

VILLAGE OF CASS CITY DOWNTOWN DEVELOPMENT AUTHORITY



TAX INCREMENT FINANCING PLAN

Approved June 25, 2012

Village of Cass City
6506 Main Street
Cass City, Michigan 48726

Draft Copy March 2012

VILLAGE OF CASS CITY, TUSCOLA COUNTY, MICHIGAN

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Introduction

The legislative body of a municipality is authorized under Michigan Public Act 197 of 1975, as amended, to create a Downtown Development Authority (DDA). The Ordinance establishing the authority must also designate the boundaries of the DDA District within which the authority may exercise its powers. The Board of Directors of the Authority must consist of between 8 and 12 members, plus the municipality's chief Executive Officer.

The purpose of a DDA is to prevent deterioration and promote economic growth within a business district by developing, adopting, and implementing plans for new and re-development. Separate plans may be adopted for different development areas within the DDA District. The plan may include proposals for construction, renovation, repair, remodeling, or rehabilitation of a public facility, an existing building, or a multiple-family dwelling unit that aids economic growth in the Downtown District.

To implement a development plan, the authority may construct, rehabilitate, equip, improve, maintain, or operate any building within the District for public or private use. The authority may acquire and own, lease or dispose of any land or real and personal property that the authority determines to be reasonably necessary to prevent deterioration and promote economic growth in the business district. The authority may also acquire and construct public facilities and make land improvements. The Downtown Development Authority Act also allows municipalities to take private property under the power of eminent domain and transfer the property to the DDA.

Funds to finance activities of the authority may be derived from several sources including taxes, revenues generated from the use of assets, proceeds from revenue bonds, municipal funds, state and federal grants, special assessment levies and tax increment financing receipts.

The Village of Cass City (the "Village") established the Village of Cass City Downtown Development Authority (the "Authority") in June 1992. On July 1 of that year the Village Council approved, a combined Development and Tax Increment Financing ("TIF") Plan (the "Plan") that identified needed improvements in the DDA District and outlined various means for financing those improvements.

The 2012 Amended Downtown Development & Tax Increment Financing Plan was prompted by the need to update and revise the plan.

CASS CITY DOWNTOWN DEVELOPMENT PLAN

Development Plan Elements

The following references to “sections” relate to the specific items that must be addressed in any Development Plan as required by State Statutes as found in Section 17.2 of Public Act 197 of 1975.

Section 17.2a: District Boundaries

The designation of boundaries of the Development Area in relation to highways, streets, streams, or otherwise

See Attached Exhibit “A” and Appendix “A” of Ordinance 129

The location and extent of existing streets and other public facilities within the development area and designation of 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.

All Streets in the development area are shown on the Development area map. The public facilities in the development area include the following:

- Post Office – located on Sherman Street
- Rawson Memorial Library – located on Pine Street
- Baker Community College
- Cass City Municipal Building
- Rotary Park
- Veterans Memorial Park
- Elkland Township Fire Station
- Cultural Center
- Antique Center
- Parking Lots

The Private land use in the development district includes a mix of commercial and retail, business, professional offices, business offices, and residential structures.

The majority of commercial and retail businesses are concentrated along both sides of Main Street from Ale Street to Doerr Road. The business and professional offices are scattered throughout the district. The majority of residential structures are located north of Main between Downing and Sherman Streets.

Section 17.2b: Existing & Proposed Land Uses

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 Downtown Development Authority (DDA) boundaries are presented on Map 1 on page 7. The DDA District includes a traditional downtown/village-center area (see photo at right) and more conventional general commercial development along M-81 heading west from Downtown. The village-center contains specialty retail shops, banks, offices, personal & professional service businesses, Post Office, restaurants, taverns, and upper-level rental housing. The village-center also includes a municipal complex that includes the Village Hall/Police/Fire Department Facility, and the Rawson Memorial Library. The pedestrian friendly streetscape is the product of a series of phased improvement projects carried out by the DDA, such as decorative street lighting, landscaping, floral displays, and decorative light post banner displays.

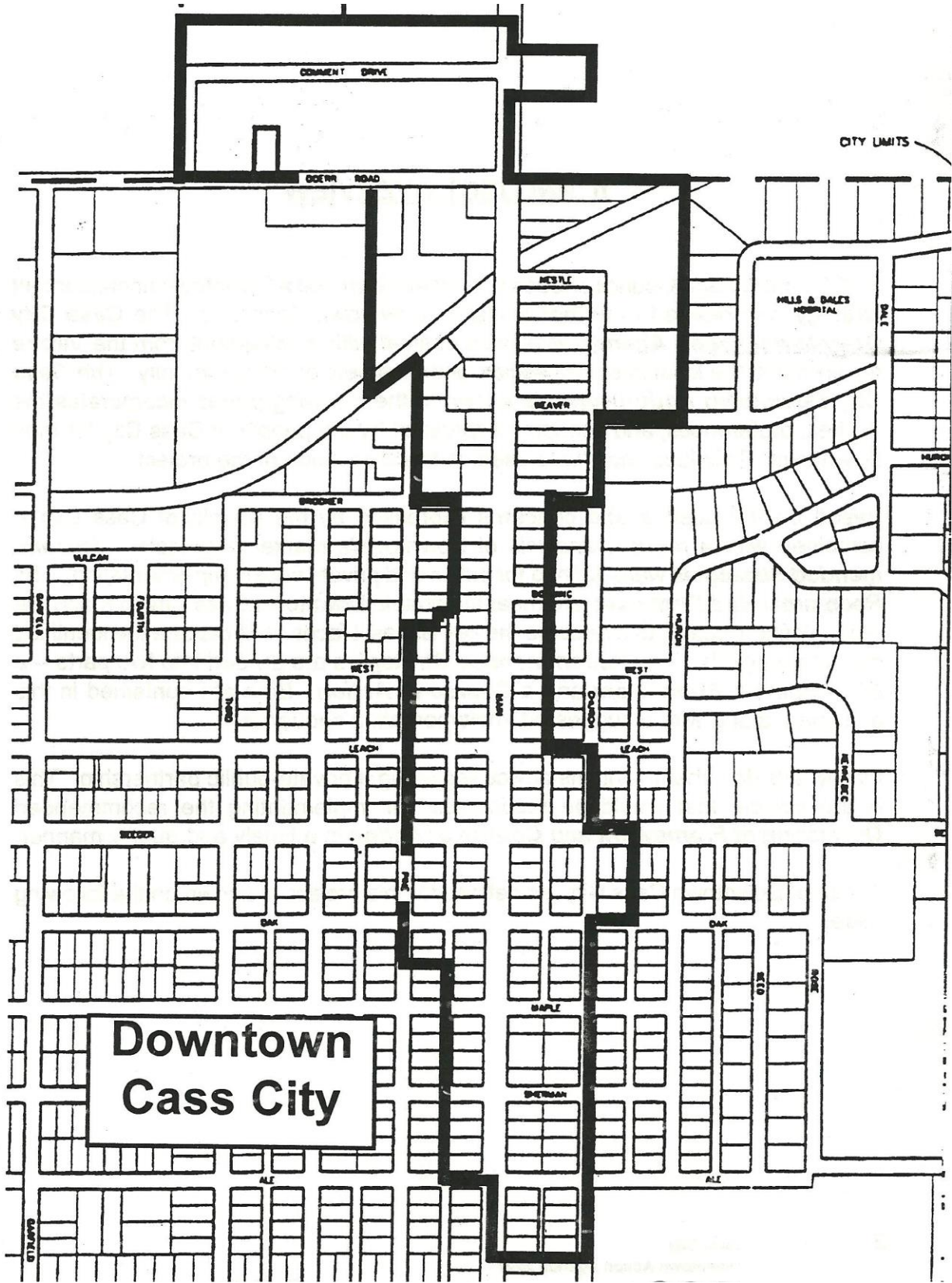


The village-center also includes a municipal complex that includes the Village Hall/Police/Fire Department Facility, and the Rawson Memorial Library. The pedestrian friendly streetscape is the product of a series of phased improvement projects carried out by the DDA, such as decorative street lighting, landscaping, floral displays, and decorative light post banner displays.

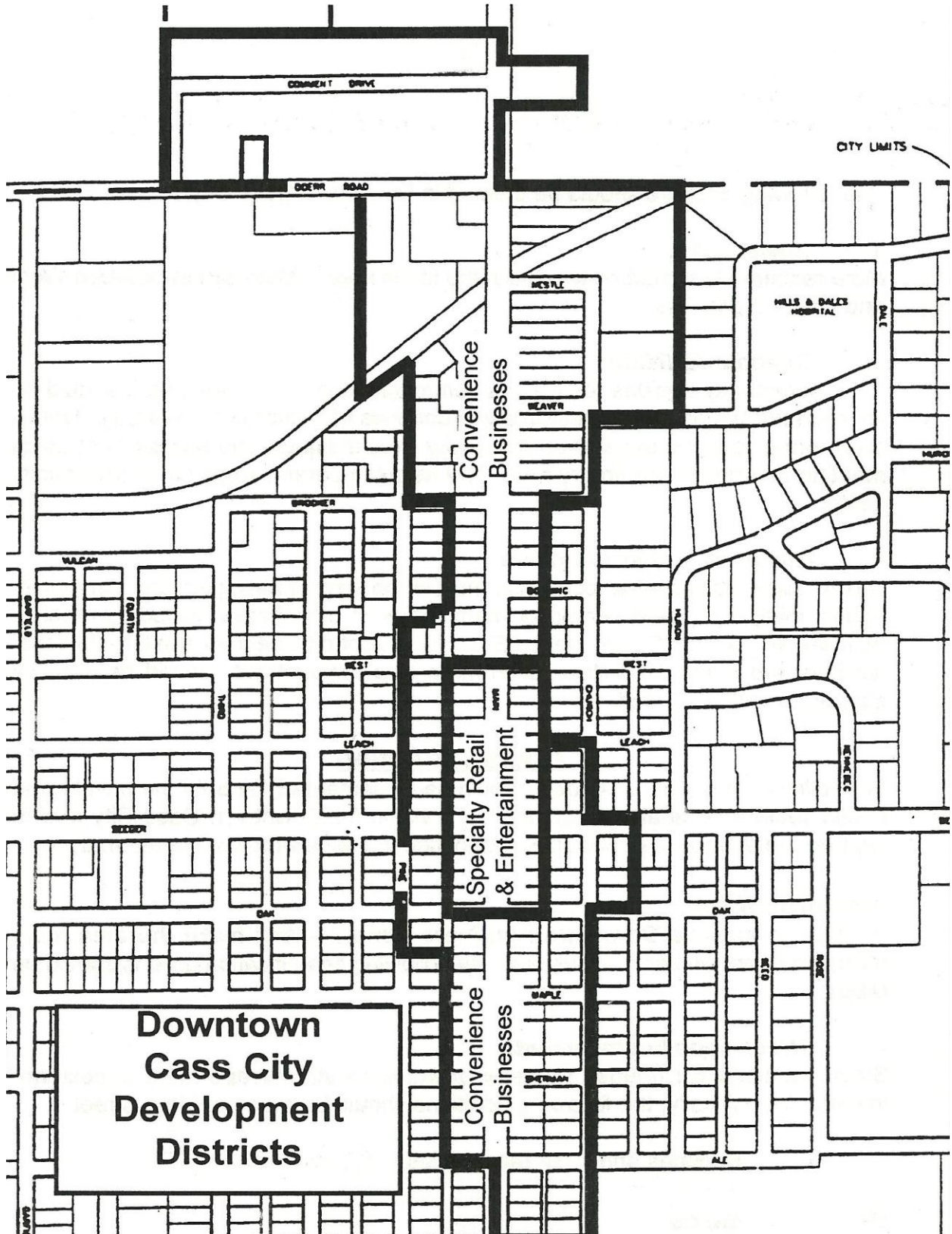
The land development pattern proposed for the DDA District is shown on Map 2 on page 8. As depicted, the proposed future land use pattern generally preserves the established land use pattern while allowing for infill and redevelopment of older or vacant parcels. According to the Cass City Downtown Action Agenda 2000, the Central Business District (CBD) is planned to foster a mix of land uses in a manner that complements the historic character ingrained in the features of the built environment. Further, the Plan envisions the downtown as a diverse, compact, pedestrian-oriented environment where residents can live, work, shop, recreate, and socialize.

Ground-floor space along Main Street is recommended to be reserved for pedestrian-oriented retail and service establishments, with offices and living quarters above. The adaptive reuse of vacant residential units within the downtown for specialty shops and office uses is encouraged. Other appropriate uses west of downtown may include restaurants, service stations, lodging, etc. Industrial uses, however, should not be permitted to develop or expand within the CBD.

MAP 1 DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT BOUNDARIES



MAP 2 PROPOSED LAND USE OF DOWNTOWN DEVELOPMENT AUTHORITY



Section 17.2c: Existing Improvement to Be Addressed

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 that may involve any of the changes described above is provided in Section 17.2d.

Section 17.2 d: Project Improvement Plan

The location, extent, charter, and estimated cost of the improvements including rehabilitation contemplated for the development area and an estimate of the time required for completion. A statement of the construction or stages of construction planned, and the estimated time of completion of each stage.

The DDA is empowered to undertake a variety of activities in the rejuvenation of its District, including:

- Plan and propose the construction, renovation, repair, remodeling, rehabilitation, restoration, preservation, or reconstruction of a public facility, an existing building, or a multiple-family dwelling unit that may be necessary or appropriate to the execution of a plan, which, in the opinion of the board, aids in the economic growth of the downtown district.
- Plan, propose, and implement an improvement to a public facility within the development area to comply with the barrier-free design requirements of the State of Michigan.
- Acquire property by purchase or otherwise, on terms and conditions and in a manner the Authority deems proper, or own, convey or otherwise dispose of, or rights of interests therein, which the Authority determines is reasonable and necessary to achieve the purposes of P.A. 197 of 1975, as amended (the DDA Act), and to grant or acquire licenses, easements and options with respect thereto.
- Improve land and construct, reconstruct, rehabilitate, restore, and preserve, equip, improve, maintain, repair, and operate any building, including multiple-family dwellings, and any necessary or desirable appurtenances thereto, within the downtown district for the use, in whole or in part, of any public or private person or corporation, or a combination thereof.

The following project improvement plan is intended to be general in nature allowing for flexibility in design and implementation. Detailed planning, design, and engineering studies should be conducted to, specifically set project parameters.

Village Street and Sidewalk Improvements

This category provides for the development and repair of Village streets and sidewalks to better serve properties within the DDA District.

A. Sidewalk Extension, Replacement & Enhancement

The DDA may contribute toward the extension of a sidewalk on the south side of Main Street between Doerr Road and Veterans Drive. This will promote safer pedestrian and bicycle access to business, residential, and other properties.

The DDA may contribute toward the burying of all utility lines in a containment area beneath the sidewalks in the entire DDA District.

Streetscape Enhancements and Refuse Disposal

This category provides for physical and natural improvements within the public rights-of-way (ROW) to enhance the visual image and functionality of the streetscape. To date, the DDA has successfully completed an extensive array of streetscape improvement projects along Main Street to create a more inviting appearance and a pedestrian-friendly shopping environment. The DDA wishes to continue its past success through carrying out the projects listed below:

A. Street Trees and Landscaping

The DDA may purchase and install tree plantings and other landscaping materials to fill in “green gaps” inside the public ROW areas of the District. Replacement of deteriorated or outdated existing landscaping may also be necessary. An overall design plan for landscaped improvements would be coordinated with other project plans.

B. New Street, Alley, Walkway & Parking Lot Lighting

Lighting is perhaps the most visible of all the streetscape elements and can be a common thread to tie together a streetscape. The DDA may install new decorative or other lights

within the District as needed. The DDA may also install parking lot, alley, and walkway lighting so as to create a safe, inviting, and customer-friendly atmosphere.

The DDA may also evaluate and install more energy-efficient lights (e.g. LED) in the fixtures instead of the current less efficient and more costly mercury vapor (MV) or high-pressure sodium (HPS) lights.

The DDA may evaluate and retrofit existing MV or HPS lights fixtures to LED or other more energy efficient lights/bulbs. The LED's are reported to use 50% or less energy than the existing light bulbs, and have longer lives and less maintenance than the traditional bulbs.

C. Refuse Disposal Enclosures

To reduce the visual impact of trash storage areas, the DDA may assist with the funding of the construction of enclosures for the shared commercial dumpsters in the District.

D. Street, Alley, and Intersection Improvements

DDA may consider making improvements to the streetscape along Main Street in the District that would reduce potential trip hazards and long-term maintenance as well as improve the visual and functional aesthetics within the District. This could include replacement, refurbishment, or enhancement of existing street, alley, intersection, and other improvements as well as the construction or installation of new improvements.

Parking Area Expansion and Rehabilitation

This category provides for the acquisition and development or redevelopment of public and private parking areas to serve the District. It also provides for the installation of screening and landscaping along the perimeter and within parking lots to shield them from view at the pedestrian and vehicular levels.

- A. The DDA may contribute funds to expand and develop parking areas within the District to improve accessibility for customers, employees, and residents. This may include resurfacing existing parking lots, and/or rehabilitating existing parking lots in the District.

Promotional and Identity Building

The Promotional and Identity Building category relates to projects and activities that are designed to promote economic growth within the development area through the creation of a vibrant, identifiable, and welcoming business, social and cultural environment. This category also supports the development and operation of community festivals and attractions that are intended to draw people to Downtown from the surrounding region. These efforts may include, but are not limited to, the following:

A. Summer Cover at Rotary Park

The DDA may construct a summer cover at Rotary Park. This cover would protect patrons from the hot summer sun and other elements, which would promote citizens to attend Rotary Park activities.

B. Refurbish Outside Wall of Antique Mall

The DDA may implement the refurbishment of the outside western wall of the Antique Mall, as it is great need of repair and improvement.

C. Façade Improvement Program

The DDA may implement a Façade Improvement Program to encourage Downtown property owners to make needed building façade improvements so as to improve the economic viability of the Downtown and preserve the integrity and attractiveness of its buildings and storefronts.

D. Rental Housing Rehabilitation Program

The DDA may establish the Downtown Rental Housing Rehabilitation Program for the purposes of creating decent, safe, and affordable rental housing in upper-level space in downtown buildings. This will encourage private investment in Downtown and bring vitality and economic growth to the CBD.

E. Seasonal Banners/Decorations

The DDA may contribute to decorating the Downtown to create a more festive and interesting atmosphere during holiday and other season. The DDA may consider displaying seasonal, holiday, and special event banners within the District.

F. Amish Hitching Posts in shady areas west of the Library

The DDA may place hitching Posts in shady areas west of Rawson Memorial Library. This will better accommodate Amish patrons throughout the District.

G. Acquire Cass Theatre & Perform Digital Upgrades

The DDA recognizes the intrinsic value of the Cass Theatre to the Downtown District.

Because of the necessity to upgrade the theatre to a digital format, the DDA may collaborate with and/or acquire the Cass Theatre, and perform the needed digital upgrades. This would ensure that the Cass Theatre would remain as a vital component of the District.

H. Marketing Plans & Material

The DDA may implement a promotional program of the DDA District. This plan would include the development of a Village DDA logo, and/or slogan, a shopping bag, billboard signage, and vacant building availability. Under this program, the DDA would sponsor DDA District Marketing Forums and training sessions.

I. Renovate Municipal Building

The DDA may contribute to the cost of renovation of the Municipal Building that would contribute to the promotion of effectiveness of the DDA.

J. Renovate & Refurbish Cultural Center

The DDA in partnership with the Cass City Arts Council may renovate and refurbish the Cultural Center. The purpose of this would be to establish an arts center and museum in the Downtown area.

Consultation and Operational Expenditures

The Consultation and Operational Expenditures category provides for professional services and operational activities relating to the DDA. This category is relatively variable and is subject to the level and complexity of future activities taken on by the DDA.

A. Professional Services

This item covers professional services that may be required to implement the proposals within this Development Plan and to manage and operate the DDA. This may include, but is not limited to, grant writing and administration, planning and architectural design, engineering, inspections & construction management services, environmental assessment & mitigation planning, financial and accounting services, advertising and marketing services, and legal consultation.

B. DDA Operations

This expenditure category covers all expenses relating to operating the DDA such as, but not limited to, public notices, mailings, office supplies, administrative support, equipment usage/rental, etc.

Table 1
List of Planned Projects by Priority and Estimated Cost
Village of Cass City DDA
2011 - 2031

Project Priority <small>a</small>	Project Description	Estimated Project Cost <small>b</small>
	<i>Village Street and Sidewalk Improvements</i>	
S,M, & L	Sidewalk Extension, Replacement & Enhancement	\$4,065,000
	<i>Streetscape Enhancements and Refuse Disposal</i>	
S & M	A. Street Trees and Landscaping	200,000
S	B. New Street, Alley, Walkway & Parking Lot Lighting	1,500,000
S	C. Refuse Disposal Enclosures	50,000
S & M	D. Street, Alley and Intersection Improvements	2,000,000
	<i>Parking Area Expansion and Rehabilitation</i>	
S & M	A. Parking Area Enhancements	90,000
S & M	B. Parking Area Rehabilitation	150,000
	<i>Promotional and Identity Building</i>	
S	A. Summer Cover at Rotary Park	75,000
S	B. Refurbish Outside Wall of Antique Mall	25,000
S,M, & L	C Façade Improvement Program (6 years)	150,000
S	D. Rental Housing Rehabilitation Program (4 years)	250,000
S,M, & L	E. Seasonal Banners/ Decorations	250,000
S	F. Amish Hitching Posts in shady areas W. of Library	5,000
M & L	G. Acquire Cass Theatre & Perform Digital Upgrades	750,000
S	H. Marketing Plans & Material	20,000
S & M	I. Renovate Municipal Building	50,000
S,M, & L	J. Renovate & Refurbish Cultural Center	275,000
	<i>Consultation and Operational Expenditures</i>	
S,M, & L	A. Professional Services (\$10,000 annually)	200,000
S,M, & L	B. DDA Operations (\$20,000 annually)	400,000
	Estimated Total	\$10,505,000

a Project Priority Rank as follows:

S = Short-Term (0-5 Years)

M = Medium - Term (6 - 10 Years)

L = Long -Term (11 - 20 Years)

b Actual project cost will depend upon the design and specification of project components and market conditions at the time of implementation

Section 17.2e: Construction Stages

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 Table 1 in Section 17.2d. As noted in the Table, short-term projects represent activities to be emphasized for construction, particularly in the early stages (first 5 years) of the development program. Medium and long-term projects are seen as longer-range capital projects that will likely take precedence later in the development program unless major funds are available sooner; however, all projects are anticipated to be completed by 2032. The annual DDA budget and the availability and timing of other sources of funding will largely determine the pace at which the desired projects are completed.

Section 17.2f: Open Space

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

The areas identified to be left as public open space within the DDA District are:

- Veterans Memorial Park
- Rotary Park

Section 17.2g: Property Ownership/Leases

Descriptions of any portions of the development area that the authority desires to sell, donate, exchange, or lease to or from the municipality and the proposed terms.

The Downtown Development Authority (DDA) has no plans to sell, donate, exchange, or lease any portions of the development area to or from the municipality.

Section 17.2h: Desired Zoning Changes

There are no plans at this time to request changes in zoning, streets, street levels, intersections, or utilities.

Section 17.2i: Development Costs/Financing

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 in Section 17.2d is approximately \$10,505,000.

The activities of the Authority and the development of public improvements shall be financed from one or more of the following sources:

- A. Donations and grants to the Authority for the performance of its functions.

- B. Proceeds of an ad valorem tax imposed pursuant to Section 12 of Public Act 197 of 1975m as amended.
- C. Money borrowed and to be repaid as authorized by Section 13 of Public Act 197 of 1975, as amended.
- 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 of Public Act 197 of 1975, as amended.
- 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 or otherwise authorized by law for use by the municipality to finance a development program.

Where receipt of specific funds is 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 P.A. 197 of 1975, as amended.

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 17.2j: Conveyance of Development

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.

There is no information available to the Authority at the present time regarding the designation of person or persons, natural or corporate, to whom the development is to be leased, sold, or conveyed. The project is being undertaken for the benefit of the citizens of Cass City.

Section 17.2k: Procedures for Conveyance

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.

All properties under the Downtown Development Authority will be leased, sold, or conveyed at not less than fair market value.

Section 17.2l: Displacement of Residents

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.

There are approximately 180 residents in the Authority's development area. The development plan does not call for the displacement of any residents; however, if studies or projects necessitate the displacement of any residents, the plan will be amended.

Section 17.2m: Relocation Priority

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

The development plan does not call for the displacement of any resident; however, if studies or projects necessitate the displacement of any resident, the plan will be amended.

Section 17.2n: Relocation Costs

Provision for the cost 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 91646,42 USC sections 4601, et seq.

Not applicable

Section 17.2o: Act 227 Compliance Plan

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 (Condemnation/Relocation Assistance).

The development plan does not call for the displacement of any resident. However if studies or projects necessitate the displacement of any resident, the plan will be amended.

Section 17.2p: Other Pertinent Materials

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

Wherever the provisions of the Downtown Development Plan and the Tax Increment Financing Plan are inconsistent with any provisions of the prior adopted plans, the provisions of these Downtown Development and TIF Plan amendments shall be controlling. All provisions of the prior plan consistent with the provisions of these Development Plan amendments shall be and remain in full force and effect.

TAX INCREMENT FINANCE PLAN

Sources of Funds for the Downtown Development Authority (DDA)

The Downtown Development Authority Act authorizes several potential sources of funds for the Downtown Development Authority to use in financing its development activities, including the following:

1. Donations
2. A tax up to two (2) mills levied on the Downtown Development District upon approval of the Village Council, for use in financing the operations of the D.D.A. or for the general fund of the authority for purposes of the authority.
3. Proceeds from a revenue bond issue or general obligation bond issue.
4. Revenues from property owned by the D.D.A.
5. Monies received from other sources approved by the Village Council.

6. Proceeds of a tax increment-financing plan, 20-year projection.

The following comments on the first five sources will put in perspective the need for considering the tax increment-financing plan.

1. Donations: These funds could be from either individuals or corporations including philanthropic foundations.
2. Tax Levy: The Authority has determined that the D.D.A. has gone on record that the potential tax levy will not be considered. At no time, will the authority levy taxes on personal or real property. It is counter-productive to the goal of the development plan. Levying a tax on the Downtown Development District, as a means of making a “public investment” greatly reduces the economic stimulation effect, as the individual businesses would experience an immediate cost from the initial public development.
3. Bond Proceeds: Although these are provided in the statute as a “source of financing,” they are only a vehicle for borrowing, not an actual source of capital. Whether revenue bonds or general obligation bonds are used, their sale requires the availability of another source of funds to repay them as they mature. A bond sale may be used for the financing of elements within the development plan. Use of bonding will be determined by the needs of a proposed development inside the boundaries of the development area. The Downtown Development Authority shall not sell any bonds pursuant to this plan without approval of the Cass City Village Council prior to the issuance of any such bonds.
4. Revenue from Properties: Since the Cass City DDA owns no property; this is not a basic source of financing in the case. An income from properties acquired during implementation of the development plan will be applied to costs of that implementation. Excess funds will be used to assist in the financing of other elements within this plan.
5. Other Sources: These might include any general revenues of the Village approved by the Village council for use by the DDA
6. 100% of the Tax Increment dollars that accrue each year will be used to finance the development plan and to generate projects on a “pay as you go” basis.

Explanation of the Tax Increment Financing Procedure

The tax increment financing procedure is contained within the DDA statute. The procedure may be proposed by a downtown development authority as a method of financing a downtown development plan. It then may be adopted by a Village Council, following consultation with the taxing units involved and a public hearing as required by statute. The essence of the tax increment financing procedure is as follows:

1. The public makes an investment in public improvements, and also potentially in facilities to be leased or sold to private owners, for the purpose of stimulating private investment in a specific downtown commercial area (the Downtown Development District). The investment may be made in response to a declining business climate and commercial tax base, or in response to a stable business, climate, and tax base, which the public wishes to protect and develop.
2. A bond issue may be sold to finance the improvements.
3. Taxes generated from the subsequent growth in the tax base of the Downtown Development District are then used to retire the bonded debt. This tax base growth is called the “capture assessed value” (CAV). Specifically it is the difference between the State Equalized Value (SEV) of the Downtown Development District at any point in time, and the SEV of the District in existence at the time of the adoption or reaffirmation of the Downtown Development Plan.
4. The taxes, which are potentially available for retiring the bonded debt of the Downtown Development Plan, include all the taxes normally levied by all the taxing units on the captured assessed value of the Downtown Development District. The Downtown Development Authority may enter into agreements with each of the taxing units to share a portion of the captured assessed value of the District. Any taxes generated by the captured assessed value, beyond the amount needed to meet the cost of the specific development project, are returned proportionately to the taxing units (a requirement of the statute).
5. When specific development/financing plan is accomplished, the captured assessed value is released and the taxing units receive all the taxes levied on it from that point on.
6. Since only the growth in tax base (the captured assessed value) in the Downtown Development District is used to finance the development plan, the taxing units continue

to receive their full tax levy on the District tax base in addition to any taxes generated by the captured assessed value returned each year to the taxing units.

The justification of the Tax increment financing procedure is based on the expectation that all or a portion of the “captured assessed value” which is created, following implementation of a downtown development plan, would not have occurred without the stimulation of the public investment involved in the plan implementation; and therefore, the short-term investment made by the taxing units in forgoing part of the initial growth in tax revenues is repaid by the long-term benefit of substantially greater taxes realized from a significantly stronger commercial tax base.

THE TAX INCREMENT FINANCIAL PLAN FOR THE VILLAGE OF CASS CITY DOWNTOWN DEVELOPMENT DISTRICT

The specific tax increment-financing plan proposed by the Downtown Development Authority is as follows:

1. Purpose: The purpose of this tax increment-financing plan is to produce revenues sufficient to pay for the projects outlined in the development plan.
2. Maximum Amount of Bonded Indebtedness: The DDA, in any one year, will not pledge for annual debt service requirements in excess of 80% of the estimated Tax increment revenue to be received from the development area for that given year. The total aggregate amount of borrowing shall not exceed an amount, which the 80% of the estimated tax increment will service as to annual principal and interest requirements.
3. Initial Assessed Value: It is proposed that the Village Council adopt this plan before January 1, 1992 and that the “initial assessed value” (the base-year SEV from which the “captured assessed value” is calculated), shall be the 1992 State Equalized Valuation, as equalized in May of 1992, of the Cass City Downtown Development Authority District, as finally determined by the State Tax Commission.
4. Portion of “Captured Assessed Value: to be used: The DDA proposes that all of the taxes levied by all taxing units on the captured assessed value of real and personal property within the District be used by the Authority to the extent needed from year to year to accomplish the above-stated purpose.
5. Duration of the Program: The duration of this tax increment-financing plan shall be twenty (20) years.

Projections for Cass City DDA Tax Increment Finance Plan as of December 31, 2011

Real SEV 6,599,800

YEAR	S.E.V 2% INC.	CAPTURED VALUE	TIFA AMOUNT @ 29.3656 MILLS
1992	4,777,500	0	0
1993	4,873,050	95,550	2,806
1994	4,970,511	193,011	5,668
1995	5,069,921	292,421	8,587
1996	5,171,320	393,820	11,565
1997	5,274,746	497,246	14,602
1998	5,380,241	602,741	17,700
1999	5,487,846	710,346	20,860
2000	5,597,603	820,103	24,083
2001	5,709,555	932,055	27,370
2002	5,823,746	1,046,246	30,724
2003	5,940,221	1,162,721	34,144
2004	6,059,025	1,281,525	37,633
2005	6,180,206	1,402,706	41,191
2006	6,303,810	1,526,310	44,821
2007	6,429,886	1,652,386	48,523
2008	6,558,484	1,780,984	52,300
2009	6,689,653	1,912,153	56,152
2010	6,823,446	2,045,946	60,080
2011	6,564,840	1,612,421	47,350
2012	6,151,215	1,213,896	35,647
2013	6,274,239	1,238,174	36,360
2014	6,399,724	1,262,937	37,087
2015	6,527,719	1,288,196	37,829
2016	6,658,273	1,313,960	38,585
2017	6,791,438	1,340,239	39,357
2018	6,927,267	1,367,044	40,144
2019	7,065,813	1,394,385	40,947
2020	7,207,129	1,422,273	41,766
2021	7,351,271	1,450,718	42,601
2022	7,498,297	1,479,732	43,453
2023	7,648,263	1,509,327	44,322
2024	7,801,228	1,539,514	45,209
2025	7,957,253	1,570,304	46,113
2026	8,116,398	1,601,710	47,035
2027	8,278,726	1,633,744	47,976
2028	8,444,300	1,666,419	48,935
2029	8,613,186	1,699,747	49,914
2030	8,785,450	1,733,742	50,912
2031	8,961,159	1,768,417	51,931
2032	9,140,382	1,803,786	52,969

Total estimated TIFA amount from 2011 – 2032 is \$ 1,505,250

The following information was provided by the Tuscola County Equalization Department

"EXHIBIT A"

All that land situated in the Village of Cass City, Tuscola County, Michigan, lying within the following described boundarie

Commencing at the intersection of the centerlines of Main Street (M-81) and Ale Street, thence East along the centerline of Main Street to its intersection with the East line of Block 1 of Orr's Addition to the Village of Cass City extended South; thence North along the East line of said Block 1 extended North to its intersection with the centerline of Church Street; thence West along the centerline of Church Street to its intersection with the centerline of Oak Street; thence North along the centerline of Oak Street to its intersection with the centerline of the alley in Block 4 of Hugh Seed's Addition to the Village of Cass City extended Easterly; thence West along the centerline of said alley extended Westerly to its intersection with the centerline of Seeger Street; thence South along the centerline of Seeger Street to its intersection with the centerline of Church Street; thence West along the centerline of Church Street to its intersection with the centerline of Leach Street; thence South along the centerline of Leach Street to its intersection with the centerline of the alley in Block 2 of Jesse Fox's Addition to the Village of Cass City extended Easterly; thence West along the centerline of said alley extended Westerly into and along the centerline of the alley in Blocks 5 & 6 of Jesse Fox's Second Addition to the Village of Cass City extended West to its intersection with the centerline of Brooker Street; thence North along the centerline of Brooker Street to its intersection with the centerline of Church Street, thence West along the centerline of Church Street to its intersection with the centerline of Hill Street; thence North along the centerline of Hill Street 20 rods; thence West to the West line of the Southeast quarter of Section 28, Town 14 North, Range 11 East; thence South along the West line of the Southeast quarter of Section 28 to the South quarter corner; thence West along the North line of Section 33, Town 14 North, Range 11 East, 654.25 feet; thence South 1320 feet; thence East to the West line of the Northeast quarter of Section 33; thence North along the west line of the Northeast quarter of Section 33 to a point 32 rods South of the Northwest corner of the Northwest quarter of the Northeast quarter of Section 33; thence East to the easterly right of way line of the Grand Trunk Railroad; thence Northwesterly along the Easterly right of way line of the Grand Trunk Railroad to its intersection with the North line of Pine Street extended Westerly; thence East along the North line of Pine Street and its Westerly extension to its intersection with the centerline of Brooker Street; thence North along the centerline of Brooker Street to its

Exhibit A Cont.

intersection with the centerline of the alley in Wilsey and McPhail's Addition to the Village of Cass City extended Westerly; thence East along the centerline of the alley in Wilsey and McPhail's Addition to the East line of Lot 13 of that Subdivision extended Northerly; thence South to a point 42 feet South of the Northeast corner of Lot 13; thence West to the East line of Lot 12 of that Subdivision; thence South along the East line of Lot 12 of said Subdivision extended South to its intersection with the centerline of Pine Street; thence East along the centerline of Pine Street to its intersection with the West line of Lot 6 of the Original Plat of Cass City extended Southerly; thence North along said Lot line extended North to its intersection with the center of the alley in Block 4 of the Original Plat of Cass City; thence East along the center of said alley extended Easterly into and along the centerline of the alley in Blocks 9 and 10 of Segars Addition to the Village of Cass City extended easterly to its intersection with the centerline of Ale Street; thence North along the centerline of Ale Street to the point of beginning.

Exhibit "B"

Downtown Development Property Addition of 1999

SEC 28 T14N R11E COM AT A PT THAT IS 328 FT W OF SE COR OF SW ¼ OF SEC, TH W 200 FT, TH N 330 FT, TH E 200 FT, TH 2 330 FT TO POB. SEC 33 T14N R11E COM AT A PT THAT IS 460 FT S OF N ¼ COR OF SEC, TH W 165 TH E 165 FT, TH N 99 FT TO POB.