

VILLAGE OF LAKEVIEW
313 LINCOLN AVENUE / P.O. BOX 30

LAKEVIEW, MICHIGAN 48850

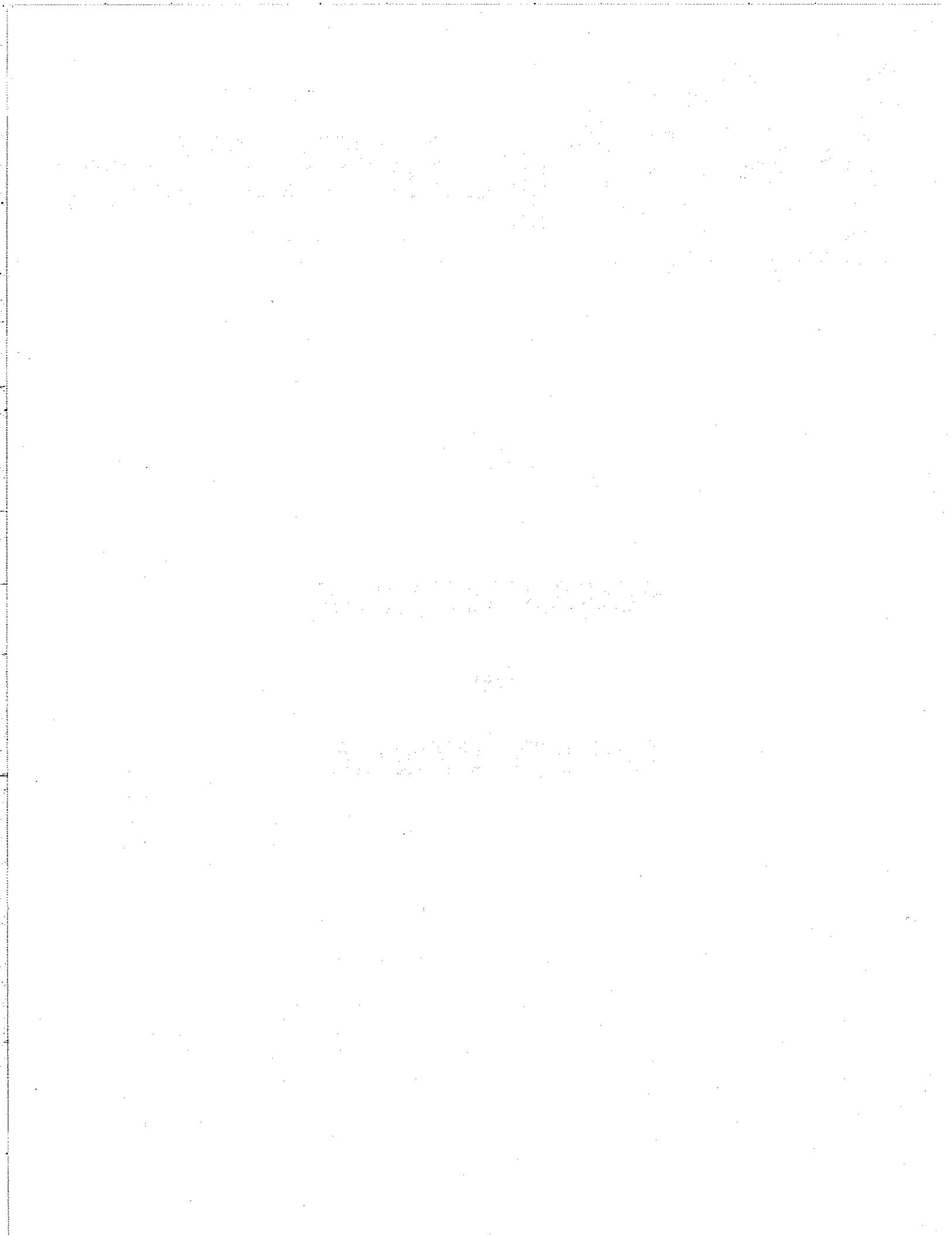
MONTCALM COUNTY

(517) 352-6322

LAKEVIEW DOWNTOWN DEVELOPMENT

AND

TAX INCREMENT FINANCING PLAN



DEVELOPMENT AND TAX INCREMENT FINANCING PLAN FOR LAKEVIEW

SECTION I - INTRODUCTION

A. Purpose of Downtown Development Authority Act.

This plan has been developed under the provisions of Act 197 of Public Acts of 1975 of the State of Michigan, as amended, also known as the Downtown Development Authority Act (Act). A copy of this Act and the amendments thereto are set forth in Exhibit 1. The Act was developed to assist units of government in, their encouragement of historic preservation; in the elimination and prevention of blight and deterioration in the business districts; to encourage and promote economic development, growth and revitalization; to make provision for the acquisition and disposition of personal and real property; to authorize the issuance of bonds and the use of tax increment financing (TIF); to provide for a development plan that sets forth specific Downtown Development Objectives/Activities, as described in a locally adopted development plan for older or traditional central business districts of Michigan municipalities.

The Act is intended to assist municipalities in reversing historical trends which have led to loss of population, jobs and businesses. The Act seeks to improve the quality of life by attacking problems of decline where they are most apparent, in the downtown districts of our urban and rural communities.

The Act seeks to accomplish its goals by providing our municipalities with the necessary legal, monetary and organizational tools to revitalize downtown districts through public initiated projects undertaken cooperatively with privately initiated projects.

The way in which a Downtown Development Authority makes use of the tools made available depends on the problems and priorities of each community. This development plan has been developed within the purposes of the Act; and the problems and priorities as perceived by the Lakeview Downtown Development Authority (DDA) and as submitted for the approval of the Lakeview Village Council.

B. Creation of the Lakeview Downtown Development Authority and District.

On Monday, June 24, 1991, the Village Council of the Village of Lakeview adopted the Ordinance which created the DDA. A copy of this Ordinance is inserted under Exhibit 2. The DDA was given all of the powers and duties prescribed for a Downtown Development Authority pursuant to the Act. The Village Council also designated the boundaries of the downtown development district within which the DDA may legally work. These boundaries are shown on Map A and a legal description can be found in Exhibit 3.

On Monday July 8, 1991, the Lakeview Village Council approved

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the appointment of the DDA Board of Directors. The original Board Members are listed in Exhibit 4. On Monday, July 22nd, the Lakeview Village Council approved the By-Laws of the DDA, found in Exhibit 5. And, on August , 1991, the Lakeview Village Council adopted the Ordinance approving the Plan, found in Exhibit 11.

C. Activities of the Lakeview Downtown Development Authority

The first meeting of the DDA was held on Tuesday, July 9, 1991. At this meeting the board members were sworn in and the officers were elected. At this meeting the DDA also confirmed their By-Laws and recommended them to the Lakeview Village Council.

The Board recommended adoption of the Development and Tax Increment Finance Plan at its meeting on July 23, 1991. This resolution may be found in Exhibit 6.

D. Legal Basis for the Lakeview Downtown Development Area

The adoption of the Act provides the legal mechanism for local officials to address the need for economic development in their central business district. The Lakeview Downtown Development Project (Development) Area shown on Map 1 and Exhibit 3 is the first area designated by the DDA for implementing development activities and tax increment financing procedures set forth in the Act. For purposes of designating development areas and for establishing a tax increment financing plan, the Act refers to a "downtown district" as being in a business district which is specifically designated by ordinance of the governing body of the municipality and which is zoned and used principally for business.

The Act further defines a "development area" as meaning "an area to which a development plan is applicable." For purposes of financing activities of an authority within a development area, tax increment plans can be established. By definition, a tax increment financing plan seeks to capitalize on and make use of the increased tax base created by economic development within the boundaries of a development area of the downtown district.

Lakeview's Development area being located wholly within each of the above defined districts clearly meets this requirement. The legal basis of support for this Development Plan and the Tax Increment Financing Plan are identified in the Act.

E. Basis of Authority's Determination for the Lakeview Development Area

The project area as recommended after careful study and based in the belief that any successful efforts of the Village of Lakeview to revitalize its business district will rely heavily on the willingness, capability and timeliness of its municipal structure to encourage, initiate, propose, and participate in the development of new and renovated private and public uses and

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projects that will bring about physical improvement to businesses; create new jobs, retain businesses; attract new business; and increase the Village's tax base.

The DDA has identified certain priority downtown improvement needs that require the attention, participation, support involvement and encouragement which this development plan will address and toward which it is directed.

F. Purpose of Tax Increment Financing Plan for the Lakeview Downtown Development Area

The purpose of the Tax Increment Financing Plan and Development Plan for the development area is to provide the legal authority and procedure for the public financial participation necessary to assist the DDA in accomplishing a number of prerequisite land acquisition, business displacement, building demolition and development activities.

Generally, a Tax Increment Financing Plan will authorize financing for activities that fall under one or more of the following:

1. Property appraisals, title searches, legal services, purchase negotiations, eminent domain proceedings, payment for real and personal property acquisitions.
2. Relocation assistance payments and compensation payments to displaced businesses and individuals.
3. Demolition and clearance of selected properties and buildings.
4. Street vacation and removal work.
5. Street reconstruction and improvement, including utility relocation and replacement.
6. Public open space and streetscape improvement work.
7. Costs to acquire, construct, reconstruct, rehabilitate, restore and preserve, equip, improve, maintain, repair and operate other public facilities and buildings that in the opinion of the Authority's Board, aid in the economic growth of the Downtown District and/or are appropriate to the execution of the Development Plan.

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Section II - DEVELOPMENT PLAN

Act 197, Public Acts of Michigan, 1975, as amended (the "DDA ACT") requires that certain information be set forth in a development plan and this Development Plan, therefore, will follow the outline of information required by Section 17 (2) of the DDA Act.

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

The boundaries of the proposed development area shall be the same as the current Downtown Development District, as shown on Map A and as described in Exhibit 3.

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 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 streets are shown on Map A. The location of other public utilities, including water mains, sanitary sewers, sewage pumping stations, and storm sewers, are contained on Village engineering maps, which are under the control of the Village.

These maps will be included in the Plan as required by the projects.

The existing zoning of the proposed development area is shown on Map B.

C. A description of existing improvement 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.

AND

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.

AND

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

Any projects to be undertaken by the Downtown Development Authority will have the approval of the Downtown Development

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Authority and the Lakeview Village Council.

The Downtown Development Authority is proposing the following projects. The projects listed in this Development Plan are as follows:

PROPOSED PROJECTS:

- 1) Road Improvements to Lincoln Avenue and intersections.
- 2) Sanitary Sewer Improvements in conjunction with Project 1.
- 3) Storm Sewer Improvements in conjunction with Project 1.
- 4) Water System Improvements in conjunction with Project 1.
- 5) Sidewalk Improvements with Site Amenities.
- 6) Street Lighting and other Electric Utility Improvements.
- 7) Parking Improvements.
- 8) Acquire, Develop, and Maintain a Local Museum.
- 9) Purchase and Maintain Street Banners.
- 10) Develop 5 year to 10 year Development Plan for the DDA District, including Long Range/Short Range Plans.

The construction time table for each project is dependent to a large extent on Tax Increment Revenues, which in turn are dependent primarily on new construction in the development area. A supplemental or amended Development and Tax Increment Financing Plan will be submitted for approval, if necessary, prior to the commencement of any future project.

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

The development of the district will control what open space would be left. There are no plans at this time to designate specific open space areas.

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.

At the present time, the Authority has no plans to sell, donate, exchange or lease to or from the Municipality any part of the development area.

However, the DDA may decide to acquire either title or rights to property for public parking. Such acquisition will occur through negotiated purchase and only once a complete financing and development plan for the property to be acquired is prepared and financial commitments received. Provided, however, that the DDA reserves the right to request that the Village of Lakeview consider condemnation as a last resort.

The legal basis under which the Village of Lakeview may take and transfer property to the DDA and the DDA may acquire such property and other private property for use in accordance with

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the Development Plan is found in Section 7 (g) and Section 10 of the DDA Act. (See Exhibit 1.)

Through the approval of this Development Plan, the DDA has determined that the taking of private property is not presently necessary.

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

No changes are in the zoning are anticipated at this time. Changes in streets or street levels may occur under the projects delineated in the Development Plan. However, until preliminary engineering plans are developed, a description of these possible changes, other than to say that Lincoln Avenue will be resurfaced, is not available.

If significant changes in streets or intersections are to occur, the DDA would revise the plan to incorporate these changes.

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.

ROAD IMPROVEMENTS

The DDA and the Village are considering a major rehabilitation of Lincoln Avenue through the downtown area of the Village. This project would also involve the necessary modifications and/or replacement of existing utilities, landscaping of the street, and the purchase of site amenities.

The project would be paid for with TED funds, CDBG monies, Local Act 51 dollars, and, if necessary, tax increment revenues. If this project is undertaken, it would be necessary to utilize general obligation bonds to finance a large portion of the project. The Village's share of the total project cost is estimated to be \$500,000. The portion of this cost that the DDA would be required to fund will be negotiated between the DDA Board and the Village.

SANITARY SEWER IMPROVEMENTS

The DDA and the Village are considering improvements to the sanitary sewer within the project area, in conjunction with the Lincoln Avenue project. The project will be undertaken with tax increment revenues, sewer enterprise revenues, and, if possible, CDBG grants.

STORM SEWER IMPROVEMENTS

The DDA and the Village are considering extending and

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rehabilitating portions of the storm sewer system within the development area, in conjunction with the Lincoln Avenue project. The project will be undertaken with FmHA Waste Disposal grants and loans, CDBG grants, funds from MDOT, Local and Major Street revenues, and, if necessary, tax increment revenues.

WATER SYSTEM IMPROVEMENTS

The DDA and the Village are proposing to improve the municipal water system within the development district, in conjunction with the Lincoln Avenue project. Payment for these improvements will be shared by the water enterprise fund and tax increment revenues.

SIDEWALK IMPROVEMENTS WITH SITE AMENITIES

The DDA and the Village are considering the improvement of current downtown sidewalks to increase pedestrian safety, convenience, and to enhance the visual presentation of the Village. Sidewalk improvement will include the purchase of certain site amenities, such as benches and trash receptacles that will enhance the commercial attractiveness of the downtown area. These improvements will be financed with tax increment revenues.

The cost estimate for this project is \$125,000.

STREET LIGHTING IMPROVEMENTS

The DDA and the Village are proposing the elimination of all overhead electrical wiring in the downtown area and the installation of gas street lights in order to increase the commercial attractiveness of the district. The project will be undertaken with tax increment revenues, which are dependent on the tax increment revenues received each year.

The cost estimate for this project is \$85,000.

MUNICIPAL PARKING LOT(S)

The DDA and the Village recognize the need for the development of one or more municipal parking lots in the Business district. Any parking lots would be constructed with TIF monies.

Cost estimates would be dependent upon the location and size of any proposed parking lot.

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LOCAL MUSEUM

The DDA and the Village recognize the rich local history of the Lakeview Area. In order to promote the Village, educate residents, and attract tourists, it is proposed that a building be developed as a local museum. Recognizing the development and operating expense associated with such an endeavor, volunteer assistance, grants, and TIF revenues will be necessary for this project.

Cost estimates would be dependent upon the site selected for the local museum.

STREET BANNERS

The DDA and the Village recognize that street banners, if properly designed and maintained, enhance the commercial attractiveness of a downtown, can educate the public about festivals, and be utilized in conjunction with holiday decorations. Since banners are a low cost means of enhancing the attractiveness of the downtown, this plan supports their purchase with TIF revenues.

The cost estimated for this project is \$8,000.

MASTER PLAN FOR THE DEVELOPMENT DISTRICT

The DDA plans on preparing a master development plan for the development area. The master development plan will consist of both a short range and long range plan, which will be used for future development of the district in order to halt deterioration of property values in the development area and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

The master development plan cost will be dependent on the extent of time and expenses incurred to prepare a plan which will be acceptable to the DDA and Village Council. The DDA may elect to apply for grant funding to help finance this project, with the balance of funds required coming from tax increment revenues.

OTHER PROJECTS

All other projects will be undertaken with tax increment revenues not used for the projects listed above, these projects are dependent on tax increment revenues received each year.

An amended development and tax increment financing plan would be submitted to the Village Council for approval prior to undertaking any future projects.

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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.

The DDA has no immediate plans to lease, sell, or convey any property or buildings within the development area.

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.

The terms under which land designated for new development will be sold, leased, or otherwise conveyed to private development interests shall be determined by the DDA upon approval of the Lakeview Village Council.

The procedures by which purchase bids will be received and awarded will be in accordance with existing procedures and practices currently used by the Village in disposing of other Village owned property.

The DDA and the Village Council will reserve the right to select any development proposal and or the developer whose proposal best meets the intent of this Development Plan and the best interests of the Village.

L. Estimate 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, 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, and the estimated capacity of private and public housing available to displaced families and individuals.

The estimated number of individuals residing within the boundaries of the Downtown Development Authority is ninety-seven. Using figures from the 1990 Census, the boundaries of the DDA were developed with the specific purpose of ensuring that fewer than 100 people would have their residences within the project area.

No families or individuals will be displaced by any of the

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proposed projects contained within the Development Plan.

No occupied residences are designated for acquisition and clearance by the Authority.

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

Since no persons will be displaced from the Development Area by any of the proposed projects, it is not necessary to prepare a plan for establishing priority for displaced with respect to relocation assistance.

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 accord 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 U.S.C. Sections 4601, et seq.

The DDA Board anticipates no relocation of any persons or businesses in implementation of this Plan. Therefore, it is not necessary to provide for any relocation financial assistance.

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.

This Plan meets the requirements of Act 227 of the Public Acts of 1972.

P. Other material which the Authority, local public agency, or governing body deem pertinent.

The development area may be expanded, if deemed necessary. When and if such modifications are required, an amended or supplemental plan will be submitted.

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property within the district is termed the "Current Assessed Value".

The difference in any one year between the Current Assessed Value and the Initial Assessed Value is the "Captured Assessed Value". During that period during which the tax increment financing plan is in place, local taxing jurisdictions continue to receive ad valorem taxes based on the Initial Assessed Value. Taxes paid on the Captured Assessed Value in years subsequent to the establishment of the development are, however, payable to the Authority for the purposes set forth in the tax increment financing plan.

For example, in Year One a development area is created in the downtown district. An Initial Assessed Value of \$4,000,000 is established. Assuming a 60 mill tax rate, the tax revenue from the development area is \$240,000. In Year Two, new construction within the development area increases the total assessed value to 4,500,000. The difference between the Current Assessed Value, \$4,500,000, and the Initial Assessed Value, 4,000,000, is the Captured Assessed Value, \$500,000. While the normal taxing jurisdictions continue to receive \$240,000, the Authority would receive tax increment revenue equal to the Captured Assessed Value, \$500,000, times the rate, 60 mills.

The tax increment payable to the Authority in Year Two is, therefore, \$30,000. Additional increases in value would augment the Authority's tax increment financing revenues commensurately while the normal taxing jurisdictions would continue to receive \$240,000 annually for the duration of the tax increment financing program.

Provided in Exhibit 8 and Exhibit 9 are schedules on estimated dollar amounts of Captured Assessed Values and Tax Increment Revenues to be realized.

B. Maximum Amount of Bonded Indebtedness to be Incurred.

Based on the projects outlined in the Development Plan at the time of adoption of this plan, the maximum amount of Bonded Indebtedness that could be incurred with the approval of the Village Council is estimated to be \$500,000.

C. The Duration of the Program.

The plan will remain in effect for twenty (20) years, except as may modified from time to time by the Village Council pursuant to the DDA Act.

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Section III - TAX INCREMENT FINANCING PLAN

Section 14 (2) of the DDA Act provides that when the Authority determines that it is necessary for the achievement of the purposes of the DDA Act, the Authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The DDA Act requires that the plan include: (A) a detailed explanation of the tax increment procedure, (B) the maximum amount of bonded indebtedness to be incurred, (C) the duration of the program, (D) compliance with Section 15 of the DDA Act, (E) a statement of the estimated impact of the tax increment financing on the assessed value of all taxing jurisdictions in which the development area is located, and (F) a statement of the portion of the captured assessed value intended to be used by the Authority.

A. Detailed explanation of tax increment financing procedure.

The DDA Act enables Downtown Development Authorities to undertake a broad range of downtown improvement activities which will contribute to the economic growth and the halting of deterioration of property values in a designated downtown district. These improvement activities include, but are not limited to, the following: plan and propose construction, renovation, repair, remodeling, rehabilitation, restoration or reconstruction of public facilities; development of long range plans; and otherwise implement any plan of development in the downtown district necessary to achieve the purpose of the DDA Act.

In order to provide the DDA with the means of financing the planning and implementation of development proposals, the DDA Act affords the opportunity to undertake tax increment financing of the development program. These programs must be identified in a tax increment financing plan which has been approved by the governing body of a municipality.

Simply stated, tax increment financing permits the Authority to capture tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alteration, additions, or to such other factors as the assessor may deem appropriate.

At the time the tax increment financing plan is approved, the sum of the most recently assessed values, i.e., the values as finally equalized by the State Board of Equalization, of those taxable properties located within the development area is established as the "Initial Assessed Value". Property exempt from taxation at the time of determination of the Initial Assessed Value shall be included as zero.

In each subsequent year, the total assessed value of real

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D. Compliance with Section 15 of Act No. 197, Public Acts of Michigan, 1975, as amended.

It is recognized that the amount of tax increment revenue to be transmitted to the Authority by the Village Treasurer, the Township Treasurer, and the County Treasurer shall be that portion of the tax levy of all taxing bodies paid annually on the assessed value of real and personal property only in the development area in excess of the initial assessed value.

The DDA will reimburse the school district the appropriate millage levy for debt retirement. Such funds shall be transmitted to each of the above parties within a reasonable time period after the DDA has collected the tax increment revenue from the Village Treasurer, the Township Treasurer, and the County Treasurer.

It is further recognized that tax increment revenues shall be expended only in accordance with the provisions of the tax increment financing plan and the surplus tax increment revenues not used for projects as listed in the development plan, shall revert proportionally to the respective taxing jurisdiction.

It is also recognized that tax increment revenues shall not be used to circumvent existing levy limit laws and the Lakeview Village Council may abolish the tax increment financing plan when it finds that the purposes for which the plan was created are accomplished. Pursuant to Section 15(3) of the DDA Act, the Authority shall submit to the Lakeview Village Council an annual report on the status of the tax increment financing account. The report shall include, but not be limited to, the following items:

1. Amount and source of revenue in the account.
2. Amount and purpose of expenditures from the account.
3. Amount of principal and interest on outstanding bonded indebtedness, if any.
4. Initial Assessed Value of the project area.
5. Current Assessed Value of the project area.
6. Captured Assessed Value of the project area.
7. Tax increment revenues received by the Authority.
8. Reimbursement to local school district of debt retirement and special education district.
9. Such other additional information as is deemed necessary

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by the Lakeview Village Council.

The Authority shall publish or cause to be published the annual tax increment financing account report in a local newspaper of general circulation.

E. Statement of the estimated impact of tax increment financing on the assessed value of all taxing jurisdictions in which the development area is located.

The tax increment financing plan will in no way diminish the assessed values of property within the area boundaries. Local taxing jurisdictions, (i.e. Village of Lakeview, Cato Township, Montcalm County, Lakeview School District, Montcalm Intermediate School District, and Montcalm Community College), will therefore, suffer no loss of current tax revenues.

For the period during which the tax increment financing plan is in effect, the assessed values of properties within the development area will effectively remain constant insofar as the local taxing jurisdictions are concerned. Any increase in property values will generate tax increment revenues which will be available only to the Authority during the duration of the plan unless excess funds are available and if available will be distributed proportionally to the taxing units.

It should be noted, however, that Act No. 404 of the Public Acts of 1974, as amended, specifically authorizes the exclusion of the Captured Assessed Value of the development area in computations made by school districts to determine state financial assistance. Therefore, the Lakeview School District will suffer no loss of revenues through the implementation of the tax increment financing plan.

It is anticipated that the development activities of the Authority, financed in whole or in part by tax increment revenues, will produce a positive material effect on the assessed values of property within and in the proximity of the development and will ultimately result in the eventual collection of greater real property tax revenues than would otherwise have been available; and that the improvement will be fully paid for in less than twenty years.

Pursuant to Sections 14 (4) of the DDA Act, the Authority shall fully inform the members of the Montcalm County Board of Commissioners and the members of various school boards of the fiscal and economic implications of the proposed development.

A Schedule containing an estimate of the impact on the Taxing Jurisdictions is included as Exhibit 10.

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F. Statement of the portion of the Captured Assessed Value intended to be used by the Authority.

In view of the necessity of halting property value deterioration and of promoting economic growth within the development area, it is the intention of the Authority to expend or otherwise obligate all tax increment revenues collected to achieve the purposes of the DDA Act.

The tax increment revenues which are generated by the Captured Assessed Value will be used to pay costs which are not financed by the issuance of bonds, in connection with the described projects, or to amortize bonds if used for future projects.

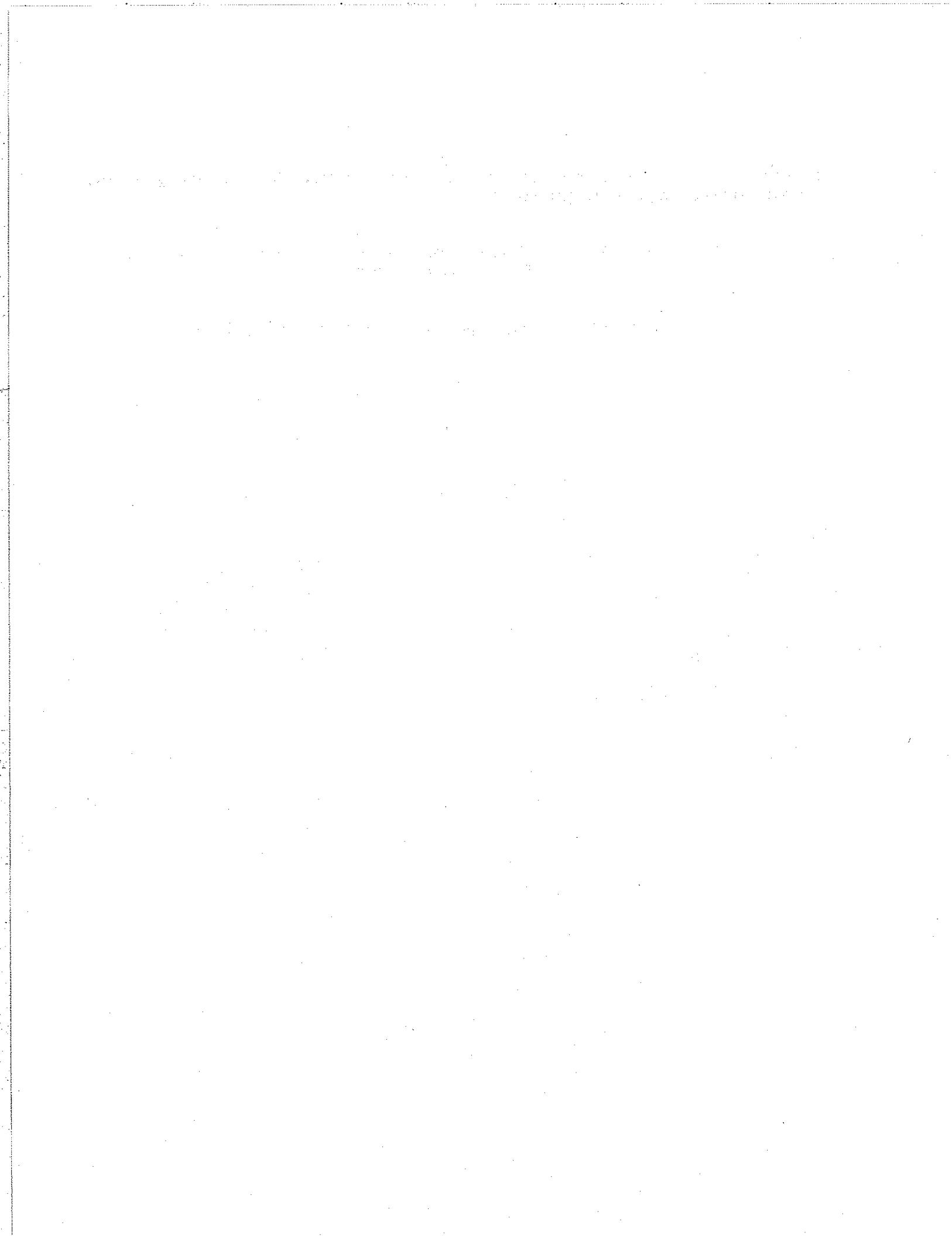
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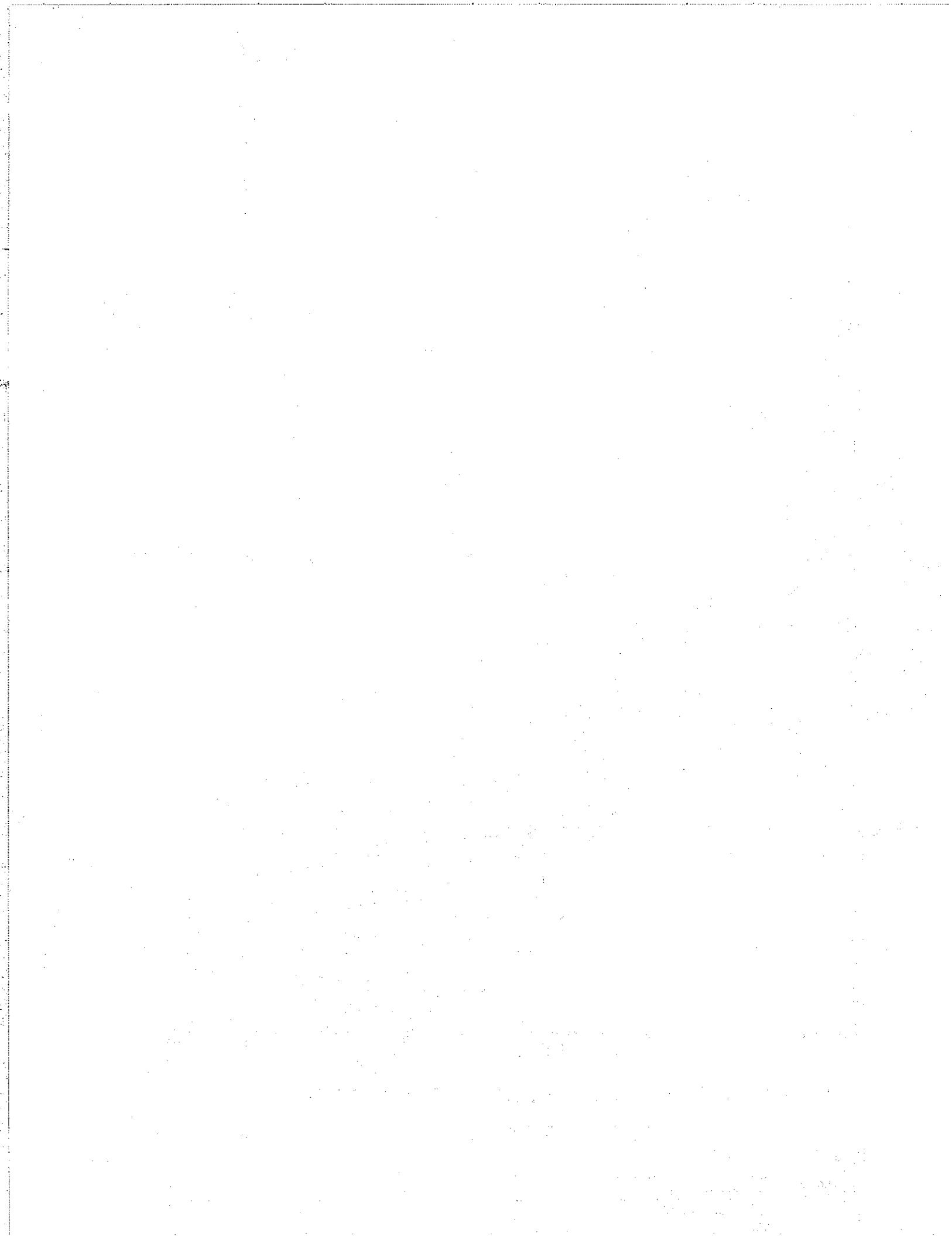


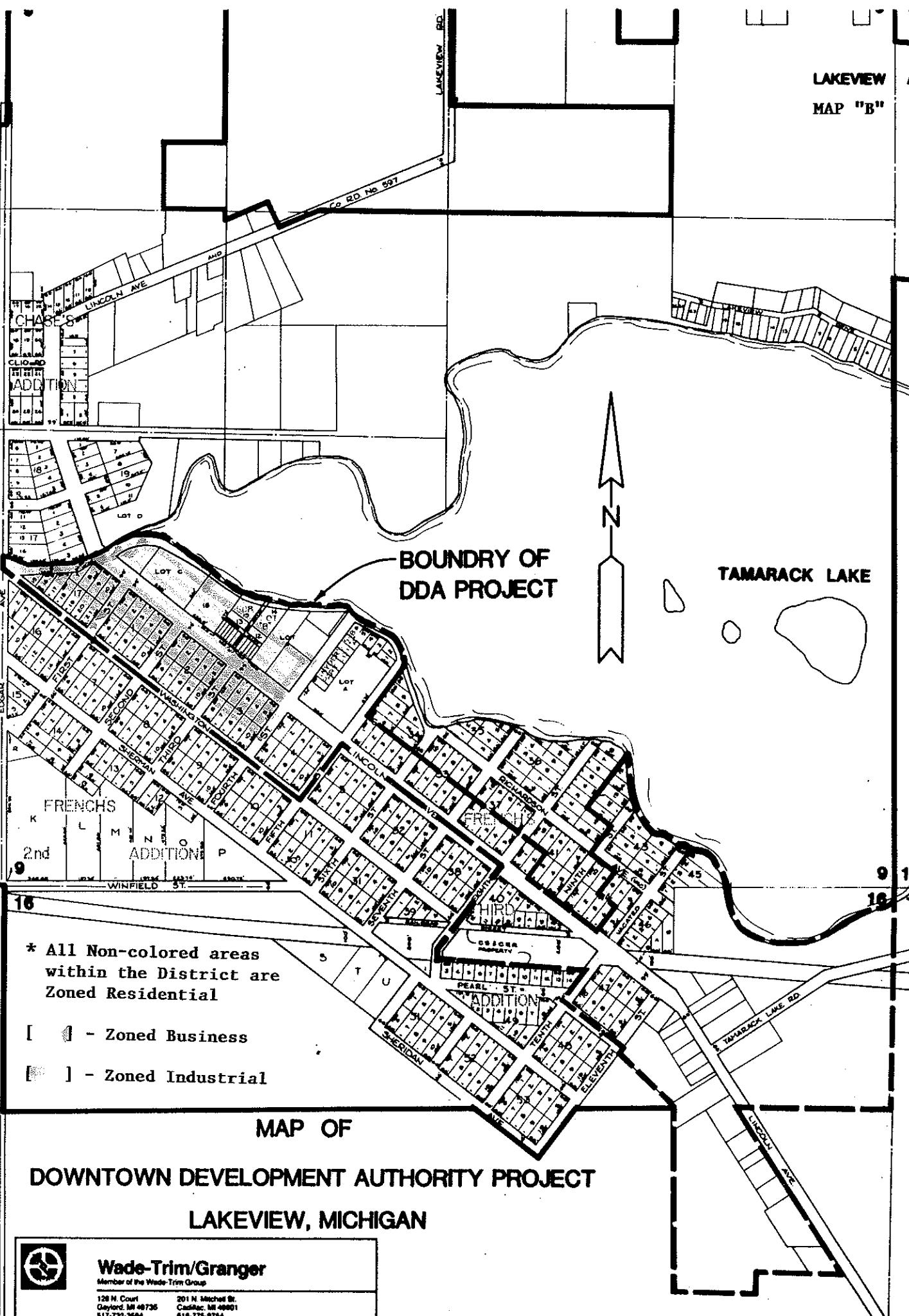
To illustrate this Development and Tax Increment Financing Plan,
the following maps are provided:

Map "A" - Village of Lakeview DDA District and
Development Area

Map "B" - Village of Lakeview Zoning Map







**DOWNTOWN DEVELOPMENT AUTHORITY PROJECT
LAKEVIEW, MICHIGAN**

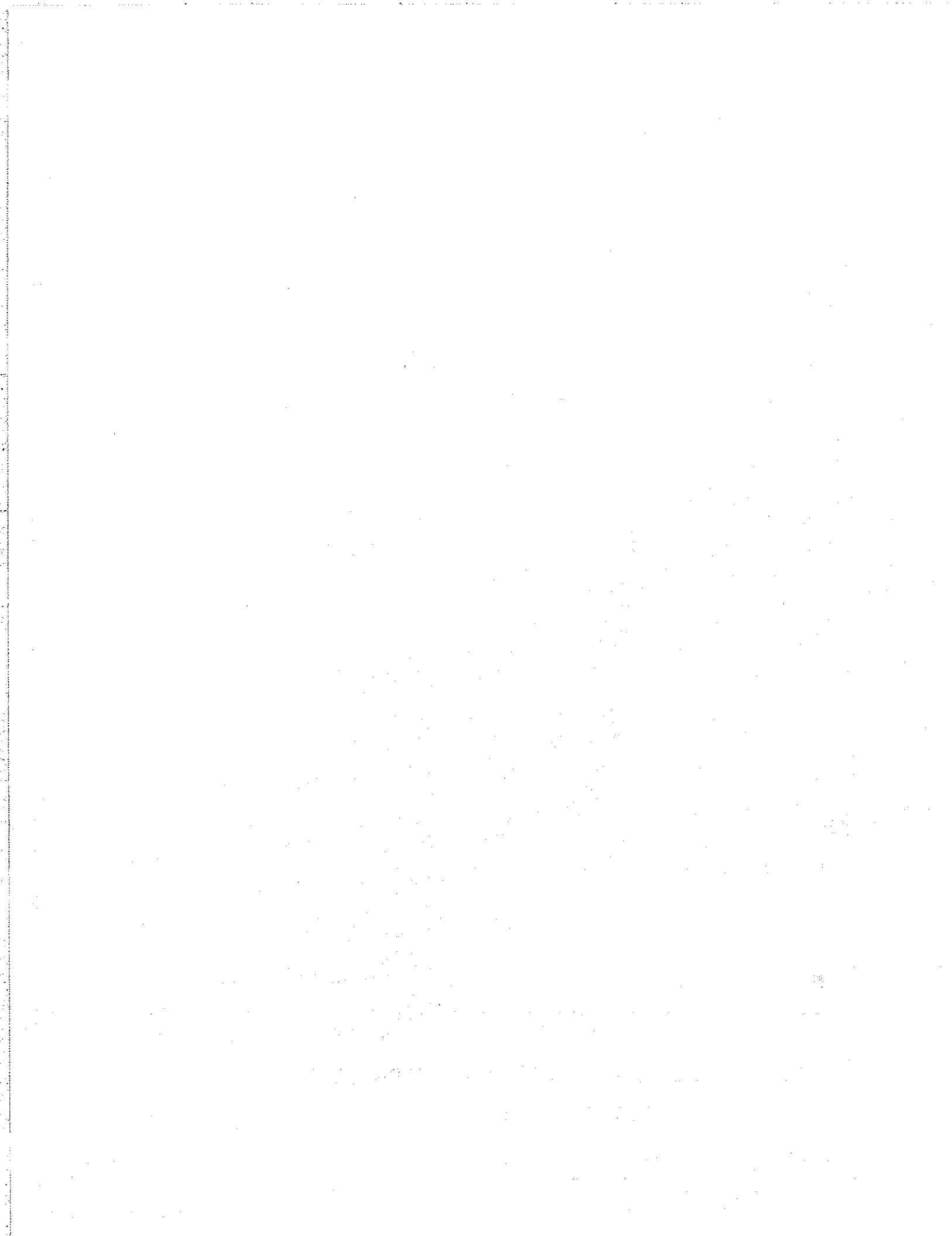


Wade-Trim/Granger

Member of the Wade-Terry Group

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Gaylord, MI 49735
517-732-3584

201 N. Mitchell St.
Cadillac, MI 49601
616-775-9754



To illustrate this Development and Tax Increment Financing Plan, the following exhibits are provided:

- Exhibit 1 - Act 197 of the Public Acts of 1975.
- Exhibit 2 - Lakeview Downtown Development Ordinance
- Exhibit 3 - Legal Description of the Authority District and Development Area
- Exhibit 4 - Original DDA Board Members and Terms
- Exhibit 5 - Bylaws of the Lakeview DDA
- Exhibit 6 - DDA Resolution Approving the Development and Tax Increment Financing Plan
- Exhibit 7 - Current State Equalized Value in the Development Area
- Exhibit 8 - Captured Value Projection
- Exhibit 9 - Tax Increment Revenue Estimate
- Exhibit 10 - Impact of Plan on Taxing Jurisdictions
- Exhibit 11 - Lakeview Ordinance Approving the Development and Tax Increment Financing Plan

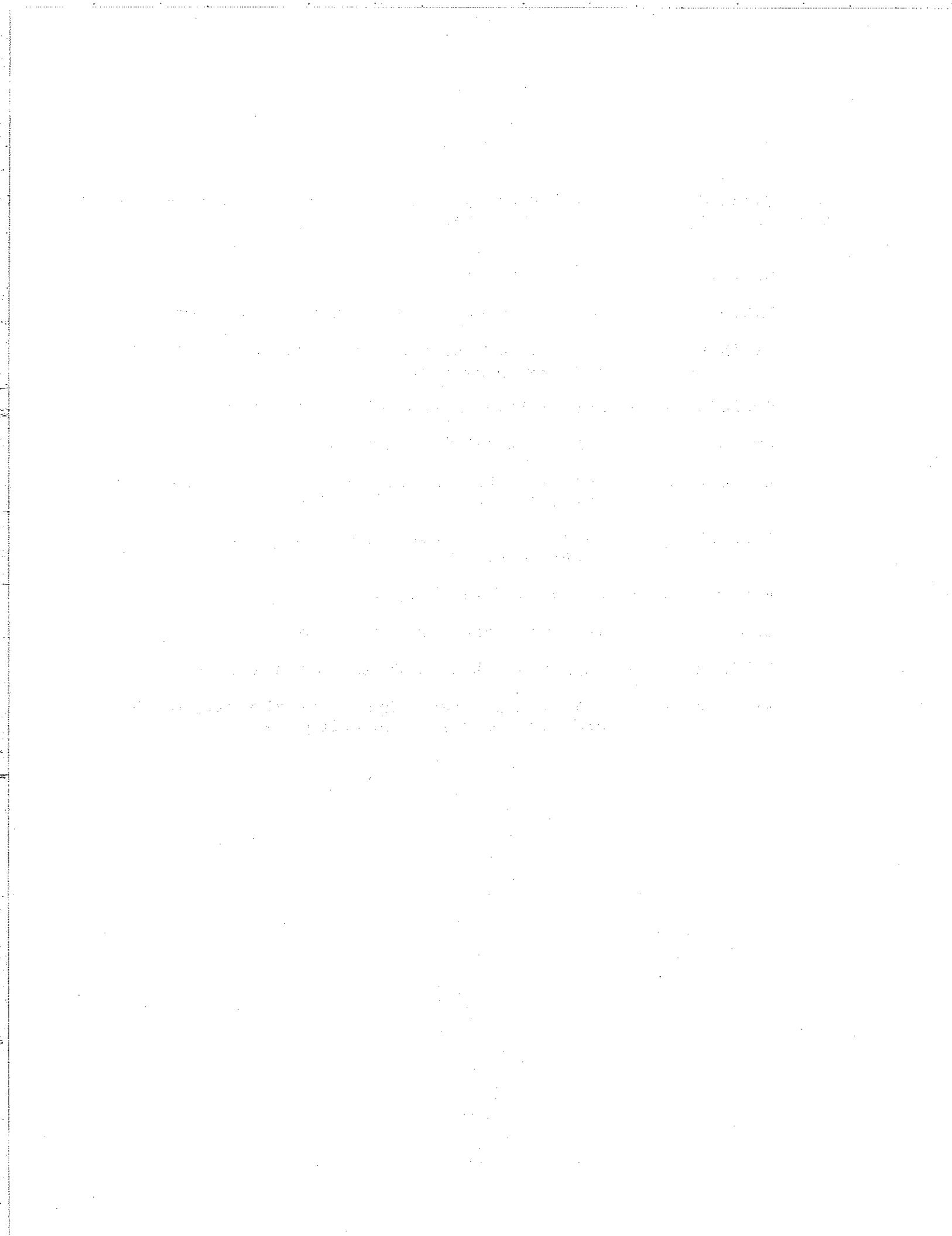


EXHIBIT 1

DOWNTOWN DEVELOPMENT AUTHORITY

Cross References

Economic development projects, housing or neighborhood improvement programs in blighted or redevelopment areas, see § 125.1603.
School aid act of 1979, computations, see § 388.1626.
Shopping area redevelopment projects, see § 125.981 et seq.
Tax increment finance authority board, trustees of board of downtown development authority as members, see § 125.1804.
Technology park districts, land included, see § 207.705.
Urban land assembly act, loan applications, see § 125.1856.

Library References

M.L.P. Municipal Corporations § 132.

P.A.1975, No. 197, Imd. Eff. Aug. 13

AN ACT to provide for the establishment of a downtown development authority; to prescribe its powers and duties; to correct and prevent deterioration in business districts; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation and implementation of development plans in the districts; to promote the economic growth of the districts; to create a board; to prescribe its powers and duties; to authorize the levy and collection of taxes; to authorize the issuance of bonds and other evidences of indebtedness; and to authorize the use of tax increment financing.

The People of the State of Michigan enact:

125.1651. Definitions

Sec. 1. As used in this act:

- (a) "Authority" means a downtown development authority created pursuant to this act.
- (b) "Board" means the governing body of an authority.
- (c) "Business district" means an area in the downtown of a municipality zoned and used principally for business.
- (d) "Chief executive officer" means the mayor or city manager of a city, the president of a village, or the supervisor of a township.
- (e) "Development area" means that area to which a development plan is applicable.
- (f) "Development plan" means that information and those requirements for a development set forth in section 17.¹

(g) "Development program" means the implementation of the development plan.

(h) "Downtown district" means an area in a business district which is specifically designated by ordinance of the governing body of the municipality pursuant to this act.

(i) "Governing body of a municipality" means the elected body of a municipality having legislative powers.

(j) "Municipality" means a city, village, or township.

(k) "Operations" means office maintenance, including salaries and expenses of employees, office supplies, consultation fees, design costs, and other expenses incurred in the daily management of the authority and planning of its activities.

(l) "Public facility" means a street, plaza, pedestrian mall, and any improvements to a street, plaza, or pedestrian mall including street furniture and beautification, park, parking facility, recreational facility, right of way, structure, waterway, bridge, lake, pond, canal, utility line or pipe, building, and access routes to any of the foregoing, designed and dedicated to use by the public generally, or used by a public agency. Public facility includes an improvement to a facility used by the public or a public facility as those terms are defined in section 1 of Act No. 1 of the Public Acts of 1966, being section 125.1351 of the Michigan Compiled Laws, which improvement is made to comply with the barrier free design requirements of the state construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.

Amended by P.A.1985, No. 221, § 1, Imd. Eff. Jan. 10, 1986.

¹Section 125.1667.

Sec. 1a. The legislature finds all of the following:

(a) That there exists in this state conditions of property value deterioration detrimental to the state economy and the economic growth of the state and its local units of government.

(b) That government programs are desirable and necessary to eliminate the causes of property value deterioration thereby benefiting the economic growth of the state.

(c) That it is appropriate to finance these government programs by means available to the state and local units of government in the state, including tax increment financing.

(d) That tax increment financing is a government financing program that contributes to economic growth and development by dedicating a portion of the increase in the tax base resulting from economic growth and development to facilities, structures, or improvements within a development area thereby facilitating economic growth and development.

(e) That it is necessary for the legislature to exercise its power to legislate tax increment financing as authorized in this act and in the exercise of this power to mandate the transfer of tax increment revenues by city, village, township, school district, and county treasurers to authorities created under this act in order to effectuate the legislative government programs to eliminate property value deterioration and to promote economic growth.

(f) That halting property value deterioration and promoting economic growth in the state are essential governmental functions and constitute essential public purposes.

(g) That economic development strengthens the tax base upon which local units of government rely and that government programs to eliminate property value deterioration benefit local units of government and are for the use of the local units of government.

(h) That the provisions of this act are enacted to provide a means for local units of government to eliminate property value deterioration and to promote economic growth in the communities served by those local units of government.

125.1652. Establishment and powers; property includable; public corporate body

Sec. 2. (1) Except as otherwise provided in this subsection, a municipality may establish 1 authority. If, before November 1, 1985, a municipality establishes more than 1 authority, those authorities may continue to exist as separate authorities. Under the conditions described in section 3a,¹ a municipality may have more than 1 authority within that municipality's boundaries. A parcel of property shall not be included in more than 1 authority created by this act.

(2) An authority shall be a public body corporate which may sue and be sued in any court of this state. An authority possesses all the powers necessary to carry out the purpose of its incorporation. The enumeration of a power in this act shall not be construed as a limitation upon the general powers of an authority.

Amended by P.A.1985, No. 159, § 1, Imd. Eff. Nov. 15.

¹Section 125.1653a.

125.1653. Procedure for creating authority; downtown district boundary changes

Sec. 3. (1) When the governing body of a municipality determines that it is necessary for the best interests of the public to halt property value deterioration and increase property tax valuation where possible in its business district, to eliminate the causes of that deterioration, and to promote economic growth, the governing body of that municipality may, by resolution, declare its intention to create and provide for the operation of an authority.

(2) In the resolution of intent, the governing body shall set a date for the holding of a public hearing on the adoption of a proposed ordinance creating the authority and designating the boundaries of the downtown district. Notice of the public hearing shall be published twice in a newspaper of general circulation in the municipality, not less than 20 nor more than 40 days before the date of the hearing. Notice shall also be mailed to the property taxpayers of record in the proposed district not less than 20 days before the hearing. Failure to receive the notice shall not invalidate these proceedings. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the proposed downtown district not less than 20 days before the hearing. The notice shall state the date, time, and place of the hearing, and shall describe the boundaries of the proposed downtown district. A citizen, taxpayer, or property owner of the municipality has the right to be heard in regard to the establishment of the authority and the boundaries of the proposed downtown district. The governing body of the municipality shall not incorporate land into the downtown district not included in the description contained in notice of public hearing, but it may eliminate described lands from the downtown district in the final determination of the boundaries.

(3) After the public hearing, if the governing body of the municipality intends to proceed with the establishment of the authority, it shall adopt, by majority vote of its members, an ordinance establishing the authority and designating the boundaries of the downtown district within which the authority shall exercise its powers. The adoption of the ordinance is subject to any applicable statutory or charter provisions in respect to the approval or disapproval by the chief executive or other officer of the municipality and the adoption of an ordinance over his veto. This ordinance shall be filed with the secretary of state promptly after its adoption and shall be published at least once in a newspaper of general circulation in the municipality.

(4) The governing body of the municipality may alter or amend the boundaries of the downtown district to include or exclude lands from the downtown district in accordance with the same requirements prescribed for adopting the ordinance creating the authority.

125.1653a. Annexation or consolidation of downtown district; effect

Sec. 3a. If a downtown district is part of an area annexed to or consolidated with another municipality, the authority managing that district shall become an authority of the annexing or consolidated municipality. Obligations of that authority incurred under a development or tax increment plan, agreements related to a development or tax increment plan, and bonds issued under this act shall remain in effect following the annexation or consolidation.

P.A.1975, No. 197, § 3a, added by P.A.1985, No. 159, § 1, Imd. Eff. Nov. 15, 1985.

125.1654. Governing board of authority or authorities

Sec. 4. (1) Except as provided in subsections (7) and (8), an authority shall be under the supervision and control of a board consisting of the chief executive officer of the municipality and not less than 8 or more than 12 members as determined by the governing body of the municipality. Members shall be appointed by the chief executive officer of the municipality, subject to approval by the governing body of the municipality. Not less than a majority of the members shall be persons having an interest in property located in the downtown district. Not less than 1 of the members shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it. Of the members first appointed, an equal number of the members, as near as is practicable, shall be appointed for 1 year, 2 years, 3 years, and 4 years. A member shall hold office until the member's successor is appointed. Thereafter, each member shall serve for a term of 4 years. An appointment to fill a vacancy shall be made by the chief executive officer of the municipality for the unexpired term only. Members of the board shall serve without compensation, but shall be reimbursed for actual and necessary expenses. The chairperson of the board shall be elected by the board.

(2) Before assuming the duties of office, a member shall qualify by taking and subscribing to the constitutional oath of office.

(3) The business which the board may perform shall be conducted at a public meeting of the board held in compliance with the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Public notice of the time, date, and place of the meeting shall be given in the manner required by Act No. 267 of the Public Acts of 1976. The board shall adopt rules consistent with Act No. 237 of the Public Acts of 1976 governing its procedure and the holding of regular meetings, subject to the approval of the governing body. Special meetings may be held if called in the manner provided in the rules of the board.

(4) Pursuant to notice and after having been given an opportunity to be heard, a member of the board may be removed for cause by the governing body. Removal of a member is subject to review by the circuit court.

(5) All expense items of the authority shall be publicized monthly and the financial records shall always be open to the public.

(6) In addition to the items and records prescribed in subsection (5), a writing prepared, owned, used, in the possession of, or retained by the board in the performance of an official function shall be made available to the public in compliance with the freedom of information act, Act No. 442 of the Public Acts of 1976, being sections 15.231 to 15.246 of the Michigan Compiled Laws.

(7) By resolution of its governing body, a municipality having more than 1 authority may establish a single board to govern all authorities in the municipality. The governing body may designate the board of an existing authority as the board for all authorities or may establish by resolution a new board in the same manner as provided in subsection (1). A member of a board governing more than 1 authority may be a resident of or have an interest in property in any of the downtown districts controlled by the board in order to meet the requirements of this section.

(8) By ordinance, the governing body of a municipality that has a population of less than 5,000 may have the municipality's planning commission created pursuant to Act No. 285 of the Public Acts of 1931, being sections 125.31 to 125.45 of the Michigan Compiled Laws, serve as the board provided for in subsection (1).

Amended by P.A.1987, No. 66, § 1, Imd. Eff. June 25.

125.1655. Director; treasurer; secretary; legal counsel; other personnel

Sec. 5. (1) The board may employ and fix the compensation of a director, subject to the approval of the governing body of the municipality. The director shall serve at the pleasure of the board. A member of the board is not eligible to hold the position of director. Before entering upon the duties of his office, the director shall take and subscribe to the constitutional oath, and furnish bond, by posting a bond in the penal sum determined in the ordinance establishing the authority payable to the authority for use and benefit of the authority, approved by the board, and filed with the municipal clerk. The premium on the bond shall be deemed an operating expense of the authority, payable from funds available to the authority for expenses of operation. The director shall be the chief executive officer of the authority. Subject to the approval of the board, the director shall supervise, and be responsible for, the preparation of plans and the performance of the functions of the authority in the manner authorized by this act. The director shall attend the meetings of the board, and shall render to the board and to the governing body of the municipality a regular report covering the activities and financial condition of the authority. If the director is absent or disabled, the board may designate a qualified person as acting director to perform the duties of the office. Before entering upon the duties of his office, the acting director shall take and subscribe to the oath, and furnish bond, as required of the director. The director shall furnish the board with information or reports governing the operation of the authority as the board requires.

(2) The board may employ and fix the compensation of a treasurer, who shall keep the financial records of the authority and who, together with the director, shall approve all vouchers for the expenditure of funds of the authority. The treasurer shall perform such other duties as may be delegated to him by the board and shall furnish bond in an amount as prescribed by the board.

(3) The board may employ and fix the compensation of a secretary, who shall maintain custody of the official seal and of records, books, documents, or other papers not required to be maintained by the treasurer. The secretary shall attend meetings of the board and keep a record of its proceedings, and shall perform such other duties delegated by the board.

(4) The board may retain legal counsel to advise the board in the proper performance of its duties. The legal counsel shall represent the authority in actions brought by or against the authority.

(5) The board may employ other personnel deemed necessary by the board.

125.1656. Employees' retirement and insurance programs

Sec. 6. The employees of an authority shall be eligible to participate in municipal retirement and insurance programs of the municipality as if they were civil service employees except that the employees of an authority are not civil service employees.

125.1657. Powers of governing body

Sec. 7. The board may:

(a) Prepare an analysis of economic changes taking place in the downtown district.

(b) Study and analyze the impact of metropolitan growth upon the downtown district.

(c) 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 which 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.

(d) 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 construction code promulgated under the state construction code act of 1972, Act No. 230 of the Public Acts of 1972, being sections 125.1501 to 125.1531 of the Michigan Compiled Laws.

(e) Develop long-range plans, in cooperation with the agency which is chiefly responsible for planning in the municipality, designed to halt the deterioration of property values in the downtown district and to promote the economic growth of the downtown district, and take such steps as may be necessary to persuade property owners to implement the plans to the fullest extent possible.

(f) Implement any plan of development in the downtown district necessary to achieve the purposes of this act, in accordance with the powers of the authority as granted by this act.

(g) Make and enter into contracts necessary or incidental to the exercise of its powers and the performance of its duties.

(h) Acquire by purchase or otherwise, on terms and conditions and in a manner the authority deems proper or own, convey, or otherwise dispose of, or lease as lessor or lessee, land and other property, real or personal, or rights or interests therein, which the authority determines is reasonably necessary to achieve the purposes of this act, and to grant or acquire licenses, easements, and options with respect thereto.

(i) 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.

(j) Fix, charge, and collect fees, rents, and charges for the use of any building or property under its control or any part thereof, or facility therein, and pledge the fees, rents, and charges for the payment of revenue bonds issued by the authority.

(k) Lease any building or property under its control, or any part thereof.

(l) Accept grants and donations of property, labor, or other things of value from a public or private source.

(m) Acquire and construct public facilities.

Amended by P.A.1985, No. 221, § 1, Imd. Eff. Jan. 10, 1986.

125.1658. Service of board as planning commission; agenda

Sec. 8. If a board created under this act serves as the planning commission under section 2 of Act No. 285 of the Public Acts of 1931, being section 125.32 of the Michigan Compiled Laws, the board shall include planning commission business in its agenda.

P.A.1975, No. 197, § 8, added by P.A.1987, No. 66, § 1, Imd. Eff. June 25, 1987.

125.1659. Authority as instrument of political subdivision

Sec. 9. The authority shall be deemed an instrumentality of a political subdivision for purposes of Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

125.1660. Eminent domain

Sec. 10. A municipality may take private property under Act No. 149 of the Public Acts of 1911, as amended, being sections 213.21 to 213.41 of the Michigan Compiled Laws, for the purpose of transfer to the authority, and may transfer the property to the authority for use in an approved development, on terms and conditions it deems appropriate, and the taking, transfer, and use shall be considered necessary for public purposes and for the benefit of the public.

125.1661. Financing; deposits

Sec. 11. (1) The activities of the authority shall be financed from 1 or more of the following sources:

- (a) Donations to the authority for the performance of its functions.
- (b) Proceeds of a tax imposed pursuant to section 12.¹
- (c) Money borrowed and to be repaid as authorized by section 13.²
- (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 16.³
- (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.

(2) Money received by the authority and not covered under subsection (1) shall immediately be deposited to the credit of the authority, subject to disbursement pursuant to this act. Except as provided in this act, the municipality shall not obligate itself, nor shall it ever be obligated to pay any sums from public funds, other than money received by the municipality pursuant to this section, for or on account of the activities of the authority.

Amended by P.A.1981, No. 34, § 1, Imd. Eff. May 11.

¹ Section 125.1662.

² Section 125.1663.

³ Sections 125.1664 to 125.1666.

125.1662. Taxation; borrowing; tax anticipation notes

Sec. 12. (1) An authority with the approval of the municipal governing body may levy an ad valorem tax on the real and tangible personal property not exempt by law and as finally equalized in the downtown district. The tax shall not be more than 1 mill if the downtown district is in a municipality having a population of 1,000,000 or more, or not more than 2 mills if the downtown district is in a municipality having a population of less than 1,000,000. The tax shall be collected by the municipality creating the authority levying the tax. The municipality shall collect the tax at the same time and in the same manner as it collects its other ad valorem taxes. The tax shall be paid to the treasurer of the authority and credited to the general fund of the authority for purposes of the authority.

(2) The municipality may at the request of the authority borrow money and issue its notes therefor pursuant to the municipal finance act, Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 138.2 of the Michigan Compiled Laws, in anticipation of collection of the ad valorem tax authorized in this section.

Amended by P.A.1983, No. 86, § 1, Imd. Eff. June 16.

125.1663. Revenue bonds

Sec. 13. The authority may borrow money and issue its negotiable revenue bonds therefor pursuant to Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws. Revenue bonds issued by the authority shall not except as hereinafter provided be deemed a debt of the municipality or the state. The municipality by majority vote of the members of its governing body may pledge its full faith and credit to support the authority's revenue bonds.

125.1663a. Issuance of revenue bonds or notes; costs financed by bonds or notes; pledge; tax exemption; liability; investment by public officers, state agencies, etc.

Sec. 13a. (1) The authority may with approval of the local governing body borrow money and issue its revenue bonds or notes to finance all or part of the costs of acquiring or constructing property in connection with the implementation of a development plan in the downtown district or to refund or refund in advance bonds or notes issued pursuant to this section. The costs which may be financed by the issuance of revenue bonds or notes may include the cost of purchasing, acquiring, constructing, improving, enlarging, extending, or repairing property in connection with the implementation of a development plan in the downtown district; any engineering, architectural, legal, accounting, or financial expenses; the costs necessary or incidental to the borrowing of money; interest on the bonds or notes during the period of construction; a reserve for payment of principal and interest on the bonds or notes; and a reserve for operation and maintenance until sufficient revenues have developed. The authority may secure the bonds and notes by mortgage, assignment, or pledge of the property and any money, revenues, or income received in connection therewith.

(2) A pledge made by the authority shall be valid and binding from the time the pledge is made. The money or property pledged by the authority immediately shall be subject to the lien of the pledge without a physical delivery, filing, or further act. The lien of such a pledge shall be valid and binding as against parties having claims of any kind in tort, contract, or otherwise, against the authority, irrespective of whether the parties have notice of the lien. Neither the resolution, the trust agreement, nor any other instrument by which a pledge is created need be filed or recorded.

(3) Bonds or notes issued pursuant to this section shall be exempt from all taxation in this state except inheritance and transfer taxes, and the interest on the bonds or notes shall be exempt from all taxation in this state, notwithstanding that the interest may be subject to federal income tax.

(4) The municipality shall not be liable on bonds or notes of the authority issued pursuant to this section and the bonds or notes shall not be a debt of the municipality. The bonds or notes shall contain on their face a statement to that effect.

(5) The bonds and notes of the authority may be invested in by all public officers, state agencies and political subdivisions, insurance companies, banks, savings and loan associations, investment companies, and fiduciaries and trustees, and may be deposited with and received by all public officers and the agencies and political subdivisions of this state for any purpose for which the deposit of bonds is authorized.

P.A.1975, No. 197, § 13a, added by P.A.1981, No. 151, § 1, Imd. Eff. Nov. 19, 1981.

125.1664. Assessed values; tax increment financing plan

Sec. 14. (1) As used in this section and section 15:

(a) "Captured assessed value" means the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (c), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.

(b) "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development 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 resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax, shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific tax was paid in lieu of a property tax shall be determined as provided in subdivision (c).

(c) "Specific local tax" means a tax levied under Act No. 198 of the Public Acts of 1974, being sections 207.551 to 207.571 of the Michigan Compiled Laws, the commercial redevelopment act, Act No. 255 of the Public Acts of 1978, being sections 207.651 to 207.668 of the Michigan Compiled Laws, the technology park development act, Act No. 385 of the Public Acts of 1984, being sections 207.701 to 207.718 of the Michigan Compiled Laws, and Act No. 189 of the Public Acts of 1953, being sections 211.181 to 211.182 of the Michigan Compiled Laws. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate.

(2) When the authority determines that it is necessary for the achievement of the purposes of this act, the authority shall prepare and submit a tax increment financing plan to the governing body of the municipality. The plan shall include a development plan as provided in section 17, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, and the duration of the program, and shall be in compliance with section 15. The plan shall contain a statement of the estimated impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located. The plan may provide for the use of part or all of the captured assessed value, but the portion intended to be used by the authority shall be clearly stated in the tax increment financing plan. The authority or municipality may exclude from captured assessed value growth in property value resulting solely from inflation. The plan shall set forth the method for excluding growth in property value resulting solely from inflation.

(3) The percentage of taxes levied for school operating purposes that is captured and used by the tax increment financing plan shall not be greater than the plan's percentage capture and use of taxes levied by a municipality or county for operating purposes. For purposes of the previous sentence, taxes levied by a county for operating purposes include only millage allocated for county or charter county purposes under the property tax limitation act, Act No. 62 of the Public Acts of 1933, being sections 211.201 to 211.217a of the Michigan Compiled Laws. For purposes of this subsection, tax increment revenue used to pay bonds issued by a municipality under section 16(1) shall be considered to be used by the tax increment financing plan rather than shared with the municipality. The limitation of this subsection does not apply to the portion of the captured assessed value shared pursuant to an agreement entered into before 1989 with a county or with a city in which an enterprise zone is approved under section 13 of the enterprise zone act, Act No. 224 of the Public Acts of 1985, being section 125.2113 of the Michigan Compiled Laws. If a portion of the captured assessed value was

shared with a municipality in 1988, for tax years 1989 through 1991, a plan may share with the municipality the greater of the amount allowed by the limitation of this subsection or the following applicable amount:

- (a) For the 1989 tax year, 100% of the dollar amount shared with the municipality in 1988.
- (b) For the 1990 tax year, 2/3 of the dollar amount shared with the municipality in 1988.
- (c) For the 1991 tax year, 1/3 of the dollar amount shared with the municipality in 1988.

(4) Approval of the tax increment financing plan shall be pursuant to the notice, hearing, and disclosure provisions of section 18. If the development plan is part of the tax increment financing plan, only 1 hearing and approval procedure is required for the 2 plans together.

(5) Before the public hearing on the tax increment financing plan, the governing body shall provide a reasonable opportunity to the members of the county board of commissioners of a county in which any portion of the development area is located and to the members of the school board of any school district in which any portion of the development area is located to meet with the governing body. The authority shall fully inform members of the county boards of commissioners and of the school boards of the fiscal and economic implications of the proposed development area. The members of the county boards of commissioners and of the school boards may present their recommendations at the public hearing on the tax increment financing plan. The authority may enter into agreements with the county board of commissioners, the school boards, and the governing body of the municipality in which the development area is located to share a portion of the captured assessed value of the district.

(6) A tax increment financing plan may be modified if the modification is approved by the governing body upon notice and after public hearings and agreements as are required for approval of the original plan.

125.1665. Tax increments, amount, expenditure, financing account report

Sec. 15. (1) The amount of tax increment to be transmitted to the authority by the municipal and county treasurers shall be that portion of the tax levy of all taxing bodies paid each year on real and personal property in the project area on the captured assessed value. For the purpose of this section, that portion of a specific local tax that is attributable to the captured assessed value of the facility shall be included as a part of the tax increment to be transmitted to the authority.

(2) The authority shall expend the tax increments received for the development program only pursuant to the tax increment financing plan. Surplus funds shall revert proportionately to the respective taxing bodies. These revenues shall not be used to circumvent existing property tax limitations. The governing body of the municipality may abolish the tax increment financing plan when it finds that the purposes for which it was established are accomplished. However, the tax increment financing plan shall not be abolished until the principal of, and interest on, bonds issued pursuant to section 16 have been paid or funds sufficient to make the payment have been segregated.

(3) Annually the authority shall submit to the governing body of the municipality and the state tax commission a report on the status of the tax increment financing account. The report shall include: the amount and 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; and any additional information the governing body or the state tax commission considers necessary. The report shall be published in a newspaper of general circulation in the municipality.

125.1666. General obligation bonds; tax increment bonds

Sec. 16. (1) The municipality may by resolution of its governing body authorize, issue, and sell general obligation bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan or to refund bonds issued under this section and shall pledge its full faith and credit for the payment of the bonds. The bonds shall mature in not more than 30 years and shall be subject to the municipal finance act, Act No. 202 of the Public Acts of 1943, as amended, being sections 131.1 to 139.3 of the Michigan Compiled Laws. Before the municipality may authorize the borrowing, the authority shall submit an estimate of the anticipated tax increment revenue to be available for payment of principal and interest on the bonds, to the governing body of the municipality. This estimate shall be approved by the governing body of the municipality by resolution adopted by majority vote of the members of the governing body in the resolution authorizing the bonds. If the bonds are approved by the department of treasury in those instances in which an exception to prior approval is not available under section 11 of chapter III of Act No. 202 of the Public Acts of 1943, being section 133.11 of the Michigan Compiled Laws, or if the governing body of the municipality adopts the resolution authorizing the bonds and prior approval of the department of treasury is not required pursuant to section 11 of chapter III of Act No. 202 of the Public Acts of 1943, the estimate of the anticipated tax increment revenue to be available for payment of principal and interest on the bonds shall be conclusive for purposes of this section. A municipality may not pledge for annual debt service requirements in any 1 year in excess of 80% of the estimated tax increment revenue to be received from a development area for that year, and 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. The bonds issued under this section shall be considered a single series for the purposes of Act No. 202 of the Public Acts of 1943, as amended.

(2) By resolution of its governing body, the authority may authorize, issue, and sell tax increment bonds subject to the limitations set forth in this subsection to finance the development program of the tax increment financing plan or to refund bonds issued under this section. The tax increment bonds issued by the authority under this subsection shall pledge solely the tax increments of the project for which the bonds are issued and any other revenues which the authority shall specifically pledge in the resolution and shall not pledge the full faith and credit of either the authority or the municipality. The bonds shall mature in not more than 30 years and shall bear interest and be payable upon the terms and conditions determined by the authority in the resolution approving the bonds and shall be sold at public or private sale by the authority. The bond issue may include a sum sufficient to pay interest on the tax increment bonds until full development of tax increments from the project and also a sum to provide a reasonable reserve for payment of principal and interest on the bonds. The resolution authorizing the bonds shall create a lien on the tax increments and other revenues pledged by the resolution which shall be a statutory lien and shall be a first lien subject only to liens previously created. The resolution may provide the terms upon which additional bonds may be issued of equal standing and parity of lien as to the tax increments and other revenues pledged under the resolution.

Amended by P.A.1981, No. 34, § 1, Imd. Eff. May 11; P.A.1983, No. 34, § 1, Imd. Eff. May 10; P.A.1985, No. 159, § 1, Imd. Eff. Nov. 15.

125.1667. Development plans

Sec. 17. (1) When a board decides to finance a project in the downtown district by the use of revenue bonds as authorized in section 13¹ or tax increment financing as authorized in sections 14, 15, and 16,² it shall prepare a development plan.

(2) The development plan shall contain:

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

(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.

(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.

(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.

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

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

(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.

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

(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.

(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.

(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.

(l) 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.

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

(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 U.S.C. sections 4601, et seq.

(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.

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

¹ Section 125.1663.

² Sections 125.1664, 125.1665 and 125.1666.

125.1668. Hearing on plan

Sec. 18. (1) The governing body, before adoption of an ordinance approving a development plan or tax increment financing plan, shall hold a public hearing on the development plan. Notice of the time and place of the hearing shall be given by publication twice in a newspaper of general circulation designated by the municipality, the first of which shall not be less than 20 days before the date set for the hearing. Notice of the hearing shall be posted in at least 20 conspicuous and public places in the downtown district not less than 20 days before the hearing. Notice shall also be mailed to all property taxpayers of record in the downtown district not less than 20 days before the hearing.

(2) Notice of the time and place of hearing on a development plan shall contain: a description of the proposed development area in relation to highways, streets, streams, or otherwise; a statement that maps, plats, and a description of the development plan, including the method of relocating families and individuals who may be displaced from the area, are available for public inspection at a place designated in the notice, and that all aspects of the development plan will be open for discussion at the public hearing; and other information that the governing body deems appropriate. At the time set for hearing, the governing body shall provide an opportunity for interested persons to be heard and shall receive and consider communications in writing with reference thereto. The hearing shall provide the fullest opportunity for expression of opinion, for argument on the merits, and for introduction of documentary evidence pertinent to the development plan. The governing body shall make and preserve a record of the public hearing, including all data presented thereat.

125.1669. Public purpose; approval or rejection of plan; amendments, development or tax increment plans

Sec. 19. (1) The governing body after a public hearing on the development plan or the tax increment financing plan, or both, with notice thereof given in accordance with section 18,¹ shall determine whether the development plan or tax increment financing plan constitutes a public purpose. If it determines that the development plan or tax increment financing plan constitutes a public purpose, it shall then approve or reject the plan, or approve it with modification, by ordinance based on the following considerations:

- (a) The findings and recommendations of a development area citizens council, if a development area citizens council was formed.
- (b) The plan meets the requirements set forth in section 17(2).²
- (c) The proposed method of financing the development is feasible and the authority has the ability to arrange the financing.
- (d) The development is reasonable and necessary to carry out the purposes of this act.
- (e) The land included within the development area to be acquired is reasonably necessary to carry out the purposes of the plan and of this act in an efficient and economically satisfactory manner.
- (f) The development plan is in reasonable accord with the master plan of the municipality.
- (g) Public services, such as fire and police protection and utilities, are or will be adequate to service the project area.
- (h) Changes in zoning, streets, street levels, intersections, and utilities are reasonably necessary for the project and for the municipality.

(2) Amendments to an approved development plan or tax increment plan must be submitted by the authority to the governing body for approval or rejection.

¹ Section 125.1668.

² Section 125.1667(2).

125.1670. Notice to vacate, person to be relocated

Sec. 20. A person to be relocated under this act shall be given not less than 90 days' written notice to vacate unless modified by court order for good cause.

125.1671. Development area citizens council

Sec. 21. (1) If a proposed development area has residing within it 100 or more residents, a development area citizens council shall be established at least 90 days before the public hearing on the development or tax increment financing plan. The development area citizens council shall be established by the governing body and shall consist of not less than 9 members. The members of the development area citizens council shall be residents of the development area and shall be appointed by the governing body. A member of a development area citizens council shall be at least 18 years of age.

(2) A development area citizens council shall be representative of the development area.

125.1672. Council as advisory body

Sec. 22. A development area citizens council established pursuant to this act shall act as an advisory body to the authority and the governing body in the adoption of the development or tax increment financing plans.

125.1673. Consultation with council

Sec. 23. Periodically a representative of the authority responsible for preparation of a development or tax increment financing plan within the development area shall consult with and advise the development area citizens council regarding the aspects of a development plan, including the development of new housing for relocation purposes located either inside or outside of the development area. The consultation shall begin before any final decisions by the authority and the governing body regarding a development or tax increment financing plan. The consultation shall continue throughout the preparation and implementation of the development or tax increment financing plan.

125.1674. Council, meetings, assistance, failure to organize, consult, or advise

Sec. 24. (1) Meetings of the development area citizens council shall be open to the public. Notice of the time and place of the meetings shall be given by publication in a newspaper of general circulation not less than 5 days before the dates set for meetings of the development area citizens council. A person present at those meetings shall have reasonable opportunity to be heard.

(2) A record of the meetings of a development area citizens council, including information and data presented, shall be maintained by the council.

(3) A development area citizens council may request of and receive from the authority information and technical assistance relevant to the preparation of the development plan for the development area.

(4) Failure of a development area citizens council to organize or to consult with and be advised by the authority, or failure to advise the governing body, as provided in this act, shall not preclude the adoption of a development plan by a municipality if the municipality complies with the other provisions of this act.

125.1675. Citizens district council as council

Sec. 25. In a development area where a citizens district council established according to Act No. 344 of the Public Acts of 1945, as amended, being sections 125.71 to 125.84 of the Michigan Compiled Laws, already exists the governing body may designate it as the development area citizens council authorized by this act.

125.1676. Development plan, council findings and recommendations

Sec. 26. Within 20 days after the public hearing on a development or tax increment financing plan, the development area citizens council shall notify the governing body, in writing, of its findings and recommendations concerning a proposed development plan.

125.1677. Necessity for, and dissolution of, council

Sec. 27. A development area citizens council may not be required and, if formed, may be dissolved in any of the following situations:

(a) On petition of not less than 20% of the adult resident population of the development area by the last federal decennial or municipal census, a governing body, after public hearing with notice thereof given in accordance with section 18¹ and by a $\frac{2}{3}$ vote, may adopt an ordinance for the development area to eliminate the necessity of a development area citizens council.

(b) When there are less than 18 residents, real property owners, or representatives of establishments located in the development area eligible to serve on the development area citizens council.

(c) Upon termination of the authority by ordinance of the governing body.

¹ Section 125.1668.

125.1678. Budget; fund handling and auditing costs

Sec. 28. (1) The director of the authority shall prepare and submit for the approval of the board a budget for the operation of the authority for the ensuing fiscal year. The budget shall be prepared in the manner and contain the information required of municipal departments. Before the budget may be adopted by the board, it shall be approved by the governing body of the municipality. Funds of the municipality shall not be included in the budget of the authority except those funds authorized in this act or by the governing body of the municipality.

MCLA §§ 125.1 to 127 End—29

(2) The governing body of the municipality may assess a reasonable pro rata share of the funds for the cost of handling and auditing the funds against the funds of the authority, other than those committed, which cost shall be paid annually by the board pursuant to an appropriate item in its budget.

125.1679. Preservation of historical sites

Sec. 29. (1) A public facility, building, or structure which is determined by the municipality to have significant historical interests shall be preserved in a manner as deemed necessary by the municipality in accordance with laws relative to the preservation of historical sites.

(2) An authority shall refer all proposed changes to the exterior of sites listed on the state register of historic sites and the national register of historic places to the applicable historic district commission created under Public Act No. 169 of the Public Acts of 1970, being sections 399.201 to 399.212 of the Michigan Compiled Laws, or the secretary of state for review.

125.1680. Dissolution of authority

Sec. 30. An authority which has completed the purposes for which it was organized shall be dissolved by ordinance of the governing body. The property and assets of the authority remaining after the satisfaction of the obligations of the authority shall belong to the municipality.

Sec. 31. (1) The state tax commission may institute proceedings to compel enforcement of this act.

(2) The state tax commission may promulgate rules necessary for the administration of this act pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

EXHIBIT 2

LAKEVIEW DOWNTOWN DEVELOPMENT ORDINANCE

AN ORDINANCE TO ESTABLISH A DOWNTOWN DEVELOPMENT AUTHORITY IN THE VILLAGE OF LAKEVIEW PURSUANT TO ACT 197 OF THE PUBLIC ACTS OF MICHIGAN OF 1975, AS AMENDED; TO DEFINE THE BOUNDARIES OF THE DOWNTOWN DISTRICT CONSTITUTING THE DOWNTOWN DEVELOPMENT AUTHORITY; AND TO PROVIDE FOR OTHER MATTERS NECESSARY AND RELATED THERETO.

THE VILLAGE OF LAKEVIEW ORDAINS:

Section 1. Title. This Ordinance shall be known and may be cited as the "Downtown Development Authority Ordinance."

Section 2. Definitions. The terms used herein shall have the same meaning as given them in Act 197 or as hereinafter in this section provided, unless the context clearly indicates to the contrary. As used in this ordinance:

- (a) "Authority" means the Downtown Development Authority Village of Lakeview created by this Ordinance.
- (b) "Act 197" means Act No. 197 of the Public Acts of Michigan of 1975 as now in effect or hereafter amended.
- (c) "Board" or "Board of Directors" means the Board of Directors of the Authority.
- (d) "Village" means the Village of Lakeview.
- (e) "Council" or "Village Council" means the Village Council of the Village.
- (f) "Downtown District" means the downtown district designated herein or as hereafter amended.
- (g) "President" means the President of the Village.

Section 3. Purpose and Findings.

The Village Council of the Village hereby determines and finds that it is in the best interests of the Village to create a public body corporate in order to halt property value deterioration and increase property tax valuation where possible in the Downtown District, eliminate the causes of the deterioration and to promote economic growth pursuant to Act 197.

EXHIBIT 2

Section 4. Creation of Authority.

There is hereby created pursuant to Act 197 a Downtown Development Authority for the Village. The Authority shall be a public body corporate and shall be known and exercise the powers under title of "Downtown Development Authority of the Village of Lakeview". The Authority may adopt a seal, may sue and be sued in any court of this State, and shall possess all of the powers necessary to carry out the purpose of its incorporation as provided herein and in Act 197. The enumeration of a power herein or in Act 197 shall not be construed as a limitation upon the general powers of the Authority.

Section 5. Description of Downtown District.

The Downtown District in which the Authority shall exercise its power as provided by Act 197 shall consist of the property in the Village described on Exhibit A attached hereto and made a part hereof, subject to such changes as may hereinafter be made pursuant to this ordinance and Act 197.

Section 6. Board of Directors.

A. The Authority shall be under the supervision and control of the Board consisting of the President and eight members. The members shall be appointed by the President subject to approval by the Council. Eligibility for membership of the Board and terms of office shall be as provided by Act 197. Each member shall hold office until the member's successor is appointed.

B. The members appointed as the Board of the Downtown Development Authority shall be appointed in accordance with the following schedule:

Two members whose terms expire in one year;
Two members whose terms expire in two years;
Two members whose terms expire in three years; and,
Two members whose terms expire in four years.

C. Thereafter, the President shall submit to the Village Council for approval a list of members to the Board who shall serve for a term of four years each to fill the places of those whose terms have expired. Further, the President shall fill such vacancies as they exist on the Board from time to time.

D. A Board member shall take office by swearing and subscribing to the constitutional oath of office.

Section 7. Powers of the Authority.

The Authority shall possess all of the powers necessary to carry out the purposes of its incorporation and shall have all the powers

EXHIBIT 2

provided by Act 197.

Section 8. Fiscal Year; Adoption of Budget; Reports; Audits.

- (a) The fiscal year of the Authority shall begin on March 1st of each year and end on February 28th of the following year, or such other fiscal year as may hereafter be adopted by the Village.
- (b) The Board shall annually prepare a budget and shall submit it to the Village for consideration by the Village Council. The Board shall not finally adopt a budget for any fiscal year until the budget has been approved by the Village Council. The board may, however, temporarily adopt a budget in connection with the operation of any improvements which have been financed by revenue bonds where required to do so by the ordinance authorizing the revenue bonds.
- (c) The Authority shall be audited annually by the same independent auditors auditing the Village and copies of the audit report shall be filed with the Council.

Section 9. Termination.

Upon completion of its purposes the Authority may be dissolved by an ordinance duly adopted by the Council. The property and assets of the Authority, after dissolution and satisfaction of its obligations, shall revert to the Village.

Section 10. Section Headings; Severability; Repealer.

Section headings are provided for convenience only and are not intended to be a part of this ordinance. If any portion of this ordinance shall be held to be unlawful, the remaining portions shall remain in full force and effect. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 11. Publication, Recording and Filing.

After its adoption, this ordinance shall be published once in full in a newspaper of general circulation in the Village, and the Village Clerk shall file a certified copy of the ordinance with the Michigan Secretary of State promptly after its adoption.

EXHIBIT 2

Section 12. Effective Date.

This ordinance shall become effective immediately after publication in a newspaper of general circulation within the Village of Lakeview.

(ADOPTED AT A REGULAR MEETING OF THE LAKEVIEW COUNCIL ON JUNE 24, 1991.)

LEGAL DESCRIPTION OF LAKEVIEW DOWNTOWN DEVELOPMENT AUTHORITY:

BEGINNING ON THE SECTION LINE COMMON TO SECTION 15 AND SECTION 16, T12N, R8W, VILLAGE OF LAKEVIEW, MONTGOMERY COUNTY, MICHIGAN, AT THE SOUTHERLY SHORE OF TAMARACK LAKE; THENCE SOUTH ALONG THE SECTION LINE TO THE NORTH 1/8 LINE OF SECTION 16; THENCE WEST ALONG THE NORTH 1/8 LINE OF SECTION 16 TO THE WEST LINE OF LINCOLN AVENUE; THENCE SOUTHEASTERLY ALONG THE WEST LINE OF LINCOLN AVENUE TO A POINT 330 FEET NORTH OF THE EAST-WEST LINE 1/4 LINE OF SECTION 16; THENCE WEST 552.75 FEET; THENCE SOUTH 132 FEET; THENCE WEST 519.75 FEET; THENCE NORTH ALONG THE EAST 1/8 LINE TO THE SOUTH 1/8 LINE OF SECTION 16; THENCE NORTHWESTERLY TO A POINT ON THE SOUTHEASTERLY LINE OF ELEVENTH STREET WHERE THE SAME IS INTERSECTED BY THE SOUTHERLY LINE OF PEARL STREET; THENCE NORTHEASTERLY 33 FEET ALONG THE SOUTHERLY RIGHT-OF-WAY LINE OF ELEVENTH STREET; THENCE NORTHWESTERLY ALONG THE CENTERLINE OF PEARL STREET TO THE NORTH RIGHT-OF-WAY OF TENTH STREET; THENCE ALONG THE NORTH RIGHT-OF-WAY OF TENTH STREET TO THE NORTHEAST CORNER OF LOT 14, BLOCK 50 OF FRENCH'S THIRD ADDITION, THENCE ALONG THE NORTH LINE OF BLOCK 50 TO THE CENTERLINE OF EXISTING EIGHTH STREET; THENCE NORTHEASTERLY ALONG EIGHTH STREET TO THE CENTERLINE OF LINCOLN AVENUE; THENCE NORTHWESTERLY ALONG THE CENTERLINE OF LINCOLN AVENUE TO THE CENTERLINE OF FIFTH AVENUE; THENCE SOUTHWESTERLY ALONG FIFTH AVENUE TO THE CENTERLINE OF WASHINGTON AVENUE; THENCE NORTHWESTERLY ALONG THE CENTERLINE OF WASHINGTON AVENUE TO THE CENTERLINE OF EDGAR AVENUE; THENCE NORTH ALONG THE CENTERLINE OF EDGAR AVENUE TO A POINT DUE WEST OF THE NORTHWEST CORNER OF LOT 6, BLOCK 17, PLAT OF FRENCH'S FIRST ADDITION TO THE VILLAGE OF LAKEVIEW; THENCE EAST TO THE NORTHWEST CORNER OF SAID LOT 6; THENCE ALONG THE NORTH LINE OF LOT 6 TO THE CENTERLINE OF LINCOLN AVENUE; THENCE SOUTH ALONG THE CENTERLINE OF LINCOLN AVENUE TO TAMARACK CREEK; THENCE EASTERLY ALONG TAMARACK CREEK TO TAMARACK LAKE; THENCE SOUTHEASTERLY ALONG THE SHORE OF TAMARACK LAKE TO THE EASTERLY RIGHT-OF-WAY OF FIFTH STREET; THENCE SOUTHWESTERLY ALONG THE EASTERLY RIGHT-OF-WAY OF FIFTH STREET TO THE SOUTHWEST CORNER OF LOT 6, BLOCK 6, PLAT OF THE VILLAGE OF LAKEVIEW; THENCE SOUTHEASTERLY TO THE NORTHEAST CORNER OF LOT 2, BLOCK 41, FRENCH'S THIRD ADDITION TO THE VILLAGE OF LAKEVIEW; THENCE SOUTHWESTERLY ALONG THE EAST LINE OF SAID LOT 2 TO THE NORTH RIGHT-OF-WAY OF LINCOLN AVENUE; THENCE SOUTHEASTERLY ALONG THE NORTH RIGHT-OF-WAY OF LINCOLN AVENUE TO THE SOUTHEAST CORNER OF LOT 4, BLOCK 44, OF SAID PLAT; THENCE NORTHEASTERLY TO THE NORTHEAST CORNER OF LOT 4, BLOCK 44; THENCE NORTHWESTERLY TO THE SOUTHEAST CORNER OF LOT 9, BLOCK 44 OF SAID PLAT; THENCE NORTHEASTERLY ALONG THE EAST LINE OF LOT 9 TO THE SOUTHERLY (VACATED) RIGHT-OF-WAY OF RICHARDSON AVENUE; THENCE NORTHWESTERLY ALONG SAID RIGHT-OF-WAY TO THE WEST RIGHT-OF-WAY OF NINTH STREET; THENCE NORTHEASTERLY ALONG THE WEST RIGHT-OF-WAY OF NINTH STREET TO THE NORTHEAST CORNER OF LOT 10, BLOCK 42, FRENCH'S THIRD ADDITION TO THE VILLAGE OF LAKEVIEW; THENCE NORTHWESTERLY ALONG THE NORTH LINE OF SAID LOT 10 TO THE SOUTHEAST CORNER OF LOT 3, BLOCK 42 OF SAID PLAT; THENCE NORTHEASTERLY ALONG THE LOT LINES TO TAMARACK LAKE; THENCE SOUTHERLY ALONG THE SHORE OF TAMARACK LAKE TO THE POINT OF BEGINNING, VILLAGE OF LAKEVIEW, MONTGOMERY COUNTY, MICHIGAN.

EXHIBIT 4

The original Lakeview Downtown Development Authority Board Members, appointed by the Lakeview Village Council on July 8, 1991 and July 22, 1991, are as follows:

Member	Term Expires
David Leonard	7/31/92
Everil Manshum	7/31/92
Bill Besemer	7/31/93
Gerlad Nielson	7/31/93
Richard L. Johnson	7/31/94
Gary Baker	7/31/94
Rosalie Ashbaugh	7/31/95
Michael Zarzycki	7/31/95
Keith Treiber	7/31/95
Keith Bucholtz	Village President

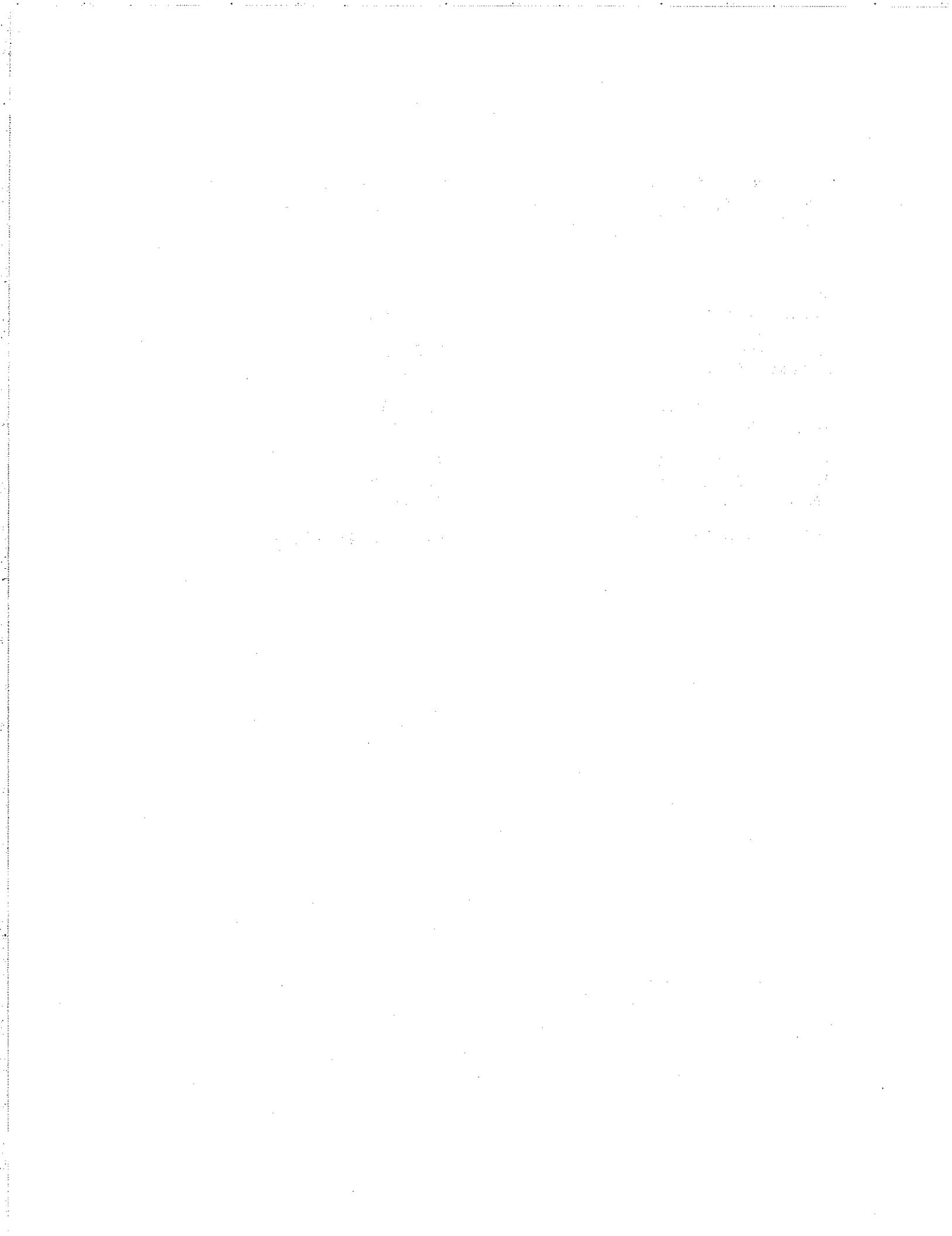


EXHIBIT 5
LAKEVIEW DOWNTOWN DEVELOPMENT AUTHORITY BYLAWS

At a regular meeting of the Board of Directors of the Lakeview Downtown Development Authority on July 9, 1991, the following Bylaws were approved. Concurrent approval was given by the Lakeview Village Council at their meeting held on July 22, 1991.

ARTICLE I - NAME AND PURPOSE

Section 1. The name of this organization shall be the Downtown Development Authority of the Village of Lakeview (the "Authority").

Section 2. The purpose of the Authority is to implement Act 197 of the Public Acts of Michigan, 1975, as amended (the "Act").

ARTICLE II - BOARD OF DIRECTORS

Section 1. The business and property of the Authority shall be managed and directed by the Board of Directors (the "Board"), the members of which shall serve for four (4) year terms from the date of their respective appointment, except as provided for in the ordinance creating the Authority.

Section 2. The fiscal year of the Authority shall be made to correspond with the fiscal year of the Village of Lakeview, which currently begins on March 1st and ends on February 28th. The Board shall annually designate one of its members as chairman, one of its members as vice-chairman, and one of its members as secretary. The officers so elected shall serve a term of (1) year or any part thereof as may be determined, and until a successor is designated. No term created under this section shall extend beyond the term of the member designated.

Section 3. Resignations of members of the Board shall be effective upon delivery of the resignation in writing to the Village President.

Section 4. Pursuant to notice and an opportunity to be heard, a member of the Board may be removed from office for neglect of duty, including non-attendance at three (3) or more meetings per year, misconduct, malfeasance, or other good cause by a majority vote of the Village Council.

Section 5. The Board shall appoint, subject to the approval of the Council, a finance officer, who need not be member of the Board. The finance officer shall serve at the pleasure of the Board for no definite term of office.

Section 6. The Board may exercise all powers provided by Act 197, Public Acts of Michigan, 1975, as amended, or otherwise by law including those bestowed by the ordinance establishing the Authority.

EXHIBIT 5
LAKEVIEW DOWNTOWN DEVELOPMENT AUTHORITY BYLAWS

Section 7. The Board shall have the power to engage and employ such technical, manual, financial and professional assistants as in its judgement may be necessary and is incidental to carry out the purposes of the Authority.

Section 8. After the Authority shall begin to collect tax increment revenues, the Board shall cause an annual audit of its business to be made and the result thereof shall be submitted to the Village Council. In addition, the Board shall prepare a budget and submit it to the Village Council before the first of February of each year.

ARTICLE III - MEETINGS

Section 1. Meetings of the Board shall be held in accordance with the provisions of the Michigan Open Meetings Act, being Act 267 of the Public Acts of Michigan, 1976, as amended. The registered office and principal place of business of the Authority shall be the Village Offices in the Village of Lakeview, or such other location as may be designated from time to time by the Board.

Section 2. Meetings shall be held whenever called by direction of the chairman, Lakeview Village President, or any three (3) members of the Board on two (2) days written notice of the time and place of the meeting.

Section 3. Five (5) members of the Board shall constitute a quorum for the transaction of business. An affirmative vote of a majority of those present shall be required for the conduct of business. No member shall abstain from a vote, unless it is recognized by a majority of the Board that there exists a bonafide conflict of interest, in which case the member shall abstain from both the vote and the discussion of that item.

Section 4. Robert's Rules of Order will govern the conduct of all meetings of the Board.

ARTICLE IV - OFFICIALS

Section 1. The chairman shall preside at meetings of the Board and shall do and perform such other duties as may be from time to time assigned by the Board. The vice-chairman shall perform the duties of the chairman in the chairman's absence and such other duties as shall be assigned by the Board.

Section 2. The secretary shall maintain custody of the records, books, documents, or other papers of the Authority not required to be maintained by the finance officer. The secretary shall attend the meetings of the Board and keep record of its proceedings, and shall perform such other duties delegated by the Board.

EXHIBIT 5
LAKEVIEW DOWNTOWN DEVELOPMENT AUTHORITY BYLAWS

Section 3. The finance officer shall keep the financial records of the Authority. All vouchers for the expenditure of funds of the Authority shall require the approval of both the finance officer and either the chairman or the secretary. All checks shall be kept by the finance officer and shall be signed by either chairman or the secretary, except as otherwise provided by the Board.

ARTICLE V - BYLAWS

Section 1. The Board shall have the power to make, alter or amend the bylaws in whole or in part, to be effective upon the approval of the Village Council.

Section 2. These bylaws shall become effective upon approval of the Council of the Village of Lakeview. Until such approval, the bylaws shall be temporary bylaws for the Authority.

Adopted July 9, 1991

Approved by the Village of Lakeview on
July 22, 1991.

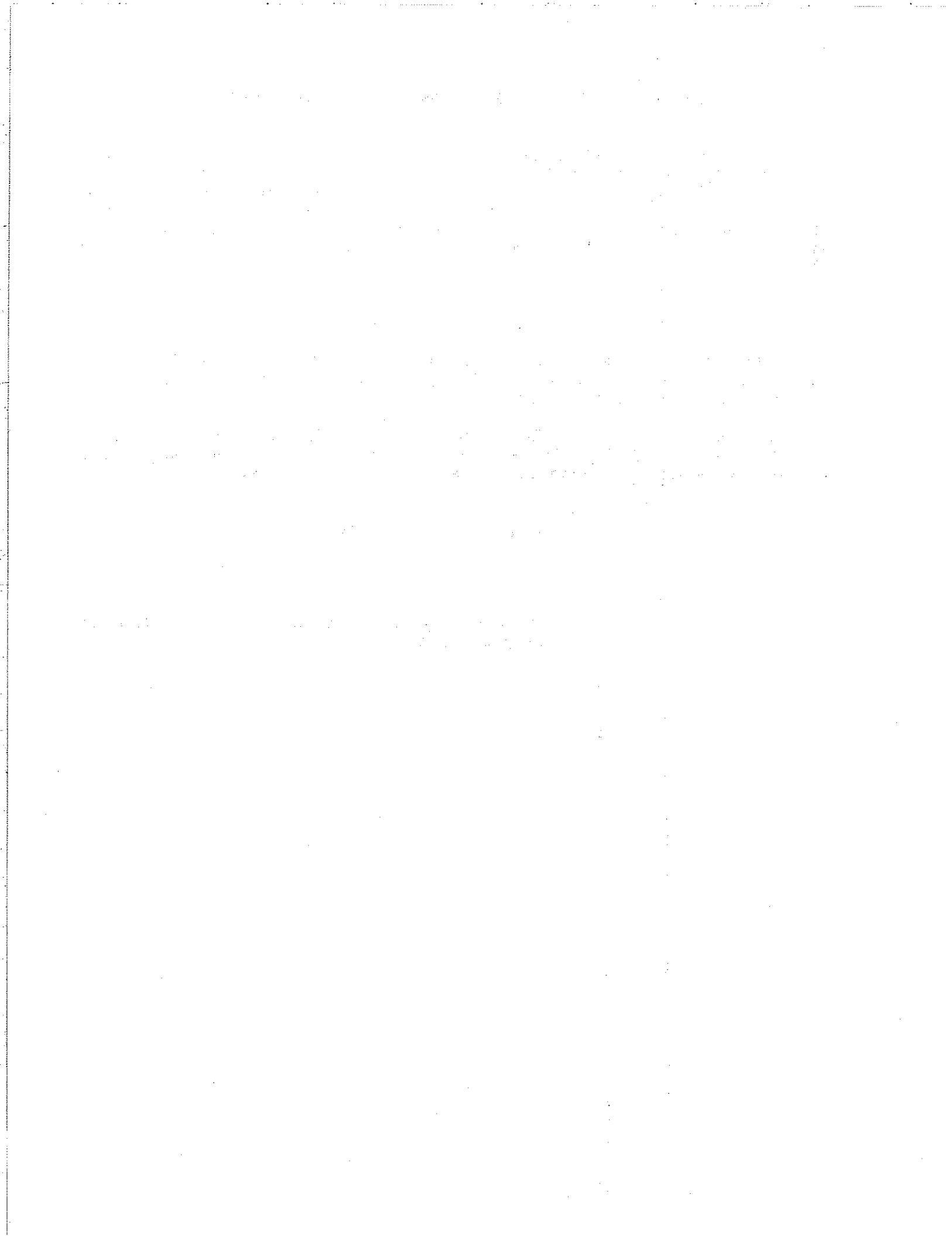


EXHIBIT 6

VILLAGE OF LAKEVIEW DOWNTOWN DEVELOPMENT AUTHORITY

**RESOLUTION APPROVING AND RECOMMENDING A DOWNTOWN
DEVELOPMENT AND TAX INCREMENT FINANCING PLAN**

Resolved by _____

Supported by _____

WHEREAS, pursuant to Act 197 of the Public Acts of Michigan 1975, as amended (Act), the Downtown Development Authority (Authority) is authorized to prepare a development plan to assist in the development and redevelopment of all or a portion of the downtown district; and,

WHEREAS, the Act also authorizes the Authority to prepare a tax increment financing plan to assist in the payment of all or a part of the costs associated with the activities of the Authority and the implementation of the development plan;

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby:

1. Determines that the Plan approved on this date constitutes a public purpose.
2. Determines that the tax increment financing plan contained within the Plan is necessary to achieve the purpose of the Act.
3. Determines that the Plan meets the requirements of Section 14 and Section 17 of the Act.
4. Determines that the Plan meets the requirements of Section 19 (c) through (h) of the Act.
5. Adopts the Plan approved on this date and recommends the same to the Lakeview Village Council for adoption and implementation in accordance with the Act.

BE IT FURTHER RESOLVED that all resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

AYES:

NAYS:

EXHIBIT 6

RESOLUTION DECLARED ADOPTED.

SECRETARY

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted at a regular meeting of the Lakeview Downtown Development Authority on July 23, 1991.

SECRETARY

EXHIBIT 7 - Lakeview Base Year Assessment

Property Owner	Property Number	Base Year Assessment
Bollinger, K.	042-101-001-00	79,400.00
Paris, D.	042-101-004-00	28,200.00
Moore, J.	042-101-005-00	15,000.00
Newberry, J.	042-101-005-00	12,500.00
Newland, E.	042-101-008-00	8,200.00
Petersen, C.	042-101-009-00	9,000.00
Town & Country	042-101-010-00	15,000.00
Paris, P.	042-101-010-50	14,000.00
Nielsen, G.	042-102-001-00	23,000.00
Cantwell, G.	042-102-001-50	25,000.00
Martens, C.	042-102-002-00	18,800.00
Four Seasons	042-102-003-00	12,500.00
Charnley, R.	042-102-003-30	12,500.00
J & J Store	042-102-003-60	44,900.00
Moblo, R.	042-102-004-00	16,500.00
Cantwell, G.	042-102-004-50	16,700.00
Jensen, G.	042-102-005-00	16,700.00
Baker, E.	042-102-005-50	17,800.00
Nielsen J.	042-102-006-00	14,600.00
Village of Lakeview	042-102-007-00	0.00
Griffith, A.	042-102-008-00	15,700.00
Griffith, A.	042-102-008-50	9,400.00
Cantwell, G.	042-102-009-00	8,500.00
Nielsen, J.	042-102-010-00	11,400.00
Abbey, R.	042-102-010-50	9,400.00
White Barns Farm	042-103-001-00	28,200.00
Johnson, H.	042-103-001-30	29,200.00
White Barns Farm	042-103-001-60	14,600.00
Baker, G.	042-103-001-90	17,800.00
Kelsey Hospital	042-103-003-00	0.00
M K Realty Co.	042-103-004-00	62,700.00
Kazmers, E.	042-103-005-00	24,200.00
Kelsey Hospital	042-103-006-00	0.00
Kelsey Hospital	042-103-010-00	0.00
Bank of Lakeview	042-104-001-00	104,400.00
Nielsen C.	042-104-003-00	30,500.00
Skinner T.	042-104-006-00	14,700.00
Olsen B.	042-104-007-00	9,300.00
Krantz, A.	042-104-008-00	13,600.00
Edgerly, J.	042-104-009-00	15,300.00
Granburg, J.	042-104-009-50	8,700.00
Bonet, H.	042-106-001-00	22,500.00
Bale, N.	042-106-002-00	38,200.00
Olsen, O.	042-106-003-00	14,700.00
Lincoln, R.	042-106-005-00	15,800.00

EXHIBIT 7 - Lakeview Base Year Assessment

Three Pines Co.	042-111-101-00	23,500.00
Stadel, D.	042-111-102-00	25,100.00
Smith, B.	042-111-103-00	35,300.00
Methodist Church	042-111-104-00	0.00
Snyder, R.	042-111-105-00	15,800.00
Bank of Lakeview	042-111-106-00	10,400.00
Youngman Chevrolet	042-111-107-00	52,200.00
McCullough, D.	042-111-107-10	64,800.00
Griffith, K.	042-111-108-00	23,000.00
Bollinger, K.	042-111-109-00	11,600.00
Newell, G.	042-111-111-00	16,700.00
Sharp, D.	042-111-111-50	3,100.00
Martens, C.	042-111-111-60	6,000.00
Disher, L.	042-111-112-00	11,700.00
 Ogan, W.	042-140-001-00	32,800.00
Hanson, D.	042-140-005-00	26,700.00
Youngman, N.	042-140-007-00	4,900.00
Drain, R.	042-140-009-00	29,600.00
McCullough, D.	042-140-011-00	2,600.00
 Cato Township	042-170-001-00	0.00
Thompson, C.	042-170-003-00	9,100.00
Paul, R.	042-170-004-00	12,500.00
Wilson, D.	042-170-005-00	17,800.00
Breuker, L.	042-170-006-00	31,300.00
Leonard Agency Inc.	042-170-008-00	11,500.00
White, W.	042-170-009-00	26,100.00
McKenna, J.	042-170-011-00	18,700.00
Youngman, D.	042-170-012-00	4,600.00
Stevens, G.	042-170-012-50	500.00
Moore, W.	042-170-013-00	24,000.00
Village of Lakeview	042-170-101-00	0.00
Village of Lakeview	042-170-102-00	0.00
Butler, F.	042-170-103-00	20,300.00
Phelps, P.	042-170-104-00	30,900.00
Village of Lakeview	042-170-105-00	0.00
Hallada, D.	042-170-106-00	10,400.00
Village of Lakeview	042-170-107-00	0.00
Sharp, D.	042-170-108-00	4,300.00
Cato Bldg. Auth.	042-170-109-00	0.00
Sharp, D.	042-170-110-00	20,100.00
 Rigney, P.	042-317-007-00	12,000.00
Johnson, E.	042-317-009-00	16,000.00
First Savings Loan	042-317-009-50	13,100.00
Johnson Oil Co.	042-317-010-00	40,200.00
Moore, C.	042-317-011-00	13,400.00
Lakeview Xn. Fellow	042-317-015-00	0.00
Imhoff, L.	042-317-016-00	14,700.00
Imhoff, L.	042-317-017-00	52,900.00
Imhoff, L.	042-317-018-00	10,900.00
Trevino, P.	042-317-020-00	11,100.00

EXHIBIT 7 - Lakeview Base Year Assessment

Bucholtz, H.	042-333-001-00	20,800.00
Youngman, J.	042-333-003-00	16,900.00
Gabrish, E.	042-333-004-00	9,800.00
Braun, L.	042-333-005-00	12,500.00
Smith, C.	042-333-005-50	14,500.00
Crane, J.	042-337-001-00	16,700.00
Davidson, S.	042-337-001-50	10,000.00
York, R.	042-337-003-00	9,300.00
Wezensky, D.	042-337-004-00	14,200.00
Kirby, D.	042-337-005-00	10,000.00
Bradley, J.	042-340-001-00	12,700.00
Huckins, I.	042-340-002-00	5,100.00
Collard, R.	042-340-003-00	11,100.00
Draper, J.	042-340-004-00	19,700.00
Millard Realty Inc.	042-340-005-00	15,600.00
Farmers Elevator	042-340-009-00	1,700.00
Farmers Elevator	042-340-011-00	37,600.00
Wales, W.	042-341-001-00	12,700.00
Winter, E.	042-341-002-00	10,600.00
Paloma Industries	042-342-011-00	8,600.00
Badgley, D.	042-343-001-00	1,100.00
Paloma Industries	042-343-003-00	27,000.00
Couillard, D.	042-344-005-50	10,000.00
Behrenwald, B.	042-347-001-00	34,200.00
Behrenwald, B.	042-347-003-00	2,100.00
Molitor, M.	042-347-005-00	39,700.00
Johnson, H.	042-347-006-00	2,200.00
Jones, B.	042-347-008-00	0.00
Martens, C	042-347-009-00	8,700.00
Miller, E.	042-347-010-00	8,700.00
Stevens, K.	042-716-004-00	1,000.00
Stevens, K.	042-716-005-00	8,400.00
Poulson, S.	042-716-006-00	15,100.00
Kelley, B.	042-716-007-00	15,100.00
Stevens, H.	042-716-008-00	15,100.00
Walters, G.	042-716-009-00	13,100.00
Grawburg, H.	042-716-010-00	19,000.00
Parker-Hannifin	042-716-011-00	15,100.00
Holy Trinity Luth.	042-716-012-00	0.00
Farm Credit Serv.	042-716-013-00	62,700.00
Smith F.	042-716-014-00	23,000.00
Griffes, R.	042-716-014-20	7,100.00
Griffes, R.	042-716-014-50	11,300.00
Abbott, F.	042-716-015-00	10,400.00

EXHIBIT 7 - Lakeview Base Year Assessment

Fountain, E.	042-716-016-00	16,100.00
Smith, C.	042-716-017-00	19,200.00
Myers, C.	042-716-018-00	2,100.00
Myers, C.	042-716-018-10	1,000.00
C & O Railway	042-716-019-00	900.00
C & O Railway	042-716-020-00	900.00
C & O Railway	042-716-021-00	900.00
C & O Railway	042-716-022-00	2,200.00
C & O Railway	042-716-023-00	900.00
C & O Railway	042-716-024-00	900.00
C & O Railway	042-716-025-00	900.00
Carr, N.	042-716-041-00	10,400.00
Griffith, K.	042-716-041-10	3,100.00
Griffith, A.	042-716-042-00	73,100.00
Denslow, J.	042-716-043-00	59,500.00
Thurston, G.	042-716-045-00	18,900.00
Behrenwald, A.	042-716-046-00	6,300.00
Cantwell, T.	042-716-047-00	6,300.00
Cantwell, T.	042-716-048-00	6,300.00
Drown, R.	042-716-051-00	12,500.00
Draper, J.	042-880-013-00	65,000.00
Lakeview Bowling	042-880-012-00	75,000.00
Farmers Elevator	042-890-010-00	34,000.00
Farmers Elevator	042-890-010-50	38,900.00
Parker-Hannifin	042-890-011-00	380,000.00
Parker-Hannifin	042-890-011-50	49,000.00
Paloma Industries	042-890-015-00	50,000.00
Paloma Industries	042-890-015-50	12,000.00
Jensen, G.	042-900-006-00	400.00
Cantwell, G.	042-900-007-00	400.00
Holly Grove Rest.	042-900-008-00	6,300.00
Bucholtz, K.	042-900-009-00	141,000.00
Jorgensens	042-900-010-00	0.00
Sutherland, K.	042-900-012-00	800.00
D & C Stores	042-900-013-00	4,000.00
Pitney Bowes	042-900-015-00	3,000.00
Lakeview Hotel	042-900-017-00	4,500.00
Bollinger	042-900-022-00	8,900.00
Castle Pizza	042-900-023-00	2,000.00
Moblo, R.	042-900-025-00	5,700.00
Nielson's TV	042-900-026-00	300.00
Village Restaurant	042-900-027-00	4,400.00
Imperial Oil	042-900-028-00	14,000.00
Leonard Insurance	042-900-029-00	2,000.00
Jack's Tire	042-900-031-00	500.00
Stevens, K.	042-900-032-00	5,000.00
Moutor, M.	042-900-033-00	17,600.00
Smith Hardware	042-900-034-00	0.00
Johnson, H.	042-900-035-00	1,900.00
Lakeview Animal	042-900-037-00	2,300.00

EXHIBIT 7 - Lakeview Base Year Assessment

Lakeview Bookkeep	042-900-038-00	1,200.00
Youngman-McCullough	042-900-040-00	29,800.00
Steele, H.	042-900-042-00	9,900.00
Farm Credit Serv.	042-900-043-00	21,800.00
Jones & Behrenwald	042-900-046-00	4,300.00
Lakeview Automotive	042-900-047-00	10,100.00
R & R Buffing	042-900-048-00	5,000.00
Hair Care By Shirly	042-900-049-00	500.00
United Prod. Dist.	042-900-052-00	3,300.00
Draper, J.	042-900-053-00	39,700.00
M & K Realty	042-900-057-00	33,900.00
Bell Atlantic	042-900-059-00	5,000.00
Moons Agency	042-900-060-00	2,500.00
Montcalm Auto	042-900-061-00	11,200.00
Bowling Center	042-900-062-00	9,300.00
Millard Realty	042-900-064-00	400.00
Parker-Hannifin	042-900-066-00	499,600.00
Dolphin Coin Inc.	042-900-071-00	500.00
Levandowski, Dr.	042-900-078-00	400.00
Rons Sport & Marine	042-900-079-00	2,900.00
Kelly Ice	042-900-081-00	0.00
Pitney Bowes	042-900-083-00	2,100.00
Xerox Corp	042-900-084-00	0.00
Coca-Cola	042-900-089-00	5,000.00
Supreme Polishing	042-900-090-00	0.00
Cent. Mi. Steamway	042-900-092-00	1,500.00
Nielson, R.	042-900-094-00	3,300.00
Wilson's TV	042-900-096-00	900.00
Comdisco	042-900-097-00	3,300.00
State Farm Insur.	042-900-099-00	1,500.00
IBM Credit Corp.	042-900-101-00	0.00
Hair Fair Plus	042-900-103-00	2,700.00
Melody Music	042-900-104-00	0.00
State Farm Mutual	042-900-105-00	6,200.00
Paloma Industries	042-900-106-00	11,900.00
Kingdom of Flowers	042-900-107-00	800.00
Jan's Video	042-900-108-00	9,800.00
Country Lady	042-900-109-00	4,300.00
Pride of America	042-900-110-00	3,700.00
Lakeview Enterprise	042-900-112-00	3,700.00
Lakeview Chiroprac.	042-900-125-00	13,200.00

BASE YEAR TOTAL

4,298,000.00

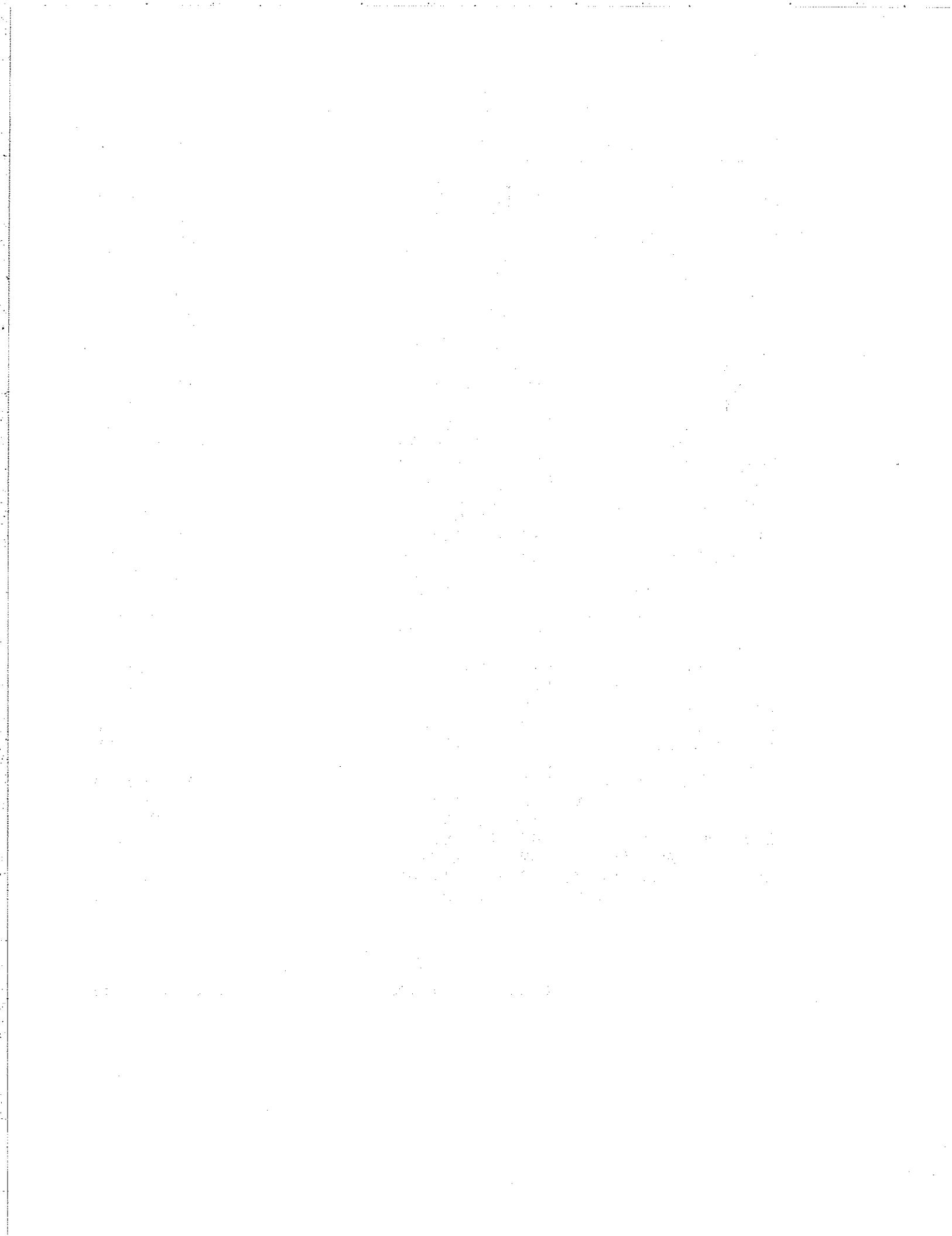


EXHIBIT 8 - Schedule of Capture Assessed Value

YEAR	TOTAL VALUE	CAPTURED VALUE
1991-	4,298,000.00	0.00
1992-	4,498,000.00	200,000.00
1993-	4,542,980.00	244,980.00
1994-	4,588,409.80	290,409.80
1995-	4,634,293.90	336,293.90
1996-	4,680,636.84	382,636.84
1997-	4,727,443.21	429,443.21
1998-	4,774,717.64	476,717.64
1999-	4,822,464.81	524,464.81
2000-	4,870,689.46	572,689.46
2001-	4,919,396.36	621,396.36
2002-	4,968,590.32	670,590.32
2003-	5,018,276.22	720,276.22
2004-	5,068,458.99	770,458.99
2005-	5,119,143.58	821,143.58
2006-	5,170,335.01	872,335.01
2007-	5,222,038.36	924,038.36
2008-	5,274,258.74	976,258.74
2009-	5,327,001.33	1,029,001.33
2010-	5,380,271.35	1,082,271.35
2011-	5,434,074.06	1,136,074.06

* These projections begin with the actual projected SEV for 1991 and estimated new construction for 1992. The remaining years are appreciated at a rate of 1%.

Property tax abatements, which will expire during the term of the TIF Plan will add additional tax increment revenues, but are not calculated in this schedule.

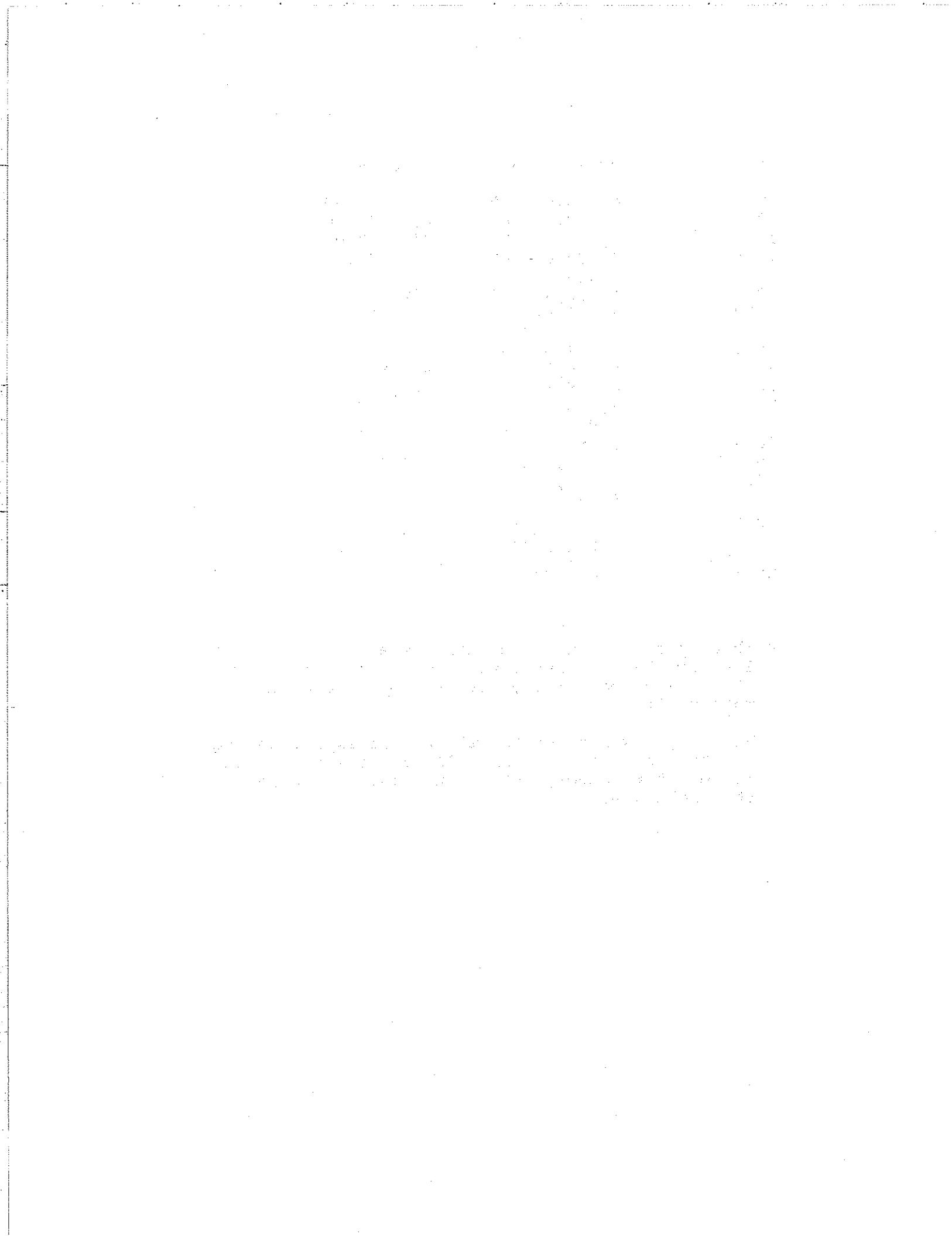


EXHIBIT 9 - Tax Increment Finance Revenue Estimate

YEAR	TOTAL VALUE	CAPTURED VALUE	TAX RATE	TAX INCREMENT REVENUES CAPTURED
1991-	4,298,000.00	0.00	0.06327	0.00
1992-	4,498,000.00	200,000.00	0.06327	12,654.00
1993-	4,542,980.00	244,980.00	0.06327	15,499.88
1994-	4,588,409.80	290,409.80	0.06327	18,374.23
1995-	4,634,293.90	336,293.90	0.06327	21,277.31
1996-	4,680,636.84	382,636.84	0.06327	24,209.43
1997-	4,727,443.21	429,443.21	0.06327	27,170.87
1998-	4,774,717.64	476,717.64	0.06327	30,161.92
1999-	4,822,464.81	524,464.81	0.06327	33,182.89
2000-	4,870,689.46	572,689.46	0.06327	36,234.06
2001-	4,919,396.36	621,396.36	0.06327	39,315.75
2002-	4,968,590.32	670,590.32	0.06327	42,428.25
2003-	5,018,276.22	720,276.22	0.06327	45,571.88
2004-	5,068,458.99	770,458.99	0.06327	48,746.94
2005-	5,119,143.58	821,143.58	0.06327	51,953.75
2006-	5,170,335.01	872,335.01	0.06327	55,192.64
2007-	5,222,038.36	924,038.36	0.06327	58,463.91
2008-	5,274,258.74	976,258.74	0.06327	61,767.89
2009-	5,327,001.33	1,029,001.33	0.06327	65,104.91
2010-	5,380,271.35	1,082,271.35	0.06327	68,475.31
2011-	5,434,074.06	1,136,074.06	0.06327	71,879.41

TOTAL 827,665.24

* Total Millage Utilized is based on the following:

Jurisdiction	Operating Millage
Lakeview	0.01400
Montcalm County	0.00600
Lakeview Public Schools	0.03500
Montcalm ISD	0.00370
Cato Township	0.00250
Montcalm Community College	0.00207

TOTAL 0.06327



EXHIBIT 10 - Impact on Taxing Jurisdictions

YEAR	TOTAL VALUE	CAPTURED VALUE	Lakeview 0.01400 Millage	Public Schools 0.03500 Millage	County 0.00600 Millage	Township 0.00250 Millage	Montcalm I.S.D. 0.00370 Millage	Montcalm College 0.00207 Millage	TOTAL IMPACT 0.06327
1991-	4,298,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1992-	4,498,000.00	200,000.00	2,800.00	7,000.00	1,200.00	500.00	740.00	414.00	12,654.00
1993-	4,542,980.00	244,980.00	3,429.72	8,574.30	1,469.88	612.45	906.43	507.11	15,499.88
1994-	4,588,409.80	290,409.80	4,065.74	10,164.34	1,742.46	726.02	1,074.52	601.15	18,374.23
1995-	4,634,293.90	336,293.90	4,708.11	11,770.29	2,017.76	840.73	1,244.29	696.13	21,277.31
1996-	4,680,636.84	382,636.84	5,356.92	13,392.29	2,295.82	956.59	1,415.76	792.06	24,209.43
1997-	4,727,443.21	429,443.21	6,012.20	15,030.51	2,576.66	1,073.61	1,588.94	886.95	27,170.87
1998-	4,774,717.64	476,717.64	6,674.05	16,685.12	2,860.31	1,191.79	1,763.86	986.81	30,161.92
1999-	4,822,464.81	524,464.81	7,342.51	18,356.27	3,145.79	1,311.16	1,940.52	1,085.54	33,182.89
2000-	4,870,659.46	572,659.46	8,017.65	20,044.13	3,436.14	1,431.72	2,118.95	1,185.47	36,234.06
2001-	4,919,396.36	621,396.36	8,699.55	21,748.87	3,728.38	1,553.49	2,299.17	1,286.29	39,315.75
2002-	4,968,590.32	670,590.32	9,388.26	23,470.66	4,023.54	1,676.48	2,481.18	1,388.12	42,428.25
2003-	5,018,276.22	720,276.22	10,083.87	25,209.67	4,321.66	1,880.69	2,665.02	1,450.97	45,571.88
2004-	5,068,458.99	770,458.99	10,786.43	26,966.06	4,622.75	1,926.15	2,850.70	1,594.85	48,746.94
2005-	5,119,143.58	821,143.58	11,496.01	28,740.03	4,926.86	2,052.86	3,038.23	1,689.77	51,953.75
2006-	5,170,335.01	872,335.01	12,212.69	30,531.73	5,234.01	2,180.84	3,227.64	1,805.73	55,192.64
2007-	5,222,038.36	924,038.36	12,936.54	32,341.34	5,544.23	2,310.10	3,418.94	1,912.76	58,463.91
2008-	5,274,288.74	976,258.74	13,667.62	34,169.06	5,857.55	2,440.65	3,612.16	2,020.86	61,767.89
2009-	5,327,001.33	1,029,001.33	14,406.02	36,015.05	6,174.01	2,572.50	3,807.30	2,130.03	65,104.91
2010-	5,380,271.35	1,082,271.35	15,151.80	37,879.50	6,493.63	2,795.68	4,004.40	2,240.30	68,475.31
2011-	5,434,074.06	1,136,074.06	15,905.04	39,762.59	6,816.44	2,840.19	4,203.47	2,351.67	71,879.41
	20 YEAR TOTAL	183,140.72	457,851.80	78,488.88	32,703.70	48,401.48	27,078.66	827,665.24	

* These impacts are projections only. The actual impact will vary depending upon the tax levies of the various jurisdictions and the actual captured assessed value. In addition, it is likely that additional growth will occur both within and without of the district, which should help to offset the impact of the Plan.

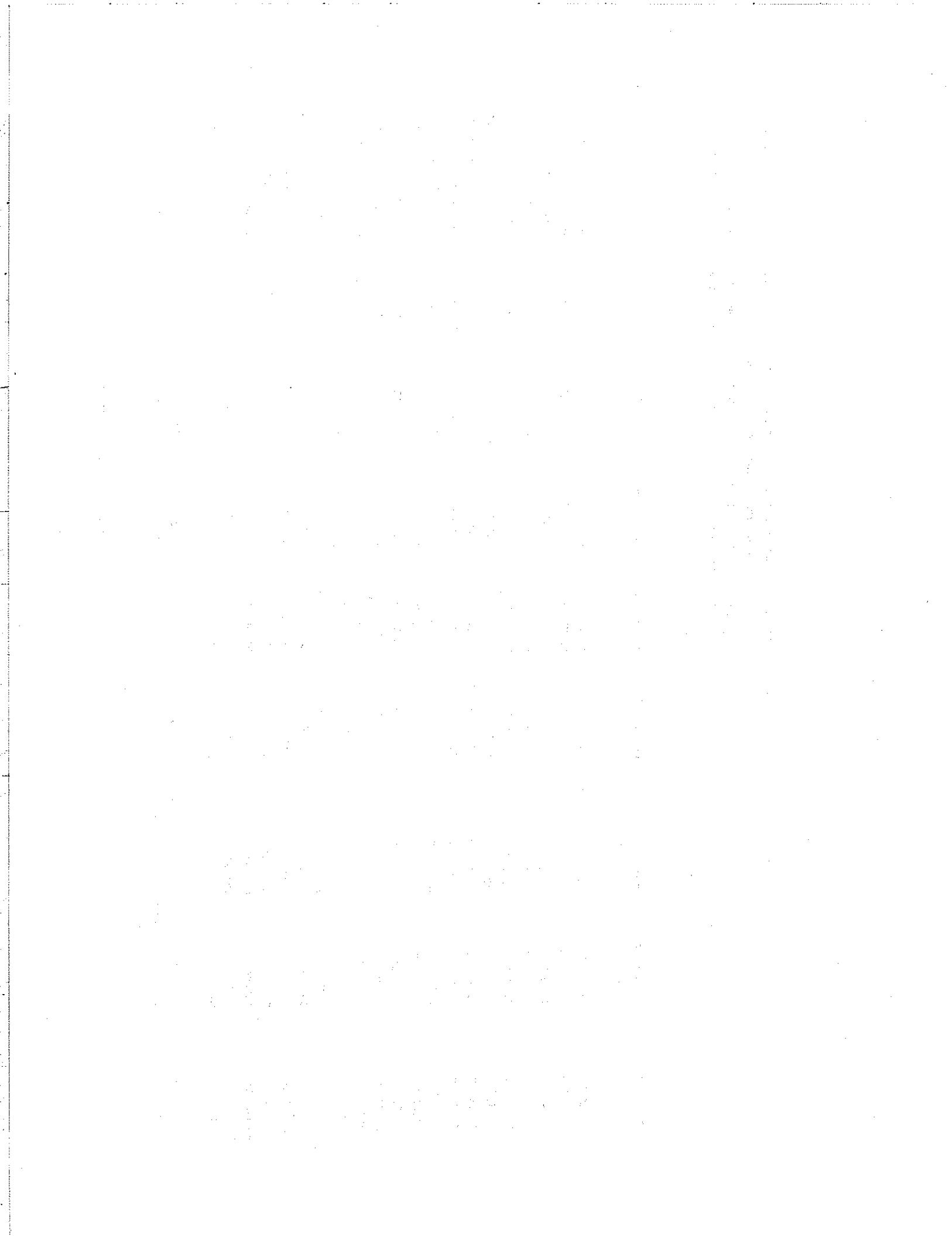


EXHIBIT 11
Development and Tax Increment Financing Plan Ordinance

THE VILLAGE OF LAKEVIEW ORDAINS:

Section 1. Title. This Ordinance shall be known and cited as the Village of Lakeview Downtown Development and Tax Increment Financing Plan Ordinance.

Section 2. Findings. It is hereby determined that:

- (a) A public hearing was held on the proposed Downtown Development and Tax Increment Financing Plan (herein the "Plan") on _____, 1991, following notice, thereof, in accordance with Act 197 of the Public Acts of Michigan, 1975, as amended.
- (b) The Plan meets the requirements set forth in section 17(2) of the Act 197, Public Acts of Michigan, 1975, as amended (the "Act") and the tax increment financing plan included in the Plan meets the requirements set forth in section 14(2) of the Act.
- (c) The proposed method of financing the development as set forth in the Plan is feasible and the Downtown Development Authority of the Village of Lakeview (the "Authority") has the ability to arrange the financing.
- (d) The development is reasonable and necessary to carry out the purposes of the Act.
- (e) The land included within the Development Area, which includes the entire Downtown Development District (the "Development Area") to be acquired is reasonably necessary to carry out the purposes of the Act.
- (f) The development plan is in reasonable accord with the master plan of the Village of Lakeview (the "Village").
- (g) Public services, such as fire and police protection and utilities, are or will be adequate to service the Development Area.
- (h) Changes in zoning, streets, street levels, intersections, and utilities, to the extent required by the Plan, are reasonably necessary for the development project and for the Village.
- (i) The Village Council hereby determines that the Plan constitutes a public purpose.

EXHIBIT 11
Development and Tax Increment Financing Plan Ordinance

Section 3. Approval and Adoption of the Plan.

The Plan is hereby approved and adopted as provided herein. The duration of the plan shall be until December 31, 2011, except as it may be extended by subsequent amendment of the Plan pursuant to the Act.

Section 4. Availability of the Plan.

A copy of the Plan and all amendments thereto shall be maintained on file in the Village Clerk's office.

Section 5. Preparation of Base Year Assessment Roll.

(a) Within sixty (60) days of the publication of this Ordinance, the Village Manager, working together with the Township Assessor and with information provided by the Township Assessor, shall prepare the initial base year assessment roll. The base year assessment roll shall list each taxing jurisdiction in the Development Area on the effective date of this Ordinance, the initial assessed value of each parcel of property within the Development Area, and the amount of tax revenue derived by each taxing jurisdiction from ad valorem and personal property taxes on the property in the Development Area.

(b) The Village Manager shall transmit copies of the base year assessment roll to the Village Treasurer, Township Treasurer, County Treasurer, the Authority and each taxing jurisdiction, together with a notice that the base year assessment roll has been prepared in accordance with this Ordinance and the tax increment financing plan contained in the Plan approved by this Ordinance.

Section 6. Preparation of the Annual Tax Increment Assessment Roll.

Each year within 15 days following the final equalization of property in the Development Area, the Village Manager, working together with the Township Assessor and with information provided by the Township Assessor, shall prepare the tax increment assessment roll. The tax increment assessment roll shall show the information required in the base year assessment roll and, in addition, the amount by which the current assessed value as finally equalized for all taxable property in the Development Area exceeds the assessed value of the property as shown on the base year assessment roll (the "captured assessed value"). Copies of the annual tax increment assessment roll shall be transmitted by the Village Manager to the same persons as the base year assessment roll, together with a notice that it has been prepared in accordance with this Ordinance and the Plan.

EXHIBIT 11
Development and Tax Increment Financing Plan Ordinance

Section 7. Establishment of Project Fund; Approval of Depository.

The Treasurer of the Authority shall establish a separate fund which shall be kept in a depository bank account or accounts in a bank or banks approved by the Village Treasurer, to be designated Downtown Development Authority Project Fund. All monies received by the Authority pursuant to the Plan shall be deposited in the Project Fund. All moneys in the Project Fund and earnings thereon shall be used only in accordance with the Plan.

Section 8. Payment of Tax Increments to the Authority.

The Village Treasurer, the Township Treasurer, and the County Treasurer shall, as ad valorem and personal property taxes are collected on the property in the Downtown District, pay that portion of the taxes, except for penalties and collection fees, that the Captured Assessed Value (as defined in Act 197) bears to the Initial Assessed Value (as defined in Act 197) to the Treasurer of the Authority for deposit in the Project Fund, excluding therefrom the taxes denied from debt millage. The payments shall be made on the date or dates on which the Village Treasurer, Township Treasurer and the County Treasurer are required to remit taxes to each of the taxing jurisdictions.

Section 9. Use of Moneys in the Project Fund.

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

First, to pay to the Village for its payment of debt services on, or to pay into debt retirement fund or funds for all outstanding series of bonds issued pursuant to the Plan or any other series of bonds or obligations pledging or committing the use of tax increment revenues of the Authority as a source of debt service payments, an amount equal to the interest and principal coming due (in the case of principal whether by maturity or mandatory redemption) prior to the next collection of taxes, less any credit for sums on hand in the debt retirement fund.

Second, to establish a reserve account for payment of principal of and interest on bonds issued pursuant to the Plan to the extent required by any resolution authorizing the bonds.

Third, to pay the administrative, auditing and operating costs of the Authority and the Village pertaining to the Plan, and the Development Area, including planning and promotion to the extent provided in the annual budget of the Authority.

Fourth, to repay amounts advanced by the Village for project

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costs, including costs for preliminary plans, and fees for other professional services.

Fifth, to pay, to the extent determined desirable by the Authority and approved by the Village, the cost of completing and remaining public improvements as set forth in the Plan, to the extent those costs are not financed from other sources.

Sixth, to pay the cost of any additional improvements to the Plan that are determined necessary by the Authority and approved by the Village Council in accordance with the Act.

Section 10. Responsibility for Expenditures that Exceed Project Fund.

In the event the Village issues obligations on behalf of the Authority, and the Village is required in any fiscal year to pay out of its general fund any portion of the debt service on such an obligation, the Authority shall be required to fully reimburse the Village from its available funds (but only after the set aside for debt service for any fiscal year has been met), including, but not limited to, tax revenues derived from assessed value captured under tax increment financing, the Authority millage levy or other revenue sources of the Authority.

Section 11. Annual Report.

After the end of each fiscal year, the Authority shall submit to the Village Council, with copies to each taxing jurisdiction, 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 amount of principal and interest on any outstanding indebtedness, the amount in any bond reserve account, the initial assessed value of the Downtown Development District, the captured assessed value of the Downtown Development District and the amount of captured assessed value retained by the Authority, the tax increments received and the amount of any surplus from the prior year, and any additional information requested by the Village Council or deemed appropriate by the Authority.

Section 12. Refund of Surplus Tax Increments.

Any surplus money in the Project Fund after the Plan is no longer in effect shall be paid by the Authority to the Village Treasurer, Township Treasurer, or County Treasurer and rebated by each to the appropriate taxing jurisdiction.

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Section 13. Conflict and Severability.

All ordinances, resolutions and orders or parts thereof in conflict with the provisions of the Ordinance are to the extent of such conflict hereby repealed, and each section of the Ordinance and each subdivision of any section thereof is hereby declared to be independent, and the finding or holding of any section or subdivision thereof to be invalid or void shall not be deemed or held to affect the validity of any other section or subdivision of the Ordinance.

Section 14. Effective Date.

The Ordinance is hereby determined by the Village of Lakeview to be immediately necessary for the preservation of the peace, health and safety of the Authority and shall be in full force and effect from and after its passage and publication as required by law.

Passed and adopted by the Lakeview Village Council, County of Montcalm, State of Michigan, on _____, 1991.

AYES:

NAYS:

ORDINANCE DECLARED ADOPTED.

Village Clerk

Date

