

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT AND
TAX INCREMENT FINANCING PLANS
FOR DOWNTOWN IMPROVEMENTS

1993

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LOWELL DOWNTOWN DEVELOPMENT AUTHORITY

DEVELOPMENT PLAN

INTRODUCTION

A. Purpose of the DDA Act

The revitalization of America's downtowns is enjoying a surge of popularity. All across the country, in large and small cities alike, new emphasis is being placed on rejuvenating the heart of the community. Downtown is where a community's small businesses are located, and these businesses often are the backbone of the local economy for job, revenue and tax generation.

The bottom line for many communities is that downtown revitalization is economic development. It is successful because these jobs, revenues and taxes are being generated at the local level.

Through the perception and efforts of those concerned with revitalized downtowns, the Michigan State Legislature created a tool which would assist in revitalization and act as a catalyst for redevelopment of downtown areas. In pursuit of those efforts, the State Legislature, through Act 197, P.A. of Michigan, 1975, enacted the Downtown Development Authority Act.

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

Local efforts to create a DDA were spearheaded by the Lowell Area Chamber of Commerce. The membership recognized the value of the DDA to improve the business environment. A community meeting was held on June 16, 1992 to introduce the DDA. Robert Terry, from the State of Michigan, outlined the powers, duties and opportunities of the Authority.

After several informational meetings, the Lowell City Council unanimously adopted Ordinance 92-4, which created the Lowell Downtown Development Authority on November 16, 1992. The DDA was given all of the powers and duties prescribed in Act 197. The City Council also designated the boundaries within which the DDA can legally work.

The Council passed Resolution 19-92 expressing their intent not to levy an ad valorem property tax within the downtown district. Though up to 2 mills may be levied, the Council believed that necessary revenues to carry out the Authority's purpose should come solely from tax increments.

C. Existing Land Use/District Characteristics

The attached map outlines the existing land uses in the downtown district. Land in the DDA is used for commercial, and industrial purposes. There are some limited residential sections.

The district contains the following public uses:

Lowell City Hall, City Storage and Cable TV Building, Lowell Light and Power, U.S. Post Office, Graham Building (city owned structure housing library and YMCA), Lowell Department of Public Works Building, Runciman-Riverside Elementary School, Bushnell Elementary School, and Lowell Senior High School.

D. Miscellaneous

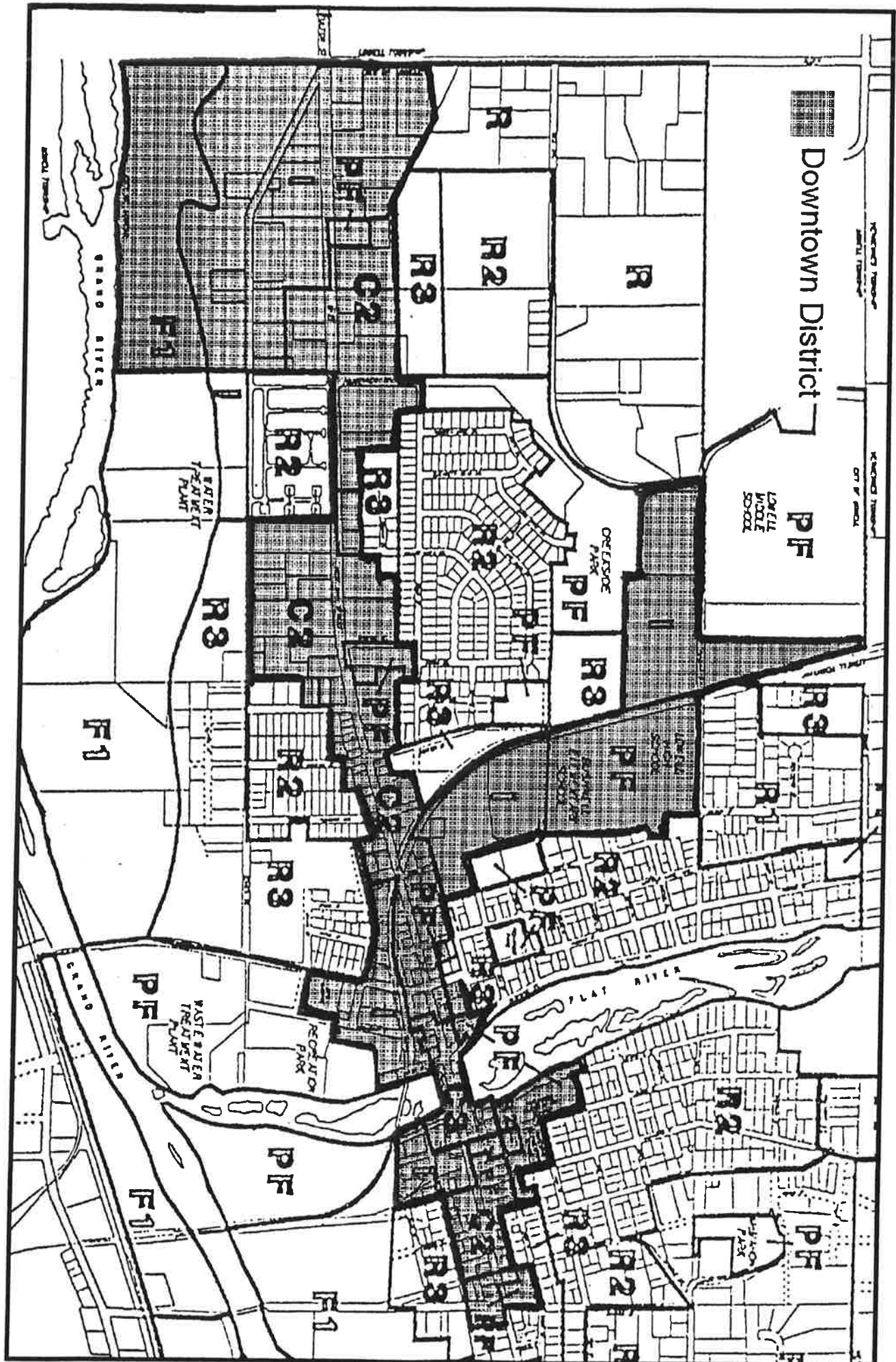
No parts of the development area is contemplated to be used as open space.

The DDA has no plans to sell, donate, exchange or lease any portions of the development area to or from the City nor from any persons, natural or corporate.

There are no desired zoning changes, changes in streets, street levels and intersections. Utility changes are identified under project descriptions.

Procedures for bidding, purchasing or conveying in any manner of all or a portion of the development upon its completion shall follow guidelines established under Chapter 2 of the City's Code of Ordinances Competitive bidding is emphasized.

No relocation of persons is planned within the development area.



PROJECT DESCRIPTIONS

As noted under Section 17 of the Public Acts of Michigan, Act 197 of 1975 as amended, the Lowell Downtown Development Authority proposes to construct public improvements in the Downtown Development District which will be financed by a tax increment financing plan. This will further stimulate the central business district economy and encourage new private investment in C.B.D. properties.

In particular, the development plan focuses on downtown revitalization creating opportunities for expanded off street parking improvements, upgraded sidewalks and street lighting.

The downtown area shall include the entire downtown development district as described in Ordinance 92-4.

The development plan includes the following components:

A. Streetscape Improvements

Improvements will include replacement of sidewalk, curb and gutter and installation of decorative concrete. Peninsulas and intersections will be created where practical for a landscape strip.

New historical style light fixtures with underground electric service will be installed. A re-work of electric, telephone and cable service is planned.

Placement of benches, new trash receptacles, bike racks, street planters and signage will be purchased as part of the streetscape project. Where feasible, street trees will be planted.

In priority, the following areas are considered first for improvements:

Main Street (both sides) from Hudson to Monroe

Main Street (both sides) from Monroe to Division

Main Street (both sides) from Hudson to Amity

B. Parking Lot Improvements

All existing parking lots as noted below within the downtown development district will be improved with asphalt surfacing, resurfacing, drainage and miscellaneous landscaping. Installation of new historical style lighting fixtures will also take place.

Improvement of markings for optimal number of parking spaces will be planned along with installation of curb and gutter and incorporation of landscape boulevards where practical. Pavement accent strips and uniform signing will also be installed.

1. Expand parking lot at Avery/Monroe for 30-35 additional spaces.
2. Improve parking area north of Main between Broadway and Riverside (34 spaces)
3. Expand and improve the King Milling lot located on the south side of Main Street, east of the dam. This work will include replacement of a retaining wall along the Flat River riverbank and landscaping. (This lot is under a perpetual lease with King Milling Company for public parking and community parks purposes only).

C. Property Acquisition and Demolition

Consideration shall be given to acquiring any properties within the district put up for sale which are consistent with the DDA's overall development plan.

In concert with this, the DDA may consider the demolition of vacant structures to promote the overall development plan.

D. Riverfront Improvements

The riverfront area within the DDA district will be improved with a board walk miscellaneous landscaping, lighting and street furniture. The riverfront area located north of East Main Street to the Showboat Amphitheater will be improved for pedestrian access.

E. Handicapped Access - Facade Improvements

The DDA proposes to assist commercial businesses located in the downtown development district providing grants to property owners for handicapped access. In exchange, owners must remodel their building facades.

F. Maintenance Cost of Downtown Public Areas

The DDA also proposes to set aside funds for maintenance of public areas. This includes snowplowing, trash pickup, and sidewalk and landscaping maintenance.

TIMETABLE

It is anticipated that the public improvement projects noted above will be completed by the fiscal year ending June 30, 2013.

RESIDENTS IN THE DEVELOPMENT AREA

There are approximately 95 people that reside in the development area. At the present time, there is no development planned which would cause the displacement of any persons residing within the DDA area.

METHOD OF FINANCING

The DDA proposes to accumulate sufficient revenue from captured assessed value to make principal and interest payment on bonded indebtedness. This tax increment bond will not exceed \$1,000,000. The DDA also recommends that any excess funds be used to fund projects on a "pay as you go" schedule.

DEVELOPMENT PLAN COSTS

Project

Phase I	Main Street Streetscape	
a.	Hudson to Monroe	
-	Replace sidewalk, curb and gutter, install decorative concrete, and landscaping	\$219,000.00
-	Install new historical style light fixtures with underground electrical service and re-work of electric, telephone and cable.	<u>\$241,000.00</u>
	SUBTOTAL (includes engineering and contingency)	\$460,000.00
b.	Expand parking lot at Avery/Monroe for 30-35 additional spaces. Install historical style light fixtures.	\$ 68,000.00
c.	Improve parking area north of Main between Broadway and Riverside. Install historical style light fixtures.	<u>\$ 28,000.00</u>
	TOTAL PHASE I (includes engineering and contingency)	\$556,000.00
Phase II	King Milling Lot	
-	Expand parking lot, replace retaining wall and landscaping	\$126,000.00
-	Install new historical style light fixtures with underground service	<u>\$35,000.00</u>
	TOTAL PHASE II (includes engineering and contingency)	\$161,000.00
Phase III	Main Street Streetscape	
a.	Monroe to Division	
-	Replace sidewalk, curb and gutter, install decorative concrete, and landscaping	\$138,000.00
-	Install new historical style light fixtures with underground electrical service and re-work of electric, telephone and cable.	<u>\$182,000.00</u>
	TOTAL PHASE III (includes engineering and contingency)	\$320,000.00

Phase IV	Main Street Streetscape	
	a. Amity to Hudson	
	- Replace sidewalk, curb and gutter, install decorative concrete, and landscaping	\$ 65,000.00
	- Install new historical style light fixtures with underground electrical service and re-work of electric, telephone and cable.	<u>\$119,000.00</u>
	TOTAL PHASE IV (includes engineering and contingency)	\$184,000.00
	Riverfront Improvements	\$100,000.00
	Property Acquisition and Demolition	\$100,000.00
	Handicapped Access Projects	\$100,000.00
	SUBTOTAL	\$1,521,000.00
	Architect/engineer	
	Administration	
	Contingencies/Miscellaneous/	
	Legal/Financing	
	Maintenance of Public Areas in DDA	
	SUBTOTAL	<u>228,150.00</u>
	GRAND TOTAL	\$1,749,150.00

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY

TAX INCREMENT FINANCING PLAN

SOURCES OF FUNDS

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

- A. Donations;
- B. A tax of up to two (2) mills levied on the DDA district upon approval of the City Council for use in financing DDA activities;
- C. Proceeds from general obligation bond issues;
- D. Revenues from property owned by the DDA;
- E. Monies received from other sources approved by the City Council;
- F. Proceeds of a tax increment financing plan.

The following comments on the first five sources will put in perspective the need for consideration of the tax increment financing plan:

Donations - These funds could be from either individuals or corporations, including philanthropic foundations such as the Look Memorial Fund or from special activities sponsored by the DDA.

Tax Levy - Limited to two (2) mills, this source would be in effect a special assessment levy on the district. Originally, Act 197 limited the use of these funds to finance the "operations" of the authority. However, the law was amended in June, 1983 to allow this millage to be used for any purpose (Act 86, P.A. of 1983).

Through passage of Resolution 19-92, the City Council passed its intent not to levy an ad valorem property tax. It is believed that necessary revenues to carry out the DDA's purposes should come solely from tax increments.

Bond Proceeds - These funds are provided in the act as a "source of financing," however, it could be better termed that they are a source of borrowing, not an actual source of capital. Under the State Act, 80% of tax increment revenues could be utilized.

The DDA recommends this option as a means to finance proposed improvements in the development plan.

Revenue from Properties - The City owns property in the DDA district. The DDA could purchase the property and use this as a potential revenue source.

Other Sources - These sources might include any general revenues of the City or special assessments approved by the Council for the DDA's use or special grants.

Tax Increment Financing - This procedure allows the DDA to capture a tax levied on increases in the state equalized value (SEV) of the district which are attributable to the growth caused by improvements financed with the revenue from increased taxes.

The DDA favors this approach because it does not establish a new tax but merely captures a portion of increased tax revenue to use for a specific purpose.

The DDA feels this is the most viable avenue to finance the proposed development projects. The following section provides further information regarding the tax increment financing plan.

The DDA recommends that Tax Increment Financing be used as the major source of revenue to finance development projects.

EXPLANATION OF TAX INCREMENT FINANCING PROCEDURE

Public Act 197, the enabling legislation for Downtown Development Authorities introduced a new concept in Michigan called Tax Increment Financing. By using this financing method a Downtown Development Authority (DDA), with the approval of the City, can "capture" a portion of the revenue gained from taxes to implement a development plan. IT IS NOT A NEW TAX, but simply earmarks increasing tax revenues for activities specified in a DDA development plan. The following is a scenario for DDA actions:

- A. A DDA determines it is necessary to make public improvements to stimulate economic growth in a central business district. It defines the public improvements and identifies costs in a development plan;

- B. The DDA determines if it wishes to provide the improvements by issuing bonds or by collecting a portion of the revenues in the area to be used to actually implement improvements;
- C. The DDA captures the taxes or a portion of taxes generated by subsequent growth stimulated by the public investment. This tax base growth is called the "captured assessed value." More specifically, it is the difference between the state equalized value (SEV) in the district which exists at the time of adoption of the plan and subsequent increases in SEV. As noted, the DDA plan shows the SEV of properties of \$16,694,300 in 1992. In 1993, the total SEV is projected to be \$17,789,000. The DDA could capture the taxes generated from the \$1,094,100 increase.
- D. The taxes which are potentially available for collection to pay for the future project include all the normally levied taxes by all the taxing units on the captured assessed value of the DDA district. The DDA may enter into agreements with each of the taxing units to share a portion of the captured assessed value. Revenues collected beyond the amount needed to meet the cost of the specific development project would be returned proportionately to the taxing units.
- E. When implementation of the development is completed, the captured assessed value is released and taxing units receive all the taxes levied from that point.
- F. During the time the tax increment plan is in effect, the taxing units continue to receive the tax revenue from the DDA's total SEV in the base year. If the DDA collects more money than it needs in any one year to implement the plan the excess amount of funds are returned to the taxing units.
- G. In order to be implemented, the tax increment financing plan must be approved by an ordinance enacted by the City after a public hearing is held.
- H. While the plan is in effect, the DDA shall submit to the City an annual report on the status of the tax increment financing account. The report shall also be published in a newspaper.

**THE TAX INCREMENT FINANCING PLAN FOR
THE LOWELL DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT**

The Lowell Downtown Development Authority (DDA) proposes the following tax increment financing plan:

- A. **Purpose** - The purpose of this tax increment financing plan is to capture the revenue gained from increased development in the downtown area to pay for the improvements specified in the development plan.
- B. **Financing Plan** - The DDA proposes to accumulate sufficient revenue from the captured assessed value to make bond payments. The maximum amount of bonded indebtedness will not exceed \$1,000,000. The DDA also recommends that any excess funds be used to fund projects on a "pay as you go" schedule.
- C. **Initial Assessed Value** - It is proposed that the City Council adopt this plan prior to May 24, 1993 so that the "initial assessed value" - which is the base year state equalized value (SEV) from which the "captured assessed value" is calculated - will be the 1992 SEV of the tax increment financing district as determined by the State Tax Commission.
- D. **Captured Assessed Revenue to be Used** - The DDA proposes that all of the tax revenue levied by all taxing units on the captured assessed value of real and personal property within the district be used by the authority for the proposed projects. The taxing units will still collect all those taxes from base year State equalized value.
- E. **Project Duration** - The financing plan will continue through 2013.
- F. **Projection of Captured Assessed Value and Revenue** - Table I provides the projected captured assessed value in the DDA. Based on the estimated project costs the DDA plans to capture increased assessed value through 2013.

The projected revenue in Table II is based on capturing the full amount of taxes generated from the captured assessed value. It is noted that bonding limits the use of tax increments to 80%. Based on current projections, a \$770,000 bond could be financed at 7% interest over 20 years. It is recommended that the remaining revenues be used to fund short-term projects.

TABLE I

TIFA CAPTURED REVENUE - FIRST YEAR

	<u>Parcels</u>	<u>Base</u>	<u>Assessment</u>	<u>Capture</u>
Commercial	214	\$8,990,200	9,465,000	\$474,200
Industrial	36	7,259,100	7,827,300	568,200
Residential	20	<u>445,000</u>	<u>496,700</u>	<u>51,700</u>
		\$16,694,300	\$17,789,000	\$1,094,100
Exempt	<u>31</u>			
	301			

Includes real and personal property parcels.

TABLE II
CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY
PROJECTED TAX INCREMENT REVENUES

Initial Captured SEV - \$ 1,094,800
Initial Tax Increment Revenues - 67,612
80% of Initial Tax Increment Revenues - 54,090

YEAR	TAX INCREMENT REVENUE	80% OF TAX INCREMENT REVENUE
1994	67,612	54,090
1995	69,640	55,713
1996	71,729	57,384
1997	73,881	59,106
1998	76,098	60,879
1999	78,381	62,705
2000	80,732	64,586
2001	83,154	66,524
2002	85,649	68,519
2003	88,218	70,575
2004	90,865	72,692
2005	93,591	74,873
2006	96,399	77,119
2007	99,291	79,433
2008	102,270	81,816
2009	105,338	84,270
2010	108,498	86,798
2011	111,753	89,402
2012	115,106	92,084
2013	118,559	94,847
TOTAL	1,816,764	1,453,415

NOTE: Assumes 3% growth

IMPACT ON TAXING UNITS

The taxing units affected by the tax increment financing plan are:

City of Lowell
 Lowell Public Schools
 County of Kent
 Kent County Intermediate School District
 Grand Rapids Community College

In judging the impact of tax increment financing, several actions must be considered: 1. the amount of millage levied; 2. the percent of the tax increment financing district of the taxing unit's total SEV; 3. the increased SEV the taxing unit could use if the plan were not in place; and 4. the overall community benefit of increasing the tax base.

The table below summarized the various taxing units and how they are affected by the Tax Increment Financing Plan for the Downtown Development Authority.

Taxing Unit	1992 Tax Levy	1992 SEV of Taxing Unit	DDA District as Percent of Total SEV Unit (Base)
City of Lowell	13.0000	\$ 61,346,000	20.11 percent
Lowell Public Schools	42.7671	\$ 250,404,450*	4.92 percent
County of Kent	5.4194	\$ 8,800,472,010	.14 percent
Kent County Inter- mediate Schools	4.1248	\$ 9,015,377,839	.13 percent
Grand Rapids Community College	<u>1.8965</u>	\$ 9,015,377,839	.13 percent
Total:	67.2078 mills		

* in Kent County

As can be seen, the impact on the School District is greatest because it levies the largest millage rate. The following table shows the impact when each taxing units percentage of total millage is translated into the proposed share of the development cost. Please note that the Lowell Public Schools (5.35 mills) and the Kent County Intermediate Schools (.1 mills) debt millage has been exempted.

TAXING UNIT	PERCENTAGE OF TOTAL MILLAGE	SHARE OF DEVELOPMENT COSTS (OVER 20 YRS)
Lowell Public Schools	60.59	\$1,100,777
City of Lowell	21.05	382,429
County of Kent	8.78	159,512
Kent Intermediate Schools	6.51	118,271
Grand Rapids Community College	3.07	55,775

In reviewing this information, the following should be considered:

- * Upon completion of the projects, the school district will gain the largest share of revenue generated by the increased valuation.
- * The school district is an "in-formula" district for state aid purposes and receives all the revenue lost to the tax increment district from the State of Michigan.
- * If the improvements are not implemented the increased valuation may not occur.
- * The debt millage for the School District and Intermediate School District is exempted.

JUSTIFICATION OF THE TAX INCREMENT FINANCING PLAN

The Downtown Development Authority (DDA) proposes a plan that will provide significant long-range benefits to the community. It asks the taxing units to defer revenue for a time to undertake specific activities which will result in increased development and an increased tax base for the city, school district, county and intermediate school district and community college.

In implementing this plan the taxing units will not immediately realize revenue from the increased development in the Lowell DDA area. That revenue will pay for the proposed downtown improvements.

The DDA feels it is imperative that public improvements in the downtown district continue. It strongly believes that without these public improvements the central business district could follow a declining path. The DDA also feels that public improvements can serve as a catalyst to businesses to make improvements to their respective buildings and facilities.

SUMMARY

The DDA recommends adoption of this plan in total to be used to finance the various public improvement projects included in the development plan.

The DDA recognizes that there are other sources of funding. Due to the uncertainty and anomalous nature of these funding methods (i.e., grants, private donations), the DDA reserves the right to fund projects through these sources when made available. It is noted that the Look Memorial Fund has allocated \$12,000 toward the purchase and planting of downtown trees.

APPENDIX

EXHIBIT A

CITY OF LOWELL
KENT COUNTY, MICHIGAN

ORDINANCE NO. 92- 4

ORDINANCE ESTABLISHING A DOWNTOWN DEVELOPMENT
AUTHORITY AND DESIGNATING DOWNTOWN DISTRICT

Councilmember Hodges, supported by Councilmember Green, moved the adoption of the following ordinance:

WHEREAS, the City Council of the City of Lowell (the "City") by resolution adopted on October 19, 1992, declared its intent to establish a downtown development authority and designate the boundaries of a downtown district pursuant to the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended, MCL 125.1651, et seq. (the "Act"); and

WHEREAS, pursuant to the Act, a public hearing was held this date on the establishment of a downtown development authority and the designation of downtown district boundaries; and

WHEREAS, notice of the public hearing was given as provided by the Act and all interested persons were given an opportunity to be heard; and

WHEREAS, the City Council has determined to proceed with the establishment of a downtown development authority and the designation of the boundaries of a downtown district.

THE CITY OF LOWELL ORDAINS:

Section 1. Creation of Authority. There is hereby created pursuant to the Act a downtown development authority to be known as the "City of Lowell Downtown Development Authority" (the

"Authority"). The Authority shall be a public body corporate which may sue and be sued in any court of the State of Michigan and shall possess all the powers necessary to carry out the purposes of its incorporation. The enumeration of a power in this resolution or in the Act shall not be construed as a limitation upon the general powers of the Authority.

Section 2. Creation of District. The downtown district in which the Authority shall exercise its powers as provided by the Act shall consist of property located in the City and shall have the boundaries identified in Exhibit I attached hereto.

Section 3. Composition of Authority Board. The Authority shall be under the supervision and control of a board (the "Board") consisting of the City Manager, the chief executive officer of the City, and eight (8) members appointed by the City Manager and approved by the City Council. The terms of office of Board members shall be as provided in the Act. Each Board member shall serve without compensation and shall hold office until a successor is appointed.

Section 4. Adoption of Rules, Selection of Director, Election of Officers. The Board shall, pursuant to the provisions of the Act, (a) adopt rules governing its procedure and the holding of meetings, subject to the approval of the City Council, (b) select a director, subject to the approval of the City Council, (c) elect a chairperson, secretary and treasurer, and (d) retain legal counsel.

Section 5. Publication and Filing of Ordinance. Upon adoption, this ordinance shall be promptly filed with the Michigan Secretary of State and published in the Lowell Ledger, a newspaper of general circulation in the City.

Section 6. Effective Date. This shall take effect (i) upon filing with the Michigan Secretary of State and (ii) ten (10) days after publication in the Lowell Ledger.

YEAS: Councilmembers Green, Fonger, Hodges, Thompson,
and Mayor Maatman

NAYS: Councilmembers none

ABSTAIN: Councilmembers none

ABSENT: Councilmembers none

ORDINANCE DECLARED ADOPTED.

David M. Pasquale
David M. Pasquale, City Clerk

CERTIFICATE

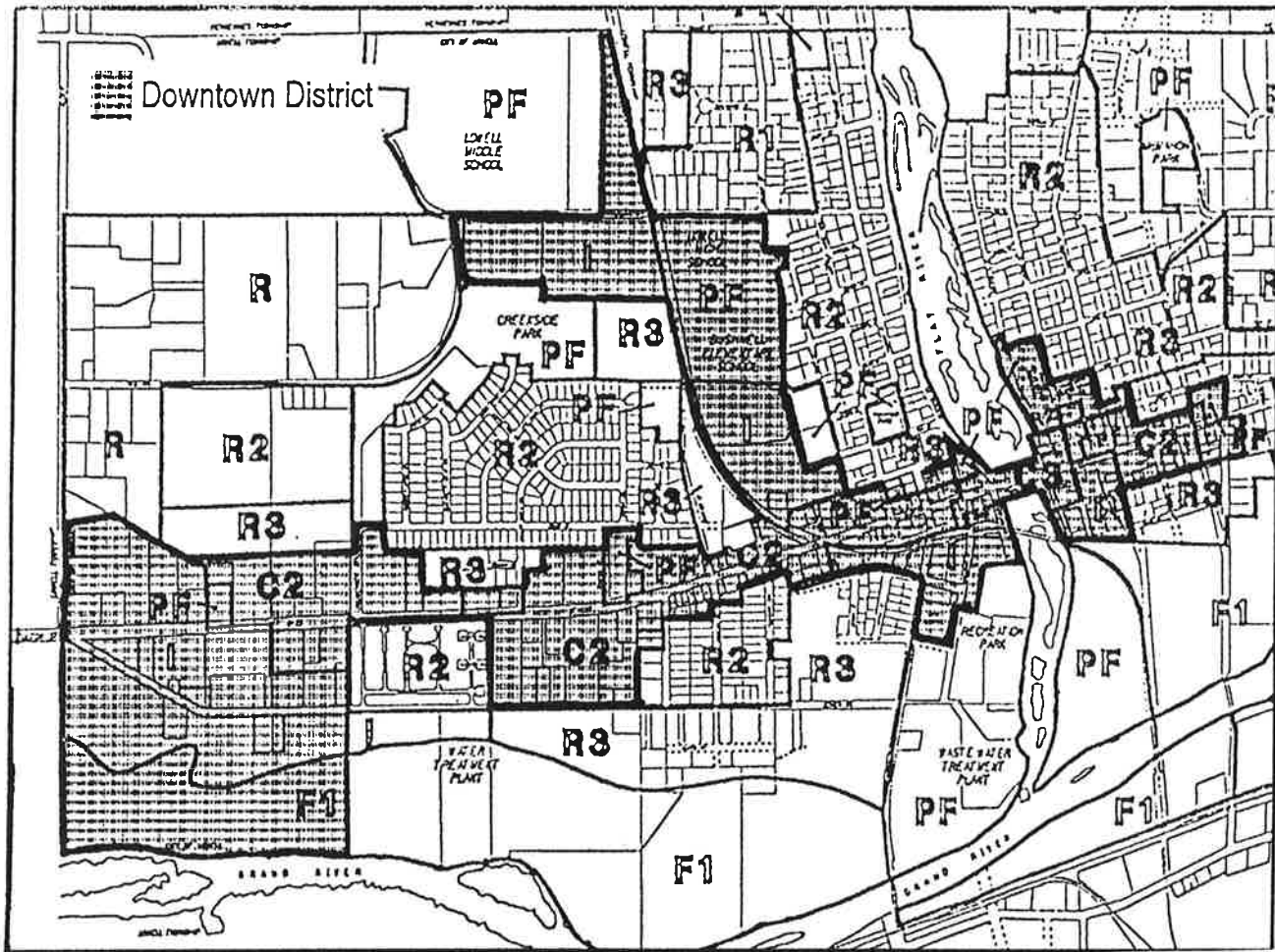
I hereby certify that the above ordinance is a true and complete copy of an ordinance adopted at a regular meeting of the Lowell City Council held on November 16, 1992; was published in the Lowell Ledger, a newspaper of general circulation in the City on November 18, 1992; was filed with the Michigan Secretary of State on November 17, 1992; was entered into the Ordinance Book of the City on November 17, 1992; and was effective on November 28, 1992, ten days after publication.

Dated: November 17, 1992

David M. Pasquale
David M. Pasquale, City Clerk

EXHIBIT I

Identification of Boundaries of Downtown District



MICHIGAN DEPARTMENT OF STATE

RICHARD H. AUSTIN SECRETARY OF STATE



LANSING

MICHIGAN 48918

March 4, 1993

Mr. David M. Pasquale, Clerk
City of Lowell
301 East Main Street
Lowell, MI 49331

Dear Mr. Pasquale:

This will acknowledge receipt and filing on December 2, 1992, of a certified copy of Ordinance 92-4 adopted November 16, 1992, establishing a Downtown Development Authority for the City of Lowell.

Sincerely,

A handwritten signature in cursive script that reads "Helen Kruger".

Helen Kruger, Supervisor
Office of the Great Seal
(517) 373-2531

CITY OF LOWELL
KENT COUNTY, MICHIGAN

Resolution No. 18-92

RESOLUTION EXPRESSING INTENT TO ESTABLISH A
DOWNTOWN DEVELOPMENT AUTHORITY AND SETTING
DATE FOR PUBLIC HEARING ON CREATION OF
AUTHORITY AND DESIGNATING DOWNTOWN DISTRICT

Councilmember Hodges, supported by councilmember
Green, moved the adoption of the following resolution:

WHEREAS, the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended, MCL 125.1651, et seq. (the "Act") authorizes the City of Lowell (the "City") to establish a downtown development authority and to designate the boundaries of a downtown district pursuant to the Act to halt property value deterioration, increase property tax valuation and promote economic growth; and

WHEREAS, the City Council wishes to express its intent to establish a downtown development authority and designate the boundaries of a downtown district and to set the time and date for a public hearing regarding same.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council of the City hereby intends to establish the City of Lowell Downtown Development Authority (the "Authority") pursuant to the Act and the ordinance attached hereto as Exhibit A.

2. The City Council intends to establish a downtown district to include all the property within the boundaries identified in Exhibit B attached hereto (the "District").

3. A public hearing will be held on Monday, November 16, 1992, to consider the establishment of the Authority and designation of the District and that public notice in substantially the form attached hereto as Exhibit C be given in accordance with the Act by (i) publication twice in the Lowell Ledger, a newspaper of general circulation in the City, not less than 20 nor more than 40 days before the hearing, (ii) mailing by first-class mail to the property taxpayers of record in the proposed District not less than 20 days before the hearing, and (iii) posting in at least 20 conspicuous and public places in the proposed District not less than 20 days before the hearing.

4. All resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Councilmembers Fonger, Green, Hodges, Thompson
and Mayor Maatman.

NAYS: Councilmembers none

ABSTAIN: Councilmembers none

ABSENT: Councilmembers none

RESOLUTION DECLARED ADOPTED

David M. Pasquale
David M. Pasquale, City Clerk

CERTIFICATE

I hereby certify that the foregoing is a true and complete copy of a resolution passed by the City Council of the City of Lowell, at a regular meeting held on Monday, October 19, 1992, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: October 19, 1992

David M. Pasquale
David M. Pasquale, City Clerk

CITY OF LOWELL
KENT COUNTY, MICHIGAN

Resolution No. 21-92

RESOLUTION APPROVING RULES OF PROCEDURE OF THE
CITY OF LOWELL DOWNTOWN DEVELOPMENT AUTHORITY

Councilmember Hodges, supported by Councilmember
Fonger, moved the adoption of the following resolution:

WHEREAS, the City Council adopted an ordinance on November 17, 1992, establishing the City of Lowell Downtown Development Authority (the "Authority") pursuant to the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended, MCL 125.1651, et seq. ("Act 197"); and

WHEREAS, the Board of the Authority held its initial meeting on Thursday, December 10, 1992, and adopted the Rules of Procedure attached hereto as Exhibit A (the "Rules"); and

WHEREAS, Act 197 requires that such Rules be approved by the City Council.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Rules of the Authority are hereby approved.
2. All resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Councilmembers Green, Hodges, Fonger, Thompson and
Mayor Maatman.

NAYS: Councilmembers none.

ABSENT: Councilmembers none.

RESOLUTION DECLARED ADOPTED.

David M Pasquale
David M. Pasquale, City Clerk

CERTIFICATION

I hereby certify that the above is a true and complete copy of a resolution passed by the City Council of the City of Lowell, at a regular meeting held on Monday, December 21, 1992, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

David M. Pasquale
David M. Pasquale, City Clerk

CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY
KENT COUNTY, MICHIGAN

Resolution No. 1-92

RESOLUTION APPROVING AND RECOMMENDING
RULES OF PROCEDURE FOR THE CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY

Minutes of a special meeting of the Board of the City of Lowell Downtown Development Authority, Kent County, Michigan, held in the Lowell City Hall in said City on Thursday, December 10, 1992, at 12:00 noon, local time.

PRESENT: Boardmembers Chapman, Lonick, Pasquale, Pfaller, Quada
and Reagan.

ABSENT: Boardmembers Conley, Doyle and Hale.

WHEREAS, the Lowell City Council has established the City of Lowell Downtown Development Authority (the "DDA"), designated the downtown district and appointed members to the DDA Board in accordance with the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended, MCL 125.1651 et seq. ("Act 197"); and

WHEREAS, Act 197 requires that rules of procedure be prepared and approved governing the operation of the DDA.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Rules of Procedure attached hereto as Exhibit A are hereby approved and recommended to the Lowell City Council for final approval.

2. All resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

AYES: Boardmembers Chapman, Lonick, Pasquale, Pfaller, Ouada and Reagan.

NAYS: Boardmembers none.

ABSENT: Boardmembers Conley, Doyle and Hale.

RESOLUTION DECLARED ADOPTED.

David M. Pasquale
David M. Pasquale, Secretary

CERTIFICATE

I hereby certify that the above is a true and complete copy of a resolution passed by the Board of the City of Lowell Downtown Development Authority at a special meeting held on Thursday, December 10, 1992, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

David M. Pasquale
David M. Pasquale, Secretary

EXHIBIT A
CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY
RULES OF PROCEDURE

Article I
Governing Body of Authority

Section 1. Governing Body. The Authority shall be under the supervision of the Board established pursuant to the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended ("Act 197").

Article II
Board

Section 1. Composition of Board. The Board of the Authority shall consist of nine members. The City Manager, as chief executive officer of the City of Lowell, shall be a member of the Board so long as he serves in such capacity. Eight other members shall be appointed by the Lowell City Manager and approved by the Lowell City Council. Not less than a majority of members shall be persons having an interest in property located in the downtown district. Not less than one member shall be a resident of the downtown district, if the downtown district has 100 or more persons residing within it.

Section 2. Term of Office. The Lowell City Manager shall be a member of the Board for an indefinite term and shall serve so long as he is the chief executive officer of the City. The other members of the Board shall be appointed for a term of four years except that of the members first appointed by the City of Lowell, two shall be appointed to a term of one year, two shall be appointed to a term of two years, two shall be appointed to a term of three years and two shall be appointed to a term of four years. A member whose term has expired shall, however, continue to hold office until the member's successor is appointed.

Section 3. Effective Date of Appointment. The term of office of Board members shall begin on the first Tuesday of January, except for those members first appointed, whose terms shall commence on the effective date of appointment and expire the stated number of years after the first Tuesday in January, 1993.

Section 4. Filling of Vacancies. If a vacancy is created due to the death, resignation or removal of a Board member, a successor shall be appointed within sixty days in the same manner as the original appointment to serve for the remainder of the term vacated.

Section 5. Removal of Board Member. Pursuant to proper notice and an opportunity to be heard, a Board member may be removed from office before the expiration of his term for neglect of duty including nonattendance at meetings, misconduct, malfeasance or for any other good cause by majority vote of the remaining members of the Board. Removal of a Board member is subject to review by the Kent County Circuit Court.

Section 6. Compensation of Board Members. Board members shall serve without compensation, but may be reimbursed for actual and necessary expenses.

Section 7. Disclosure of Interest. A Board member who has a direct interest in any matter before the Authority shall disclose his interest prior to the Authority taking any action with respect to the matter. Such disclosure shall become a part of the record of the Authority's official proceedings. Any Board member making such disclosure shall refrain from participating in the Authority's decision-making process relative to such matter.

Section 8. Oath of Office. Before assuming the duties of office, a Board member shall qualify by taking and subscribing to the constitutional oath of office.

Article III Power of Board

Section 1. Board Powers. 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 on 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;

(e) develop long-range plans, in cooperation with the City of Lowell planning commission, 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 Act 197, in accordance with the powers of Act 197;

(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 purpose of Act 197, 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 buildings, 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; and

(m) acquire and construct public facilities.

Article IV Officers of the Board

Section 1. Elected Officers of the Board. The Board shall elect from its members a Chairperson, Secretary and Treasurer.

Section 2. Term of Office. The officers of the Board shall serve a one year term. An officer whose term has expired shall, however, continue to hold office until a successor is appointed.

Section 3. Effective Date of Appointment. The term of office of an officer of the Board shall begin on February 1, except for those officers first elected, whose term shall commence on the date of election and expire on January 31, 1994.

Section 4. Filling of Vacancies. If a vacancy is created due to the death, resignation or removal of an officer of the Board, a successor shall be elected by the Board within sixty days to serve for the remainder of the vacated term.

Section 5. Duties of Officers. The following officers shall have the following duties:

(a) Chairperson - the Chairperson shall preside at all meetings of the Board and shall discharge the duties of a presiding officer.

(b) Secretary - the Secretary shall maintain custody of the official seal and the records, books, documents or other papers of the Authority not required to be maintained by the Treasurer. The Secretary shall keep or cause to be kept a record of the proceedings of the Board and shall perform other duties as may be delegated by the Board.

(c) Treasurer - The Treasurer shall keep the financial records of the Authority and shall, together with the Executive Director, approve all vouchers for the expenditures of the Authority. The Treasurer shall perform such other duties as may be delegated by the Board and shall furnish a bond in an amount as may be prescribed by the Board. The premium of any required bond shall be paid for by the Authority.

Article V

Appointment and Retention of Other Personnel

Section 1. Appointment of Executive Director. The Board may appoint an Executive Director. The Executive Director shall be the chief executive officer of the Authority and shall serve at the pleasure of the Board. A Board member is not eligible to hold the position of Executive Director. The Executive Director shall furnish a bond in an amount as may be prescribed by the Authority. The premium of any required bond shall be paid for by the Authority. Before entering upon the duties of the office, the Executive Director shall take and subscribe to the constitutional oath of office. Subject to the approval of the Board, the Executive 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 Act 197. The Executive Director shall attend all meetings of the Board and shall provide to the Board and the Lowell City Council a regular report covering the activities and financial condition of the Authority. The Executive Director shall also furnish the Board with information or reports governing the operation of the Authority as the Board may from time to time require. If the Executive Director is absent or disabled, the Board may designate a qualified person as acting Executive Director to perform the duties of the office who shall before entering upon the duties of the office take and subscribe to the constitutional oath of office and furnish such bond as required of the Executive Director.

Section 2. Retention of Legal Counsel. The Board may retain legal counsel to advise the Board in the proper performance of its duties. Legal counsel may represent the Authority in actions brought by or against the Authority.

Section 3. Other Personnel. The Board may appoint or retain other personnel as it considers necessary including, but limited to, an assistant secretary to assist the Secretary and an assistant treasurer (who shall furnish such bond as required by the Board) to assist the Treasurer.

Article VI Meetings of Board

Section 1. Annual Meeting. An annual meeting of the Board shall be held in January of each year at a time and place to be set by the Board. The election of officers shall be held at the annual meeting. If the election of officers shall, for any reason, not be held at the annual meeting, the Board shall elect officers at a regular or special meeting of the Board within ninety days of the annual meeting.

Section 2. Regular Meetings. Regular meetings of the Board shall be held at times and places set by the Board in compliance with the Open Meetings Act, Act 267 of the Public Acts of Michigan of 1976, as amended. At each regular meeting expenses of the Authority shall be considered and approved by the Board.

Section 3. Special Meetings. Special meetings of the Board may be called by the Chairperson, Executive Director, any three members of the Board or the Lowell City Council by giving Board members twenty-four hours written or telephonic notice of the special meeting and the purpose of the meeting. Notice of the meeting shall also be posted eighteen hours in advance in compliance with the Open Meetings Act.

Section 4. Meetings to be Public. All meetings of the Board shall be open to the public and provide for public participation in compliance with the Open Meetings Act.

Section 5. Meeting Agendas. The Chairman shall cause the preparation of an agenda for all meetings and whenever possible mail or deliver the agenda for receipt by Board members at least twenty-four hours prior to the meeting. At the beginning of any regular meeting any Board member may add an item to the meeting's agenda.

Section 6. Quorum and Voting. A majority of Board members in office shall constitute a quorum for the transaction of business of the Board. The concurring vote of five Board members shall constitute the action of the Board unless the concurring vote of a larger number is required by law or elsewhere in these rules. In the event that the effective membership of the Board is reduced because of the disclosure of interest pursuant to Article II, Section 7 hereof, the concurring vote of a majority of the remaining Board members eligible to vote shall constitute the action of the Board.

Section 7. Rules of Order. Unless otherwise required by law or provided in these rules, the most recent version of Robert's Rules of Order shall govern the conduct of all meetings of the Board.

Article VII Committees and Advisory Boards

Section 1. Committees. The Board by resolution may designate one or more committees to advise the Board. Committee members shall be members of the Board. The Chairperson of the Board shall appoint the members and shall select the chairperson of each committee. Committees may be dissolved by vote of the Board. At each annual meeting of the Board all committees will be evaluated and either continued or dissolved. A majority of the members of a committee constitutes a quorum. The concurring vote of a majority of committee members present at a meeting at which a quorum is present shall constitute the action of the committee.

Section 2. Advisory Boards. The Board by resolution may designate one or more advisory boards to advise the Board. Members of advisory boards need not be members of the Board. The Chairperson of the Board shall with the advice and consent of the Board select members of each advisory board. The members of each advisory board shall select a chairperson of the advisory board. An advisory board may be dissolved by vote of the Board. At each annual meeting of the Board all advisory boards will be evaluated and either continued or dissolved. A majority of the members of an advisory board constitutes a quorum. The concurring vote of a

majority of committee members present at a meeting at which a quorum is present shall constitute the action of the advisory board.

Article VIII Contracts, Funds and Gifts

Section 1. Contracts. The Board may authorize any of the officers of the Board, the Executive Director or any agent of the Authority to enter into any contract or to execute and deliver any instrument on behalf of the Authority within the limits authorized by the Downtown Development Authority Act. The authorization of the Board may be general or limited to a specific contract or instrument.

Section 2. Authority Funds. All funds of the Authority shall be placed in such banks, trust companies or other depositories as selected by the Board. All checks, drafts or other orders for the payment of money shall be signed by the Treasurer or an assistant treasurer and countersigned by the Chairman or Executive Director. All bonds, notes or other evidence of indebtedness issued in the name of the Authority shall be signed by any two officers of the Board.

Section 3. Gifts. The Board may accept on behalf of the Authority any gift, contribution or bequest for the general purposes or for any special purpose of the Authority.

Article IX Books, Records, Audits and Financial Reports

Section 1. Books and Records. The Authority shall keep current and complete records of the books and accounts of the Authority and minutes of all meetings of the Board. All records and minutes shall be kept at the principal office of the Authority at the City of Lowell administrative offices and shall be open to the public unless otherwise provided by law. The records of the Authority shall include the names and addresses of all Board members and advisory board members.

Section 2. Annual Audit. An annual audit of the Authority's financial books and records shall be conducted by an independent certified public accounting firm.

Section 3. Annual Report of Tax Increment Financing Plan. The Authority shall submit annually to the Lowell City Council and the Michigan State Tax Commission a financial report of the status of any tax increment financing plan of the Authority.

Article X
Funding of Authority Activities

Section 1. Sources of Funding. The activities of the Authority may be financed from one or more of the following sources:

(a) Donations to the Authority for the performance of its functions;

(b) Revenue from any property, building or facility owned, leased, licensed or operated by the Authority or under its control;

(c) Tax increments received pursuant to a tax increment financing plan established pursuant to Act 197;

(d) Money borrowed and to be repaid as authorized by Act 197;

(e) Proceeds from a special assessment district created as provided by law; and

(f) Money obtained from any other legal source approved by the Lowell City Council.

Section 2. Borrowing Money. The Authority may borrow money and issue its (i) negotiable revenue bonds pursuant to the Revenue Bond Act, Act 94 of the Public Acts of 1933, as amended, or (ii) tax increment bonds pursuant to Act 197. The City of Lowell by majority vote of the City Council may authorize, issue and sell general obligation bonds of the City subject to the limitations of Act 197 and may make a limited tax pledge to support such bonds or, if authorized by the voters of the City, may pledge its full faith and credit to support such bonds.

Article XI
Miscellaneous

Section 1. District Boundaries. The Authority shall exercise its powers within a downtown district established or amended from time to time by the Lowell City Council pursuant to Act 197.

Section 2. Fiscal Year. The fiscal year of the Authority shall begin on July 1 of a year and end on June 30 of the following year, provided, however, the first fiscal year of the Authority shall begin December 10, 1992, and end June 30, 1993.

Section 3. Annual Budget. The Chairman shall cause to be prepared and shall submit for the approval of the Board a budget for the operation of the Authority for the ensuing year. The

budget shall be prepared in the manner and contain the information required by the municipal departments of the City of Lowell. Before the budget may be adopted by the Board, it shall be approved by the Lowell City Council.

Section 4. Amendment to Rules. These rules may be altered, amended or repealed and new rules adopted by majority vote of the Board members present at a Board meeting and upon approval of the Lowell City Council.

Approved by the Board on
December 10, 1992

Approved by the City Council on
December 21, _____, 1992

**CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY
KENT COUNTY, MICHIGAN**

Minutes of a meeting of the Board of the City of Lowell
Downtown Development Authority, held in the City Hall in said City
on Thursday, March 11, 1993, at 12:00 noon, local time.

PRESENT: Boardmembers Chapman, Conley, Doyle, Hale, Lonick,
Pasquale, Pfaller and Reagan.

ABSENT: Boardmembers Quada.

WHEREAS, the Lowell City Council has established the City of
Lowell Downtown Development Authority (the "DDA"), designated the
downtown district and appointed members to the DDA Board in
accordance with the Downtown Development Authority Act, Act 197 of
the Public Acts of Michigan of 1975, as amended (the "Act"); and

WHEREAS, to accomplish the purposes of the Act within the
downtown district, the DDA Board has caused to be prepared a
development plan and tax increment financing plan in accordance
with the requirements of the Act.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The DDA Development Plan and Tax Increment Financing Plan
as presented at this meeting is hereby approved and recommended to
the City Council for its approval.

2. All resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Boardmembers Chapman, Conley, Doyle, Hale, Lonick,
Pasquale, Pfaller and Reagan.

NAYS: Boardmembers none.

ABSTAIN: Boardmembers none.

ABSENT: Boardmembers Quada.

RESOLUTION DECLARED ADOPTED.

David M. Pasquale
David M. Pasquale, Secretary

CERTIFICATE

I hereby certify that the above is a true and complete copy of a resolution passed by the Board of the City of Lowell Downtown Development Authority at a meeting held on Thursday, March 11, 1993, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

David M. Pasquale
David M. Pasquale, Secretary

CITY OF LOWELL
KENT COUNTY, MICHIGAN

Resolution No. 4 -93

RESOLUTION SETTING THE DATE OF A PUBLIC HEARING
TO CONSIDER THE APPROVAL OF A DEVELOPMENT PLAN
AND TAX INCREMENT FINANCING PLAN FOR THE DOWNTOWN
DEVELOPMENT AUTHORITY

Councilmember Thompson, supported by Councilmember
Green, moved the adoption of the following resolution:

WHEREAS, the City Council of the City of Lowell (the "City") by ordinance adopted on November 17, 1992, established the City of Lowell Downtown Development Authority (the "Authority") and designated the downtown district pursuant to the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended, MCL 125.1651, et. seq. (the "Act"); and

WHEREAS, pursuant to the Act the Board of the Authority has caused the preparation of a Development Plan and Tax Increment Financing Plan for the downtown district (the "Plans"); and

WHEREAS, at a meeting of the Board of the Authority held on March 11, 1993, the Board approved and recommended the Plans to the City Council for its approval; and

WHEREAS, pursuant to the Act the City Council may consider the approval of the Plans after conducting a public hearing with respect thereto upon giving such notice as is required by the Act; and

WHEREAS, prior to holding a public hearing on the Plans a reasonable opportunity must be given to the taxing jurisdiction in which the downtown district is located to express their views and recommendations regarding the Plans; and

WHEREAS, the City Council desires to set the time and date for a public hearing regarding the Plans and to cause such notice of the public hearing to be given as required by the Act.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. A public hearing be held on Monday, April 19, 1993, to consider the approval of the Plans of the Authority and that public notice be given in accordance with the Act by (i) publication twice in the Lowell Ledger, a newspaper of general circulation in the City, the first of which shall not be less than 20 days before the date set for the public hearing, (ii) mailing by first-class mail to the property taxpayers of record in the downtown district not less than 20 days before the hearing and (iii) posting in at least 20 conspicuous and public places in the downtown district not less than 20 days before the hearing, in substantially the form attached hereto as Exhibit A.

2. Before the public hearing on the Plans the City Manager shall mail a copy of the Plans to each of the taxing jurisdictions in which the downtown district is located giving them a reasonable opportunity to express their views and recommendations regarding the Plans.

3. All resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Councilmembers Green, Hodges, Thompson and
Mayor Maatman.

NAYS: Councilmembers none.

ABSTAIN: Councilmembers none.

ABSENT: Councilmembers Fonger.

RESOLUTION DECLARED ADOPTED.

David M. Pasquale
David M. Pasquale, City Clerk

CERTIFICATION

I hereby certify that the above is a true and complete copy of a resolution passed by the City Council of the City of Lowell, Kent County, Michigan, at a regular meeting held on Monday, March 15, 1993, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

David M. Pasquale
David M. Pasquale, City Clerk

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT AND
TAX INCREMENT FINANCING PLANS
FOR DOWNTOWN IMPROVEMENTS

April, 1993

Amended September, 1999

Includes all resolutions affecting the Plans

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TAX INCREMENT FINANCING PLAN

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APPENDIXES

Ordinance Establishing a Downtown Development Authority
and Designating Downtown District

Letter from Michigan Secretary of State acknowledging receipt
and receipt and filing of DDA ordinances

Resolution Expressing Intent of City Council not to Levy an
ad valorem Property Tax in the Downtown Development District

Resolution Approving Rules of Procedure of the City of Lowell
Downtown Development Authority

Ordinance Approving Development and Tax Increment Financing
Plans

Resolution Approving Amendment to Boundaries of Downtown
District

Ordinance Approving Amendments to Development and Tax
Increment Financing Plans

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY DEVELOPMENT PLAN

INTRODUCTION

A. Purpose of the DDA Act

The revitalization of America's downtowns is enjoying a surge of popularity. All across the country, in large and small cities alike, new emphasis is being placed on rejuvenating the heart of the community. Downtown is where a community's small businesses are located, and these businesses often are the backbone of the local economy for job, revenue and tax generation.

The bottom line for many communities is that downtown revitalization is economic development. It is successful because these jobs, revenues and taxes are being generated at the local level.

Through the perception and efforts of those concerned with revitalized downtowns, the Michigan State Legislature created a tool which would assist in revitalization and act as a catalyst for redevelopment of downtown areas. In pursuit of those efforts, the State Legislature, through Act 197, P.A. of Michigan, 1975, enacted the Downtown Development Authority Act.

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

Local efforts to create a DDA were spearheaded by the Lowell Area Chamber of Commerce. The membership recognized the value of the DDA to improve the business environment. A community meeting was held on June 16, 1992 to introduce the DDA. Robert Terry, from the State of Michigan, outlined the powers, duties and opportunities of the Authority.

After several informational meetings, the Lowell City Council unanimously adopted Ordinance 92-4, which created the Lowell Downtown Development Authority on November 16, 1992. The DDA was given all of the powers and duties prescribed in Act 197. The City Council also designated the boundaries within which the DDA can legally work.

The Council passed Resolution 19-92 expressing their intent not to levy an *ad valorem* property tax within the downtown district. Though up to 2 mills may be levied, the Council believed that necessary revenues to carry out the Authority's purpose should come solely from tax increments.

C. Existing Land Use/District Characteristics

The attached map outlines the existing land uses in the downtown district. Land in the DDA is used for commercial, and industrial purposes. There are some limited residential sections.

The district contains the following public uses:

Lowell City Hall, City Storage and Cable TV Building, Lowell Light and Power, U.S. Post Office, Graham Building (city owned structure housing library and YMCA), Lowell Department of Public Works Building, Runciman Riverside Elementary School, Bushnell Elementary School, and Lowell Senior High School.

D. Miscellaneous

No parts of the development area is contemplated to be used as open space.

The DDA has no plans to sell, donate, exchange or lease any portions of the development area to or from the City nor from any persons, natural or corporate.

There are no desired zoning changes, changes in streets, street levels and intersections. Utility changes are identified under project descriptions.

Procedures for bidding, purchasing or conveying in any manner of all or a portion of the development upon its completion shall follow guidelines established under Chapter 2 of the City's Code of Ordinances Competitive bidding is emphasized.

No relocation of persons is planned within the development area.

PROJECT DESCRIPTIONS

As noted under Section 17 of the Public Acts of Michigan, Act 197 of 1975 as amended, the Lowell Downtown Development Authority proposes to construct public improvements in the Downtown Development District which will be financed by a tax increment financing plan. This will further stimulate the central business district economy and encourage new private investment in C.B.D. properties.

In particular, the development plan focuses on downtown revitalization creating opportunities for expanded off street parking improvements, upgraded sidewalks and street lighting.

The downtown area shall include the entire downtown development district as described in ordinance 92-4.

The development plan includes the following components:

A. Streetscape Improvements

Improvements will include replacement of sidewalk, curb and gutter and installation of decorative concrete. Peninsulas and intersections will be created where practical for a landscape strip.

New historical style light fixtures with underground electric service will be installed. A re-work of electric, telephone and cable service is planned.

Placement of benches, new trash receptacles, bike racks, street planters and signage will be purchased as part of the streetscape project. Where feasible, street trees will be planted.

In priority, the following areas are considered first for improvements:

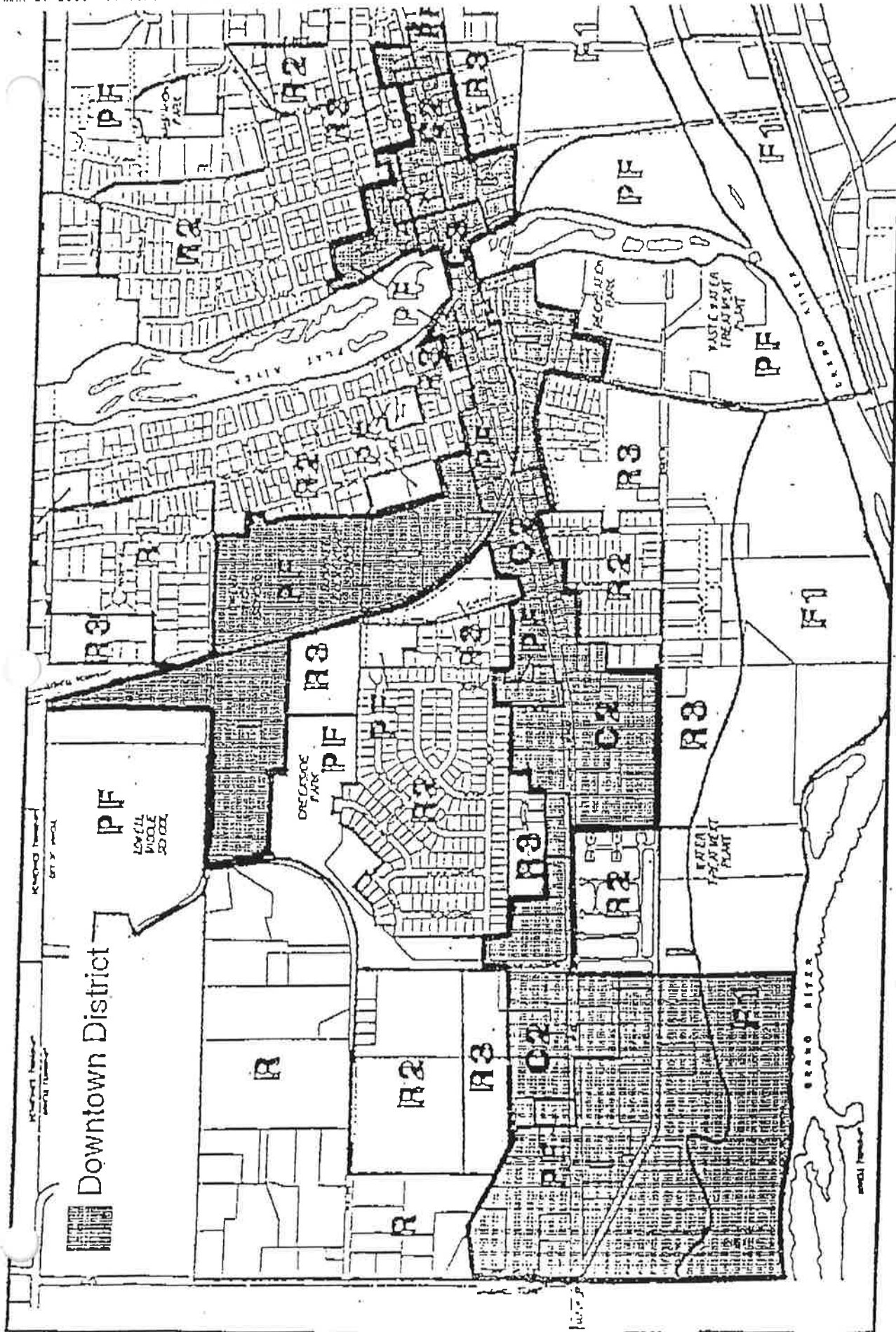
Main Street (both sides) from Broadway to Monroe

Main Street (both sides) from Monroe to Jefferson

Main Street (both sides) from Hudson to Lincoln Lake

B. Parking Lot Improvements

All existing parking lots as noted below within the downtown development district will be improved with asphalt surfacing, resurfacing, drainage and miscellaneous landscaping. Installation of new historical style lighting fixtures will also take place.



Improvement of markings for optimal number of parking spaces will be planned along with installation of curb and gutter and incorporation of landscape boulevards where practical. Pavement accent strips and uniform signing will also be installed.

1. Expand parking lot at Avery/Monroe for 30-35 additional spaces.
2. Improve parking area north of Main between Broadway and Riverside (34 spaces)
3. Expand and improve the King Milling lot located on the south side of Main Street, east of the dam. This work will include replacement of a retaining wall along the Flat River riverbank and landscaping. (This lot is under a perpetual lease with King Milling Company for public parking and community parks purposes only).

C. Property Acquisition and Demolition

Consideration shall be given to acquiring any properties within the district put up for sale which are consistent with the DDA's overall development plan.

In concert with this, the DDA may consider the demolition of vacant structures to promote the overall development plan.

D. Riverfront Improvements

The riverfront area within the DDA district will be improved with a board walk miscellaneous landscaping, lighting and street furniture. The riverfront area located north of East Main Street to the Showboat Amphitheater will be improved for pedestrian access.

E. Public Facilities

The DDA proposes to assist commercial businesses located in the downtown development district providing grants to property owners for handicapped access and other public facilities as defined in the DDA Act. In exchange, owners must remodel their building facades.

F. Maintenance Cost of Downtown Public Areas

The DDA also proposes to set aside funds for maintenance of public areas. This includes snowplowing, trash pickup, and sidewalk and landscaping maintenance.

G. City Hall Renovation and Police Station Project

In response to demands for needed space, a project which will renovate the existing City Hall and add an adjoining lobby and Police Station has been approved by the City

Council. Site improvements will include building demolition, site utilities and lighting, paving, curbing, walkways/entry plaza, landscaping, underground sprinkling, signage and flag poles.

TIMETABLE

It is anticipated that the public improvement projects noted above will be completed by the fiscal year ending June 30, 2013.

RESIDENTS IN THE DEVELOPMENT AREA

There are approximately 95 people that reside in the development area. At the present time, there is no development planned which would cause the displacement of any persons residing within the DDA area.

METHOD OF FINANCING

The DDA proposes to accumulate sufficient revenue from captured assessed value to make principal and interest payment on bonded indebtedness. Tax increment bonds will not exceed \$3,000,000 in total. The DDA also recommends that any excess funds be used to fund projects on a "pay as you go" schedule.

DEVELOPMENT PLAN COSTSProject

1. Main Street Streetscape

Broadway to Monroe; Monroe to Jefferson

- Replace sidewalk, curb and gutter, install decorative concrete, and landscaping
- Install new historical style light fixtures with underground electrical service and re-work of electric, telephone and cable
- Improve parking area north of Main between Broadway and Riverside

SUBTOTAL (includes engineering and contingency)

\$1,237,503.00

2. Expand parking at the Avery/Monroe and King Milling lots. Install historical style light fixtures. Extension of riverwalk to the Amphitheater.

400,000.00

3. Demolition of the Hobby Stop Building and construction of a seawall along the Flat River by Lafayette Street

124,438.00

4. Main Street Streetscape

Amity to Broadway

- Replace sidewalk, curb and gutter, install decorative concrete, and landscaping
- Install new historical style light fixtures with underground electrical service and re-work of electric, telephone and cable

TOTAL (includes engineering and contingency)

\$98,805.00

5. Riverfront Improvements

\$100,000.00

6. Property Acquisition and Demolition

\$250,000.00

7.	Handicapped Access/Public Facilities Projects	\$100,000.00
8.	Sidewalks	50,000.00
9.	Extension of street lighting to west City limits	250,000.00
10.	City Hall Renovation and Police Station Project	3,276,800.00
	SUBTOTAL	\$5,887,546.00
	Architect/engineer	
	Administration	
	Contingencies/Miscellaneous/Legal/Financing	
	Maintenance of Public Areas in DDA	
	SUBTOTAL	<u>400,000.00</u>
	GRAND TOTAL	\$6,287,546.00

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY

TAX INCREMENT FINANCING PLAN

SOURCES OF FUNDS

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

- A. Donations;
- B. A tax of up to two (2) mills levied on the DDA district upon approval of the City Council for use in financing DDA activities;
- C. Proceeds from general obligation bond issues;
- D. Revenues from property owned by the DDA;
- E. Monies received from other sources approved by the City Council;
- F. Proceeds of a tax increment financing plan.

The following comments on the first five sources will put in perspective the need for consideration of the tax increment financing plan:

Donations - These funds could be from either individuals or corporations, including philanthropic foundations such as the Look Memorial Fund or from special activities sponsored by the DDA.

Tax Levy - Limited to two (2) mills, this source would be in effect a special assessment levy on the district. Originally, Act 197 limited the use of these funds to finance the "operations" of the authority. However, the law was amended in June, 1983 to allow this millage to be used for any purpose (Act 86, P.A. of 1983).

Through passage of Resolution 19-92, the City Council passed its intent not to levy an *ad valorem* property tax. It is believed that necessary revenues to carry out the DDA's purposes should come solely from tax increments.

Bond Proceeds - These funds are provided in the act as a "source of financing," however, it could be better termed that they are a source of borrowing, not an actual source of capital.

The DDA recommends this option as a means to finance proposed improvements in the development plan.

Revenue from Properties - The City owns property in the DDA district. The DDA could purchase the property and use this as a potential revenue source.

Other Sources - These sources might include any general revenues of the City or special assessments approved by the Council for the DDA's use or special grants.

Tax Increment Financing - This procedure allows the DDA to capture a tax levied on increases in the state equalized value (SEV) of the district which are attributable to the growth caused by improvements financed with the revenue from increased taxes.

The DDA favors this approach because it does not establish a new tax but merely captures a portion of increased tax revenue to use for a specific purpose.

The DDA feels this is the most viable avenue to finance the proposed development projects. The following section provides further information regarding the tax increment financing plan.

The DDA recommends that Tax Increment Financing be used as the major source of revenue to finance development projects.

EXPLANATION OF TAX INCREMENT FINANCING PROCEDURE

Public Act 197, the enabling legislation for Downtown Development Authorities introduced a new concept in Michigan called Tax Increment Financing. By using this financing method a Downtown Development Authority (DDA), with the approval of the City, can "capture" a portion of the revenue gained from taxes to implement a development plan. IT IS NOT A NEW TAX, but simply earmarks increasing tax revenues for activities specified in a DDA development plan. The following is a scenario for DDA actions:

- A. A DDA determines it is necessary to make public improvements to stimulate economic growth in a central business district. It defines the public improvements and identifies costs in a development plan;
- B. The DDA determines if it wishes to provide the improvements by issuing bonds or by collecting a portion of the revenues in the area to be used to actually implement improvements;
- C. The DDA captures the taxes or a portion of taxes generated by subsequent growth stimulated by the public investment. This tax base growth is called the "captured assessed value." More specifically, it is the difference between the state equalized value (SEV) in the district which exists at the time of adoption of the plan and subsequent increases in SEV.
- D. The taxes which are potentially available for collection to pay for the future project include all the normally levied taxes by all the taxing units on the captured assessed value.

of the DDA district. The DDA may enter into agreements with each of the taxing units to share a portion of the captured assessed value. Revenues collected beyond the amount needed to meet the cost of the specific development project would be returned proportionately to the taxing units.

- E. When implementation of the development is completed, the captured assessed value is released and taxing units receive all the taxes levied from that point.
- F. During the time the tax increment plan is in effect, the taxing units continue to receive the tax revenue from the DDA's total SEV in the base year. If the DDA collects more money than it needs in any one year to implement the plan the excess amount of funds are returned to the taxing units.
- G. In order to be implemented, the tax increment financing plan must be approved by an ordinance enacted by the City after a public hearing is held.
- H. While the plan is in effect, the DDA shall submit to the City an annual report on the status of the tax increment financing account. The report shall also be published in a newspaper.

**THE TAX INCREMENT FINANCING PLAN FOR
THE LOWELL DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT**

The Lowell Downtown Development Authority (DDA) proposes the following tax increment financing plan:

- A. Purpose - The purpose of this tax increment financing plan is to capture the revenue gained from increased development in the downtown area to pay for the improvements specified in the development plan.
- B. Financing Plan - The DDA proposes to accumulate sufficient revenue from the captured assessed value to make bond payments. The maximum amount of bonded indebtedness will not exceed \$3,000,000. The DDA also recommends that any excess funds be used to fund projects on a "pay as you go" schedule.
- C. Initial Assessed Value - It is proposed that the City Council adopt this plan prior to May 24, 1993 so that the "initial assessed value" - which is the base year state equalized value (SEV) from which the "captured assessed value" is calculated - will be the 1992 SEV of the tax increment financing district as determined by the State Tax Commission.
- D. Captured Assessed Revenue to be Used - The DDA proposes that all of the tax revenue levied by all taxing units on the captured assessed value of real and personal property within the district be used by the authority for the proposed projects. The taxing units will still collect all those taxes from base year State equalized value.
- E. Project Duration - The financing plan will continue through 2013.
- F. Projection of Captured Assessed Value and Revenue - Table I provides the projected captured assessed value in the DDA. Based on the estimated project costs the DDA plans to capture increased assessed value through 2013.

The projected revenue in Table II is based on capturing the full amount of taxes generated from the captured assessed value.

TABLE I

TIFA CAPTURED REVENUE - FIRST YEAR

	<u>Parcels</u>	<u>Base</u>	<u>Assessment</u>	<u>Capture</u>
Commercial	159	\$8,000,00	\$8,934,900	\$934,000
Industrial	24	3,897,500	4,264,500	367,000
Residential	20	445,000	497,800	52,800
		\$12,342,600	\$13,697,200	\$1,354,600
Exempt	<u>31</u>			
	234			

In order to provide a conservative estimate, no personal property taxes were included. These taxes will be eventually in the final captured amount.

TABLE II
CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY
PROJECTED TAX INCREMENT REVENUES¹

Initial Captured SEV \$1,354,600

Initial Tax Increment Revenues 83,657

Fiscal Year	Total Actual Tax Increments	Total Actual School Operating Tax Increments	Total Actual/Projected Local Tax Increments ²
1994	\$83,169.14*	\$47,715.40*	\$35,453.74*
1995	127,516.37*	73,639.65*	53,876.72*
1996	184,513.08*	106,178.53*	78,334.55*
1997	210,461.00*	117,277.01*	94,183.99*
1998	271,154.79*	119,688.98*	151,465.81*
1999			155,252.45
2000			159,133.77
2001			163,112.11
2002			167,189.91
2003			171,369.66
2004			175,653.90
2005			180,045.25
2006			184,546.38
2007			189,160.04
2008			193,889.04
2009			198,736.27
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2013			219,367.65
			\$3,197,290.42

*actual tax increments

¹Only local tax increment revenues can be used to pay debt service on bonds issued after December 30, 1994

²Assumes a 2.5% annual growth in tax increments beginning with 1999 fiscal year

IMPACT ON TAXING UNITS

The taxing units affected by the tax increment financing plan are:

City of Lowell
 County of Kent
 Kent District Library
 Grand Rapids Community College

In judging the impact of tax increment financing, several actions must be considered: 1. the amount of millage levied; 2. the percent of the tax increment financing district of the taxing unit's total SEV; 3. the increased SEV the taxing unit could use if the plan were not in place; and 4. the overall community benefit of increasing the tax base.

The table below summarized the various taxing units and how they are affected by the Tax Increment Financing Plan for the Downtown Development Authority.

Taxing Unit	1999 Tax Levy	1999 Taxable Value of Taxing Unit	DDA District as Percent of Total Taxable Value
City of Lowell	13.8500	\$82,082,840	8.17%
County of Kent	5.3664*	13,614,431,177	.05%
Kent District Library	.6800	13,614,431,177	.05%
Grand Rapids Community College	<u>1.8201</u>	13,614,431,177	.05%
Total:	21.7165 mills		

*1998 millage rate

The following table shows the impact when each taxing units percentage of total millage is translated into the proposed share of the development cost. Please note that the Lowell Public Schools (5.35 mills) and the Kent County Intermediate Schools (.1 mills) debt millage has been exempted and that as a result of property tax reform adopted in 1994 operating millage for Lowell Public Schools and Kent County Intermediate District cannot be captured except to pay debt service in certain obligations issued or committed to before December 31, 1994.

Taxing Unit	Percentage of Total Millage	Share of Local Tax Increment Revenues (Over 20 Years)
City of Lowell	63.78%	\$2,039,232
County of Kent	24.71%	790,050
Kent District Library	3.13%	100,075
Grand Rapids Community College	8.38%	267,933

JUSTIFICATION OF THE TAX INCREMENT FINANCING PLAN

The Downtown Development Authority (DDA) proposes a plan that will provide significant long-range benefits to the community. It asks the taxing units to defer revenue for a time to undertake specific activities which will result in increased development and an increased tax base for the city, school district, county, intermediate school district, district library and community college.

In implementing this plan the taxing units will not immediately realize revenue from the increased development in the Lowell DDA area. That revenue will pay for the proposed downtown improvements.

The DDA feels it is imperative that public improvements in the downtown district continue. It strongly believes that without these public improvements the central business district could follow a declining path. The DDA also feels that public improvements can serve as a catalyst to businesses to make improvements to their respective buildings and facilities.

SUMMARY

The DDA recommends adoption of this plan in total to be used to finance the various public improvement projects included in the development plan.

The DDA recognizes that there are other sources of funding. Due to the uncertainty and anomalous nature of these funding methods (i.e., grants, private donations), the DDA reserves the right to fund projects through these sources when made available. It is noted that the Look Memorial Fund has allocated \$52,000 toward the purchase and planting of downtown trees.

APPENDIXES

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT AND
TAX INCREMENT FINANCING PLANS
FOR DOWNTOWN IMPROVEMENTS

April, 1993

Amended September, 1999
Amended August 1, 2000

Includes all resolutions affecting the Plans

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APPENDIXES

Ordinance Establishing a Downtown Development Authority
and Designating Downtown District

Letter from Michigan Secretary of State acknowledging receipt
and receipt and filing of DDA ordinances

Resolution Expressing Intent of City Council not to Levy an
ad valorem Property Tax in the Downtown Development District

Resolution Approving Rules of Procedure of the City of Lowell
Downtown Development Authority

Ordinance Approving Development and Tax Increment Financing
Plans

Resolution Approving Amendment to Boundaries of Downtown District

Ordinance Approving Amendments to Development and Tax Increment Financing Plans

LOWELL DOWNTOWN DEVELOPMENT AUTHORITY DEVELOPMENT PLAN

INTRODUCTION

A. Purpose of the DDA Act

The revitalization of America's downtowns is enjoying a surge of popularity. All across the country, in large and small cities alike, new emphasis is being placed on rejuvenating the heart of the community. Downtown is where a community's small businesses are located, and these businesses often are the backbone of the local economy for job, revenue and tax generation.

The bottom line for many communities is that downtown revitalization is economic development. It is successful because these jobs, revenues and taxes are being generated at the local level.

Through the perception and efforts of those concerned with revitalized downtowns, the Michigan State Legislature created a tool which would assist in revitalization and act as a catalyst for redevelopment of downtown areas. In pursuit of those efforts, the State Legislature, through Act 197, P.A. of Michigan, 1975, enacted the Downtown Development Authority Act.

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

Local efforts to create a DDA were spearheaded by the Lowell Area Chamber of Commerce. The membership recognized the value of the DDA to improve the business environment. A community meeting was held on June 16, 1992 to introduce the DDA. Robert Terry, from the State of Michigan, outlined the powers, duties and opportunities of the Authority.

After several informational meetings, the Lowell City Council unanimously adopted Ordinance 92-4, which created the Lowell Downtown Development Authority on November 16, 1992. The DDA was given all of the powers and duties prescribed in Act 197. The City Council also designated the boundaries within which the DDA can legally work.

The Council passed Resolution 19-92 expressing their intent not to levy an *ad valorem* property tax within the downtown district. Though up to 2 mills may be levied, the Council believed that necessary revenues to carry out the Authority's purpose should come solely from tax increments.

C. Existing Land Use/District Characteristics

The attached map outlines the existing land uses in the downtown district. Land in the DDA is used for commercial, and industrial purposes. There are some limited residential sections.

The district contains the following public uses:

Lowell City Hall, City Storage and Cable TV Building, Lowell Light and Power, U.S. Post Office, Graham Building (city owned structure housing library and YMCA), Lowell Department of Public Works Building, Runciman Riverside Elementary School, Bushnell Elementary School, Lowell Middle School and Recreation Park (including the Fairgrounds and the Wastewater Treatment Plant).

D. Miscellaneous

No parts of the development area is contemplated to be used as open space.

The DDA has no plans to sell, donate, exchange or lease any portions of the development area to or from the City nor from any persons, natural or corporate.

There are no desired zoning changes, changes in streets, street levels and intersections. Utility changes are identified under project descriptions.

Procedures for bidding, purchasing or conveying in any manner of all or a portion of the development upon its completion shall follow guidelines established under Chapter 2 of the City's Code of Ordinances Competitive bidding is emphasized.

No relocation of persons is planned within the development area.

PROJECT DESCRIPTIONS

As noted under Section 17 of the Public Acts of Michigan, Act 197 of 1975 as amended, the Lowell Downtown Development Authority proposes to construct public improvements in the Downtown Development District which will be financed by a tax increment financing plan. This will further stimulate the central business district economy and encourage new private investment in C.B.D. properties.

In particular, the development plan focuses on downtown revitalization creating opportunities for expanded off street parking improvements, upgraded sidewalks and street lighting.

The downtown area shall include the entire downtown development district as described in ordinance 92-4.

The development plan includes the following components:

A. Streetscape Improvements

Improvements will include replacement of sidewalk, curb and gutter and installation of decorative concrete. Peninsulas and intersections will be created where practical for a landscape strip.

New historical style light fixtures with underground electric service will be installed. A re-work of electric, telephone and cable service is planned.

Placement of benches, new trash receptacles, bike racks, street planters and signage will be purchased as part of the streetscape project. Where feasible, street trees will be planted.

In priority, the following areas are considered first for improvements:

Main Street (both sides) from Broadway to Monroe

Main Street (both sides) from Monroe to Jefferson

Main Street (both sides) from Hudson to Lincoln Lake

B. Parking Lot Improvements

All existing parking lots as noted below within the downtown development district will be improved with asphalt surfacing, resurfacing, drainage and miscellaneous landscaping. Installation of new historical style lighting fixtures will also take place. Also, two new parking lots will be developed as part of the City Hall Renovation and Police Station Project.

Improvement of markings for optimal number of parking spaces will be planned along with installation of curb and gutter and incorporation of landscape boulevards where practical. Pavement accent strips and uniform signing will also be installed.

1. Expand parking lot at Avery/Monroe for 30-35 additional spaces.
2. Improve parking area north of Main between Broadway and Riverside (34 spaces).
3. Expand and improve the King Milling lot located on the south side of Main Street, east of the dam. This work will include replacement of a retaining wall along the Flat River riverbank and landscaping. (This lot is under a perpetual lease with King Milling Company for public parking and community parks purposes only).
4. Create parking lot at northeast corner of Avery and Monroe Streets (50 spaces).
5. Create parking lot south of Avery Street between Monroe and Washington Streets (15 spaces).

C. Property Acquisition and Demolition

Consideration shall be given to acquiring any properties within the district put up for sale which are consistent with the DDA's overall development plan.

In concert with this, the DDA may consider the demolition of vacant structures to promote the overall development plan.

D. Riverfront Improvements

The riverfront area within the DDA district will be improved with a board walk miscellaneous landscaping, lighting and street furniture. Improvement of the riverfront area located north of East Main Street, including Showboat Amphitheater renovation and pedestrian access to King Street.

E. Public Facilities

The DDA proposes to assist commercial businesses located in the downtown development district providing grants to property owners for handicapped access and other public facilities as defined in the DDA Act. In exchange, owners must remodel their building facades.

F. Maintenance Cost of Downtown Public Areas

The DDA also proposes to set aside funds for maintenance of public areas. This includes snowplowing, trash pickup, and sidewalk and landscaping maintenance.

G. City Hall Renovation and Police Station Project

In response to demands for needed space, a project which will renovate the existing City Hall and add an adjoining lobby and Police Station has been approved by the City Council. Site improvements will include building demolition, site utilities and lighting, paving, curbing, walkways/entry plaza, landscaping, underground sprinkling, signage and flag poles.

TIMETABLE

It is anticipated that the public improvement projects noted above will be completed by the fiscal year ending June 30, 2013.

RESIDENTS IN THE DEVELOPMENT AREA

There are approximately 95 people that reside in the development area. At the present time, there is no development planned which would cause the displacement of any persons residing within the DDA area.

METHOD OF FINANCING

The DDA proposes to accumulate sufficient revenue from captured assessed value to make principal and interest payment on bonded indebtedness. Tax increment bonds will not exceed \$3,000,000 in total. The DDA also recommends that any excess funds be used to fund projects on a "pay as you go" schedule.

DEVELOPMENT PLAN COSTS

Project

1.	Main Street Streetscape	
	Broadway to Monroe; Monroe to Jefferson	
	<ul style="list-style-type: none">- Replace sidewalk, curb and gutter, install decorative concrete, and landscaping- Install new historical style light fixtures with underground electrical service and re-work of electric, telephone and cable- Improve parking area north of Main between Broadway and Riverside	
	SUBTOTAL (includes engineering and contingency)	\$1,237,503.00
2.	Expand parking at the Avery/Monroe and King Milling lots. Install historical style light fixtures. Extension of riverwalk to King Street and Showboat Amphitheater renovation.	400,000.00
3.	Demolition of the Hobby Stop Building and construction of a seawall along the Flat River by Lafayette Street	124,438.00
4.	Main Street Streetscape	
	Amity to Broadway	
	<ul style="list-style-type: none">- Replace sidewalk, curb and gutter, install decorative concrete, and landscaping- Install new historical style light fixtures with underground electrical service and re-work of electric, telephone and cable	
	TOTAL (includes engineering and contingency)	\$98,805.00
5.	Riverfront Improvements	\$100,000.00
6.	Property Acquisition and Demolition	\$250,000.00

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LOWELL DOWNTOWN DEVELOPMENT AUTHORITY

TAX INCREMENT FINANCING PLAN

SOURCES OF FUNDS

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- F. During the time the tax increment plan is in effect, the taxing units continue to receive the tax revenue from the DDA's total SEV in the base year. If the DDA collects more money than it needs in any one year to implement the plan the excess amount of funds are returned to the taxing units.
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THE TAX INCREMENT FINANCING PLAN FOR THE LOWELL DOWNTOWN DEVELOPMENT AUTHORITY DISTRICT

The Lowell Downtown Development Authority (DDA) proposes the following tax increment financing plan:

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- B. Financing Plan - The DDA proposes to accumulate sufficient revenue from the captured assessed value to make bond payments. The maximum amount of bonded indebtedness will not exceed \$3,000,000. The DDA also recommends that any excess funds be used to fund projects on a "pay as you go" schedule.
- C. Initial Assessed Value - It is proposed that the City Council adopt this plan prior to May 24, 1993 so that the "initial assessed value" - which is the base year state equalized value (SEV) from which the "captured assessed value" is calculated - will be the 1992 SEV of the tax increment financing district as determined by the State Tax Commission.
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DOWNTOWN DEVELOPMENT AUTHORITY

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2001			163,112.11
2002			167,189.91
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*actual tax increments

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County of Kent
Kent District Library
Grand Rapids Community College

In judging the impact of tax increment financing, several actions must be considered: 1. the amount of millage levied; 2. the percent of the tax increment financing district of the taxing unit's total SEV; 3. the increased SEV the taxing unit could use if the plan were not in place; and 4. the overall community benefit of increasing the tax base.

The table below summarized the various taxing units and how they are affected by the Tax Increment Financing Plan for the Downtown Development Authority.

Taxing Unit	1999 Tax Levy	1999 Taxable Value of Taxing Unit	DDA District as Percent of Total Taxable Value
City of Lowell	13.8500	\$82,082,840	8.17%
County of Kent	5.3664*	13,614,431,177	.05%
Kent District Library	.6800	13,614,431,177	.05%
Grand Rapids Community College	<u>1.8201</u>	13,614,431,177	.05%
Total:	21.7165 mills		

*1998 millage rate

The following table shows the impact when each taxing units percentage of total millage is translated into the proposed share of the development cost. Please note that the Lowell Public Schools (5.35 mills) and the Kent County Intermediate Schools (.1 mills) debt millage has been exempted and that as a result of property tax reform adopted in 1994 operating millage for Lowell Public Schools and Kent County Intermediate District cannot be captured except to pay debt service in certain obligations issued or committed to before December 31, 1994.

Taxing Unit	Percentage of Total Millage	Share of Local Tax Increment Revenues (Over 20 Years)
City of Lowell	63.78%	\$2,039,232
County of Kent	24.71%	790,050
Kent District Library	3.13%	100,075
Grand Rapids Community College	8.38%	267,933

JUSTIFICATION OF THE TAX INCREMENT FINANCING PLAN

The Downtown Development Authority (DDA) proposes a plan that will provide significant long-range benefits to the community. It asks the taxing units to defer revenue for a time to undertake specific activities which will result in increased development and an increased tax base for the city, school district, county, intermediate school district, district library and community college.

In implementing this plan the taxing units will not immediately realize revenue from the increased development in the Lowell DDA area. That revenue will pay for the proposed downtown improvements.

The DDA feels it is imperative that public improvements in the downtown district continue. It strongly believes that without these public improvements the central business district could follow a declining path. The DDA also feels that public improvements can serve as a catalyst to businesses to make improvements to their respective buildings and facilities.

SUMMARY

The DDA recommends adoption of this plan in total to be used to finance the various public improvement projects included in the development plan.

The DDA recognizes that there are other sources of funding. Due to the uncertainty and anomalous nature of these funding methods (i.e., grants, private donations), the DDA reserves the right to fund projects through these sources when made available. It is noted that the Look Memorial Fund has allocated \$52,000 toward the purchase and planting of downtown trees.

APPENDIXES

EXHIBIT A

CITY OF LOWELL
KENT COUNTY, MICHIGAN

ORDINANCE NO. 92- 4

ORDINANCE ESTABLISHING A DOWNTOWN DEVELOPMENT
AUTHORITY AND DESIGNATING DOWNTOWN DISTRICT

Councilmember Hodges, supported by Councilmember Green, moved the adoption of the following ordinance:

WHEREAS, the City Council of the City of Lowell (the "City") by resolution adopted on October 19, 1992, declared its intent to establish a downtown development authority and designate the boundaries of a downtown district pursuant to the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended, MCL 125.1651, et seq. (the "Act"); and

WHEREAS, pursuant to the Act, a public hearing was held this date on the establishment of a downtown development authority and the designation of downtown district boundaries; and

WHEREAS, notice of the public hearing was given as provided by the Act and all interested persons were given an opportunity to be heard; and

WHEREAS, the City Council has determined to proceed with the establishment of a downtown development authority and the designation of the boundaries of a downtown district.

THE CITY OF LOWELL ORDAINS:

Section 1. Creation of Authority. There is hereby created pursuant to the Act a downtown development authority to be known as the "City of Lowell Downtown Development Authority" (the

"Authority"). The Authority shall be a public body corporate which may sue and be sued in any court of the State of Michigan and shall possess all the powers necessary to carry out the purposes of its incorporation. The enumeration of a power in this resolution or in the Act shall not be construed as a limitation upon the general powers of the Authority.

Section 2. Creation of District. The downtown district in which the Authority shall exercise its powers as provided by the Act shall consist of property located in the City and shall have the boundaries identified in Exhibit I attached hereto.

Section 3. Composition of Authority Board. The Authority shall be under the supervision and control of a board (the "Board") consisting of the City Manager, the chief executive officer of the City, and eight (8) members appointed by the City Manager and approved by the City Council. The terms of office of Board members shall be as provided in the Act. Each Board member shall serve without compensation and shall hold office until a successor is appointed.

Section 4. Adoption of Rules, Selection of Director, Election of Officers. The Board shall, pursuant to the provisions of the Act, (a) adopt rules governing its procedure and the holding of meetings, subject to the approval of the City Council, (b) select a director, subject to the approval of the City Council, (c) elect a chairperson, secretary and treasurer, and (d) retain legal counsel.

Section 5. Publication and Filing of Ordinance. Upon adoption, this ordinance shall be promptly filed with the Michigan Secretary of State and published in the Lowell Ledger, a newspaper of general circulation in the City.

Section 6. Effective Date. This shall take effect (i) upon filing with the Michigan Secretary of State and (ii) ten (10) days after publication in the Lowell Ledger.

YEAS: Councilmembers Green, Fonger, Hodges, Thompson,
and Mayor Maatman

NAYS: Councilmembers none

ABSTAIN: Councilmembers none

ABSENT: Councilmembers none

ORDINANCE DECLARED ADOPTED.

David M. Pasquale
David M. Pasquale, City Clerk

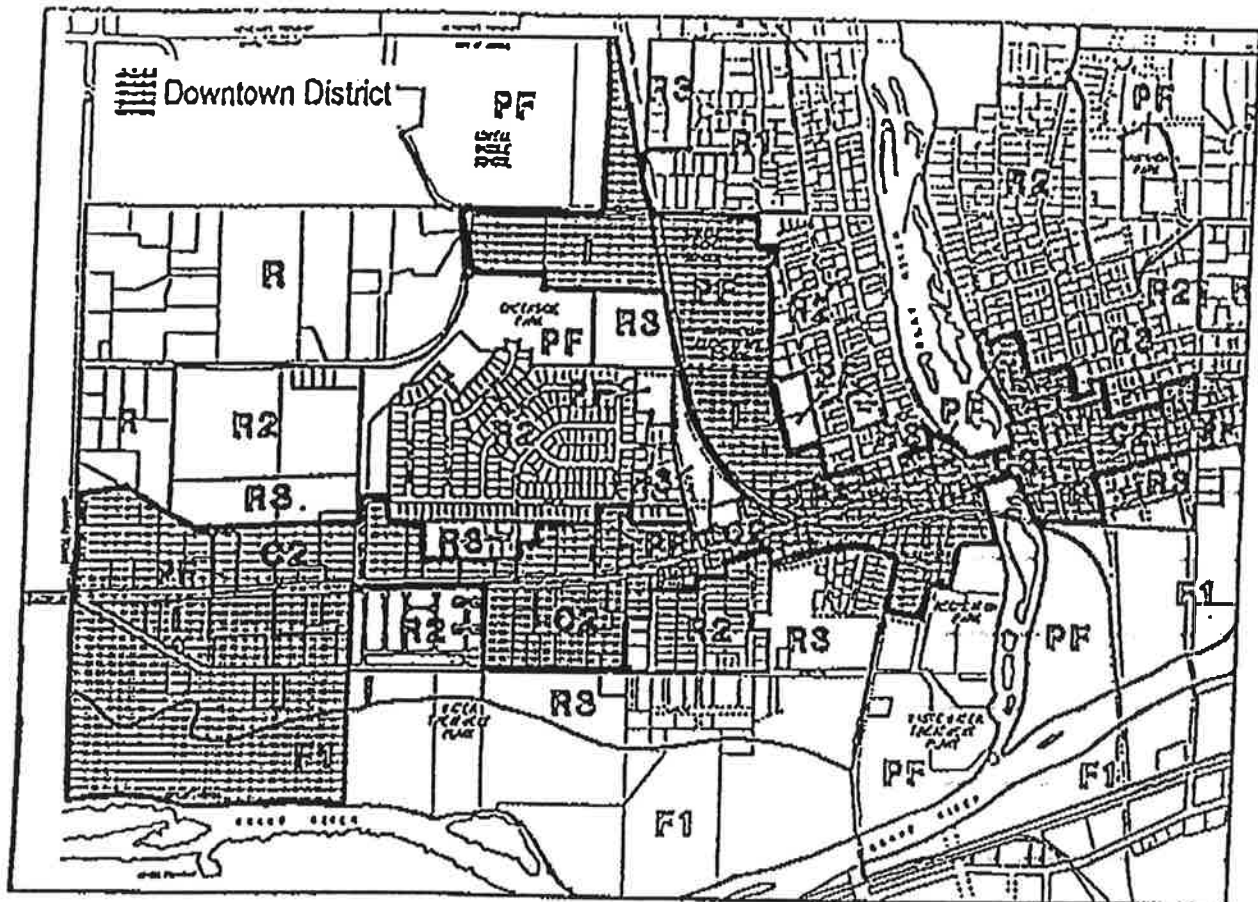
CERTIFICATE

I hereby certify that the above ordinance is a true and complete copy of an ordinance adopted at a regular meeting of the Lowell City Council held on November 16, 1992; was published in the Lowell Ledger, a newspaper of general circulation in the City on November 18, 1992; was filed with the Michigan Secretary of State on November 17, 1992; was entered into the Ordinance Book of the City on November 17, 1992; and was effective on November 28, 1992, ten days after publication.

Dated: November 17, 1992

David M. Pasquale
David M. Pasquale, City Clerk

Identification of Boundaries of Downtown District



MICHIGAN DEPARTMENT OF STATE
RICHARD H. AUSTIN SECRETARY OF STATE



LANSING
MICHIGAN 48918

March 4, 1993

Mr. David M. Pasquale, Clerk
City of Lowell
301 East Main Street
Lowell, MI 49331

Dear Mr. Pasquale:

This will acknowledge receipt and filing on December 2, 1992, of a certified copy of Ordinance 92-4 adopted November 16, 1992, establishing a Downtown Development Authority for the City of Lowell.

Sincerely,

A handwritten signature in cursive script that reads "Helen Kruger".

Helen Kruger, Supervisor
Office of the Great Seal
(517) 373-2531

CITY COUNCIL
CITY OF LOWELL
KENT COUNTY, MICHIGAN

Resolution No. 19-92

RESOLUTION EXPRESSING INTENT OF CITY COUNCIL
NOT TO LEVY AN AD VALOREM PROPERTY TAX IN THE
DOWNTOWN DISTRICT AS PERMITTED BY THE DOWNTOWN
DEVELOPMENT AUTHORITY ACT, ACT 197 OF THE
PUBLIC ACTS OF MICHIGAN OF 1975, AS AMENDED

Councilmember Thompson, supported by Councilmember
Hodges, moved the adoption of the following
resolution:

WHEREAS, the City Council has this date adopted Ordinance No.
92-4 establishing the City of Lowell Downtown Development
Authority (the "Authority") and creating a downtown district (the
"District") pursuant to the Downtown Development Authority Act,
Act 197 of the Public Acts of Michigan of 1975, as amended, MCL
125.1651, et seq., (the "Act"); and

WHEREAS, prior to the establishment of the Authority and
creation of the District, some property owners expressed concern
that the City Council would approve the levy of an annual ad
valorem tax on non-exempt real and tangible personal property in
the District of up to 2 mills as authorized by Section 12(1) of the
Act; and

WHEREAS, the City Council wishes to express its intent to not
approve the levy of an ad valorem tax on non-exempt real and
tangible personal property in the District.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The City Council of the City hereby expresses its intent not to approve any levy of an ad valorem tax on non-exempt real and tangible personal property in the District as is permitted under the Act.

2. The City Council of the City believes that necessary revenues to carry out the Authority's purposes should come solely from tax increments realized from ad valorem property taxes obtained from property with captured assessed value in the District.

3. All resolutions or parts of resolutions in conflict herewith shall be and the same are rescinded.

YEAS: Councilmembers Green, Fonger, Hodges, Thompson
and Mayor Maatman.

NAYS: Councilmembers none

ABSTAIN: Councilmembers none

ABSENT: Councilmembers none

RESOLUTION DECLARED ADOPTED.

David M. Pasquale
David M. Pasquale, City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution passed by the City Council of the City of Lowell at a regular meeting held on Monday, November 16, 1992, and that public notice of said meeting was given pursuant to and in compliance with Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: November 16, 1992

David M. Pasquale
David M. Pasquale, City Clerk

CITY OF LOWELL
KENT COUNTY, MICHIGAN

Ordinance No. 93- 3

ORDINANCE APPROVING DEVELOPMENT PLAN
AND TAX INCREMENT FINANCING PLAN FOR
THE DOWNTOWN DEVELOPMENT AUTHORITY

Councilmember Thompson, supported by Councilmember Fonger, moved the adoption of the following ordinance:

WHEREAS, the Board of the City of Lowell Downtown Development Authority (the "Authority") has caused to be prepared, approved and recommended a Development Plan and Tax Increment Financing Plan (the "Plans") for the downtown district previously designated by the City Council all in accordance with the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended, MCL 125.1651, et seq. (the "Act"); and

WHEREAS, the City Council has previously set this date for a public hearing on the Plans and has caused notice of the public hearing to be given as required by the Act; and

WHEREAS, before the public hearing in accordance with the Act the City Manager mailed copies of the Plans to each of the taxing jurisdictions in which the downtown district is located giving them a reasonable opportunity to express their views and recommendations regarding the Plans; and

WHEREAS, a public hearing on the Plans has been held this date and all interested persons who desired to speak on any and all aspects of the Plans were heard.

THE CITY OF LOWELL ORDAINS:

Section 1. Findings With Respect to Plans. The Plans as presented to the City Council and attached hereto as Exhibits A and B constitute a public purpose and the City Council specifically finds that:

a. the Plans meet the requirements of the Act including specifically Section 17(2) of the Act,

b. the proposed method of financing the public facilities identified in the Plans is feasible and the Authority has the ability to arrange the financing as described in the Plans,

c. the development described in the Plans is reasonable and necessary to carry out the purposes of the Act,

d. the Development Plan is in reasonable accord with the City's master plan,

e. necessary public services including fire and police protection and utilities will be adequate to service the downtown district,

f. no changes in zoning are required to implement the Plans, and

g. changes in streets and utilities required to implement the Plans are identified in the Plans and are reasonably necessary to implement the Plans and for the City.

Section 2. Approval of Plans. The Plans are hereby approved.

Section 3. Publication of Ordinance. Upon adoption, this ordinance shall be published in the Lowell Ledger, a newspaper of general circulation in the City.

Section 4. Effective Date. This ordinance shall take effect ten days after publication in the Lowell Ledger.

YEAS: Councilmembers Fonger, Green Hodges, Thompson and
Mayor Maatman.

NAYS: Councilmembers none.

ABSTAIN: Councilmembers none.

ABSENT: Councilmembers none.

ORDINANCE DECLARED ADOPTED.

David M. Pasquale
David M. Pasquale, City Clerk

CERTIFICATION

I hereby certify that the above ordinance is a true and complete copy of an ordinance adopted by the City Council of the City of Lowell, at a regular meeting held on Monday, April 19, 1993; was published in the Lowell Ledger, a newspaper of general circulation in the City on April 28, 1993; was entered into the Ordinance Book of the City on April 28, 1993; and was effective on May 8, 1993, ten days after publication.

Dated: April 20, 1993

David M. Pasquale
David M. Pasquale, City Clerk

**CITY OF LOWELL
KENT COUNTY, MICHIGAN**

Resolution No. 15-95

**RESOLUTION APPROVING AN AMENDMENT TO THE BOUNDARIES
OF THE DOWNTOWN DISTRICT OF THE CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY PURSUANT TO ACT 197 OF
THE PUBLIC ACTS OF MICHIGAN OF 1975, AS AMENDED**

Councilmember Green, supported by Councilmember Shores,

moved the adoption of the following resolution:

WHEREAS, Act 197 of the Public Acts of Michigan of 1975, as amended, MCL 125.1651, et seq. ("Act 197"), authorizes the City to establish the boundaries of a downtown district in connection with the creation of a downtown development authority; and

WHEREAS, the City Council has previously created a downtown development authority and established the boundaries of a downtown district on November 17, 1992, and

WHEREAS, Section 3(4) of Act 197 permits the City Commission to alter or amend the boundaries of the downtown district in accordance with the procedures set forth in Act 197; and

WHEREAS, upon recommendation of the Board of the City of Lowell Downtown Development Authority, the City Council desires to remove from the downtown district the property occupied by the Hobby Stop Building at 119E. Main Street and legally described on Exhibit A attached hereto (the "Hobby Stop Building Property"); and

WHEREAS, in accordance with Act 197 the City Council set this time and date for a public hearing on the amendment to the downtown district; and

WHEREAS, the City Council has this date held the public hearing on the amendment to the downtown district and all interested persons have been given an opportunity to be heard.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. That the downtown district of the City of Lowell Downtown Development Authority (the "Downtown District") is hereby amended by removing the Hobby Stop Building Property from the Downtown District.

2. That all resolutions or parts of resolution in conflict herewith shall be and the same are hereby rescinded.

YEAS: Councilmembers Green, Hodges, Shores and Mayor Maatman.

NAYS: Councilmembers none.

ABSTAIN: Councilmembers none.

ABSENT: Councilmembers Thompson.

RESOLUTION DECLARED ADOPTED.

Dated: December 28, 1995

David M. Pasquale
David M. Pasquale
City Clerk

CERTIFICATION

I hereby certify that the foregoing is a true and complete copy of a resolution adopted by the City Council of the City of Lowell at a regular meeting held on Dec. 28, 1995, and that public notice of said meeting was given pursuant to Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: December 28, 1995

David M. Pasquale
David M. Pasquale
City Clerk

EXHIBIT A

Part of Government Lot No. 3 commencing at Northwest Corner of Bridge and Water E. Streets then Westerly on North line of Bridge Street 40 feet then Northerly from and at right angles to Bridge Street 132 feet then Easterly parallel to Bridge Street to the West line of Water Street then Southerly to point of beginning, Section 2, T6N R9W, City of Lowell, Kent County, Michigan.

EXHIBIT A

**CITY OF LOWELL
KENT COUNTY, MICHIGAN**

PLEASE TAKE NOTICE that the City Council of the City of Lowell, pursuant to and in accordance with the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended (the "Act"), will hold a public hearing on Monday, April 19, 1993, beginning at 7:30 p.m., local time, at the City Hall, 301 East Main Street, in the City of Lowell, Kent County, Michigan.

The public hearing will be held to consider whether the City Council shall, pursuant to the Act, approve the Development Plan and the Tax Increment Financing Plan (the "Plans") of the City of Lowell Downtown Development Authority for the Downtown District.

A copy of the Plans and related maps and attachments are available for public inspection at the office of the City Clerk located at the City Hall at 301 E. Main Street in the City between 9:00 a.m. and 5:00 p.m. Monday through Friday.

At the public hearing all interested persons will be heard and all aspects of the Plans will be open for discussion.

David M. Pasquale, City Clerk
City of Lowell

**CITY OF LOWELL
KENT COUNTY, MICHIGAN**

PLEASE TAKE NOTICE that the City Council of the City of Lowell, pursuant to and in accordance with the Downtown Development Authority Act, Act 197 of the Public Acts of Michigan of 1975, as amended (the "Act"), will hold a public hearing on Monday, April 19, 1993, beginning at 7:30 p.m., local time, at the City Hall, 301 East Main Street, in the City of Lowell, Kent County, Michigan.

The public hearing will be held to consider whether the City Council shall, pursuant to the Act, approve the Development Plan and the Tax Increment Financing Plan (the "Plans") of the City of Lowell Downtown Development Authority for the Downtown District.

A copy of the Plans and related maps and attachments are available for public inspection at the office of the City Clerk located at the City Hall at 301 E. Main Street in the City between 9:00 a.m. and 5:00 p.m. Monday through Friday.

At the public hearing all interested persons will be heard and all aspects of the Plans will be open for discussion.

A & C Company
400 136th Ave. Suite 205
Holland, MI 49424

David M. Pasquale, City Clerk
City of Lowell

41-20-03-326-021

**CITY COUNCIL
CITY OF LOWELL
KENT COUNTY, MICHIGAN**

RESOLUTION NO. 13 -06

**RESOLUTION APPROVING AMENDMENTS TO THE DEVELOPMENT
AND TAX INCREMENT FINANCING PLANS OF THE CITY OF
LOWELL DOWNTOWN DEVELOPMENT AUTHORITY PURSUANT TO
ACT 197 OF THE PUBLIC ACTS OF MICHIGAN OF 1975, AS
AMENDED**

Councilmember Shores, supported by Councilmember Hodges, moved the adoption of the following resolution:

WHEREAS, the City Council has this date held a public hearing on additional amendments to the Development and Tax Increment Financing Plans, as amended (the "Amended Plans") of the City of Lowell Downtown Development Authority pursuant to notice given in accordance with Act 197 of the Public Acts of Michigan of 1975, as amended, and all interested persons have been given an opportunity to be heard.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. That the Amended Plans are further amended as follows:
 - a. The following is added as item H under "Project Descriptions" in the Development Plan:

H. Marketing Initiatives

The creation, operation and funding of marketing initiatives that benefit retail and general marketing of the downtown district.

- b. The following is added at the end of "Development Plan Costs in the Development Plan:

In addition, annually the Board of the DDA may provide up to \$50,000 for marketing initiatives as provided and authorized herein.

2. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Councilmembers Hodges, Mathews, Shores and Mayor Myers.


NAYS: Councilmembers Pfaller.

ABSTAIN: Councilmembers none.

ABSENT: Councilmembers none.

RESOLUTION DECLARED ADOPTED.

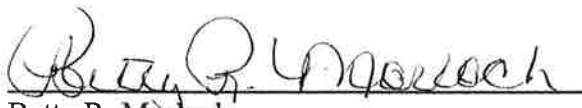
Dated: June 5, 2006


Betty R. Morlock
City Clerk

CERTIFICATION

I hereby certify that the above is a true and complete copy of a resolution adopted by the City Council of the City of Lowell at a regular meeting held on June 5, 2006, and that public notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: June 5, 2006


Betty R. Morlock
City Clerk

DOWNTOWN DEVELOPMENT AUTHORITY

RESOLUTIONS

2011

- 1-11 RESOLUTION RECOMMENDING THIRD AMENDMENT TO THE LOWELL DOWNTOWN DEVELOPMENT AUTHORITY DEVELOPMENT AND TAX INCREMENT FINANCING PLANS FOR DOWNTOWN IMPROVEMENTS. PASSED FEBRUARY 17, 2011.

**CITY OF LOWELL
DOWNTOWN DEVELOPMENT AUTHORITY**

RESOLUTION 1 - 2011

**RESOLUTION RECOMMENDING THIRD AMENDMENT TO
THE LOWELL DOWNTOWN DEVELOPMENT AUTHORITY
DEVELOPMENT AND TAX INCREMENT FINANCING PLANS
FOR DOWNTOWN IMPROVEMENTS**

Boardmember Larkin, supported by Boardmember Durkee, moved the adoption of the following resolution:

WHEREAS, to accomplish the purposes of Act 197 of the Public Acts of Michigan of 1975, as amended (“Act 197”), the Board of the City of Lowell Downtown Development Authority (the “DDA”) caused to be prepared, approved and recommended a development plan and tax increment financing plan (the “Plans”) and the City Council approved the Plans after notice and public hearing in 1993, in accordance with the requirements of Act 197; and

WHEREAS, to further accomplish the purposes of Act 197, the Board of the DDA caused to be prepared, approved and recommended amendments to the Plans (the “First and Second Amendments to Plans”) and the City Council approved the First and Second Amendments to Plans after notice and a public hearing in 1999 and 2003 in accordance with the requirements of Act 197; and

WHEREAS, the term of the Plans including the First and Second Amendments to Plans (the “Amended Plans”) ends December 31, 2013; and

WHEREAS, some projects included in the Amended Plans have yet to be completed and will not be completed by the fiscal year ending June 30, 2013; and

WHEREAS, the DDA desires to amend the Amended Plans to extend the period for the completion of projects included in the Amended Plans as may in the future be further amended to

include additional projects to June 30, 2033, and to extend the term that tax increment revenues are captured and used for such projects to December 31, 2033 (the "Third Amendment to Plans"); and

WHEREAS, the Board of the DDA desires in accordance with the requirements of Act 197 to approve and recommend to the City Council the Third Amendment to Plans.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. That the Third Amendment to Plans in the form presented at this meeting is hereby approved and recommended to the City Council for its approval.

2. That all resolutions or parts of resolutions in conflict herewith shall be and the same are hereby rescinded.

YEAS: Boardmembers Catlin, Doyle, Durkee, Larkin, Lonick, Pasquale and Chair Reagan.

NAYS: Boardmembers none.

ABSTAIN: Boardmembers none.

ABSENT: Boardmembers Canfield and Sprenger.

RESOLUTION DECLARED ADOPTED.

Dated: February 17, 2011

David M. Pasquale
David M. Pasquale, Secretary

CERTIFICATION

I hereby certify that the above is a true and complete copy of a resolution adopted by the Board of the City of Lowell Downtown Development Authority at a meeting held on February 17, 2011, and that notice of said meeting was given pursuant to, and in compliance with, Act 267 of the Public Acts of Michigan of 1976, as amended.

Dated: February 17, 2011

David M. Pasquale
David M. Pasquale, Secretary

**THIRD AMENDMENT TO LOWELL DOWNTOWN
DEVELOPMENT AUTHORITY DEVELOPMENT
AND TAX INCREMENT FINANCING PLANS
FOR DOWNTOWN IMPROVEMENTS**

April, 2011

Amendment to Development Plan

The section of the Development Plan entitled "TIMETABLE" is amended to read as follows:

It is anticipated that the public improvement projects noted above will be completed by the fiscal year ending June 30, 2023.

Amendment to Tax Increment Financing Plan

Items E and F of the Tax Increment Financing Plan are amended to read as follows:

- E. Project Duration - The financing plan will continue through December 31, 2033.
- F. Projection of Captured Assessed Value and Revenue - Table I provides the projected captured assessed value in the DDA. Based on the estimated project costs the DDA plans to capture increased assessed value through December 31, 2033.

TABLE II

CITY OF LOWELL

DOWNTOWN DEVELOPMENT AUTHORITY

PROJECTED TAX INCREMENT REVENUES

Fiscal Year	Total Actual/Projected Tax Increment Revenues	Total Actual/Projected School Operating Tax Increment Revenues	Total Actual/Projected Local Tax Increment Revenues
1994	\$83,169.14 ¹	\$47,715.40 ¹	\$35,453.74 ¹
1995	127,516.37 ¹	121,840.00 ¹	5,676.37 ¹
1996	184,521.00 ¹	119,627.50 ¹	64,893.50 ¹
1997	211,461.00 ¹	117,277.01 ¹	94,183.99 ¹
1998	271,155.98 ¹	119,688.98 ¹	151,467.00 ¹
1999	295,544.00 ¹	116,870.00 ¹	178,674.00 ¹
2000	329,199.00 ¹	113,969.00 ¹	215,230.00 ¹
2001	385,813.00 ¹	110,985.00 ¹	274,828.00 ¹
2002	424,980.00 ¹	107,918.75 ¹	317,061.25 ¹
2003	447,986.00 ¹	109,640.00 ¹	338,346.00 ¹
2004	444,312.00 ¹	106,160.00 ¹	338,152.00 ¹
2005	489,189.00 ¹	102,605.00 ¹	386,584.00 ¹
2006	531,330.00 ¹	98,975.00 ¹	432,355.00 ¹
2007	535,985.00 ¹	104,975.00 ¹	431,010.00 ¹
2008	537,906.00 ¹	100,600.00 ¹	437,306.00 ¹
2009	558,830.00 ¹	105,835.00 ¹	452,995.00 ¹
2010	558,830.00 ¹	100,635.00 ¹	458,195.00 ¹
2011	553,490.00 ²	95,295.00 ²	458,195.00 ²
2012	557,837.50 ²	99,642.50 ²	458,195.00 ²
2013	561,520.00 ²	103,325.00 ^{2, 3}	458,195.00 ²
2014	458,195.00 ²		458,195.00 ²
2015	458,195.00 ²		458,195.00 ²
2016	458,195.00 ²		458,195.00 ²
2017	458,195.00 ²		458,195.00 ²
2018	458,195.00 ²		458,195.00 ²
2019	458,195.00 ²		458,195.00 ²
2020	458,195.00 ²		458,195.00 ²
2021	458,195.00 ²		458,195.00 ²
2022	458,195.00 ²		458,195.00 ²
2023	458,195.00 ²		458,195.00 ²
2024	458,195.00 ²		458,195.00 ²
2025	458,195.00 ²		458,195.00 ²
2026	458,195.00 ²		458,195.00 ²
2027	458,195.00 ²		458,195.00 ²
2028	458,195.00 ²		458,195.00 ²
2029	458,195.00 ²		458,195.00 ²

Fiscal Year	Total Actual/Projected Tax Increment Revenues	Total Actual/Projected School Operating Tax Increment Revenues	Total Actual/Projected Local Tax Increment Revenues
2030	458,195.00 ²		458,195.00 ²
2031	458,195.00 ²		458,195.00 ²
2032	458,195.00 ²		458,195.00 ²
2033	458,195.00 ²		458,195.00 ²

¹Actual

²Projected - assumes no growth in taxable value

³Fiscal year of capture of school tax increment revenues