

Tax Increment Financing
and
Downtown Development Area Plan

Michigamme Downtown Development Authority

February 2012

BREAKDOWN OF TAX INCREMENT REVENUE

Taxing Jurisdiction	Mill Rate	Tax Increment Revenue
Marquette County	7.493	\$1,351
Michigamme Township	11.0854	\$1,717
MARESA	2.261	\$350
Community Building	1.541	\$239
TOTAL	22.3804	\$3,466

MICHIGAMME DOWNTOWN DEVELOPMENT PLAN

A. INTRODUCTION

The Downtown Development Authority (DDA) of Michigamme Township was established under Michigan Public Act 197. The purpose of the DDA is to plan and implement projects for the revitalization and continued economic health of the community's downtown district. To maintain downtown as a viable business location, a Master Plan of the village area was needed. The DDA commissioned a planning process and study in order to determine future courses of action for the village of Michigamme.

The Master Plan program was developed following the steps outlined below:

- An inventory and analysis of existing downtown physical conditions was conducted
- Demographic data was collected and analyzed to better understand the local economy
- The downtown businesses and community members had the opportunity to participate in a public planning workshop
- A development plan was prepared responding to identified issues and opportunities

The Master Plan provides recommendations to guide public and private investment for the future development of the village area. This plan also serves as a guide for the Development and Tax Increment Finance Plan to meet the purposes and requirements of Michigan Public Act 197 of 1975, as amended.

B. GENERAL DESCRIPTION OF THE DEVELOPMENT AREA

Michigamme Township is located on the western boarder of Marquette County in the Central Upper Peninsula of Michigan. The downtown and most of the village is situated on the south side of U.S. Highway 41/M-28 on the shores of Lake Michigamme area. A location map included with this report shows the regional context for the Michigamme.

C. MAP AND BOUNDARIES OF THE DEVELOPMENT AREA

1. Location Map

Map #1 depicts the boundaries of the Michigamme Downtown Development Area. These boundaries shall represent the "Tax Increment Financing District" and correspond with the boundaries of the Michigamme Downtown Development Authority, which was established pursuant to Act No. 197 of the Public Acts of 1975, as amended.

2. Legal Description

The legal description of the Development is described as follows:

All of the following described property lying within Michigamme Township, Marquette County, Michigan:
Township 48 North, Range 30 West

Section 19
The South ½ of Section 19.

Section 20
19.29 Acres M/L That part of Government Lot 5 lying northerly of US 41. Except that part lying North of Trail Road beginning 566.92' South of the Northeast Corner. 16.6 Acres M/L That part of Government Lot 5 Lying northerly of Trail Road Beginning 566.92 Feet South of Northeast corner Thereof, and that part of Government Lot 4 lying northerly of Trail Road.

Section 29
The Northwest quarter of the Northwest quarter (NW¼, NW¼).

Section 30
The Northwest quarter (NW¼), the Northwest quarter of the Northeast quarter (NW¼, NE ¼), and the Northeast quarter of the Northeast quarter (NE¼, NE¼)

D. LOCATION, CHARACTER, AND EXTENT OF EXISTING PUBLIC AND PRIVATE LAND USES IN DEVELOPMENT AREA

REVIEW OF EXISTING DOWNTOWN CONDITIONS

ACCESS

U.S. Highway 41/Michigan Highway M-28 passes just to the north of downtown and Lake Michigamme. Residents and tourist can access the village from the highway using Max Street or West Railroad Street.

Area Traffic Counts

- 3,000 ADT through Michigamme on U.S. 41/M-28
- 477 ADT at the East entrance to the village on County Road 488/Max Street
- 321 ADT at the West entrance to the village on County Road 488/Railroad Street
- 283 ADT near the intersection of County Road 611/Main Street and Mesnard Street

Sidewalks are present along West Main Street and a portion of Barnum Street. These sidewalks are generally in need of repair and do not meet ADA standards.

LAND USE

The downtown district includes the following land uses:

- Art gallery
- Contractor
- Two Restaurants
- Self-storage Facility

- Retail stores
- Multi-family Residential
- Museum
- Township Hall (governmental facilities)
- Post Office
- Single Family Residential

An objective evaluation of the business district was conducted to identify downtown's physical issues.

Downtown Appearance

The village has a compact, development pattern. The physical location on the shore of Lake Michigan creates a striking setting for the village and downtown. Although there is a park along the Lake, the community really hasn't taken advantage of this location. This location also has the potential to draw tourists off the water from Van Riper State Park. There is not a central gathering place or town square with the exception of the Township Hall.

In the last decade many business owners have converted residential homes into specialty businesses. Converting older homes in the downtown area is encouraged, however, these conversions can be difficult to accomplish with current Marquette County building code. Some older commercial buildings have become vacant and fallen into disrepair. Shoppers have greater choices and opportunities than ever to spend money within the region and in the global Internet marketplace. Downtown must appeal to today's shoppers whether they are local persons or tourists.

On the positive side, the downtown is very compact with narrow streets. The narrow streets slow traffic and create a human scale appealing to shoppers and tourists. The downtown has a great sense of place and nice, small town feel to it. Most important is the potential of Michigan Township to fully utilize the potential of Lake Michigan.

Streets & Sidewalks

Downtown streets and sidewalks are narrow. While there are some benefits to a wide street with plenty of room for traffic and parking, a narrow street with human scale, like Main Street, has some advantages. Too much street width influences traffic movement, increases traffic speed, and can be difficult for pedestrians to cross. Finally, wide streets require more snow removal effort.

Sidewalks throughout the community are in need of repair. There are also many connections that can be made through out the village. The downtown has many trees and vegetation; however, many of the vacant properties have also become over grown.

Good snow management practices in the downtown by the Marquette County Road Commission are important to retain and attract businesses.

E. LOCATION, CHARACTER, AND EXTENT OF PROPOSED PUBLIC AND PRIVATE LAND USES IN DEVELOPMENT AREA

1. Proposed Public Land Uses

The Development identifies a number of public infrastructure improvements and visual enhancements, and is described in more detail in this plan.

2. Proposed Private Land Uses

Various private land uses are tentatively proposed in the Development Area. The prospects for substantial remodeling and rehabilitation include residential, commercial business, hotel lodging, and restaurants. There are a number of vacant lots in the district that could be developed as well. North of US 41 are large tracts of land that can be developed

F. IMPROVEMENTS TO THE DEVELOPMENT AREA

A detailed description of improvements to be made in the Michigamme Development Area resulting from the Development Plan is contained in Appendix 1. Included in the Appendix is the location, extent, character, and estimated cost of the improvements and estimated time for completion.

G. DESCRIPTION OF OPEN SPACE AREA AND USES IN THE DEVELOPMENT AREA

Existing public open space areas will be retained under their current use including the Township Park and future Town Square areas.

H. LAND TRANSACTIONS IN THE DEVELOPMENT AREA

The Michigamme Downtown Development Authority owns no property in Development Area and, therefore, does not intend to sell, donate, exchange, or lease any properties to or from Michigamme Township in the Development Area.

I. ZONING CHANGES IN THE DEVELOPMENT AREA

Three zoning districts exist within Development Area. These districts include:

Town Development 1

Town Development 2

Residential

There are no zoning revisions proposed in the Development Area since the Development Plan is consistent with the existing zoning.

J. DEVELOPMENT COSTS FOR THE DEVELOPMENT AREA

The total estimated cost of improvements outlined in the Development Plan (see Appendix 1) for Development Area is \$885,200. Such improvements may be financed in part by grants, accumulated tax increment revenues, or potentially a sale of Tax Increment Bonds, General Obligation Bonds, through Tax Increments generated as the project develops, or other sources of funds. Debt retirement on the bonds will be accomplished through tax increment financing as indicated in the Tax Increment Financing Plan which is attached as part of this report.

K. LAND OWNERSHIP CHANGES IN THE DEVELOPMENT AREA

No land ownership changes are proposed or necessary at this time.

L. LAND TRANSFER IN THE DEVELOPMENT AREA

This development plan does not involve the sale of any property by the DDA or Michigamme Township.

M. PERSONS RESIDING IN THE DEVELOPMENT AREA

Michigamme Township has estimated the residential population in the Development Area as of October at more than 100 persons. These residents are housed in single-family residences multi-family residences and mixed commercial/residential apartments.

RELOCATION LANGUAGE

Michigamme Township will comply with all relocation requirements if it is required under state and federal relocation guidelines.

APPENDIX 1

SUMMARY OF REQUIRED IMPROVEMENTS

Based upon community input and the village analysis, positive changes are required to remain competitive, attract new businesses, and revitalize the downtown. The Development Framework Plan addresses village problems and opportunities and serves as a guide for decision-making and setting priorities for the future development of the downtown.

Improvement projects shall focus on pedestrian access, town square and streetscape public facilities construction, and park improvements. An itemized listing of projects follows.

Downtown Gateway Improvements

Develop the intersection of Max Street and U.S. 41 to serve as the gateway to the village.

Project elements include:

1. Add landscaping on the both sides of Max Street and along U.S. 41.
2. Improve the gateway sign and add landscaping and lighting.
3. Install decorative lighting along Max Street leading to downtown.
4. Archway

Estimated Cost: \$143,200

Downtown Streetscape

Improve Main Street downtown with a streetscape project. Project elements include:

1. New street base and paving (this element has highest priority)
2. Repair existing sidewalks to be a minimum of five feet wide.
3. Replace all curb ramps to meet ADA Standards
4. Install new sidewalks (minimum of five feet wide) where needed
5. Plant/Install rain garden planters between the sidewalk and the curb
6. Install decorative LED lighting along entire length of the project on Main Street

Estimated Cost: \$336,000

Farmer's and Artists Market

Use the existing pavilion at the Township Park to hold a Farmer's and Artists Market. Project elements include:

1. ADA accessibility upgrades to the pavilion area and parking lot
2. Marketing Materials
3. Liability Insurance

Estimated Cost: \$10,000

The Town Square

Develop a Town Square near the intersection of Brook Street and Main Street (in the vicinity of the museum and in conjunction with the Michigamme Historical Society). Project elements include:

1. Landscaping with seating area
2. Drinking fountain

3. Interpretive signage
4. Bathrooms
5. Clock
6. Firepit/gathering place

Estimated Cost: \$125,000

Kayak Launch

Develop a universally accessible kayak launch in the Township Park.

Project Elements include:

1. Universally accessible parking area improvements
2. Universally accessible dock and kayak launch
3. Informational signage
4. Landscaping

Estimated Cost: \$36,000

Township Park

Repurpose a portion of the park property to encourage more usage and draw more people to the community. Project elements include:

1. Install a large mooring dock
2. Install a universally accessible fishing pier

Estimated Cost: \$225,000

The Downtown Development Authority will need to evaluate tax increment revenue available and projects for prioritization. At this time, the DDA will fund projects on a "pay as you go" basis and use tax increment revenues to match grants.

TAX INCREMENT PLAN

MICHIGAMME DOWNTOWN DEVELOPMENT AREA

A. INTRODUCTION

This Tax increment Plan is established to make possible the financing of the public improvements necessary or desirable for the development of Downtown Michigamme District in accordance with the Downtown Development Area Plan

B. TAX INCREMENT FINANCING PROCEDURE

The Tax Increment Financing Procedure as outlined in Sections 14, 15 and 16 of Act 197 of the Public Acts of Michigan of 1975, as amended, requires the adoption by the Township, an ordinance, of a development plan and a tax increment financing plan. Following the adoption of that ordinance, the local taxing jurisdiction treasurers are required by law to transmit to the Downtown Development Authority that portion of the tax levy of all taxing bodies paid each year on the "captured assessed value" of all real and personal property located in the Michigamme Downtown Development Area. The amounts so transmitted are hereinafter referred to as "tax increment revenue."

"Captured assessed value" is defined as the amount in any one year by which the "current assessed value" of all real and personal property in the development (including the assessed value that appears on the tax roll under Act 198 of the Public Acts of Michigan of 1974 and under 255 of the Public Acts of Michigan of 1978) exceeds the "initial assessed value" of all real and personal property in the development area as determined on the assessment roll of the Township then in effect on the date that the ordinance establishing the Tax Increment Financing Plan is approved. "Initial assessed value" means the most recently assessed value as finally equalized by the State Board of Equalization of all taxable property within the boundaries of the development area. The "initial assessed value" for Michigamme Downtown Development Area is that which was in effect for the 2011 tax year.

Attached hereto as Exhibit B is a schedule of the initial assessed value of all real and personal property in the Michigamme Downtown Development Area as of 2011.

The tax levy of all applicable jurisdictions (Exhibit A) is currently 18.003 mills. As a result, under this Tax Increment Financing Plan, the estimated annual tax increment revenue to be paid by the taxing jurisdiction treasurers to the Downtown Development Authority will be the sums set forth in Exhibit C. These sums are based on the estimated "captured assessed value" which are estimated for the term of the Plan of 30 years. Under this Tax Increment Financing Plan, the entire "captured assessed value" is to be utilized by the Authority for the purposes set forth in the Development Plan for the Development Area and for the period hereinafter set forth in Section E – Duration of Tax Increment Financing Plan and in Section F – Impact on other Taxing Jurisdictions.

The procedures to be followed are more fully explained in the Tax Increment Financing Ordinance set forth as Exhibit D to this plan.

C. BONDED INDEBTEDNESS TO BE INCURRED

At this time the DDA has no plans to incur any bonded indebtedness to finance the improvement program. Most improvements will be implemented on a “pay-as-you-go” basis as tax increment revenues are transmitted to the DDA, or as may be accumulated over more than one year, and held in reserve to allocate for projects. The DDA cannot incur more indebtedness than the DDA has assets or ability to pay.

The DDA may obtain a loan depending upon the favorability of terms and availability of other funds.

**Table 2
Applicable Millage Summary**

Taxing Jurisdiction	Projected Captured Millage Rate (2010 Rates)^a
Township of Michigamme	11.0854
Marquette County	7.493
MARESA	2.261
Community Building	1.541
Total Applicable Millage	22.3804

Notes:

Rates are per \$1,000.00 of taxable value.

Under this TIF plan, the tax levy on the entire captured assessed valuation is planned to be utilized by the DDA. The tax increment revenues will be expended in the manner as set forth in this plan. Estimates of the projected growth in taxable value, the revenue captured by taxing jurisdictions and the tax increment revenues to be received by the DDA are included in Table 3.

D. USE OF TAX INCREMENTS

The tax increment revenues generated by the Michigamme Downtown Development Area pursuant to the Development Plan for said area, as it now exists or is hereinafter amended, shall be used as follows:

First, to pay for improvements on a “pay as you go” basis and to match grant funds with these revenues.

Second, to pay the administrative and operating cost of the DDA and Township for the development area, including planning and promotion, to the extent provided in the annual budget of the DDA.

Third, to pay, to the extent determined desirably by the DDA and approved by the Township, the cost of completing public improvements as set forth in the Development Plan to the extent those costs are not financed from the proceeds of bonds or other sources of funds.

Fourth, to pay the cost of any additional improvements to the development area that are determined necessary by the DDA and approved by the Township Board in accordance with the procedure for initial approval of the plan.

Fifth, to reimburse the Township for funds advanced to make preliminary plans and improvements necessary for the development of the development area in accordance with this plan.

Sixth, if necessary, to establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan, an amount equal to one-fifth of the largest combined annual principal and interest payments due on bonds issued pursuant to this plan until the amount to the credit of the reserve account is equal to the largest combined annual principal and interest requirements on bonds issued pursuant to this plan. Any amounts to the credit of the reserve account at the beginning of a fiscal year in excess of the requirements of the preceding sentence shall be considered tax increment revenue for that year

Any tax increment receipts in excess of those needed under the preceding paragraphs would revert to the taxing jurisdictions or would be used for future development activities within the development area, as defined in the Development Plan to include all or parts of the Downtown Development District pursuant to amendment or modification of the Development Plan and this Tax Increment Financing Plan pursuant to applicable provisions of Act No. 197 and other laws. For the purposes of this Tax Increment Financing Plan, the boundaries of the Development Area as described in Section C – Maps and Boundaries of Development Area will remain fixed for the duration of this plan.

E. DURATION OF TAX INCREMENT PLAN

The Tax Increment Financing Plan shall commence the date the ordinance to adopt and approve a Development Plan and Tax Increment Financing Plan for Michigamme Downtown Development Area as adopted by the Michigamme Township Board. Based on the projected tax increment revenue from existing and proposed development and other sources of revenue to offset the dependency on tax increment revenue, the plan shall last 30 years. However, the plan duration may be extended by amendment or modification in the event that projected revenues and subsequent plan implementation is not accomplished during this time frame. Such amendment or modifications to the duration of the plan will be subject to review and final approval by the Michigamme Township Board. However, requests for any amendments or modification to the plan, including duration, will be subject to the public review and approval process as was required for adoption of the original plan.

F. IMPACT ON OTHER TAXING JURISDICTIONS

Prospering enterprises are present in Development Area, however numerous buildings are vacant and are declining in value. Failure to implement the Development Plan and Tax Increment Financing Plan will adversely impact the property values in the area and will likely lead to a decline in the assessed values of many properties. Consequently, this would result in lower tax revenues to all taxing jurisdictions.

Conversely, completion of the plans will prevent a decline in assessed value and all taxing jurisdictions will benefit from the substantially increased value upon termination of the plans. More importantly, the effect of revitalizing the Development Area will be realized immediately by all taxing jurisdictions in a more indirect fashion as jobs are created and rebirth of the Michigamme central business district occurs. Thus, the impact on the taxing jurisdiction is favorable. Based on the estimated "captured assessed value" for years 2012 through 2042. Exhibit C sets forth the monetary impact of the development and tax increment plans on the taxing jurisdictions.

An annual report will be transmitted to all taxing jurisdictions to keep them apprised of the status of the Tax Increment Financing account. The report will include the amount of source of revenue in the account; the amount and purpose of expenditures from the account; the amount of principal and interest on any outstanding bonded indebtedness; the initial assessed value of the project area; the captured assessed value retained by the authority; the tax increments received; status of the tax increment financing account relative to projections in the original plan; and any additional information as deemed necessary or desirable by the taxing jurisdictions.

2012 Tax Year Calculations

Tax Increment Financing Revenue

Downtown Development District

Current Assessed Value minus Initial Assessed Value – Captured Assessed Value

\$5,89,511 (Estimated) minus \$5,735,649 = 154,862

Captured Assessed Value X Total Millage = Tax Increment Revenue

\$154,862 X 22.3174 = \$3,465

Exhibit A:

Tax Levy for all Jurisdictions

15 SB
330-020 49,304 49,305

~~500-028 1,287 4,400 15,250~~

500-101-10 missing 4,347

510-022-00 2,143 25,134

510-027-00 4,225 5,250
Mercien Bulera

329-004-00 167,987 167,087

* 500-040-00 3938 0

510-051 2327 2803

900-007 - 50
008 - 200
04 - 22,250
029 - 1200
033 - 4850

6,706,199
~~1,509,661~~
~~1,109,501~~
~~1,089,468~~

Exhibit B

Schedule of Initial Assessed Values

Exhibit D

Ordinance

ORDINANCE NO. _____

AN ORDINANCE TO ADOPT AND APPROVE A TAX INCREMENT FINANCING AND DEVELOPMENT PLAN FOR MICHIGAMME TOWNSHIP DOWNTOWN DEVELOPMENT AREA PURSUANT TO THE PROVISIONS OF ACT 197, PUBLIC ACTS OF MICHIGAN OF 1975, AS AMENDED, AND TO PROVIDE FOR ALL MATTER RELATED THERETO.

Michigamme Township Ordains:

**TITLE 8: TAXING, FINANCIAL
CHAPTER 6: TAX INCREMENT FINANCING PLAN MICHIGAMME TOWNSHIP DOWNTOWN DEVELOPMENT AREA**

____.1 Downtown Tax Increment Financing and Development Plan

1) Definitions

When used in this chapter and other applicable portions of the Michigamme Township Ordinance Code, the following terms shall have the meanings respectively ascribed, as follows:

- a) **“Act 197”**
The term Act 197 means the Downtown Development Authority Act No. 197, Public Acts of Michigan of 1975, as amended.
- b) **“Base Year Assessment Role”**
The term base year assessment roll means the base year assessment roll prepared by the Township Assessor in accordance with this ordinance and Exhibit B of the Tax Increment Plan.
- c) **“Captured Assessed Value”**
The term captured assessed value means the amount in any one year by which the current assessed value as finally equalized by the State Board of Equalization for all real and personal property in the Michigamme Downtown Development Area exceeds the “Initial Assessed Value” of the Area.
- d) **“Development Area”**
The term development area means the area herein referred to as Michigamme Downtown Development Area which generally is described as the land north of U.S. 41, west to the Marquette County line and the developed area of Michigamme. The Development Area is more fully described in the “Development Plan.”
- e) **“Development Plan”**
The term Development Plan means the Tax Increment Financing and Development Plan for Michigamme Downtown Development Area dated _____ as amended and transmitted to the Township Board by the Michigamme Downtown Development Authority for public hearing, as modified by action of the Michigamme Township Board and confirmed by this ordinance, copies of which are on file in the office of the Township Clerk.
- f) **“Downtown Development Authority”**
The term Downtown Development Authority means the Michigamme Township Downtown Development Authority as established in accordance with “Act 197”.

- g) **“Initial Assessed Value”**
The term Initial assessed value means the most recently assessed value as finally equalized by the State Board of Equalization of all real and personal property within the boundaries of the “Development Area” at the time of adoption of this ordinance.
- h) **“Project Fund”**
The term project fund means the Downtown Development Authority Project Fund established pursuant to Section 6 of this ordinance.
- i) **“Taxing Jurisdiction”**
The term taxing jurisdiction means each governmental unit levying an ad valorem property tax on all real and personal property in the “Development Area” including taxes levied by the Marquette County Board of Commissioners and Michigamme Township.
- j) **“Tax Increment Financing Plan”**
The term tax increment financing plan means the method of financing the activities outlined in Development Plan for Michigamme Downtown Development Area.
- k) **“Tax Increment Revenue”**
The term tax increment revenue means the revenue generated as captured assessed value which is intended to be used to finance the activities outlined in Section 8 of this ordinance.

2) **Approval and Adoption of Tax Increment Financing and Development Plan**

The Tax Increment Financing and Development Plan as amended by the Michigamme Township Board is hereby approved and adopted. The duration of the plan shall be 30 years from the date of issuance of the last series of bonds issued pursuant to the Development Plan, except as it may be extended by subsequent amendment of the plan and this ordinance. A copy of the plan and all amendments thereto shall be maintained on file in the Township Clerk’s office and cross-indexed to this ordinance.

3) **Boundaries of Development Area**

The boundaries of Development Area as set forth in the Development Plan are hereby adopted, confirmed, and established for the duration of the Development Plan.

4) **Preparation of Base Year Assessment Roll**

- a) Within 60 days of the effective date of this ordinance, the Township Assessor shall prepare the initial Base Year Assessment Roll. The initial Base Year Assessment Roll shall list each Taxing Jurisdiction in which the Development Area is located, the Initial Assessed Value of Development Area on the effective date of this ordinance and the amount of tax revenue derived by each Taxing Jurisdiction from ad valorem taxes on the property in the Development Area.
- b) The assessor shall transmit copies of the initial Base year Assessment Roll to the Township Treasurer, County Treasurer, Downtown Development Authority and each Taxing Jurisdiction, together with a notice that the assessment roll has been prepared in accordance with this ordinance and the tax increment financing plan contained in the Development Plan approved by this ordinance.

5) Preparation of Annual Base Year Assessment Roll

Each year, within 15 days following the final equalization of property in Development Area, the Assessor shall prepare an updated Base Year Assessment Roll. The updated Base Year Assessment Roll shall show the information required in the initial Base Year Assessment Roll and, in addition, the Captured Assessed Value for that year. Copies of the annual Base Year Assessment Roll shall be transmitted by the Assessor to the same persons as the initial Base Year Assessment Roll, together with a notice that it has been prepared in accordance with this ordinance and the Development Plan.

6) Establishment of Project Fund: Approval of Depository

Accounts in a bank approved by the director of finance of the Township, to be designated Michigamme Downtown Development Authority Project Fund. All monies received by the Downtown Development Authority pursuant to the Tax Increment Financing and Development Plan shall be deposited in the Project Fund.

7) Payment of Tax Increments to Downtown Development Authority

The Township and County Treasurer shall, as ad valorem taxes are collected on the property in the Development Area, pay that proportion of taxes, except for penalties and collection fees that the Captured Assessed Value bears to the Initial Assessed Value to the treasurer of the Downtown Development Authority for deposit in the Project Fund. The payments shall be made on the date or dates on which the Township and County Treasurers are required to remit taxes to each of the taxing jurisdictions.

8) Use of Monies in the Project Fund

The money credited to the Project Fund and on hand therein from time to time shall annually be used in the following manner:

- a) First, to pay for improvements on a "pay as you go" basis and to match grant funds with these revenues.
- b) Second, to pay the administrative and operating cost of the DDA and Township for the development area, including planning and promotion, to the extent provided in the annual budget of the DDA.
- c) Third, to pay, to the extent determined desirably by the DDA and approved by the Township, the cost of completing public improvements as set forth in the Development Plan to the extent those costs are not financed from the proceeds of bonds or other sources of funds.
- d) Fourth, to pay the cost of any additional improvements to the development area that are determined necessary by the DDA and approved by the Township Board in accordance with the procedure for initial approval of the plan.
- e) Fifth, to reimburse the Township for funds advanced to make preliminary plans and improvements necessary for the development of the development area in accordance with this plan.
- f) Sixth, if necessary, to establish a reserve account for payment of principal and interest on bonds issued pursuant to this plan, an amount equal to one-fifth of the largest combined annual principal and interest payments due on bonds issued pursuant to this plan until the amount to the credit of the reserve account is equal to the largest combined annual principal and interest requirements on bonds issued pursuant to this plan. Any amounts to the credit

of the reserve account at the beginning of a fiscal year in excess of the requirements of the preceding sentence shall be considered tax increment revenue for that year

- g) Any tax increment receipts in excess of those needed under the preceding paragraphs would revert to the taxing jurisdictions or would be used for future development activities within the development area, as defined in the Development Plan to include all or parts of the Downtown Development District pursuant to amendment or modification of the Development Plan and this Tax Increment Financing Plan pursuant to applicable provisions of Act No. 197 and other laws. For the purposes of this Tax Increment Financing Plan, the boundaries of the Development Area as described in Section C – Maps and Boundaries of Development Area will remain fixed for the duration of this plan.

9) Annual Report

Within 90 days after the end of each fiscal year, the Downtown Development Authority shall submit to the Township Board, with copies to each Taxing Jurisdiction and the Michigan Department of Education, a report on the status of the Project Fund. The report shall include the amount and source of revenue in the account, the amount and purpose of expenditures from the account, the initial Assessed Value of the Development Area, the Captured Assessed Value of the Development Area, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the Michigan Township Board or as deemed appropriate by the Downtown Development Authority. The secretary of the Downtown Development Authority shall cause a copy of the report to be published once in full in a newspaper of general circulation in the Township.

10) Refund of Surplus Tax Increments

Any surplus money in the Project Fund upon termination of the Development Plan shall be paid by the Downtown Development Authority to the Township or County Treasurer, as the case may be. After the initial 5-year period has lapsed, the Downtown Development Authority will assess the progress that has been made. Particular attention will be given to the amount of tax increment revenue that was actually generated during this period in comparison to that amount projected in the original plan (see Exhibit C of the Tax Increment Financing Plan). This assessment will be done in conjunction with taxing jurisdiction and a 5-year report will follow. The report will outline courses of action to be taken with all taxing jurisdictions based on the 5-year assessment.

History: Adopted (_____)

COUNTY OF MARQUETTE
2012 BUDGET
LOCAL UNIT AD VALOREM LEVIES
(SCHOOL OP ASSUMES COM. PERS PROPERTY IS TAXED AT 6 MILLS)
(SCHOOL TAX-STATE ASSUMES IND PERS PROPERTY IS EXEMPT)

MICHIGAMME TOWNSHIP

	PRE	NON-PRE
REAL TAXABLE VALUE (REP-MICH)	\$ 8,270,616	\$ 29,075,896
PERSONAL TAXABLE VALUE-COM	\$ 375,500	
PERSONAL TAXABLE VALUE-IND	\$ 1,986,400	
PERSONAL TAXABLE VALUE	-0-	933,750
SUBTOTAL	\$ 10,612,516	\$ 30,009,646
REAL TAXABLE VALUE (NICE)	\$ 397,900	\$ 1,363,245
PERSONAL TAXABLE VALUE-COM	\$ 333,850	
PERSONAL TAXABLE VALUE-IND		
PERSONAL TAXABLE VALUE	-0-	-0-
SUBTOTAL	\$ 731,750	\$ 1,363,245
TOTAL TAXABLE VALUE	\$ 42,717,157	

<u>REPUBLIC/MICH. PORTION</u>	PRE TAXES	NON-PRE TAXES	PRE TAX RATE	NON-PRE TAX RATE	PRE PERCENT	NON-PRE PERCENT
COUNTY TAX	\$ 56,180.53	\$ 158,865.06	5.2938	5.2938	19.5224	11.7336
COUNTY TAX - AGING	4,644.03	13,132.22	0.4376	0.4376	1.6138	0.8699
COUNTY TAX - DISPATCH	5,159.80	14,590.68	0.4862	0.4862	1.7930	1.0777
COUNTY TAX - RESCUE SAFETY	1,582.32	4,474.43	0.1491	0.1491	0.5498	0.3305
COUNTY TAX - STANDARDIZATION	5,836.88	16,505.30	0.5500	0.5500	2.0283	1.2191
COUNTYWIDE TRANSIT	6,364.32	17,996.78	0.5997	0.5997	2.2116	1.3292
INTER. SCHOOL DIST.	2,173.44	6,145.97	0.2048	0.2048	0.7553	0.4539
SPECIAL EDUCATION	21,226.03	60,019.29	2.0000	2.0000	7.3756	4.4330
TOWNSHIP TAX	9,303.99	26,309.45	0.8767	0.8767	3.2331	1.9432
TOWNSHIP TAX	19,094.03	53,993.35	1.7992	1.7992	6.6351	3.9879
TOWNSHIP TAX	39,774.64	112,473.15	3.7479	3.7479	13.8214	8.3071
TOWNSHIP COMMUNITY CENTER	15,660.88	44,285.23	1.4757	1.4757	5.4421	3.2709
FIRE & FIRST RESPONDER	18,104.95	51,196.45	1.7060	1.7060	6.2913	3.7813
ROADS	15,705.46	44,411.27	1.4799	1.4799	5.4575	3.2802
SCHOOL TAX (REP. MICH.)	2,253.00	540,173.62	0.0000	18.0000	0.0000	38.8966
SCHOOL DEBT (REP. MICH.)	3,289.87	9,302.99	0.3100	0.3100	1.1432	0.6871
SCHOOL TAX (STATE)	63,675.09	180,057.87	6.0000	6.0000	22.1267	13.2989
SUBTOTAL TAXES (REP/MICH)	\$ 280,028.26	\$ 1,353,933.11	27.1166	45.1166	100.0000	100.0000
TOTAL TAXES REPUBLIC/MICH. PC	\$ 1,643,961.37					
SUMMER	\$ 1,013,798.03	(29,657.54)	13.8086	31.8086		
WINTER	\$ 570,046.61		11.8281	11.8281		
 <u>NICE PORTION</u>						
COUNTY TAX	\$ 3,873.73	\$ 7,216.74	5.2938	5.2938	17.3887	10.9277
COUNTY TAX - AGING	320.21	596.55	0.4376	0.4376	1.4374	0.9033
COUNTY TAX - DISPATCH	355.77	662.80	0.4862	0.4862	1.5970	1.0036
COUNTY TAX - RESCUE SAFETY	109.10	203.25	0.1491	0.1491	0.4898	0.3078
COUNTY TAX - STANDARDIZATION	402.46	749.78	0.5500	0.5500	1.8066	1.1353
COUNTYWIDE TRANSIT	438.83	817.53	0.5997	0.5997	1.9699	1.2379
INTER. SCHOOL DIST.	149.86	278.19	0.2048	0.2048	0.6727	0.4228
SPECIAL EDUCATION	1,463.50	2,726.49	2.0000	2.0000	6.5695	4.1285
TOWNSHIP TAX	641.52	1,195.15	0.8767	0.8767	2.8797	1.8097
TOWNSHIP TAX	1,316.56	2,452.75	1.7992	1.7992	5.9099	3.7140
TOWNSHIP TAX	2,742.52	5,109.30	3.7479	3.7479	12.3108	7.7366
TOWNSHIP COMMUNITY CENTER	1,079.84	2,011.74	1.4757	1.4757	4.8473	3.0462
FIRE & FIRST RESPONDER	1,248.38	2,325.69	1.7060	1.7060	5.6037	3.5216
ROADS	1,082.91	2,017.46	1.4799	1.4799	4.8611	3.0549
SCHOOL TAX (NICE)	2,003.10	24,538.41	0.0000	18.0000	0.0000	37.1564
SCHOOL SINKING FUND (NICE)	1,198.09	2,232.04	1.6373	1.6373	5.3781	3.3798
SCHOOL BOND (NICE)	1,463.50	2,726.49	2.0000	2.0000	6.5695	4.1285
SCHOOL TAX (STATE)	4,390.50	8,179.47	6.0000	6.0000	19.7084	12.3855
SUBTOTAL TAXES (NICE)	\$ 24,280.36	\$ 66,040.83	30.4439	48.4439	100.0000	100.0000
SUBTOTAL NICE PORTION	\$ 90,321.19					
SUMMER	\$ 23,660.44	(0.42)	11.2938	11.2938		
WINTER	\$ 66,660.75		19.1501	37.1501		
GRAND TOTAL TAXES	\$ 1,734,282.56					

General-	114,131.96
Garbage-	87,921.25
FIRE/EMS	72,762.07
PARK	19,982.11
Building	74,928.26
Road	103,082.22

2011 Tax Rate Request (This form must be completed and submitted on or before September 30, 2011)

MILLAGE REQUEST REPORT TO COUNTY BOARD OF COMMISSIONERS

Carefully read the instructions on page 2.

This form is issued under authority of MCL Sections 211.24e, 211.34 and 211.34d. Filing is mandatory. Penalty applies.

County(ies) Where the Local Government Unit Levies Taxes Marquette	2011 Taxable Value of ALL Properties in the Unit as of 5-23-11 \$42,717,157
Local Government Unit Requesting Millage Levy Michigamme Township	For LOCAL School Districts: 2011 Taxable Value excluding Principal Residence, Qualified Agricultural, Qualified Forest, Industrial Personal and Commercial Personal Properties.

This form must be completed for each unit of government for which a property tax is levied. Penalty for non-filing is provided under MCL Sec 211.119. The following tax rates have been authorized for levy on the 2011 tax roll.

(1) Source	(2) Purpose of Millage	(3) Date of Election	(4) Original Millage Authorized by Election Charter, etc.	(5) ** 2010 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(6) 2011 Current Year "Headlee" Millage Reduction Fraction	(7) 2011 Millage Rate Permanently Reduced by MCL 211.34d "Headlee"	(8) Sec. 211.34 Truth in Assessing or Equalization Millage Rollback Fraction	(9) Maximum Allowable Millage Levy *	(10) Millage Requested to be Levied July 1	(11) Millage Requested to be Levied Dec. 1	(12) Expiration Date of Millage Authorized
Allocated	Oper.	Nov88	1.4000	.8867	.9866	.8767	1.0000	.8767	-----	.8767	N/A
Voted	Oper	Aug06	2.0000	1.8237	.9866	1.7992	1.0000	1.7992	-----	1.7992	2011
Voted	Oper	Aug08	4.0000	3.7989	.9866	3.7479	1.0000	3.7479	-----	3.7479	2014
Voted	Fire/Em	1994	2.5000	1.7292	.9866	1.7060	1.0000	1.7060	-----	1.7060	2013
Voted	Building	2001	2.0000	1.4958	.9866	1.4757	1.0000	1.4757	-----	1.4757	2021
Voted	Roads	Nov10	1.5000	1.5000	.9866	1.4799	1.0000	1.4799	-----	1.4799	2030

Prepared by David Robare	Telephone Number 485-1091 x 206	Title of Preparer Assessor	Date 9/19/11
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DECLARATION: As the representatives for the local government unit named above, we certify that these requested tax levy rates have been approved by the voters, if necessary to comply with the state constitution (Article 9, Section 31), and that the requested levy rates have also been reduced, if necessary, to comply with MCL Sections 211.24e, 211.34 and, for LOCAL school districts which levy a Supplemental (Hold Harmless) Millage, 211.34d.

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0-8767 ÷
1-7992 ÷
2-6759 ÷

Signature <i>Jean Howe</i>	Print Name Jean Howe	Date 09/20/11
Signature <i>Aivar Maki</i>	Print Name Aivar Maki	Date 09/20/11

* Under Truth in Taxation, MCL Section 211.24e, the governing body may decide to levy a rate which will not exceed the maximum authorized rate allowed in column 9. The requirements of MCL 211.24e must be met prior to levying an operating levy which is larger than the base tax rate but not larger than the rate in column 9.

** **IMPORTANT:** See instructions on page 2 regarding where to find the millage rate used in column (5).

Total School District Operating Rates to be Levied (HH/Supp and NH Oper ONLY)	Rate
For Principal Residence, Qualified Ag, Qualified Forest and Industrial Personal	
For Commercial Personal	
For all Other	