

VILLAGE OF JONESVILLE
DOWNTOWN DEVELOPMENT AUTHORITY

**First Amendment
of the
Tax Increment Financing and Development Plan**

January 13, 2009

**VILLAGE OF JONESVILLE
COUNTY OF HILLSDALE
STATE OF MICHIGAN
RESOLUTION 2009-02**

**RESOLUTION: FIRST AMENDMENT OF TAX INCREMENT FINANCING AND
DEVELOPMENT PLAN OF DOWNTOWN DEVELOPMENT AUTHORITY PUBLIC HEARING**

Partial minutes of a regular meeting of the Village Council of the Village of Jonesville, County of Hillsdale, Michigan, held in the Village Hall in said Village on the 21st day of January 2009 at 6:30 P.M.

PRESENT: Dave Steel, Gerry Arno, Dana Kyser, Ron Hayes, Jerry Drake, Brenda Guyse and Jim Marks

ABSENT: None

The following preamble and resolution were offered by Councilperson Kyser and supported by Councilperson Guyse.

WHEREAS, the Village Council of the Village, County of Hillsdale, State of Michigan (the "Village") established the Downtown Development Authority of the Village of Jonesville (the "Authority") in 1994 pursuant to the provisions of Act 197, Public Acts of Michigan, 1974, as amended ("Act 197"); and

WHEREAS, the Authority has approved and recommended an amendment (the "Amendment") to its Tax Increment Financing and Development Plan (the "Plan") to the Village Council;

NOW THEREFORE BE IT RESOLVED, that the Village Council of the Village of Jonesville as follows:

1. There shall be a public hearing on the first amendment to the Tax Increment Financing and Development Plan on February 18, 2009 at 6:30 P.M., at the Village Hall, 265 E. Chicago Street, Jonesville, Michigan, to consider the adoption of an ordinance approving the amendment to the Plan.
2. The Village Clerk shall cause a notice of said public hearing to be published in the Hillsdale Daily News, a newspaper of general circulation in the Village, two (2) times before the hearing, the first publication to be not less than twenty (20) days before the date set for the hearing. The Village Clerk shall also cause the notice to be mailed by certified mail to all property owners of record in the Downtown District at least twenty (20) days prior to the date of the hearing. The Village Clerk shall also cause the notice to be posted in at least twenty (20) conspicuous and public places in the Downtown District not less than twenty (20) days before the hearing. Said notice shall be in substantially the form set in Exhibit A attached hereto.
3. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution shall be and the same hereby are, rescinded, by only to the extent of such conflict.

AYES: Dave Steel, Gerry Arno, Dana Kyser, Ron Hayes, Jerry Drake, Brenda Guyse and Jim Marks

NAYS: None

ABSENT: None

RESOLUTION DECLARED ADOPTED.

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Village Council of the Village of Jonesville, County of Hillsdale, State of Michigan, at a regular meeting held on January 21, 2009, and that public notice was given pursuant to Act No. 267, Public Acts of Michigan, 1976 and including in the case of a special or rescheduled meeting notice by publication or posting at least eighteen (18) hours prior to the time set for the meeting.

Betsy L. Brooks
Betsy L. Brooks, Clerk

ORDINANCE NO. 199

AN ORDINANCE TO AMEND SECTION 2-112 OF THE CODE OF ORDINANCES, VILLAGE OF JONESVILLE, MICHIGAN.

THE VILLAGE OF JONESVILLE ORDAINS:

SECTION 1: Chapter 2 Article IV Division 3. Downtown Development Authority Section 2-112 Financing and development plan adopted; is amended to provide as follows:

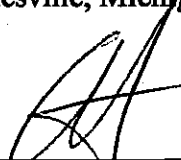
The 2009 Amendment to the Jonesville Downtown Development Authority Tax Increment Financing and Development Plan ("Plan") is hereby approved and adopted. The Plan shall terminate on December 31, 2034, and the maximum amount of indebtedness which may be incurred pursuant to the Plan, as amended, is \$5,000,000. A copy of the Plan and the amendment thereto shall be maintained on file at the Village Hall.

SECTION 2: This ordinance shall take effect twenty (20) days after its adoption and after publication as provided by law.

SECTION 3: A copy of the entire Code of Ordinances, Village of Jonesville, Michigan is available for inspection at the Jonesville Village Office, 265 E. Chicago Street, Jonesville, Michigan during normal business hours.

PASSED AND ADOPTED by the Village of Jonesville, Michigan on this 18th day of February, 2009.

(SEAL)



David T. Steel, Village President

YEAS: Gerry Arno, Jerry Drake
Brenda Guyse, Ron Hayes, Dana
Kyser, Dave Steel

Attest:



Betsy Brooks, Village Clerk

NAYS: None

ABSTAINED: None

ABSENT: Jim Marks

Publication date: 2-21-09

Effective date: 3-13-09

GOALS AND OBJECTIVES

1. Promote business retention, expansion, attraction and new jobs downtown.
 - Development of a business recruitment program
 - Development of a revolving loan fund in conjunction with local banks
 - Advance the façade improvement program

2. Improve downtown streetscape and infrastructure.
 - Install streetscape improvements throughout the district
 - Install decorative lighting along M-99
 - Improvement of downtown parking lots

3. Strengthen the civic nature of downtown through organization and promotion.
 - Adopt the Main Street 4-Point Approach
 - Promote community events and festivals
 - Market the community on local and regional levels

4. Enhance downtown recreational opportunities.
 - Development of a Rail Trail
 - Development of a Downtown Riverwalk along the Saint Joseph River
 - Development of a Downtown Riverside Park along the Saint Joseph River

5. Extend the duration of the Tax Increment Financing Plan to implement goals.
 - An additional twenty years through 2034

INTRODUCTION

The Village Council (the "Council") of the Village of Jonesville (the "Village") approved and adopted the original Tax Increment Financing and Development Plan (the "Plan") on May 18, 1994. While a number of the projects listed in the original plan have been achieved, the Village of Jonesville Downtown Development Authority (the "DDA") in cooperation with the Village has identified a number of future development projects which have led to this amendment of the plan.

The goals of this amendment are:

1. Promote business retention, expansion, attraction and new jobs downtown.
2. Improve downtown streetscape and infrastructure.
3. Strengthen the civic nature of downtown through organization and promotion.
4. Enhance downtown recreational opportunities.
5. Extend the duration of the Tax Increment Financing Plan to implement goals.

The Downtown Development Authority wishes to emphasize that this amendment does not expand or in any way change the boundaries of the district. The duration of the plan is changed from twenty (20) years at its adoption (1994) to a total of forty (40) years. Completion of the projects included in this plan is expected to be in 2034.

This amendment does not replace the original plan but serves in addition to the projects identified earlier by the Authority.

DEVELOPMENT PLAN PROJECTS

Development projects provided for in this amendment are intended to strengthen the existing community and economic base while diversifying the Downtown Development District, through a comprehensive revitalization effort.

SUMMARY OF PROJECTS

Development of a Business Recruitment Program

The Business Recruitment Program (BRP) is designed to support the attraction of new business investment to the district, generate new jobs and increase the tax base. The intent of the program is to provide an incentive for realtors and owners to bring new business owners to existing commercial buildings in the district to decrease commercial space vacancy, under utilization, and to increase daytime population. An increase in business presence provides for the ability to market spinoff development that supports this daytime population. The DDA will allocate grant dollars to commercial real estate brokers or owners as incentives to recruit new business owners to vacant and underutilized properties in the district. Program guidelines will define criteria and requirements of the Business Recruitment Program.

Development of a Revolving Loan Fund in Conjunction with Local Banks

The Revolving Loan Fund (RLF) in conjunction with local banks is designed to support the retention, expansion and attraction of private business investment in the district, generate new jobs and increase the tax base. The intent of the program is to promote economic development within the district by making financing available to viable new and expanding small businesses in conjunction with local banks and facilitating the development of these small and emerging business enterprises. Program guidelines will define criteria and requirements of the Revolving Loan Fund.

Advance the Façade Improvement Program

In 2001, the DDA established the Façade Improvement Program to encourage economic investment and revitalization improvements to the exterior of commercial buildings downtown. Downtown Jonesville is a focal point of the community. The creation and maintenance of an attractive downtown is a public purpose that can be achieved in part through improvements to building facades. Downtown Jonesville is fundamental to the economic health of the community as its condition, whether actual or perceived, plays a significant part in the impression that people and businesses have of the area. The advancement of the Façade Improvement Program includes increased funding and enhanced marketing to improve the physical appearance and promote the positive image of downtown Jonesville while encouraging historic preservation. Program guidelines will define criteria and requirements of the Façade Improvement Program. Further technical assistance will be provided regarding design and business development.

Install Streetscape Improvements throughout the District

Streetscape amenities set the stage for a unique, vibrant downtown destination. Through creating an integrated signature streetscape it strengthens our community's sense of place, establishes visual character for downtown, improves mobility for pedestrians, incorporates public art and embraces local heritage. Installation of streetscape improvements throughout the district including decorative lighting, signage, pavers, kiosks, benches, hanging baskets, plantings and site furnishings.

Install Decorative Lighting along M-99

Installation of decorative streetlights along M-99, to match the existing decorative streetlights downtown, to create a well connected district.

Improvement of Downtown Parking Lots

The downtown parking lots are a gateway through which customers, visitors and employees pass and should be an attractive part of the district. Off-street parking plays an important role in the efficiency of the overall transportation system. The availability of off-street parking affects the attractiveness of destinations as well as transportation modes. The North Alley parking lot is in need of total reconstruction; streetscape

amenities to be included. In addition, the acquisition of adjacent property allows for a more adequate design and space of the North Alley parking lot.

Adopt the Main Street 4-Point Approach

The Main Street Approach is a community-driven, comprehensive methodology used to revitalize traditional business districts. The underlying premise is to encourage economic development within the context of historic preservation. The approach advocates a return to community self-reliance, local empowerment, and the rebuilding of traditional commercial districts. The comprehensive strategy encompasses work in four distinct areas: Design, Economic Restructuring, Promotion, and Organization. The approach is an effective tool for community-based revitalization efforts; it is incremental and not designed to produce immediate change. Participation in the Michigan Main Street Program to be considered.

Promote Community Events and Festivals

Promotion sells a positive image of the community and encourages consumers and investors to live, work, shop, play and invest in the district. By promoting our unique characteristics to residents, investors, business owners and visitors, an effective promotional strategy forges a positive image through special events carried out by local volunteers. These activities improve consumer and investor confidence in the community which encourage commercial activity and investment in the district. The enhancement of Riverfest and establishment of additional community events and festivals year-around will enrich a sense of place for both community members and visitors alike.

Market the Community on Local and Regional Levels

In today's world, municipalities need to market themselves and build a strong presence for their community on both tangible and virtual levels including advertisements and a high-tech web presence. The development of a strategic partnership with the US 12 Heritage Trail Association as well as assessing partnerships with adjacent counties allows the community to effectively market itself on a regional level. On the local level, the development of a technical assistance matching grant in which funds would be available for businesses interested in developing a marketing plan provides an additional economic development tool. The grant would assist a business owner in identifying a professional resource and for professional consultation. Furthermore, the development and distribution of promotional material for the district and community will be supported.

Development of a Rail Trail

The acquisition of State of Michigan abandoned railroad right of way property and adjacent parcels allows for the development of a multi-use non-motorized trail that transverses the downtown district, commonly referred to as a rail trail. Using Highway US-12 and the Jonesville Police Station, 116 West Chicago Street, as a reference point the rail trail would extend North within the railroad right of way to the St. Joseph River;

and from the same reference point the rail trail would extend South within the railroad right of way to Beck Road and from that point the rail trail would utilize road right of way or adjacent parcels to connect to the State of Michigan Bike Path along M-99 and a proposed park at the "Old Village Dumpsite." Rail trail development and planning will be based on universal design and surface standards as indicated by the Michigan Department of Transportation and Michigan Department of Natural Resources or recommendation thereof.

Development of a Downtown Riverwalk along the Saint Joseph River

Acquisition of property and/or easements of property adjacent to the Saint Joseph River downtown to allow the creation of a Riverwalk which offers public access to the waterway. The Riverwalk is a 1/2 mile riverside path which parallels the Saint Joseph River extending both North and South from downtown. It is ultimately intended to loop into the rail trail. The Riverwalk is a mix of paved pathways, boardwalks and bridges along the river complemented with amenities such as decorative railings, pavers, signage, lighting, benches and piers. The Riverwalk is anticipated to enhance the adjacent properties in both use and value.

Development of a Downtown Riverside Park along the Saint Joseph River

Acquisition of property and/or easements of property adjacent to the Saint Joseph River downtown on US-12 to allow the establishment of a Riverside Park offering public access to the waterway. The Downtown Riverside Park would act as the Riverwalk trailhead. The Riverside Park is anticipated to enhance the adjacent properties in both use and value.

Project Cost Estimates

These project costs are estimates of costs in 2009 dollars. Final design and project details may cause variances in the costs of each item.

<u>Project</u>	<u>Estimated Cost</u>
Business Recruitment Program	\$10,000 annually
Revolving Loan Fund	\$10,000 annually
Façade Improvement Program	\$20,000 annually
Streetscape Improvements	\$10,000 annually
Decorative Lighting M-99	\$8,000 per light
Reconstruction of Parking Lots	\$2,000 per space
Main Street 4-Point Approach	\$10,000 annually
Community events and festivals	\$10,000 annually
Marketing	\$10,000 annually
Rail Trail	\$20 lineal ft
Riverwalk	\$200 per lineal ft
Riverside Park	\$200,000
Water "Spray" Pad	\$70,000
Band Shell	\$150,000

FINANCING OF PROJECTS

The Downtown Development Authority has determined that in order to finance the projects contained in their plans, a tax increment financing plan will have to be continued for a period of twenty (20) additional years through 2034.

The initial assessed value, or base, is the State Equalized Value of the DDA District at the time the original plan was adopted in 1993. The initial assessed value in the DDA District was determined to be \$6,691,985 for real and personal property and \$440,236 for Industrial Facilities Tax Exemptions and Commercial Facilities Tax Exemptions resulting in a base of \$6,912,103. The estimated captured assessed value is shown in Appendix A – “Projected Tax Increment Revenue.” Assumptions made regarding Appendix A include an approximate annual increase of 2% in revenue based on 2003-2009 revenue figures. The Plan projects additional private investments throughout the district, though no specific tax base additions are projected in the appendix. As the private investment occurs, it is planned that the projected tax base be tied to related public improvements downtown. It is envisioned that the DDA may, from time to time, arrange formal Developer Agreements to strengthen private investment relationships. For the purposes of projecting available tax increment finance revenues for projects or bond payments, the operating expenses are projected to increase approximately 2% annually. In addition to funds provided through the tax increment finance, the DDA and the Village will seek various grants and solicit contributions and assessments. Partnerships with other governmental agencies and non-profit organizations will also be encouraged to maximize effective use of available funds.

The DDA and Village may throughout the extended term of the plan borrow funds to complete projects in the plan. The maximum amount of note or bonded indebtedness to be incurred is \$5,000,000. This amount would only be incurred if there were sufficient increases in valuation and captured tax increments to support that level of indebtedness.

VILLAGE OF JONESVILLE
ESTIMATED DDA TAX CAPTURE

<u>FISCAL YEAR</u>	<u>TAXABLE VALUE</u>	<u>% INCREASE IN TAXABLE VALUE</u>	<u>AVG GROWTH</u>	<u>ESTIMATED REVENUE</u>	<u>% INCREASE IN REVENUE</u>	<u>AVG GROWTH</u>
2000/2001	\$ 3,921,188			\$ 94,043		
2001/2002	\$ 4,756,745	21.31%		\$ 113,325	20.50%	
2002/2003	\$ 5,751,279	20.91%		\$ 137,018	20.91%	
2003/2004	\$ 8,629,030	50.04%		\$ 203,670	48.64%	
2004/2005	\$ 11,852,034	37.35%		\$ 279,742	37.35%	
2005/2006	\$ 11,932,581	0.68%		\$ 281,138	0.50%	
2006/2007	\$ 12,282,234	2.93%		\$ 291,218	3.59%	
2007/2008	\$ 11,139,401	-9.30%		\$ 264,462	-9.19%	
2008/2009	\$ 9,854,731	-11.53%	11.69%	\$ 238,890	-9.67%	11.87%
2009/2010	\$ 9,000,000	-8.67%		\$ 216,000	-9.58%	
2010/2011	\$ 8,500,000	-5.56%		\$ 204,000	-5.56%	
2011/2012	\$ 8,600,000	1.18%		\$ 206,400	1.18%	
2012/2013	\$ 8,700,000	1.16%		\$ 208,800	1.16%	
2014/2015	\$ 9,000,000	3.45%		\$ 216,000	3.45%	
2016/2017	\$ 9,300,000	3.33%		\$ 223,200	3.33%	
2017/2018	\$ 9,600,000	3.23%		\$ 230,400	3.23%	
2018/2019	\$ 9,900,000	3.13%		\$ 237,600	3.13%	
2019/2020	\$ 10,200,000	3.03%		\$ 244,800	3.03%	
2020/2021	\$ 10,500,000	2.94%		\$ 252,000	2.94%	
2021/2022	\$ 10,800,000	2.86%		\$ 259,200	2.86%	
2022/2023	\$ 11,100,000	2.78%		\$ 266,400	2.78%	
2023/2024	\$ 11,400,000	2.70%		\$ 273,600	2.70%	
2024/2025	\$ 11,700,000	2.63%		\$ 280,800	2.63%	
2025/2026	\$ 12,050,000	2.99%		\$ 289,200	2.99%	
2026/2027	\$ 12,400,000	2.90%		\$ 297,600	2.90%	
2027/2028	\$ 12,750,000	2.82%		\$ 306,000	2.82%	
2028/2029	\$ 13,100,000	2.75%		\$ 314,400	2.75%	
2029/2030	\$ 13,450,000	2.67%		\$ 322,800	2.67%	
2030/2031	\$ 13,800,000	2.60%		\$ 331,200	2.60%	
2031/2032	\$ 14,200,000	2.90%		\$ 340,800	2.90%	
2032/2033	\$ 14,600,000	2.82%		\$ 350,400	2.82%	
2033/2034	\$ 15,000,000	2.74%	1.89%	\$ 360,000	2.74%	1.85%

PREPARED BY: LENORE SPAHR
May 21, 2009