

AMENDMENT
TO
DEVELOPMENT AND TAX INCREMENT FINANCING PLAN
OF THE
CITY OF MUNISING
DOWNTOWN DEVELOPMENT AUTHORITY

Adopted by the City of Munising Downtown Development Authority on April 3, 2013

Approved by the City Commission of the City of Munising on July 1, 2013

Recommended by the Development Area Citizens Council on June 10, 2013

INTRODUCTION

The City of Munising Downtown Development Authority (the "Authority") was created in 1976 by ordinance of the City Commission of the City of Munising (the "City"). The Authority and the City Commission approved and adopted the original *Development and Tax Increment Plan* (the "Original Plan") in 1988. The Development Area is as indicated in Appendix 1 hereto.

The Original Plan contained a list of projects to be undertaken by the Authority in cooperation with the City. In 1993 the Authority and the City approved and adopted an Amended Development and Tax Increment Financing Plan (the "1993 Amended Plan.") The Authority and the City are ready to proceed with additional projects to meet the development needs of the City, and therefore an amendment to the 1993 Amended Plan (the "2013 Amendment") is necessary. This 2013 Amendment extends the duration of the 1993 Amended Plan to allow for financing and completion of projects described in the 1993 Amended Plan and to provide for new projects and activities for the purpose of preventing property value deterioration and encouraging further investment within the district in accordance with Act 197, Public Acts of Michigan, 1975, as amended ("the DDA Act").

In order to accomplish these projects this 2013 Amendment extends the life of the 1993 Amended Plan to terminate upon the collection of the last taxes levied for the year 2033.

2013 Amendment Supplements the 1993 Amended Plan

This 2013 Amendment is an update and addition to the 1993 Amended Plan and must be read in concert with the 1993 Amended Plan. This 2013 Amendment refers to certain portions of the 1993 Amended Plan but does not repeal or abrogate any provision of the 1993 Amended Plan unless expressly stated. (The 1993 Amended Plan as amended by the 2013 Amendment is referred to herein as the "2013 Amended Plan.")

AMENDMENT TO DEVELOPMENT PLAN

The Development Plan of the 1993 Amended Plan is amended as follows.

Boundaries of Development Area

The Development Area is confirmed and is attached as **Appendix 1** hereto.

The Location, Extent, Character and Estimated Cost of Improvements and Estimated Time for Completion

In light of the changing and growing needs of the community and the need to finance and complete several projects outlined in the 1993 Amended Plan in order to fulfill the purpose of the 1993 Amended Plan and the DDA Act, this 2013 Amended Plan includes the following additions to the improvement program of the Authority. The program continues to focus on projects that will prevent deterioration of the downtown business district, and encourage private

development and investment in the district. The projects identified on the following page are added to Section F and Appendix 1 of the Development Plan portion of the 1993 Amended Plan, with estimated costs and time frames for each.

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Twenty-Year Goals for DDA

Time Frame (in Years)	Projects	Cost
5	Replace Aggregate in Downtown Sidewalks	\$225,000
10	Redevelopment/Reuse of Fineman Building	\$350,000
20	Replacement & Additions to Current Downtown Banners to include Artwork on Banners	\$20,000
5	Upgrade Street Lights to LED	\$350,000
20	Maximum Commitment to Bonds for DDA Area Projects	\$500,000
5	Development of Non-Motorized Transportation Plan	\$5,000
10	Develop Historic Walk & Interpretive Walk Throughout Downtown	\$75,000
20	Façade Improvements/Grants for Front, Sides, Backs of Buildings, Incorporating Art & Parking Lots—Redo Guidelines	\$400,000
5	Bike Path Improvements (Signage, etc.) & Extension	\$100,000
5	Cox Building Redevelopment	\$16,100
10	Sidewalk Improvement Along M-28 Corridor	\$100,000
10	Trees & Gardening (Extend) Along M-28 Corridor & Downtown	\$20,000
5	Construction of walkway from Bayshore Park & along/by the waterfront	\$50,000
20	Administrative Costs	\$1,750,000
20	Professional Services	\$225,000
20	Holiday Decorations & Holiday Lighting	\$25,000
20	Financial Support of Downtown Events	\$200,000
5	Signage Entering Town from H-58	\$15,000
5	Business Incubator Program to Encourage Small Business Development (e.g., Old State Police Post)	100,000
20	Downtown Parking Lot/Structure	\$1,500,000
10	Purchase of Property for Parking	\$40,000
20	Training Opportunities for Downtown Business Owners	\$20,000
5	Property Tax Reimbursement Program for New Businesses	\$50,000
20	Events at Bayshore Park	\$40,000
5	Energy Efficient Measures at Administrative Building	\$20,000
5	Improve/Beautify Beach Area at Bayshore Park	\$10,000
10	Lighting Along Bike & Walking Paths	\$100,000
20	Upkeep & Improvements in Bayshore Park	\$20,000
20	Prior Commitment to City Water/Sewer Project	\$2,000,000

AMENDMENT TO TAX INCREMENT FINANCING PLAN

The Tax Increment Financing Plan of the 1993 Amended Plan is amended as follows.

Duration of the 2013 Amended Plan

The 2013 Amended Plan extends the duration of the Tax Increment Financing Plan identified in the 1993 Amended Plan. The 2013 Amended Plan will terminate upon the collection of the last taxes levied for the year 2033. The City may abolish this plan when it finds that the purposes for which this plan was approved have been accomplished, but not before the principal and interest owing on any bonds which are outstanding has been paid in full, or funds sufficient for such payment have been segregated.

Administrative and Planning Expenditures

The 1993 Amended Plan provided for a maximum of \$10,000 per year to be spent on administrative and planning expenditures. The 2013 Amended Plan increases that amount to \$1,975,000.

Impact on Other Taxing Jurisdictions

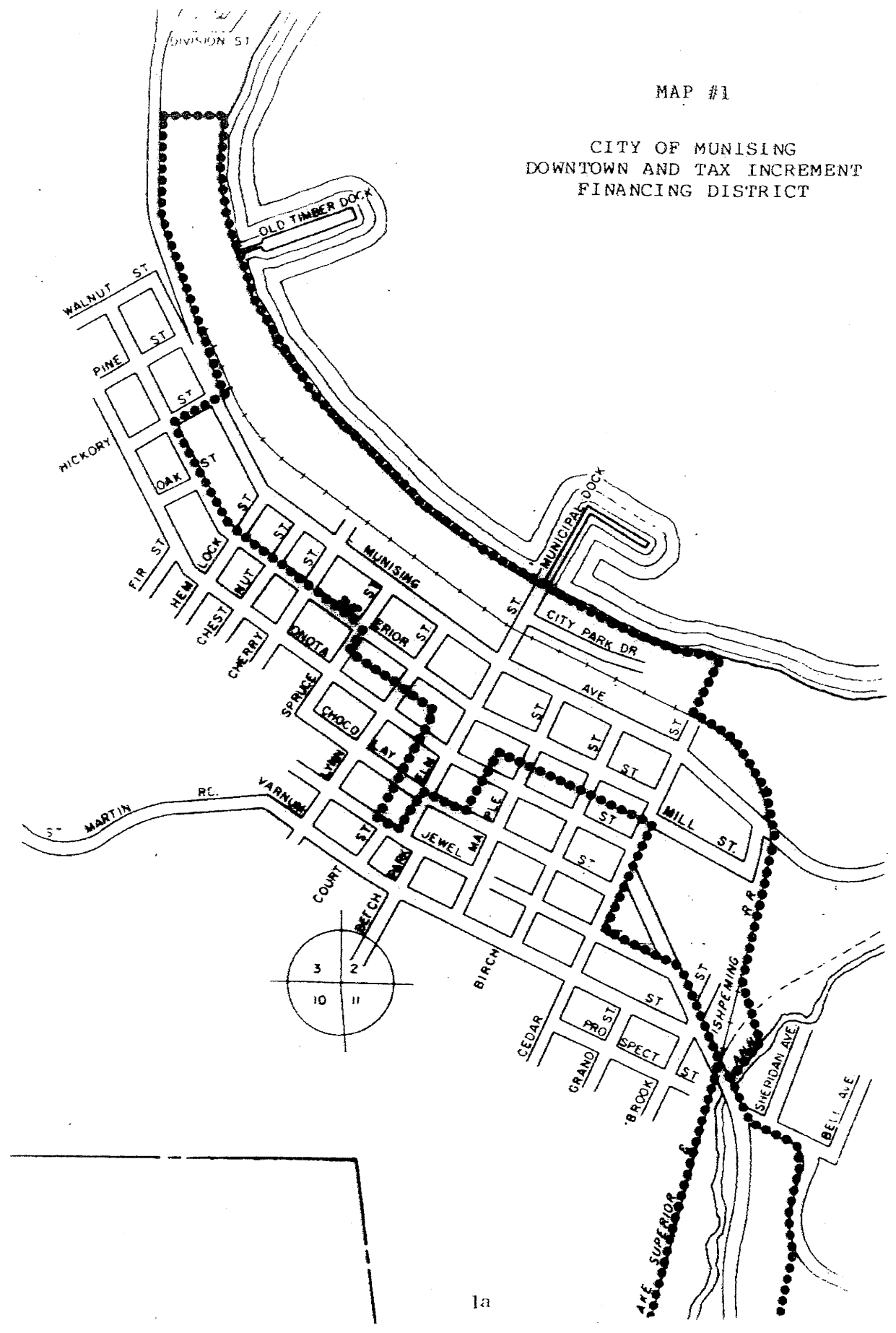
Section F and Exhibits C, D and F of the Tax Increment Financing Plan portion of the 1993 Amended have been amended as set forth in **Appendix 2** attached hereto.

Legal Description: The legal description of the Development Area within Munising, Michigan, is described as follows:

Beginning at a point on Munising Bay that is south of the Eden Lutheran Church property, then west to M-28, then southeasterly on M-28 to Hickory Street, then south on Hickory Street to Superior Street, then east on Superior Street to Spruce Street, then south on Spruce Street to the alley between Onota and Superior Street, then east along the alley to alley lying west of Elm Avenue (parallel to Elm Avenue), then south along that alley to Jewell Street, then east on Jewell Street to Elm Avenue, then north on Elm Avenue to Chocolay Street, then east along Chocolay Street to the alley lying east of Elm Avenue (parallel to Elm Avenue), then north along that alley to the alley between Superior and Onota Streets, then east along that alley to Cedar Street, then south on Cedar Street to Jewell Street, then easterly on Jewell Street to M-28, then south on M-28 to the LS&I Railroad right-of-way, then south along the LS&I r/w to the south City limits, then east along the City limits to that portion of the SW1/4 of the NW1/4 of Section 11 lying southwesterly of Cemetery Road, then northwesterly along Cemetery Road to Prospect Street, then west on Prospect Street to the junction of Bodette Addition and M-28, then north along Bodette Addition to the junction of Anna River and Joe's Creek, then northwesterly along Joe's Creek to intersection of Joe's Creek, the northeast corner of Island View Addition and the LS&I r/w, then north along the LS&I r/w to M-28, then northwesterly along the LS&I r/w to a line that is the center line of Sec. 2, T46N, R19W. Then north along that line to Munising Bay.

MAP #1

CITY OF MUNISING
DOWNTOWN AND TAX INCREMENT
FINANCING DISTRICT



Appendix 2-A Estimated Captured Taxable Value

Tax Date	Estimated Taxable Value	-	Minus Initial Taxable Value	=	Captured Taxable Value
December 31, 2012					
December 31, 2013	\$17,675,036		\$6,492,632		\$11,182,404
December 31, 2014	\$18,028,537		\$6,492,632		\$11,535,905
December 31, 2015	\$18,389,107		\$6,492,632		\$11,896,475
December 31, 2016	\$18,756,890		\$6,492,632		\$12,264,258
December 31, 2017	\$19,132,027		\$6,492,632		\$12,639,395
December 31, 2018	\$19,514,668		\$6,492,632		\$13,022,036
December 31, 2019	\$19,904,961		\$6,492,632		\$13,412,329
December 31, 2020	\$20,303,061		\$6,492,632		\$13,810,429
December 31, 2021	\$20,709,122		\$6,492,632		\$14,216,490
December 31, 2022	\$21,123,304		\$6,492,632		\$14,630,672
December 31, 2023	\$21,545,770		\$6,492,632		\$15,053,138
December 31, 2024	\$21,976,686		\$6,492,632		\$15,484,054
December 31, 2025	\$22,416,219		\$6,492,632		\$15,923,587
December 31, 2026	\$22,864,544		\$6,492,632		\$16,371,912
December 31, 2027	\$23,321,835		\$6,492,632		\$16,829,203
December 31, 2028	\$23,788,271		\$6,492,632		\$17,295,639
December 31, 2029	\$24,264,037		\$6,492,632		\$17,771,405
December 31, 2030	\$24,749,317		\$6,492,632		\$18,256,685
December 31, 2031	\$25,244,304		\$6,492,632		\$18,751,672
December 31, 2032	\$25,749,190		\$6,492,632		\$19,256,558
December 31, 2033	\$26,264,174		\$6,492,632		\$19,771,542

Note: The Tax Date of December 31 is applied to the following year's tax rate. Assumptions are made that the Estimated Assessed Value is expected to increase 2%.

Appendix 2-B
Estimated Tax Increment Revenue

Tax Date	Captured Taxable Value	Total Tax Millage	Anticipated Tax Increment Revenue
December 31, 2012			
December 31, 2013	\$11,182,404	25.14640	\$281,197
December 31, 2014	\$11,535,905	25.14640	\$290,086
December 31, 2015	\$11,896,475	25.14640	\$299,154
December 31, 2016	\$12,264,258	25.14640	\$308,402
December 31, 2017	\$12,639,395	25.14640	\$317,835
December 31, 2018	\$13,022,036	25.14640	\$327,457
December 31, 2019	\$13,412,329	25.14640	\$337,272
December 31, 2020	\$13,810,429	25.14640	\$347,283
December 31, 2021	\$14,216,490	25.14640	\$357,494
December 31, 2022	\$14,630,672	25.14640	\$367,909
December 31, 2023	\$15,053,138	25.14640	\$378,532
December 31, 2024	\$15,484,054	25.14640	\$389,368
December 31, 2025	\$15,923,587	25.14640	\$400,421
December 31, 2026	\$16,371,912	25.14640	\$411,695
December 31, 2027	\$16,829,203	25.14640	\$423,194
December 31, 2028	\$17,295,639	25.14640	\$434,923
December 31, 2029	\$17,771,405	25.14640	\$446,887
December 31, 2030	\$18,256,685	25.14640	\$459,090
December 31, 2031	\$18,751,672	25.14640	\$471,537
December 31, 2032	\$19,256,558	25.14640	\$484,233
December 31, 2033	\$19,771,542	25.14640	\$497,183

NOTE: The tax millage is subject to change, but for the purpose of calculating tax increment revenue, the 2012 tax rate of 25.1464 mills was used and APPLIED TO ALL SUBSEQUENT YEARS. THE TAX DATE OF DECEMBER 31 IS APPLIED TO THE FOLLOWING YEAR'S TAX RATE.

Appendix 2-C Schedule of Revenues

The following table outlines the projected revenue during the 20-year plan. These revenues are estimates based solely on the tax increment revenue. Other public revenues could be used to finance identified projects, in which case the life of this plan or time frame may be altered.

<u>Year</u>	<u>TIF Revenue</u>
2013	\$ 290,086
2014	\$ 299,154
2015	\$ 308,402
2016	\$ 317,835
2017	\$ 327,457
2018	\$ 337,272
2019	\$ 347,283
2020	\$ 357,494
2021	\$ 367,909
2022	\$ 378,532
2023	\$ 389,368
2024	\$ 400,421
2025	\$ 411,695
2026	\$ 423,194
2027	\$ 434,923
2028	\$ 446,887
2029	\$ 459,090
2030	\$ 471,537
2031	\$ 484,233
2032	\$ 497,183
2033	\$ 510,392
	\$ 8,260,347

Appendix 2-D
Impact of Tax Increment Financing Plan
Munising Downtown Development Area
Taxing Jurisdictions Portion of Anticipate Tax Increment Revenue

Tax Date	Captured Taxable Value	County 7.1267 Mills	City 18.0197 Mills	Total Tif Revenue
December 31, 2012				
December 31, 2013	\$11,535,905	\$ 82,213	\$ 207,874	\$ 290,086
December 31, 2014	\$11,896,475	\$ 84,783	\$ 214,371	\$ 299,154
December 31, 2015	\$12,264,258	\$ 87,404	\$ 220,998	\$ 308,402
December 31, 2016	\$12,639,395	\$ 90,077	\$ 227,758	\$ 317,835
December 31, 2017	\$13,022,036	\$ 92,804	\$ 234,653	\$ 327,457
December 31, 2018	\$13,412,329	\$ 95,586	\$ 241,686	\$ 337,272
December 31, 2019	\$13,810,429	\$ 98,423	\$ 248,860	\$ 347,283
December 31, 2020	\$14,216,490	\$ 101,317	\$ 256,177	\$ 357,494
December 31, 2021	\$14,630,672	\$ 104,268	\$ 263,640	\$ 367,909
December 31, 2022	\$15,053,138	\$ 107,279	\$ 271,253	\$ 378,532
December 31, 2023	\$15,484,054	\$ 110,350	\$ 279,018	\$ 389,368
December 31, 2024	\$15,923,587	\$ 113,483	\$ 286,938	\$ 400,421
December 31, 2025	\$16,371,912	\$ 116,678	\$ 295,017	\$ 411,695
December 31, 2026	\$16,829,203	\$ 119,937	\$ 303,257	\$ 423,194
December 31, 2027	\$17,295,639	\$ 123,261	\$ 311,662	\$ 434,923
December 31, 2028	\$17,771,405	\$ 126,651	\$ 320,235	\$ 446,887
December 31, 2029	\$18,256,685	\$ 130,110	\$ 328,980	\$ 459,090
December 31, 2030	\$18,751,672	\$ 133,638	\$ 337,900	\$ 471,537
December 31, 2031	\$19,256,558	\$ 137,236	\$ 346,997	\$ 484,233
December 31, 2032	\$19,771,542	\$ 140,906	\$ 356,277	\$ 497,183
December 31, 2033	\$20,296,825	\$ 144,649	\$ 365,743	\$ 510,392
		\$ 2,341,051	\$ 5,919,295	\$ 8,260,346