Section 17.(2)(k)

The procedures for bidding for the leasing, purchasing, or conveying in any manner of all or a portion of the development upon its completion, if there is no express or implied agreement between the authority and persons, natural or corporate, that all or a portion of the development will be leased, sold, or conveyed in any manner to those persons.

Not Applicable

Section 17.(2)(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.

Section 21 (1) of Act 197 of 1975, as amended, stipulates if a proposed development area has residing within it 100 or more residents, a Citizen's District Council (CDC) must be established. A field count conducted by Wade-Trim revealed that there less than 100 residents living within the DDA District. Therefore, it is not necessary to form a CDC.

No displacement of families and individuals is planned to occur from carrying out identified improvements stated in this development plan. Therefore, the survey and statistical description are not applicable.

Section 17.(2)(m)

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

Not Applicable

Section 17.(2)(n)

Provision for the costs of relocating persons displaced by the development and financial assistance and reimbursement of expenses, including litigation expenses and expenses incident to the transfer of title, in accordance with the standards and provisions of the federal uniform relocation assistance and real property acquisition policies act of 1970, being Public Law 91-646, 42 USC sections 4601, et seq.

Not Applicable

Section 17.(2)(o)

A plan for compliance with Act No. 227 of the Public Acts of 1972, being sections 213.321 to 213.332 of the Michigan Compiled Laws.

Not Applicable

Section 17.(2)(p)

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

Not Applicable.

Section 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.

The Village of Pellston DDA, at this time, does not intend to request Village Board action to implement the above referenced section of Act 197, of 1975, as amended. This issue could be revisited at a later date if revenues and project funding from other sources can not be secured in a timely manner.

Tax Increment Financing Plan

Section 14(1)

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

Tax increment financing is a governmental financing program which contributes to economic growth and development by dedicating a portion of the tax base resulting from economic growth and development to certain public facilities and structures or improvements of the type designed and dedicated to public use.

For this Tax Increment Financing Plan, the DDA adopts by reference and incorporates into this Tax Increment Financing Plan, the contents of the Development Plan adopted by the DDA.

A number of potential funding sources are available to the DDA. The ad valorem tax option was discussed previously, while the Tax Increment Financing (TIF) procedure option is described below:

1. Tax Increment Procedure

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

   PA 197 treats all increases in valuation resulting from the development plan whether in fact these increases bear any relation to the development or not. Tax increment revenues for the DDA result in the application of general tax rates of the community and all other governmental bodies levying taxes in the downtown district. These include the Village, Townships, County, Library, etc. The amount to be transmitted to the DDA is that portion of the tax levy of all of these applicable taxing bodies paid each year on real and personal property.

   "Captured value" means the amount in any one year by which the current taxable value of the district, including the value of property for which specific local taxes are paid in lieu of property taxes, exceeds the initial value. "Initial value" means the taxable value, of all the property within the boundaries of the district area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality at the time the ordinance is adopted. Property for which a commercial facilities exemption certificate, an industrial facilities exemption certificate, or a commercial housing facilities exemption certificate, is in effect shall not be considered to be property which is exempt from taxation. Tax dollars accruing from any incremental increase in taxable value above the initial value (base year total) may then be used by the DDA. Data presented in Table 4 reveals the anticipated capture on the taxable value for the Village of Pellston Downtown Development Authority District through the Year 2019, and provides a disbursement cycle. The base year (1999) Taxable Value for the Development District is $20,876,247.

2. Total Potential Revenue

   The total potential TIF revenue available to the DDA from captured taxable value is displayed in Table 5. By the end of the planning period, it is estimated that approximately $4,141,577 could be collected by the DDA and used for making public improvements within the downtown district. The effect of this total reallocation of revenues on all the taxing bodies is displayed in Table 6.

3. Bonded Indebtedness to be Incurred

Certain State and Federal loans, loan guarantees and grants will be sought for carrying out this Tax Increment Financing Plan including the Development Plan. All bonding methods employed by the DDA are subject to the provisions of the Development Plan. The Development Plan of this Tax Increment Financing Plan can be financed through the authorization, issuance, and sale of revenue bonds, general obligation bonds and tax increment bonds. Types of bonds to be issued in accomplishing this plan will be determined after further project planning is undertaken.

The amount of indebtedness or indebtedness to be incurred by the DDA and/or the Village of Pellston for all bond issues or loans including payments of capitalized interest, principal, and required reserve shall be determined by the DDA, subject to approval by the Village Board of Pellston. At the time of adoption of this Plan, the DDA estimate of maximum bonded indebtedness, if bonding is to be used or indebtedness incurred, is $3,500,000, including project cost and issuance expenses.

Insert Table 4 – Estimate of Captured Taxable Value

Insert Table 5 – Anticipated Revenue Stream

Insert Table 6 – Estimated Revenue Reallocation by Taxing Jurisdiction

Estimate of Captured Taxable Value
Village of Pellston Downtown Development Authority

Year	Taxable Value	New	Dec 31 Taxable Value	Captured Taxable
2001			1,263,349	
2002	1,263,349	74,470	1,337,819	74,470
2003	1,337,819	20,067	1,357,886	94,537
2004	1,357,886	100,000	1,457,886	194,537 *1
2005	1,457,886	58,315	1,516,202	252,853
2006	1,516,202	60,648	1,576,850	313,501
2007	1,576,850	63,074	1,639,924	376,575
2008	1,639,924	65,597	1,705,521	442,172
2009	1,705,521	68,221	1,773,742	510,393
2010	1,773,742	70,950	1,844,691	581,342
2011	1,844,691	73,788	1,918,479	655,130
2012	1,918,479	76,739	1,995,218	731,869
2013	1,995,218	79,809	2,075,027	811,678
2014	2,075,027	83,001	2,158,028	894,679
2015	2,158,028	86,321	2,244,349	981,000
2016	2,244,349	89,774	2,334,123	1,070,774
2017	2,334,123	93,365	2,427,488	1,164,139
2018	2,427,488	97,100	2,524,587	1,261,238
2019	2,524,587	100,983	2,625,571	1,362,222
2020	2,625,571	105,023	2,730,594	1,467,245
2021	2,730,594	109,224	2,839,817	1,576,468
2022	2,839,817	113,593	2,953,410	1,690,061

*1 Assumes net increase for new medical building

Estimated Revenue Reallocation
By Taxing Jurisdiction
Village of Pellston Downtown Development Authority

Year	Captured Taxable	County Allocated	Senior Center	Med Care Facility	Maple River Township	McKinley Township	College Operating	College Ex VTD	College SP Operating	Total Millage
		4.85	0.4742	0.5	0.9587	0.9587	1.159	0.9335	0.2798	
2003	94,537	459	45	47	59	31	110	88	26	866
2004	194,537	944	92	97	122	64	225	182	54	1,781
2005	252,853	1,226	120	126	159	84	293	236	71	2,315
2006	313,501	1,520	149	157	197	104	363	293	88	2,870
2007	376,575	1,826	179	188	236	125	436	352	105	3,448
2008	442,172	2,145	210	221	277	147	512	413	124	4,048
2009	510,393	2,475	242	255	320	169	592	476	143	4,673
2010	581,342	2,820	276	291	365	193	674	543	163	5,322
2011	655,130	3,177	311	328	411	217	759	612	183	5,998
2012	731,869	3,550	347	366	459	243	848	683	205	6,700
2013	811,678	3,937	385	406	509	269	941	758	227	7,431
2014	894,679	4,339	424	447	561	297	1,037	835	250	8,191
2015	981,000	4,758	465	490	615	325	1,137	916	274	8,981
2016	1,070,774	5,193	508	535	672	355	1,241	1,000	300	9,803
2017	1,164,139	5,646	552	582	730	386	1,349	1,087	326	10,658
2018	1,261,238	6,117	598	631	791	418	1,462	1,177	353	11,547
2019	1,362,222	6,607	646	681	854	451	1,579	1,272	381	12,471
2020	1,467,245	7,116	696	734	920	486	1,701	1,370	411	13,433
2021	1,576,468	7,646	748	788	989	523	1,827	1,472	441	14,433
2022	1,690,061	8,197	801	845	1,060	560	1,959	1,578	473	15,473
	Totals	79,697	7,792	8,216	10,307	5,446	19,045	15,340	4,598	150,442

Year	Captured Taxable	Tax Increment Revenue	Disbursement Cycle
2003	94,537	866	2003 - 2004
2004	194,537	1,781	2004 - 2005
2005	252,853	2,315	2005 - 2006
2006	313,501	2,870	2006 - 2007
2007	376,575	3,448	2007 - 2008
2008	442,172	4,048	2008 - 2009
2009	510,393	4,673	2009 - 2010
2010	581,342	5,322	2010 - 2011
2011	655,130	5,998	2011 - 2012
2012	731,869	6,700	2012 - 2013
2013	811,678	7,431	2013 - 2014
2014	894,679	8,191	2014 - 2015
2015	981,000	8,981	2015 - 2016
2016	1,070,774	9,803	2016 - 2017
2017	1,164,139	10,658	2017 - 2018
2018	1,261,238	11,547	2018 - 2019
2019	1,362,222	12,471	2019 - 2020
2020	1,467,245	13,433	2020 - 2021
2021	1,576,468	14,433	2021 - 2022
2022	1,690,061	15,473	2022 - 2023
Total TIF Revenue		$ 150,442	