

FIRST AMENDED DEVELOPMENT PLAN

AND

TAX INCREMENT FINANCING PLAN

for the

Grand Ledge Downtown Development Area

Approved July 2007

Original Approval of Plan: June 1993

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1. Designation of Boundaries of the Development Area

The City of Grand Ledge Tax Increment Financing District is outlined on attached Map (attachment # 1), along with a legal description of the District boundaries(attachment # 2). In general, it covers the commercial area of the City.

2. The Location and Extent of Existing Streets and other Public Facilities within the Development Area; Location, Character and Extent of Public and Private Land Uses.

A. Location and Extent of Existing Streets within the Development area. (See DDA District map)

The development area contains a portion of two state highways M-43 and M-100. M-43 is located in the southern section of the development district and M-100 runs through the entire development district from south to north. All other major streets in the district are paved and maintained by the City of Grand Ledge.

B. Public facilities located in the district.

Within the district boundaries, the public facilities operated by the City of Grand Ledge include the following:

Grand Ledge City Hall and City Hall Annex
Police Station
JayCee Park
Fitzgerald Baseball Field
Island Park
Riverview Park

Grand Ledge Emergency Services Authority is an authority which handles both Fire Protection and EMS along with an ambulance service.

The Grand Ledge Area District Library is an independent body which handles the main library facility(within the DDA District) and other outlying library branches.

The City also operates seven separate municipal parking lots, in addition to the lot at City Hall.

The U. S. Postal Service operates a Post Office in the downtown area

C. Private Land

- a. Residential: Based upon estimates gathered by the review of current property on the tax roll there are approximately 56 parcels which are completely or partially classified as residential.
- b. Commercial: The predominant land use in the Development District is commercial. In fact, virtually all of the commercial property in the City is in the District. Current tax rolls indicate that approximately 316 parcels are classified as commercial.
- c. Industrial: Included within the Development District are several industrial properties of which ETM Enterprises and H&G Steel are the largest.
- d. Vacant Land: There are only a few vacant lots in the District.

3. Existing Improvements in the Development Area to be Demolished, Repaired or Altered, and the Time Requirements for Completion.

The Cugino's and Fortino's Market parking lot needs to be rebuilt. This will involve improvements to the public utilities, putting overhead wires underground and providing walkways between Jefferson and Scott Streets. This will probably not begin for two to three years. This newly acquired lot abuts the parking lot behind Cugino's, opening up a large lot with access from Scott to Jefferson Streets. The purchase of a small gravel parking lot on Scott Street is a possibility but it is not required for the project. As with the Log Jam parking lot, a great deal of underground work will be required to upgrade public utilities. Private utility lines would be buried and a walkway of brick pavers would be added to match the walkway of the Log Jam lot. The completed lot would have around 75 parking spaces, dumpster enclosures, walkways, landscaping, and other items which would raise the price to around \$1.0 million. Some preliminary plans have been developed but engineering plans have not. It would take about 18 months for design and construction of the lot.

The Library parking lot needs improvements including burying overhead wires, walkways and landscaping. This lot will probably be improved after the Cugino's - Fortino's Market lots. This lot was part of the original Development Plan. The DDA ran out of money from the original Street Scape Bond and had to postpone its renovation. Some work has been carried out, including storm drains and the entrance to the lot adjacent to the library. As these plans have been created the only issue in completing this project will be the necessary finances. Costs are anticipated at less than \$1.0 million. The work could be completed in one year.

The Island Park parking lot is in need of a major upgrade. Specifically, the lot needs to have additional storm drains, curb and gutter, the gravel portion paved, re-paving the asphalt area, enclosure for the dumpster and general landscaping. This is a relatively small project with an anticipated cost of under \$250,000.

There is a lot currently being used by the Grand Ledge Area Emergency Services Authority (GLAESA). It is predominately owned by the City with some of the area in private ownership. The nature of any work done in this area depends upon the ultimate use of the existing facility. Should the Fire Department relocate this may be available for private use. Depending upon the level of improvement, the cost may go from as little as \$30,000 and up to \$100,000.

4. The Location, Extent, Character and Estimated Cost of Improvements, Including Rehabilitation Contemplated for the Development Area and an Estimate of Time Required for Completion

Public improvements contemplated within the Development Area are included in Table 1 and the project descriptions which follow.

Cost estimates for the projects and activities are very preliminary. Specific plans and refined cost estimates for Development Area improvements will be completed for each project, or activity, upon initiation of each project. Cost estimates included are based upon other activity undertaken by the DDA and the City.

Funding of projects will be primarily from Tax Increment Financing revenues along with private investment in some of the programs such as Facade Grants.

PROJECT DESCRIPTIONS

Build/Rebuild Municipal Parking Lots

West Front Street Parking Lot

This parking lot will be the next major parking lot project for the DDA. The lot will include the parking area directly behind the businesses and some or all of the DDA property located on 116 W. Front and 214 Madison Streets. The purchase of additional property is possible depending upon the final design. It is anticipated that the businesses will provide easements to the existing business parking. A major issue which is currently unknown is whether the parking lot project will include the alley directly behind the businesses. The advantage of upgrading the alley is that public utilities can be provided to the businesses, particularly sanitary sewers. Also, an attractive alley can attract customers to the businesses in the back.

Because of the above issues, the cost of the project has a wide range of possibilities. On the high

side about \$2.0 million may be necessary, and a low cost may be less than \$500,000. The DDA would expect to be in a position to construct this lot within two years from the adoption of this amended Development Plan.

Library parking lot

This lot was part of the original Development Plan. The DDA ran out of money from the original Street Scape Bond and had to postpone its renovation. Some work has been carried out, including storm drains and the entrance to the lot adjacent to the library. As these plans have been created the only issue in completing this project will be the necessary finances. Costs are anticipated at less than \$1.0 million. The work could be completed in one year.

Island Park parking lot

The Island Park parking lot is in need of a major upgrade. Specifically, the lot needs to have additional storm drains, curb and gutter, the gravel portion paved, re-paving of the asphalt area, enclosure for the dumpster and general landscaping. This is a relatively small project with an anticipated cost of under \$250,000.

West Scott Street Parking lot

This newly acquired lot abuts the parking lot behind Cugino's, opening up a large lot with access from Scott to Jefferson Streets. The purchase of a small gravel parking lot on Scott Street is a possibility but it is not required for the project. As with the Log Jam parking lot, a great deal of underground work will be required to upgrade public utilities. Private utility lines would be buried and a walkway of brick pavers would be added to match the walkway of the Log Jam lot. The completed lot would have around 75 parking spaces, dumpster enclosures, walkways, landscaping, and other items which would raise the price to around \$1.0 million. Some preliminary plans have been developed but engineering plans have not. It would take about 18 months for design and construction of the lot.

N. Bridge - N. Clinton Street parking lot

This lot is currently being used by the Grand Ledge Area Emergency Services Authority (GLAESA). It is predominately owned by the City with a few areas in private ownership. The nature of any work done in this area depends upon the ultimate use of the existing facility. Should the Fire Department relocate this may be available for private use. Depending upon the level of improvement, the cost may go from as little as \$30,000 and up to \$100,000.

Alley located in the 200 block of N. Bridge Street (between W Front & W Main Streets)

At times the rear of a business can be a valuable second entrance. For this to be useful there

needs to be an attractive easy access to the rear entrance. For many of the downtown businesses the municipal parking lots make for good rear entrances. On North Bridge Street, however, the rear of the buildings are not readily accessible due to limited alleyway. The creation of an attractive alley behind the businesses in the 200 block could provide quality rear entrances. Also, public sewers(both water and sanitary) need to be installed behind the buildings. Due to the nature of the alley, costs could be quite high. If this is done it most probably will be in conjunction with a parking lot in the same area. The alley alone could cost in range of \$1.0 million.

SUPPORT MUNICIPAL SERVICES

Municipal services in this section is meant to include a number of governmental and quasi-governmental authorities, including the Grand Ledge Area District Library and the Grand Ledge Area Emergency Services Authority(GLAESA).

The existing City Hall/Police Department facility is currently located in an old church in the downtown. Due to the nature and age of the building and its location, it makes no sense to upgrade or enlarge this structure. Some City offices are located elsewhere and the Police Department could be separated from City Hall and located at a different facility. The City is currently looking at building a new city hall, properly designed, with adequate space, parking and handicap access.

The design and cost are currently being determined by the City. This facility will be invaluable to the downtown with a major draw to residents needing to interact with the City. In order to facilitate the construction of this facility the DDA will contribute a portion of the cost. Construction will probably take place in 3-4 years and the DDA is expected to provide \$1.0 - \$2.0 million.

FACADE GRANTS TO BUSINESSES/OWNERS

The DDA's Facade Program has been a great success in increasing the value of commercial real estate in the District. Currently the DDA will grant 50%, up to \$8,000 per 'face'(defined as the side of the building readily viewed by the public) for construction and \$1,500 for architectural costs. A joint committee, with members from the Planning Commission and the DDA, review all applications and provide recommendations to the DDA Board of Directors. We anticipate funding annually 2-3 buildings for a cost of \$47,500 in annual grants. Following the facade improvements the property's value is increased and the DDA captures additional funds from the increased value.

One addition to the Facade Grant program is that it can also be used by Municipal Services, such as the Grand Ledge District Area Library, as well as for commercial structures.

RENOVATION GRANTS

This grant program is directed at major interior or exterior renovations of a commercial building. The intent is that building owners will invest in upgrading access and safety aspects of the building. The result of such improvements will be to increase the assessed value of the building. This might be to open an unused second floor of a building for business uses. Also it may involve handicap access, sprinkling systems being installed, structural improvements or code improvements to the structure. The City Assessor will determine the increase in assessment following the completion of the renovation and that increase, with the associated tax capture by the DDA, will be the basis of a grant.

A secondary aspect of the program is to assist the building owner in bringing the building up to the condition required in the building code and to upgrade residential units on the upper floors of some of the businesses. These items will help improve the condition of the building and its long term survival in the downtown. In city blocks with wall to wall buildings, fire is always a major concern. A fire in one building often spreads to other structures in the block. Much of a city block could be lost in one fire. Some of the finest buildings in Grand Ledge have been lost due to fires. This factor is a major impetus in bringing the building up to code (particularly in heating and electrical). Sprinkling is also a major tool of fire protection when used. The DDA makes every effort to financially support the installation of sprinklers in the older downtown buildings.

The cost of the Renovation Grant program is unknown. However, we are projecting up to \$50,000 annually for this program. Based on past experience, however, many years have had no activity.

SUPPORT FOR FIRE AND POLICE PROTECTION IN THE DISTRICT

Safety for businesses and customers is a priority of the DDA in order to encourage businesses to locate and stay in the district and attract a customer base, as well as to encourage residential tenants and purchasers. Fire protection is also a priority due to the age of the buildings in the district, the construction material used in those buildings, and their immediate proximity to one another.

To ensure adequate law enforcement presence and protection in the district, the DDA will undertake to support some specific police resources directed for use in the district such as, but not limited to, (a) increased bicycle and foot patrols, and (b) video cameras. The DDA does not plan to allocate a general grant of funds for police protection. Specific purchases or allocations are not expected to exceed \$50,000 annually.

To ensure adequate fire protection in the district, the DDA will undertake to support some specific projects or resources for that purpose. The DDA does not plan to allocate a general grant of funds for fire protection, but to develop a program with the GLAESA to improve the fire protection to the DDA District. Specific purchases or allocations are not known at this time,

however, an annual allocation of \$75,000 is a reasonable estimate.

IMPROVED STREET LIGHTING IN THE DISTRICT

The DDA is particularly concerned about the lighting in the DDA district. Due to the nature of land use most lighting would fall to local government for improvements. In other parts of the DDA District large areas are owned by the businesses(e.g., parking lots) who can provide additional lighting as needed. In the downtown, however, many building owners own little more than the land on which their building sits.

The DDA, in concert with the City of Grand Ledge and Consumers Energy, will review lighting throughout the downtown area(as well as the entire District) and develop recommendations on lighting needs and availability. Where appropriate the DDA will contribute to the addition of lights to increase safety and security. In many cases the new lighting will be provided by Consumers Energy with the operating cost being added to the maintenance expenses of the DDA. Up to \$50,000 annually may be required for this objective.

PROVIDE IMPROVED SIGNAGE PROGRAM

Grand Ledge is a city divided by the Grand River, which provides for some oddly located streets. This makes it difficult for people new to the City to find things. M-100 which goes through the City has four different names within several miles. In order to encourage visitors to our City and give them a pleasant experience we need to have an excellent 'way finding' system. This can be aided with a common signage program providing directions throughout the City. We propose a number of methods to improve 'way finding'. New signage, maps and other items would all aid in this program. In addition, there are many public signs along M-100, so many that they become an 'overkill' of information. We will be looking at consolidating or eliminating some of these signs looking at an overall picture to aid travelers. The cost is unknown, but it should not exceed \$50,000 in any one year period.

MULTIPURPOSE OPPORTUNITIES TO ATTRACT PEOPLE

The DDA is looking at providing a number of projects which would be used to attract people to the area. Where possible these will be multipurpose projects for a variety of users. One of the projects under consideration is a facility for a farm market. Certain elements within the City have been working to establish a farm market on Saturdays during the warm months. This effort has not been completely successful, in part because there is no established location for the market. Areas chosen lack the visibility and access needed for a successful market. Other areas, such as Meridian Township, have specified areas with shelter, utilities and parking readily available. Should the City wish to have a successful farm market it will be necessary to provide a location which will encourage both sellers and purchasers to meet. What this will take is not

clear. It may require a piece of land with a structure, signage and perhaps some marketing materials. It is possible that a portion of an existing parking lot could be used for a multipurpose structure. The cost should not exceed \$100,000, assuming available municipal land and a modest structure. A shelter as envisioned could be used year round by a number of groups and festivals.

A number of pleasant and small park-like areas are useful to provide visitors to the City a quality experience, one which they will wish to have repeated. This concept was taken into account during the Street Scape project. The concept can be expanded to include small recreational areas for children, both inside and out. Plazas as well as semi-enclosed areas where benches and tables can be provided will encourage people to slow down and stop to rest or talk.

The number, size, location and amenities are unknown at this time. These will be provided when circumstances foster their development. These different amenities could also include cultural and historic components.

MAINTENANCE

The DDA has spent a great deal of money on infrastructure in the District. The problem with all of the construction is that it needs to be maintained indefinitely. Hence, the maintenance budget for the DDA has increased along with the projects funded. There are a number of new initiatives in this Plan and they will again increase maintenance costs. We must continue to maintain the infrastructure as well as landscaping the general upgrading of some items.

Sidewalk access needs to be both maintained and improved in a number of cases. This may also involve some connection with the river walk which passes through part of the DDA District. Currently we are spending about \$100,000 annually for maintenance. This amount will increase yearly as costs rise and new projects are completed.

SUPPORT MARKETING & PROMOTION FOR THE CITY

In an effort to improve business sales and hence rental values followed by property values more perspective customers are needed in Grand Ledge. 'Traffic' is essential for retail businesses and many services. The DDA does not believe that they have any responsibility in assisting any particular business in marketing their product. However, activities which encourage people to visit and shop in Grand Ledge supports all commercial businesses and is in the realm of economic development activity. Marketing & Promotion could cost \$10-20,000 annually.

VEHICLE AND PEDESTRIAN TRAFFIC

One aspect of a healthy commercial area is the ability of people to get easy access to the businesses, whether on foot or in a vehicle. In addition to the traffic volume is the noise and distraction from the truck traffic going through the City. In Grand Ledge the problem is complicated in that our commercial areas are split by State highways. Hence, MDOT controls

much of our traffic flow. Our ability to add lights, reconfigure parking or narrowing the streets is allowed only if approved by MDOT. Given these limitations, the DDA needs to be sensitive to opportunities to enable better traffic flow. Partly this is accomplished by providing wide attractive sidewalks and well located parking lots. Signage will make 'way finding' easier and short term parking will encourage quick stops for certain types of merchandise.

Some projects, such as bump-outs on N. Bridge Street for slowing traffic, should be possible. Other options such as those proposed in a recent traffic study may be more difficult to accomplish. The DDA will undertake different projects, where they are shown feasible and cost effective, as presented. Cost and a time frame is very difficult in this scenario. Just looking at bump-outs we may be talking about several \$100,000, though they could be constructed in a single year.

5. A Statement of the Construction or Stages of Construction Planned, and the Estimated Time of Completion

The anticipated schedule for construction and implementation of the public improvement projects for the Development Area is outlined in Table 1, Estimated Project Costs and Schedule. The actual timing and sequence of projects may vary based on funding availability, opportunities that arise to achieve the goals and purposes of this plan, and DDA priorities.

6. Parts of the Development Area to be Left as Open Space and Contemplated Use

There are no current plans specifically dealing with open space. Riverview Park is the only park being specifically planned in the district at this time. A number of small park-like areas are useful to provide visitors to the City a quality experience, one which they will wish to have repeated. This concept was taken into account during the Street Scape project. The concept can be expanded to include small recreational areas for children. Plazas as well as semi-enclosed areas where benches and tables can be provided will encourage people to slow down and stop to rest or talk.

The number, size, location and amenities are unknown at this time. These will be provided when circumstances foster their development.

7. Portions of the Development Area which the Authority Desires to Sell, Donate, Exchange, or Lease to or from the Municipality and the proposed terms

The only parcel of land being considered for sale to the City would be an empty lot downtown, which is being considered as a location for a new City Hall. If sold, it would be for the appraised price.

8. Desired Zoning Changes and Changes in Streets, Street Levels, Intersection and Utilities

There are some changes in utilities and streets in relation to building or remodeling parking lots in the downtown area. This is mentioned in the project section. Also, the traffic slowing may effect some street areas. No zoning change is being proposed at this time. However, as the Plan progresses the DDA may recommend to the Planning Commission that certain changes to the Master Plan and Zoning Ordinance that affect properties within the Development Area be made. Any zoning changes on parcels in the DDA District will be carried out through the normal zoning process.

9. An Estimate of the Cost of the Development, Proposed Method of Financing and Ability of the Authority to Arrange the Financing

The estimate of the DDA's portion of the public and private improvement projects listed in Table 1 is \$12,750,000 over 20 years. It is anticipated that these projects will be paid with Tax Increment Finance revenues generated by the current and increased value of the District. For larger construction projects the DDA will obtain a revenue bond, through the City, to cover the cost.

The cost estimates for projects are rough estimates because construction or design drawings have not yet been prepared, and therefore have been based on preliminary concept designs. The costs are estimated in current dollars.

10. Designation of Person or Persons, Natural or Corporate, to Whom All or a Portion of the Development is to be Leased, Sold, Conveyed in any Manner and for Whose Benefit the Project is Being Undertaken if that Information is Available to the Authority

All public improvement projects undertaken as part of this plan will remain in public ownership for the public benefit. Certainly local businesses will benefit from parking lots built and renovated adjacent to their stores. The Facade Grants will benefit individual business/building owners, but until such time as individuals apply for a Grant and are approved their names are unknown. The same is for any Renovation Grants.

11. The Procedures for Bidding for the Leasing, Purchasing, or Conveying of All or a Portion of the Development Upon its Completion, if There is no Expressed or Implied Agreement between the Authority and Persons, Natural or Corporate, that all of a Portion of the Development will be Leased, Sold, of Conveyed to These Persons

In some projects it is anticipated that property owners will either give some property to the DDA or provide an easement for use of some of their property(for example in parking lot construction). The DDA may decide to dedicate some projects directly to the City of Grand Ledge, depending upon the legal need to operate the development.

12. Estimates of the Number of Persons Residing in the Development Area

The estimated population of the district is 200 persons. Because of this fact, a citizens advisory committee was appointed by the Grand Ledge City Council, in accordance with regulations contained in PA 197 of 1975, as amended. The City established a Citizens Advisory Council to review the Development Plan.

At this time there will be no families displaced as a result of this plan.

13. Response to MCL 125.1677(2)(m), 125.1667(2)(n), and 125.1667(2)(o)

This section is not applicable. The DDA does not intend to condemn property in conjunction with this plan.

14. 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

The DDA does not intend to condemn property in conjunction with this plan. As a result, this section is not applicable. However, if property is purchased to meet the objectives of this plan the DDA will submit to the City Council an acquisition and relocation plan consistent with the Standards and Provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

15. A Plan for Compliance with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and Act 227 of the Public Acts of 1972

The DDA does not intend to condemn property in conjunction with this plan. As a result, this section is not applicable. However, if property is purchased to meet the objectives of this plan the DDA will submit to the City Council an acquisition and relocation plan consistent with the Standards and Provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and Act 227 of the Public Acts of 1972.

TAX INCREMENT FINANCING PLAN

1. Purpose of the Tax Increment Financing Plan

The City of Grand Ledge established the Downtown Development Authority(DDA) on June 30, 1993, in accordance with Michigan Public Act 197 of 1975, as amended. The purpose for establishing the Authority is to promote economic growth, and to prevent economic and tax base deterioration in the development district. The Authority has prepared a development plan, which evaluates existing conditions and projects future development requirements. In addition, background information was collected through business and residential opinion surveys, census data and infrastructure studies.

The purpose of this document is to establish a financing plan for the projects identified in the Development Plan. Pursuant to Act 197 of 1975, as amended, this plan must be adopted by the Grand Ledge City Council following a public hearing. The district boundaries for the tax increment financing plan are attached as Map 1.

2. Explanation of the Tax increment Financing Procedure

As provided in Public Act 197 of 1975, as amended, tax increment financing is a financial tool for the redevelopment of designated development areas in the DDA Development Area. Tax increment financing is the process of capturing increased taxes from a Development Area and using those funds to support increased development in the Development Area. The taxes captured by the various taxing jurisdictions prior to the establishment of a tax increment financing program remain in place, hence there is no loss of existing tax revenues to the taxing authorities.

To enact a Tax Increment Financing plan the DDA must prepare a Development Plan and a Tax Increment Financing Plan. Both plans are submitted to the City Council which must adopt the plans by ordinance. The plans specify the initial assessed value, estimated captured assessed value and provide for the expenditure of the funds. These plans may be amended in the future to reflect changes desired by the DDA. All amendments must follow the procedures indicated in the Act.

Captured assessed value is defined in the Act as the amount, in any one year, by which the current assessed value of the development area exceeds the initial assessed value. The initial assessed value is defined as 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.

The funds transmitted to a DDA are termed "tax increment revenues". Tax increment revenues are the amount of ad valorem and specific local taxes attributable to the application of the levy of all taxing jurisdictions. The exception is that the state education tax, non-homestead tax and

local or intermediate school district taxes are only captured for the purpose of repaying eligible obligations and are not included in the captured assessed value of real and personal property in the Development Area.

In this document, Table 2 indicates the millage rates of the various taxing jurisdictions and Table 3 indicates the projected assessed(taxable) values and estimated capture of funds.

3. Maximum Amount of Bonded Indebtedness to be Incurred

The DDA is currently repaying bonds used to improve the Street Scape on Bridge Street. These Bonds are categorized as Eligible Obligations and hence are being repaid with captured school funds. The other bond payment is a \$1,200,000 parking lot improvement bond.

There are several projects which would probably require bonds to be issued. If so, the City of Grand Ledge would obtain the bond and the DDA would pledge to make the annual payments.

Table 2 .
Applicable Millage Summary

| Taxing Jurisdiction | Projected Captured Millage Rate(2006 shown) |
|---|--|
| City of Grand Ledge | 11.3428 |
| Grand Ledge Public Library | 1.1570 |
| Grand Ledge Area Emergency Services Authority | 2.9670 |
| Eaton County - various | 7.7507 |
| Lansing Community College | 3.8072 |
| Eaton Intermediate School District | 3.8776 |
| State Education Tax | 6.0000 |
| Non-Homestead Education Tax | 18.0000 |
| Total Millage | 54.9023 |

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

The school millages, EISD, SET, and Non-Homestead Tax, can be captured only to pay the original Street Scape bond. This bond will be repaid in FY2015. After that point no school millages will be captured.

4. Duration of the Program

The duration of this TIF Plan shall be 20 years, commencing upon approval by the City in FY2008. This plan will expire with the collection of taxes due in December 2027, unless it is amended to extend or shorten its duration.

5. Statement of the Estimated Impact of Tax Increment Financing on Taxing Jurisdictions in Which the Development Area is Located

Only the non-school taxing jurisdictions are impacted by the TIF plan, as the State will reimburse the districts for any 'lost' income. The maximum effect of this Plan on the taxing jurisdictions in which the Development Area is located involves increases of the taxable value of properties from the base year. Values at the base year will continue to be paid to the appropriate taxing authorities throughout the life of this Plan. If private development occurs and values increase as anticipated in this Plan, potential taxes captured from each taxing jurisdiction over the duration of the Plan will increase.

Of course, at the expiration of this TIF Plan, all taxing jurisdiction will benefit substantially from new private development and from a tax base that has been stabilized and enhanced as a result of the public improvement program.

6. Plan for the Expenditure of Captured Assessed Value by the Authority

a. Estimate of Tax Increment Revenues

Table 3 shows projected value increases over the next 20 years. Based on input from the City Assessor, the projected annual growth in taxable value is estimated at 3.5% annual rate. Both real and personal property assessments are included in the taxable value projections, but IFTs are not shown. Table 3 also provides estimates of the tax increment revenues to be accrued by the DDA.

Additional increases in the assessed valuation for the Development Area and consequent tax increment revenue may result from other new construction, expansion, rehabilitation, or further appreciation of property values. These increases are beyond those projected in this plan, but if such increases result, the tax increment revenues will be spent according to this plan to accelerate the implementation of the public improvement program.

b. Expenditure of Tax Increment Revenues

The program and schedule for expenditure of tax increment revenues to accomplish the proposed public improvements for the DDA Development Area is outlined in Table 1. Cost estimates as well as the timing of expenditures are current estimates only. These estimates are based solely upon concepts and have not been developed from construction drawings. The cost estimates consider fees for design, preparation of construction drawings and other contingencies.

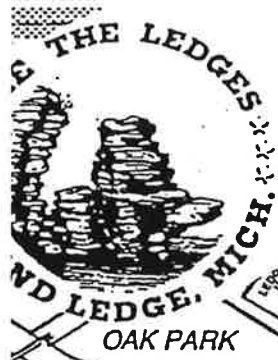
Any additional tax increment revenues beyond those projected in this plan will:

1. Be used to further the implementation of the public improvement program,
2. Be used to expedite debt service, or
3. Be returned, pro-rata, to the taxing units.

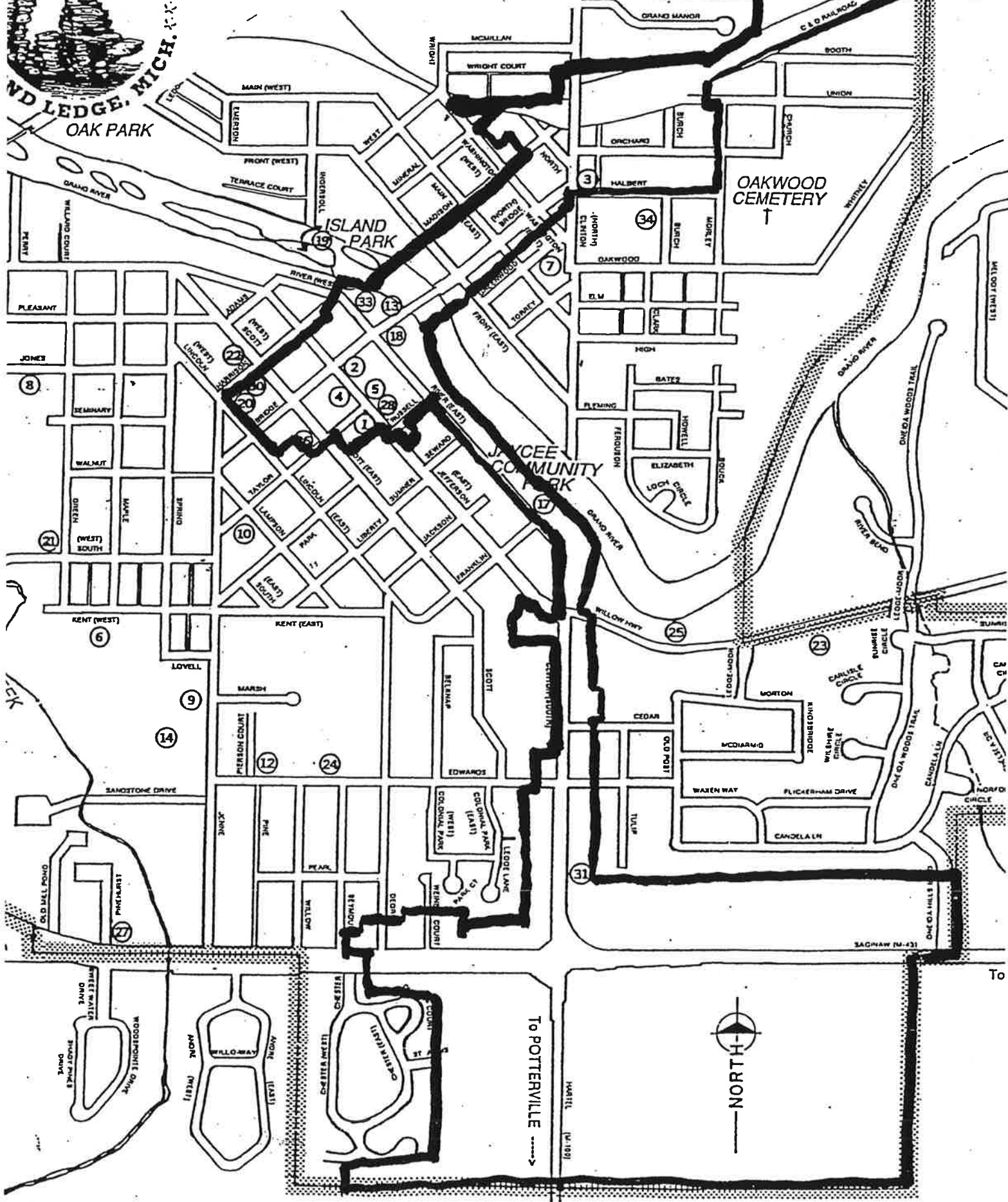
Should the tax increment revenues be less than projected, the DDA may choose to:

1. Collect and hold the captured revenues until a sufficient amount is available to implement specific public improvements.
2. Implement public improvement projects based upon the ability to match existing funds with expenditures while seeking out additional funding sources.
3. Amend the development plan and/or tax increment financing plan to allow for alternative projects and funding.

The DDA shall annually review proposed increment expenditures and revenues to prioritize the use of additional funds. Other public improvements which would further the completion of the Development Plan may be funded by the DDA.



MAP 1 CITY OF GRAND LEDGE



OAK PARK

ISLAND PARK

OAKWOOD CEMETERY

JOYCE COMMUNITY PARK



To POTTERVILLE

To