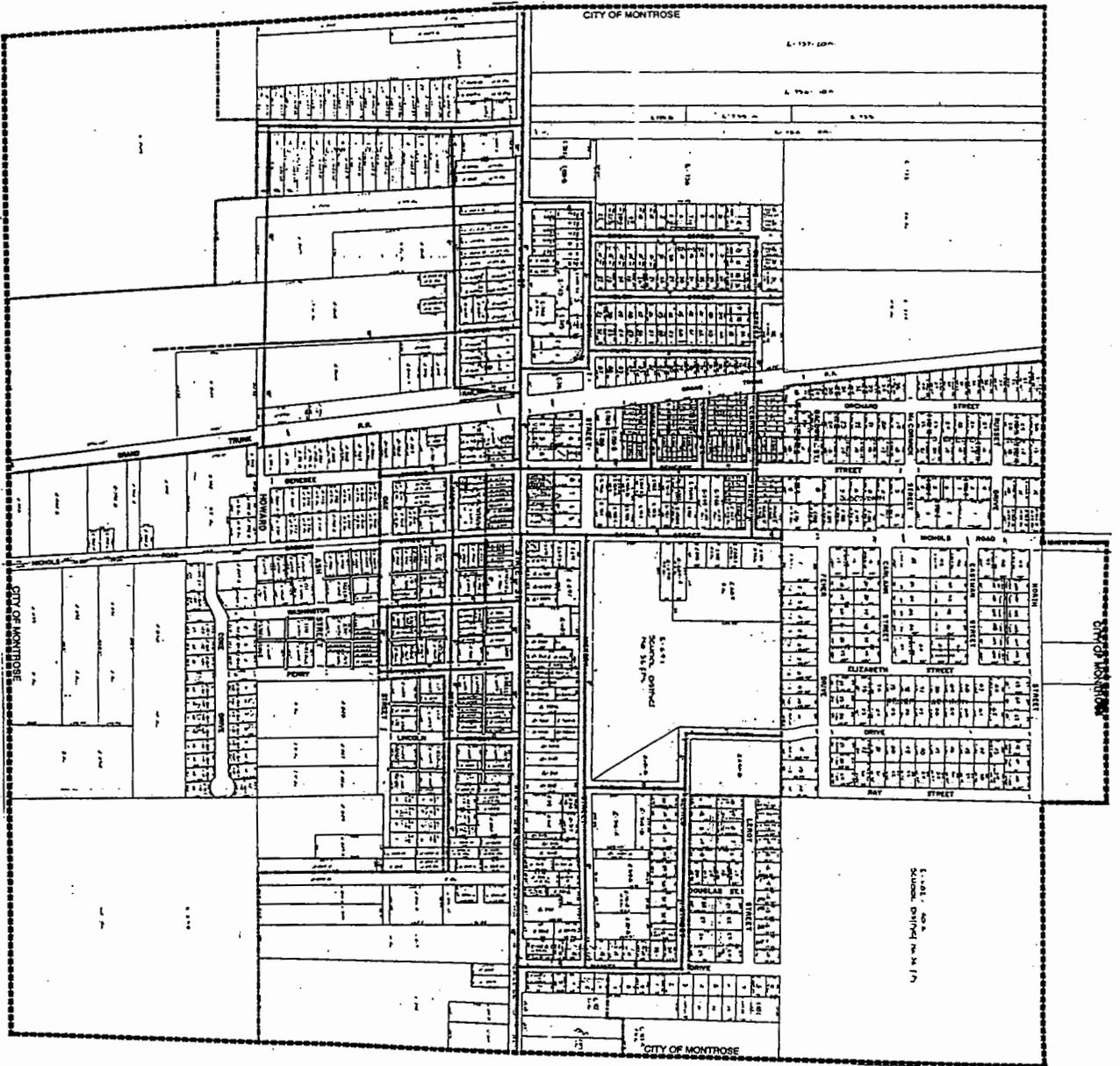


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ZONING DISTRICTS

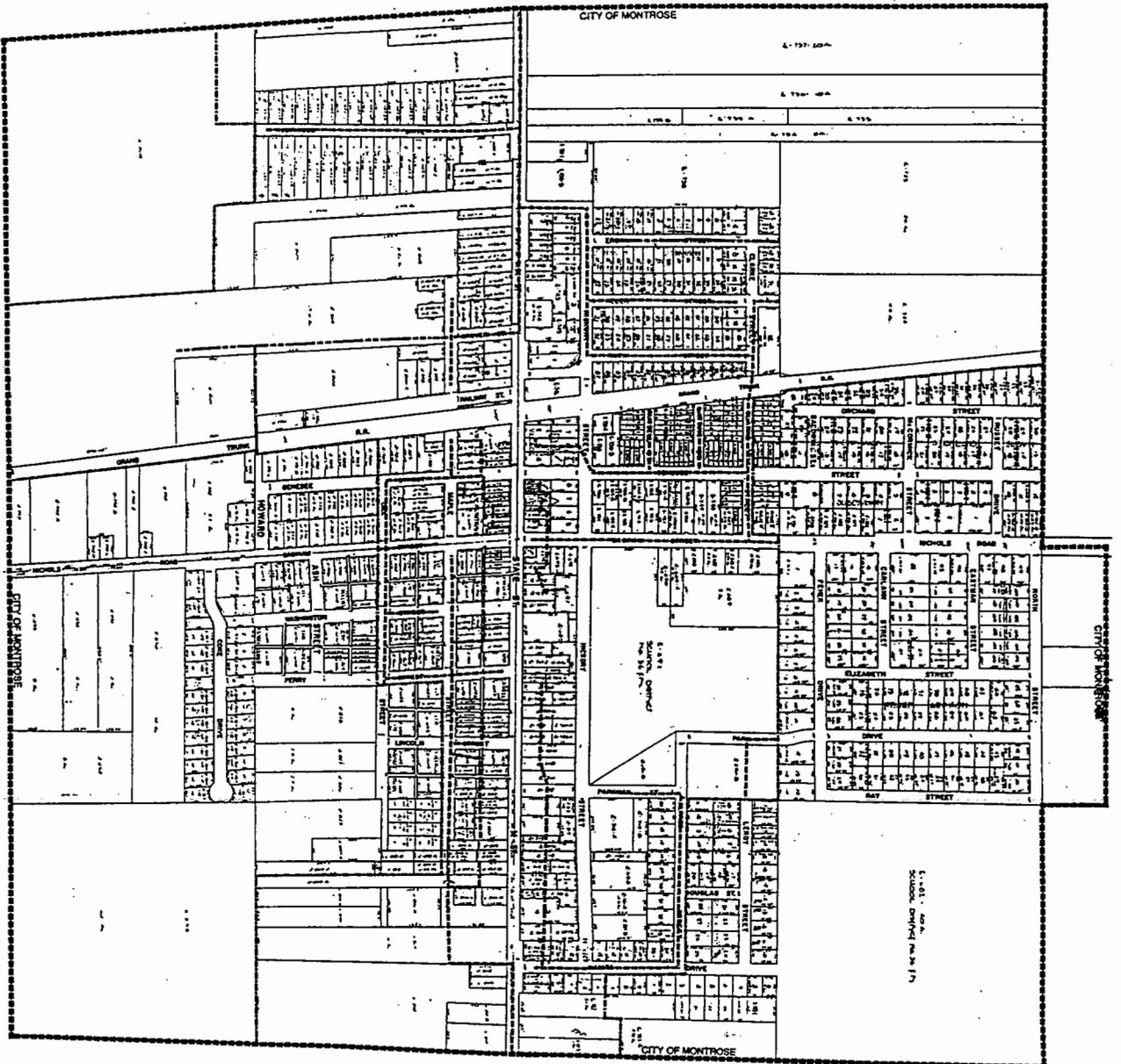
- R1 - RESIDENTIAL (1 FAMILY)
- R2 - RESIDENTIAL (1-2 FAMILY)
- R3 - RESIDENTIAL (MULTI-FAMILY)
- RB - RESIDENTIAL
- RC - RESIDENTIAL (MOBILE HOME PARK)
- CA - COMMERCIAL (CENTRAL BUSINESS)
- CB - COMMERCIAL (GENERAL BUSINESS)
- M-1 - LIGHT MANUFACTURING



- - - - - DDA DISTRICT
 ——— EXISTING WATER MAIN
 - - - - - PROPOSED WATER MAIN



WATER MAIN
 DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF MONTROSE
 GENESEE COUNTY, MICHIGAN
 Wade-Tim



DDA DISTRICT
 EXISTING SANITARY SEWER
 PROPOSED SANITARY SEWER



SANITARY SEWER
 DOWNTOWN DEVELOPMENT AUTHORITY
CITY OF MONTROSE
 GENESEE COUNTY, MICHIGAN
 Wade-Tim

Section 17.(2)(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.

The total cost for undertaking the projects identified under Section 17.(2)(d) is approximately \$8.3 million (refer also to Table 4).

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

- A. Donations to the Authority for the performance of its functions.
- B. Proceeds of a tax imposed pursuant to Section 12.
- C. Money borrowed and to be repaid as authorized by Section 13.
- D. Revenues from any property, building, or facility owned, leased, licensed, or operated by the Authority or under its control, subject to the limitations imposed upon the authority by trusts or other agreements.
- E. Proceeds of a tax increment financing plan, established under Sections 14 to 16.
- F. Proceeds from a special assessment district created as provided by law.
- G. Money obtained from other sources approved by the governing body of the municipality.

The ability of the Authority to arrange the financing is considered to be established on the basis of tax increment revenues currently available to the Authority.

Section 17.(2)(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.

Not Applicable

Section 17.(2)(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.

Not Applicable

Section 17.(2)(1)

Estimates of the number of persons residing in the development area and the number of families and individuals to be displaced. If occupied residences are designated for acquisition and clearance by the authority, a development plan shall include a survey of the families and individuals to be displaced, 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, or under construction, the condition of those 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, an 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.

Within the development area, there appears to be 238 occupied single-family homes, as well as 44 occupied multi-family units bringing a total of 282 occupied housing units. Based on a person per household average of 2.68 from the 1990 U.S. Census for the City of Montrose, this would indicate that the number of persons residing within the DDA District equals 756 persons. The DDA does not intend to displace any families or individuals as part of this development plan. Therefore, the survey and statistical description are not applicable.

Section 17.(2)(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

Section 17.(2)(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 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 USC sections 4601, et seq.

Not Applicable

Section 17.(2)(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.

Not Applicable

Section 17.(2)(p)

Other material which the authority, local public agency, or governing body deems pertinent.

Not Applicable.

FINANCING PLAN

Section 14(2)

A detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, and a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions.

1. Tax Increment Procedure

The Downtown Development Authority proposes to use tax increment financing (TIF) as its major funding mechanism.

TIF is a method of funding public investments in an area slated for (re)development by capturing, for a time, all or a portion of the increased tax revenue that may result if the (re)development stimulates private investment. The concept of tax increment financing is applied only to the downtown district for which a development plan has been prepared by the DDA and adopted by the community's legislative body.

PA 197 treats all increases in valuation resulting from the development plan whether in fact these increases bear any relation to the development or not. Tax increment revenues for the DDA result in the application of general tax rates of the community and all other political bodies levying taxes in the downtown district. These include the county, school district(s), intermediate school district, community college, drainage district(s), park authorities, etc. The amount to be transmitted to the DDA is that portion of the tax levy of all of these applicable taxing bodies paid each year on real and personal property.

"Captured assessed value" means the amount in any one year by which the current assessed value of the district, including the assessed value of property for which specific local taxes are paid in lieu of property taxes, exceeds the initial value. "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the district 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 ordinance is adopted. Property for which a commercial facilities exemption certificate, an industrial facilities exemption certificate, or a commercial housing facilities exemption certificate, is in effect shall not be considered to be property which is exempt from taxation. Tax dollars accruing from any incremental increase in SEV above the initial assessed value (base year total) may then be used by the DDA. Data presented in Table 2 "Estimate of Captured SEV," reveal what the anticipated capture is for the District through the Year 2013.

TABLE 2

ESTIMATE OF CAPTURED SEV
CITY OF MONTROSE - DOWNTOWN DEVELOPMENT AUTHORITY

YEAR	(1) SEV BASE	(2) NEW DEVELOPMEIN	(3) INFLATION	(4) TOTAL	(5) CAPTURED SEV	(6) TIF REVENUES
1993	7,177,900	0	283,600 (b)	7,461,500	283,600	20,391
1994	7,461,500	111,923 (a)	261,153	7,834,575	656,675	47,215
1995	7,834,575	117,519	274,210	8,226,304	1,048,404	75,380
1996	8,226,304	123,395	287,921	8,637,619	1,459,719	104,954
1997	8,637,619	129,564	302,317	9,069,500	1,891,600	136,006
1998	9,069,500	136,042	317,432	9,522,975	2,345,075	168,611
1999	9,522,975	142,845	333,304	9,999,124	2,821,224	202,846
2000	9,999,124	149,987	349,969	10,499,080	3,321,180	238,793
2001	10,499,080	157,486	367,468	11,024,034	3,846,134	276,537
2002	11,024,034	165,361	385,841	11,575,235	4,397,335	316,168
2003	11,575,235	173,629	405,133	12,153,997	4,976,097	357,781
2004	12,153,997	182,310	425,390	12,761,697	5,583,797	401,475
2005	12,761,697	191,425	446,659	13,399,782	6,221,882	447,353
2006	13,399,782	200,997	468,992	14,069,771	6,891,871	495,526
2007	14,069,771	211,047	492,442	14,773,260	7,595,360	546,106
2008	14,773,260	221,599	517,064	15,511,923	8,334,023	599,216
2009	15,511,923	232,679	542,917	16,287,519	9,109,619	654,982
2010	16,287,519	244,313	570,063	17,101,895	9,923,995	713,535
2011	17,101,895	256,528	598,566	17,956,989	10,779,089	775,017
2012	17,956,989	269,355	628,495	18,854,839	11,676,939	839,572
2013	18,854,839	282,823	659,919	19,797,581	12,619,681	907,355
TOTAL						8,324,819

*Compiled by Wade-Trim/Assoc., March, 1993.

(1) State Equalized Valuation (SEV) base year figure represents district value as of tax day (December 31) of previous calendar year.

(2) SEV values represent new construction or renovation of existing structures.

(3) Inflation factor of 3.5 percent applied to SEV base, for respective years.

(4) Figure represents sum of columns 1-3.

(5) Figures presented in column 5 represent the difference between column 4 values, for respective years, and original SEV base value of \$7,177,900. (Personal property values were excluded from this analysis due to the offsetting effects of depreciation.)

(a) Figure for new development calculated at (.015) of SEV base per year.

(b) Figure for 1993 adjusted to account for the total SEV increase between 1992 and 1993, whether due to inflationary increase or new construction.

2. Captured Revenue

The revenue available to the DDA from captured SEV is displayed in Table 2. By the end of the planning period, it is estimated that approximately \$8.3 million could be collected by the DDA and used for making public improvements within the downtown district.

The affect of this total reallocation of revenues on all the taxing bodies is displayed on Table 3. As documented, the majority of the captured monies would be diverted from the local school district from operating millage.

3. Revenue Assignment

Once the flow of captured revenues is calculated, the monies can be assigned against the recommended improvement proposals. Data in Table 4 identify the use of the captured revenue, by item and priority for the program period.

It is important to note that approximately 40 percent of the available revenues could go toward the bond payment program. The maximum amount of bonded indebtedness to be incurred shall not exceed \$1,500,000. The City of Montrose's DDA Development Plan and Financing Plan shall run until the close of the Year 2013 or until all incurred indebtedness has been retired.

Estimated Revenue Reallocation
By Taxing Jurisdiction
City of Mountrose Downtown Development Authority

Table 3

Year	Captured SEV (a)	Met College 1.4	Inter Schools 3.67	Genesee Parks 0.5	Mountrose Schools 41.95	City Operating 17.0	Genesee County 5.68	Library 0.7	Airport 0.5	Para-Medics 0.5	Total 71.9
1993	263,600	\$397,04	\$1,040,81	\$141,80	\$11,897,02	\$4,821,20	\$1,610,85	\$198,52	\$141,80	\$141,80	\$20,990,84
1994	656,675	\$919,35	\$2,410,00	\$328,34	\$27,547,52	\$11,163,48	\$3,729,91	\$459,67	\$328,34	\$328,34	\$47,214,95
1995	1,048,404	\$1,467,77	\$3,847,64	\$524,20	\$43,980,55	\$17,822,87	\$5,954,93	\$733,88	\$524,20	\$524,20	\$75,380,24
1996	1,459,719	\$2,043,61	\$5,357,17	\$729,86	\$61,235,21	\$24,815,22	\$8,291,20	\$1,021,80	\$729,86	\$729,86	\$104,953,79
1997	1,891,600	\$2,648,24	\$6,942,17	\$945,80	\$79,352,62	\$32,157,20	\$10,744,29	\$1,324,12	\$945,80	\$945,80	\$136,008,04
1998	2,345,075	\$3,283,11	\$8,606,43	\$1,172,54	\$98,575,90	\$39,866,28	\$13,320,03	\$1,641,55	\$1,172,54	\$1,172,54	\$168,610,92
1999	2,821,224	\$3,949,71	\$10,353,89	\$1,410,61	\$118,530,35	\$47,960,81	\$16,024,55	\$1,974,86	\$1,410,61	\$1,410,61	\$202,946,00
2000	3,321,180	\$4,649,65	\$12,188,73	\$1,660,59	\$139,323,50	\$56,460,06	\$18,864,30	\$2,324,83	\$1,660,59	\$1,660,59	\$238,792,84
2001	3,846,134	\$5,384,59	\$14,115,31	\$1,923,07	\$161,345,32	\$65,384,28	\$21,846,04	\$2,692,29	\$1,923,07	\$1,923,07	\$276,537,04
2002	4,397,335	\$6,156,27	\$16,138,22	\$2,198,67	\$184,468,20	\$74,754,70	\$24,976,86	\$3,078,13	\$2,198,67	\$2,198,67	\$316,168,39
2003	4,976,097	\$6,966,54	\$18,262,28	\$2,488,05	\$208,747,27	\$84,593,65	\$28,264,23	\$3,483,27	\$2,488,05	\$2,488,05	\$357,781,39
2004	5,583,797	\$7,817,32	\$20,492,53	\$2,791,90	\$234,240,28	\$94,924,55	\$31,715,97	\$3,968,66	\$2,791,90	\$2,791,90	\$401,475,01
2005	6,221,882	\$8,710,63	\$22,834,31	\$3,110,94	\$261,007,95	\$105,771,99	\$35,340,29	\$4,355,32	\$3,110,94	\$3,110,94	\$447,333,31
2006	6,891,871	\$9,648,62	\$25,293,17	\$3,445,94	\$289,113,99	\$117,161,81	\$39,145,83	\$4,824,31	\$3,445,94	\$3,445,94	\$495,525,55
2007	7,595,360	\$10,633,50	\$27,874,97	\$3,797,88	\$318,625,35	\$129,121,12	\$43,141,64	\$5,316,75	\$3,797,88	\$3,797,88	\$546,106,57
2008	8,334,023	\$11,667,63	\$30,585,86	\$4,167,01	\$349,612,26	\$141,678,39	\$47,337,25	\$5,833,82	\$4,167,01	\$4,167,01	\$599,216,24
2009	9,109,619	\$12,753,47	\$33,432,30	\$4,554,81	\$382,485,2	\$154,863,52	\$51,742,64	\$6,376,73	\$4,554,81	\$4,554,81	\$654,981,61
2010	9,923,995	\$13,893,59	\$36,421,06	\$4,962,00	\$416,611,59	\$168,707,92	\$56,368,29	\$6,946,80	\$4,962,00	\$4,962,00	\$713,335,25
2011	10,779,089	\$15,090,72	\$39,559,26	\$5,389,54	\$452,182,78	\$183,244,51	\$61,225,23	\$7,545,36	\$5,389,54	\$5,389,54	\$775,016,48
2012	11,676,939	\$16,347,71	\$42,854,37	\$5,838,47	\$489,847,59	\$198,507,96	\$66,325,01	\$8,173,86	\$5,838,47	\$5,838,47	\$839,571,91
2013	12,619,681	\$17,667,55	\$46,314,23	\$6,309,84	\$529,395,62	\$214,534,38	\$71,679,79	\$8,833,78	\$6,309,84	\$6,309,84	\$907,335,07
	\$115,783,299	\$162,097	\$424,925	\$57,892	\$4,857,109	\$1,968,316	\$657,649	\$81,048	\$57,892	\$57,892	\$8,324,819

TABLE 4
 City of Montrose - Downtown Development Authority
 Schedule of Revenue Expenditures

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TOTALS	
EXPENDITURES																							
SHORT-TERM																							
A. Infrastructure Improvements	12,000		50,000	80,000	65,000	29,000	65,000		100,000		150,000	145,000	150,000		190,000	200,000	185,000	175,000	200,000	200,000	104,000	2,100,000	
B. Property Development	15,000				25,000	30,000	100,000	75,000	60,000	125,000		180,000	180,000	200,000	100,000	190,000	150,000	250,000	270,000	360,000	440,000	2,750,000	
C. Aesthetic Improvements		19,000			29,000	80,000		75,000	85,000	110,000	140,000			150,000	100,000	94,000	175,000	100,000	93,000			1,250,000	
LONG-TERM																							
A. Recreational Improvements			10,000				15,000	43,000		24,000	15,000	25,000	35,000	65,000	50,000		25,000	65,000	60,000	75,000	43,000	550,000	
B. Marketing				8,000				15,000		15,000			15,000	10,000	20,000	25,000	25,000	15,000	15,000	15,000	22,000	200,000	
OTHER																							
A. Administration	1,862	2,175	2,229	5,086	6,810	6,971	7,639	7,391	10,806	13,467	15,961	17,379	19,817	23,378	25,167	30,296	35,881	40,045	45,917	76,633	154,587	549,997	
B. Professional Services	5,000	7,500	7,500	4,000		10,000		5,000		5,000	10,000	4,000	14,000	10,000	20,000	15,000	10,000	15,000	33,000	50,000	75,000	300,000	
C. Contingencies	1,529	3,540	5,651	7,868	10,196	12,640	15,207	17,902	20,731	23,701	26,820	30,096	33,536	37,148	40,939	44,920	49,101	53,490	58,100	62,939	68,768	624,822	
TOTAL	20,391	47,215	75,380	104,954	136,006	168,611	202,846	238,793	276,537	316,168	357,781	401,475	447,353	495,526	546,106	599,216	654,982	713,535	775,017	839,572	907,355	8,324,819	
REVENUE																							
A. TIF Revenue	20,391	47,215	75,380	104,954	136,006	168,611	202,846	238,793	276,537	316,168	357,781	401,475	447,353	495,526	546,106	599,216	654,982	713,535	775,017	839,572	907,355	8,324,819	
TOTAL	20,391	47,215	75,380	104,954	136,006	168,611	202,846	238,793	276,537	316,168	357,781	401,475	447,353	495,526	546,106	599,216	654,982	713,535	775,017	839,572	907,355	8,324,819	