

Amended and Restated
Development Plan and Tax Increment Financing Plan



Village of Clinton
Lenawee County, Michigan
Downtown Development Authority

March 2010

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BACKGROUND AND PURPOSE

Purpose Of The Downtown Development Authority Act

Act 197 of Public Acts of 1975 of the State of Michigan, commonly referred to as the Downtown Development Authority Act, was created in part to correct and prevent deterioration of business districts; to promote economic growth and revitalization; to encourage historic preservation; to authorize the acquisition and disposal of interests in real and personal property; to authorize the creation of downtown development authorities; to authorize the levy and collection of taxes, the issuance of bonds and the use of tax increment financing in the accomplishment of specific downtown development activities contained in locally-adopted development plans.

The Act seeks to attack problems of urban decline, strengthen existing areas and encourage new private developments in the downtown districts of Michigan communities. It seeks to accomplish this goal by providing communities with the necessary legal, monetary and organizational tools to revitalize downtown districts either through public-initiated projects or in concert with privately motivated development projects. The manner in which downtown development authorities choose to make use of these tools does, of course, depend on the problems and opportunities facing each particular downtown district and the development priorities sought by the community in the revitalization of its business area.

Creation of the Clinton Downtown Development Authority

On January 15, 1991, the Village of Clinton Village Council adopted Ordinance No. 1 that created the Clinton Downtown Development Authority (DDA). The Downtown Development Authority District created by this ordinance is illustrated on Map 1 and a copy of the respective Ordinance is included in Exhibit A; Organizational Documentation.

The Authority was given all the powers and duties prescribed for a downtown development authority pursuant to the Act. Further, the operational structure of the Clinton Downtown Development Authority was approved pursuant to its By-Laws.

Basis For The Tax Increment Finance Plan and Development Plan

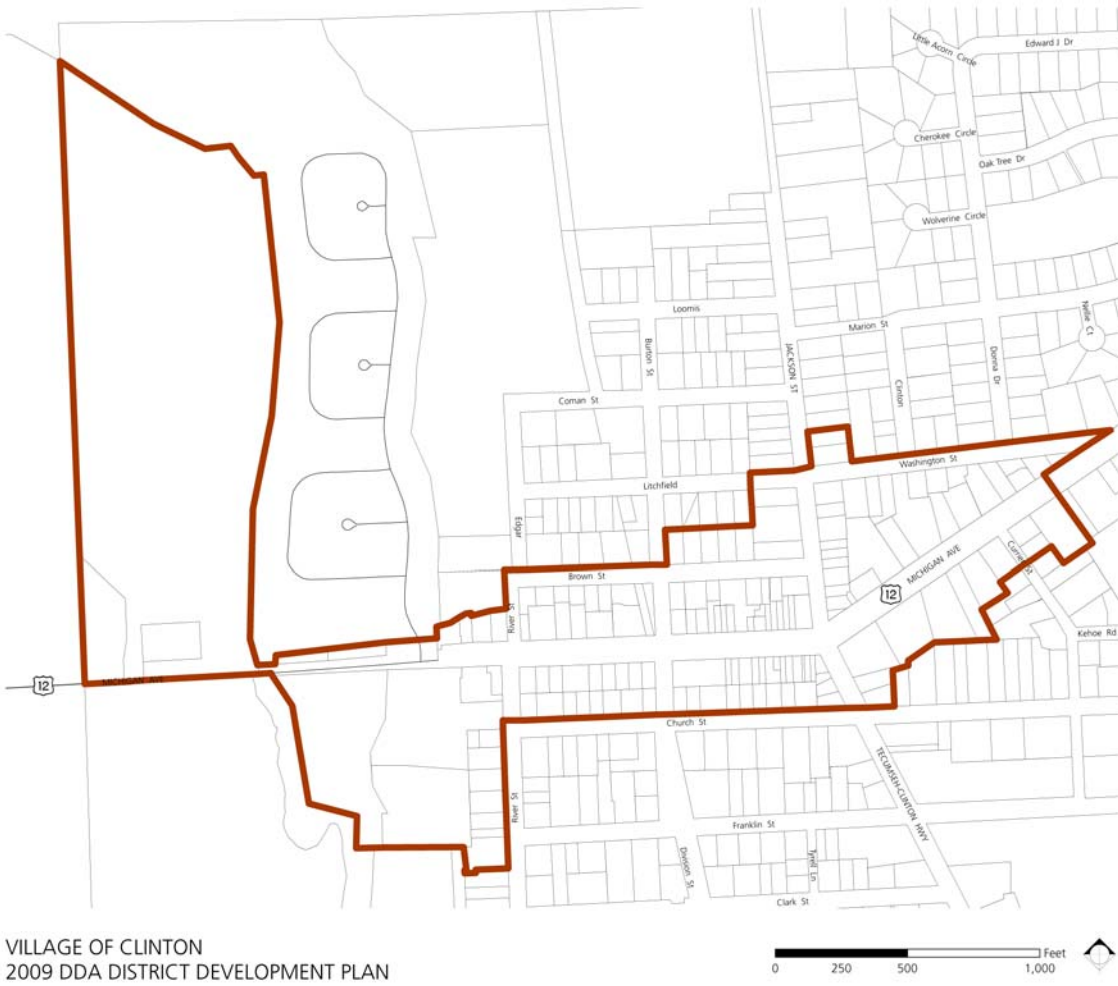
The Downtown Development Authority Act provides the legal mechanism for local officials to address the need for economic development in the business district. In Clinton, the Downtown Development Authority District, subject of this Development Plan, can be generally described as incorporating commercial properties along both sides of Michigan Avenue (US-12) from Washington Street on the east to Busch's Value Land located on west Village municipal limits.

For purposes of designating a development plan district and for establishing a tax increment financing plan, the Act refers to a "downtown district" as being in a business district that is specifically designated by ordinance of the governing body of the municipality and a "business district" as being an area in the downtown of a municipality zoned and used principally for business.

For purposes of financing activities of the Authority within a district, tax increment plans can be established. By definition, a tax increment financing plan seeks to capitalize on and make use of the increased tax base created by economic development within the boundaries of a downtown district. The legal basis or support for the Tax Increment and Development Plans is identified in Act 197 of the Public Acts of 1975, as amended.

This Development Plan and Tax Increment Plan will define projects specific to that portion of the Downtown District created through Ordinance No. 1. The Development Area District described in Section 4 of this comprises the same area as the Downtown district.

Map 1
Clinton Downtown Development Authority District



Downtown Development Authority District Boundary

GENERAL DEVELOPMENT PLAN FOR CLINTON

The need for establishing the Development District described in Section 4 (referred to as "Development Area") is founded on the basis that the future success of Clinton's current effort to revitalize its commercial area will depend, in large measure, on the readiness and ability of its public corporate entity to initiate public improvements that strengthen the commercial area and to encourage and participate where feasible in the development of new private uses that clearly demonstrate the creation of new jobs, the attraction of new business, and the generation of additional tax revenues.

The Village of Clinton was founded as a result of a proclamation executed by Governor Lewis Cass in 1822 defining the County of Lenawee. Several years later, John Tyrell acquired a rather sizeable portion of land in "Oak Openings" as Clinton was referred in 1825. He was the first person to purchase land from the Government which was located south of Church Street. In 1825, Musgrove Evans, the founder of Tecumseh, began construction on the "Chicago Turnpike" which is now known as Michigan Avenue (US-12).

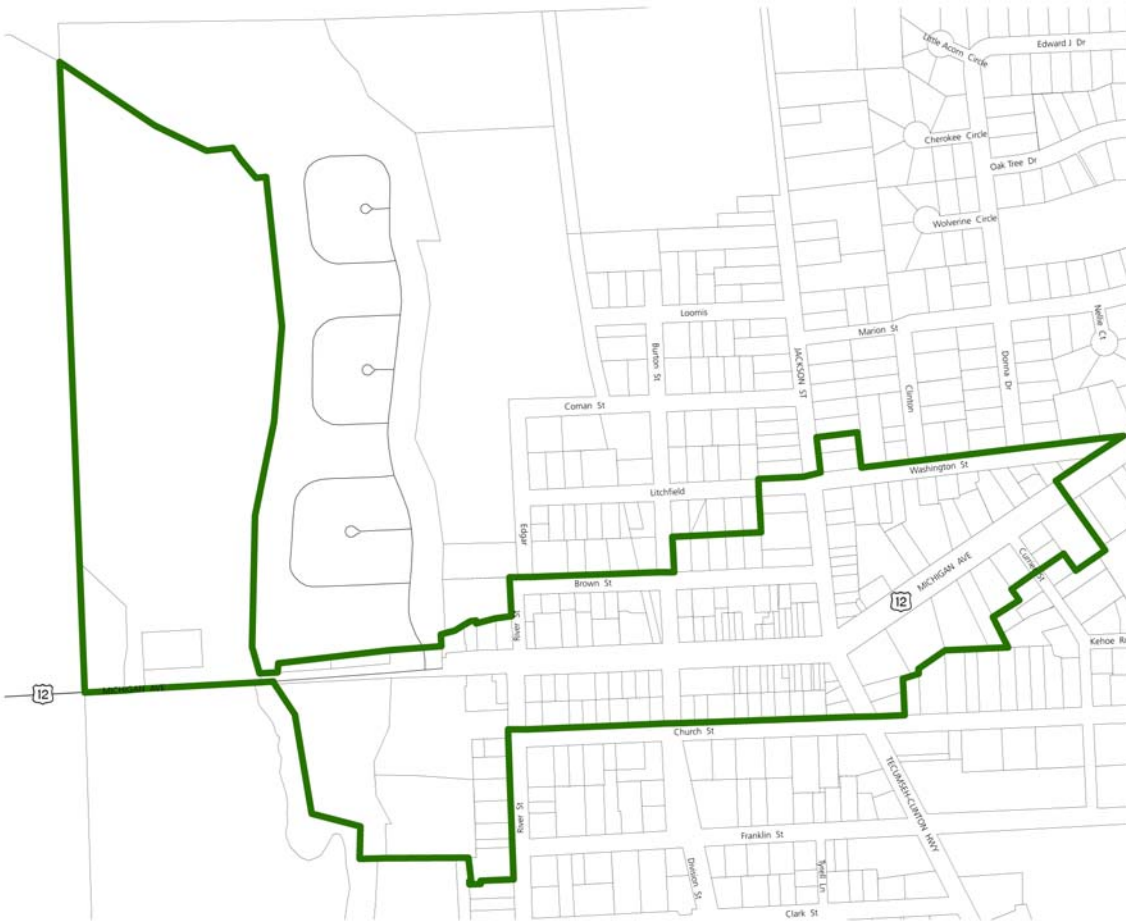
The core of the historic commercial area was located along the former "Chicago Turnpike" and its intersection with Tecumseh Road. At this intersection, the Clintonian (now the Clinton Inn) and Lancaster Hotels served the local community and travelers along the Turnpike. On the west side of this intersection, now lined with stately two and three story commercial buildings, the nucleus of the Village commercial area developed.

Today, the commercial district extends beyond its original historical limits and can be found along both sides of Michigan Avenue from Washington Street to the westerly Village limits. This area has been the subject of previous redevelopment plans including a study conducted by Eastern Michigan University.

The General Development Plan referenced herein suggests the following:

- Continued redevelopment of the historic commercial area by encouraging the reinvestment of public and private funds;
- Installation of parking areas and pedestrian improvements that would support and strengthen the business district such as off-street parking areas, streetscape improvements, linkages with public facilities, and connections with adjacent residential neighborhoods;
- Provide a pedestrian connection along the north side of West Michigan Avenue to the west end commercial district (McDonalds, Buschs, etc.);
- Continued uses and introduction of new recreation activities along the River Raisin;
- Enhancement of community entry areas and overall beautification of the Michigan Avenue corridor, and
- Promotion, retention and solicitation of businesses within the business district.

Map 2
DDA Development Area District



VILLAGE OF CLINTON
2009 DDA DISTRICT DEVELOPMENT PLAN

Development Boundary

DEVELOPMENT PLAN

1. Designation of Boundaries of the Development Area

The Development Area boundary is located within the jurisdictional limits of the Village of Clinton and the Village of Clinton Downtown Development Authority. The Village of Clinton established the Downtown Development Authority pursuant to Act 197 of Public Acts of 1975 through adoption and publication of Ordinance No. 1 in 1991. The Downtown Development Authority Development Area boundary is contiguous with the Authority's District as illustrated on Map 1 and can be generally described as incorporating properties commercial properties along both sides of Michigan Avenue (US-12), and portions of Brown, Tecumseh, Jackson, River and Church Streets.

2A. Location and Extent of Existing Streets and other Public Facilities

Public land uses, within the Development Area, include right-of-ways under the jurisdiction of the Village of Clinton, County of Lenawee, and the State of Michigan (US-12). Included within the Development Area are alleys that run parallel with the major streets mentioned above and behind the retail and office land uses fronting on these streets.

2B. Location, Character and Extent of Existing Public and Private Land Uses within the Development Area

Existing land uses within the Development Area are composed of public and private land uses comprising 71.26 acres. The locations of these land uses are illustrated on Map 3; DDA Land Use Map.

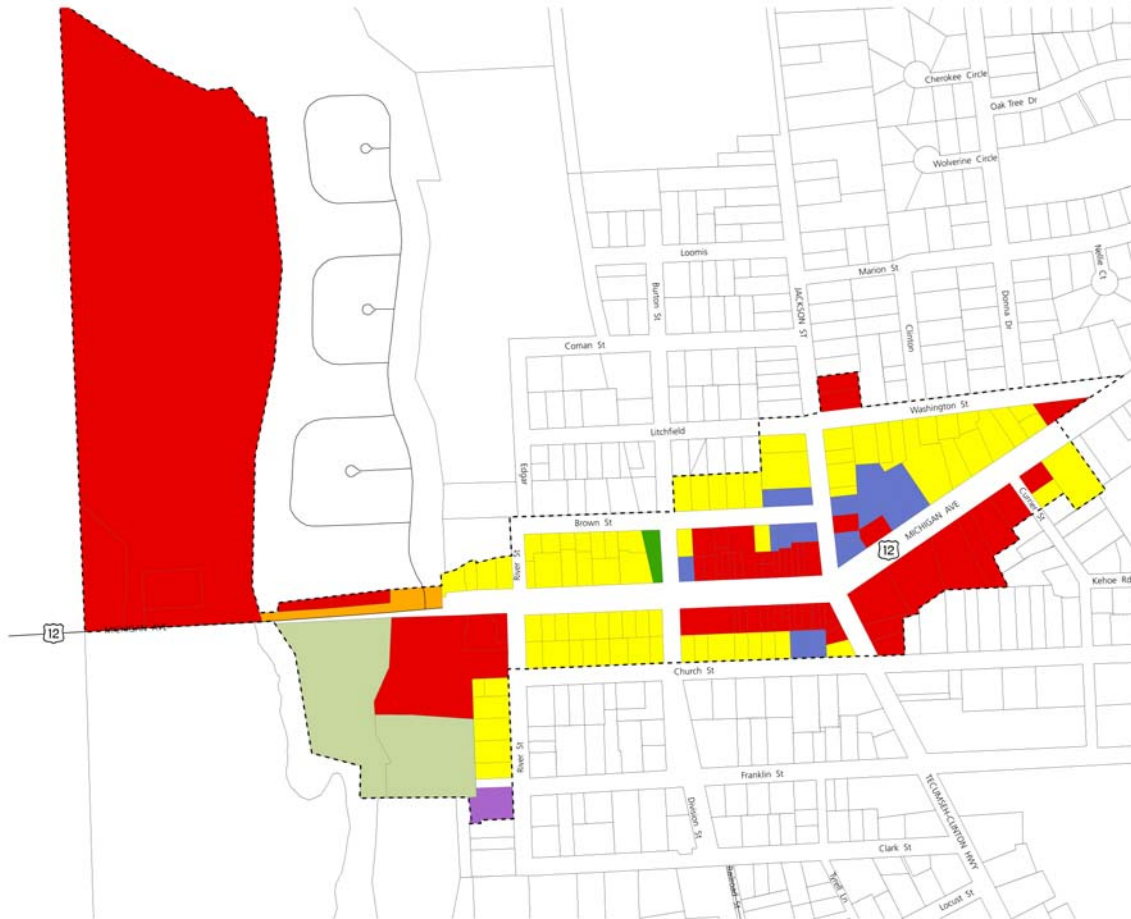
Public Land Uses

In addition to the circulation system described, other public land uses including public parks and municipal parking areas occur within the Development Area. The Village of Clinton owns the Tate Park which serves as a community recreation center and outdoor recreation facility. In addition to these facilities; Village Hall, Clinton Township Office, Clinton Township Fire Hall, and Public Library are located within the Development Area.

Private Land Uses

- A. Residential - There are 76 detached single family dwellings within the development area and several upper story residential dwellings above commercial buildings.
- B. Commercial - The majority of property within the Development Area consists of commercial property. Due to the configuration of the DDA District there exists three distinct commercial areas which include the historic Village Center area at the intersection of Michigan Avenue (US-12) and Tecumseh Streets, the commercial area along East Michigan Avenue between Washington Street and Tecumseh Street, and lastly commercial properties along West Michigan Avenue from River Street to the west Village limits.
- C. Industrial - There several industrial land uses within the Development Area including the Woolen Mill and Atlas Grain and Feed Company.
- D. Transportation - There are no daily private transportation facilities within the Development Area. However, the Southern Michigan Railroad maintains a seasonal passenger service from Clinton to Raisin Center.

Map 3



VILLAGE OF CLINTON
2009 DDA DISTRICT DEVELOPMENT PLAN



Existing Land Use

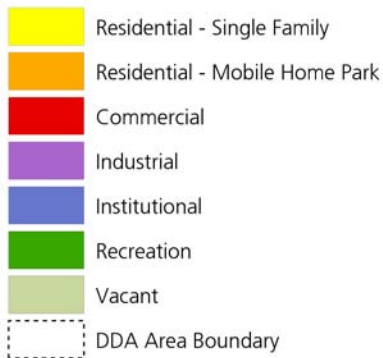


Table 1
Existing Land Use

| | Parcels | Acreage | Percent |
|------------------------|---------|---------|---------|
| Residential - Single | 76 | 14.14 | 20% |
| Residential - Multiple | 1 | 0.73 | 1% |
| Commercial | 58 | 46.64 | 65% |
| Institutional | 16 | 2.64 | 4% |
| Industrial | 1 | 0.44 | 1% |
| Open Space and Vacant | 4 | 6.67 | 9% |
| | 156 | 71.26 | 100% |

Recreational Uses

There are two parks within the Development Area; Tate Park and Memorial Park. Tate Park bounded by the south by Michigan Avenue and on the west by the River Raisin and Monument Park are located within the Development Area. Memorial park is located on the northwest corner of Michigan Avenue and Burton Street.

Educational Uses

The Clinton Public Library is the only educational land use within the Development Area.

Vacant Land

The former Woolen Mills building on the south side of Michigan Avenue west of River Street and the former Atlas Grain property are either vacant or significantly underutilized within the Development Area. Both properties could be redeveloped into higher and better uses resulting in higher activity and taxable valuation to the community.

3. Location and Extent of Proposed Public and Private Land Uses.

The Development Plan envisions the integration of public and private land uses as a method of strengthening the economic base of the Development Area. This will be accomplished by improving the public infrastructure adjacent to existing private development. Specifically, the Downtown Development Authority plans to utilize three distinct approaches to the revitalization and enhancement of the Clinton commercial base.

- The first strategy is to induce private reinvestment in the Village Center through the installation of public improvements that will provide parking and pedestrian access to existing commercial establishments and underutilized properties. To stimulate redevelopment, the Downtown Development Authority may purchase, renovate and resell certain properties that are currently deteriorated.
- The second strategy is to improve public property adjacent to commercial areas where commercial investment is already occurring.
- The final strategy is to provide assistance to local business and property owners through the use of low interest loans, merchants retention programs and coordinated advertising, promotion and marketing.

4. Legal Description of the Development Area

The boundaries of the Downtown Development Authority shall be as set forth on that map attached hereto and made a part hereof by reference, and as described as follows:

Village of Clinton, County of Lenawee, State of Michigan:

Original Assessor's Plat

Lots 1,2,3,4,5,6,7,,8,9,10,11,12,13,14,15,16,17,18,19,20,21,22,23,24,25,
26,27,28,29,30,31,32,33,34 & 84

Assessor's Plat No. 1

Lots - 1,2,3,4,5,6,7,8,9,10,11,12,13,14 of Block 1
1,2,3,4,5,6,7,8,9,10,11,12,13,14,15,16,17,18,19,21,22,23,24,25,26,
27,28,29,30,31,32,33 of Block 2
1,2,3,4,6,7,10,11,14,15 of Block 3

Assessor's Plat No. 2

Lots - 2,3,4,5,6,7,16,26,27,30,31,32,33,34,35

Assessor's Plat No. 2 (Kies Addition)

Lots - 1,2,3,4,5,6,7,8,9,10

Assessor's Plat No. 3

Lots - 1,2,3,4,5,6,7

Other Land

Land beginning 1336.52 feet South 89 deg. 07'35" East and 15.14 feet North 01 deg. 15' 03" East from West 1/4 post Section 5 running thence North 01 deg. 15' 03" East 2306 feet, thence South 57 deg. 27'39" East 107.84 feet, thence South 52 deg. 45'01" East 303.71 feet, thence South 58 deg. 24'33" East 241.99 feet, thence North 80 deg. 10' 57" East 119.02 feet, thence South 36 deg. 57'25" East 89.48 feet, thence North 87 deg. 01'18" East 36.82 feet, thence South 02 deg. 58'42" East 560.55 feet, thence South 07 deg. 50'01" West 356.37 feet, thence South 14 deg. 37'58" West 357.95 feet, thence South 04 deg. 24'03" West 489.98 feet, thence South 12 deg. 51'36" East 148.70 feet to center line of US-12, thence North 89 deg. 38'35" West 682.69 feet to point of beginning excluding land beginning 1336.52 feet South 89 deg. 07'35" East and 15.14 feet North 01 deg. 15'03" East from West 1/4 post Section 5, thence North 01 deg. 15'03" East 2306 feet, thence South 57 deg. 27'39" East 32.29 feet, thence South 01 deg. 29' 26" West 2288.97 feet along East line of West 1/2 of Northwest 1/4, thence North 89 deg. 38'35" West 18.02 feet to point of beginning also excluding land beginning 1577.33 feet East and 82.32 feet North from West 1/4 post Section 5 being 140 feet North and South by 220 feet East and West, containing .707 acres, Section 5, Descriptive Village of Clinton.

Land beginning 1577.33 feet South 89 deg. 07'35" East and 82.32 feet North 00 deg. 21'25" East from West 1/4 post Section 5 running thence North 00 deg. 21'25" East 140 feet, thence South 89 deg. 38' 35" East 220 feet, thence South 00 deg. 21'25" West 140 feet, thence North 89 deg. 38'35" West 220 feet to point of beginning, Section 5, Descriptive Village of Clinton.

Land beginning in center of Section 5 running thence North 6 feet to Southerly right of way of Highway US-12, thence South 88 deg. 08' West along said right of way 218.55 feet for point of beginning, thence South 87 deg. 53' West 203.3 feet, thence 89 deg. 28' West 238.35 feet, thence leaving said right of way South 31 deg. 58' East 145.06 feet, thence South 8 deg. East 374 feet, thence South 73 deg. 45' East 188 feet, thence South 3 deg. West 121 feet, thence East 100 feet, thence North 127.85 feet, thence East 21.7 feet, thence North 26 deg. 58' West 118.4 feet, thence North 2 deg. 24' West 126.2 feet, thence North 25 deg. 21' East 136 feet, thence East 1.5 feet, thence North 4 deg. 15' East 195 feet to point of beginning, Descriptive Village of Clinton.

Land commencing at center of Section 5 running thence East 165.16 feet, thence South 26.06 feet, thence East 15 feet, thence South 84.33 feet, thence East 41.17 feet, thence South 127.84 feet to Northeast corner Lot 1 Assessor's Plat No. 3, thence West 91 feet, thence South 67 feet, thence West 44.5 feet, to Southwest corner Lot 1 said Plat, thence South 82.25 feet, thence North 86 deg. 06' West 228.65 feet, thence West 143.14 feet, thence North 2 deg. 24' West 49.4 feet, thence North 25 deg. 21' East 136 feet, thence East 1.5 feet, thence North 4 deg. 15' East 195 feet to Southerly right of way of Highway US-12, thence North 88 deg. 08' East 218.55 feet, thence South 6 feet to point of beginning, Descriptive Village of Clinton.

Land beginning on West line of River Street 127.84 feet North from Northeast corner of Lot 1 of Assessor's Plat No. 3, thence West 41.17 feet, thence North 84.33 feet, thence West 15 feet, thence North 26.05 feet to East and West 1/4 line, thence East 55.65 feet, thence South 110.83 feet to point of beginning excluding that part located on right of way of US-12, Descriptive Village of Clinton.

That part of Section 5, T5S, R4E beginning in West line Lot 3 Assessor's Plat No. 3, Village of Clinton, at a point 82.25 feet South from Northwest corner Lot 2, running thence North 86 deg. 06' West 228.65 feet, thence North 89 deg. 33' West 143.14 feet, thence South 2 deg. 24' East 76.8 feet, thence South 26 deg. 58' East 118.4 feet, thence North 89 deg. 27' West 21.7 feet, thence South 127.85 feet, thence East to the East line of Tail Race, thence Southerly along the East line of Tail Race to the South line of Lot 7 extending West, thence East on said line to a point which is 152 feet West from the West edge of sidewalk on the West side of River Street, thence Northwesterly to the South line of Franklin Street extending West and West line of an alley running North and South along West side of Lots, thence East to Southwest corner Lot 6, thence North along West line of Lots to beginning, also Mill Race lying South of US-12, Descriptive Village of Clinton.

Land beginning center of Section 5, running thence North 40.26 feet, thence South 87 deg. 38' West 216 feet along the center line of Highway US-12, thence North 3 deg. 52' East 33.20 feet, thence South 87 deg. 38' West 41.17 feet along the northerly line of said highway, thence curve right chord bearing South 88 deg. 03' West 178.83 feet for a further point of beginning, running thence along said curve chord bearing South 89 deg. 11' West 120.60 feet, thence South 89 deg. 23' West 79.36 feet, thence North 6 deg. 50' East 34 feet, thence North 86 deg. 23' East 196.29 feet, thence South 43.56 feet to the point of beginning, Section 5, Descriptive Village of Clinton.

Land beginning center of Section 5, running thence North 40.26 feet, thence South 87 deg. 38' West 216 feet along the center line of Highway US-12, thence North 3 deg. 52' East 33.20 feet for a further point of beginning, running thence South 87 deg. 38' West 41.17 feet along the Northerly line of said Highway, thence on curve right chord bearing South 88 deg. 03' West 178.83 feet, thence North 43.56 feet, thence North 86 deg. 23' East 223.41 feet, thence South 3 deg. 53' West 50 feet to point of beginning, Section 5, Descriptive Village of Clinton.

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

The proposed development program for the Development Area incorporates the integration of public and private improvements. The overall project descriptions and schedule of phasing for projects in the Development Plan have been delineated in the next section by their respective location within the Development Area.

The 1992 DDA Development Plan called for the renovation of existing public improvements such as the sidewalks, landscaping and terrace areas and construction of new improvements such as pedestrian areas and off-street parking lots. Since 1992 the following projects have been completed by the DDA:

- Jackson Road Parking Lot - Installation of a parking lot behind the commercial buildings located on the north side of West Michigan Avenue between Jackson Road and Burton Street. Improvements to include storm drainage, paving, curbs, sidewalks, lighting, pedestrian improvements behind the buildings, collective refuse disposal facility, landscaping and signage.
- Church Street Parking Lot - Installation of a parking lot behind the commercial buildings located on the south side of West Michigan Avenue Main Block between Tecumseh Road and Burton Street. Improvements to include storm drainage, paving, curbs, sidewalks, lighting, landscaping and signage.
- Michigan Avenue (US-12) Streetscape - Complete refurbishment of the existing streetscape (area between the front building line and the curb) along Michigan Avenue from the intersection of Tecumseh Road to Burton Street. Streetscape improvements would include demolition of existing conditions and installation of new sidewalks and brick pavers, street trees, irrigation, pedestrian lighting, parking bays, special features and reconfiguration of the Michigan Avenue / Tecumseh Road intersection. The US-12 Streetscape between Tecumseh and Burton with new pedestrian / historic lights, new sidewalks and street trees between the curb and building face including the intersection of Michigan Avenue (US-12) and Tecumseh Street.
- River Raisin Pedestrian Bridge and Park - Installation of pedestrian bridge over River Raisin and develop a focal point at the river and pedestrian access to a riverwalk system along industrial riverfront to Park Island.

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

Projects proposed for implementation are based on several redevelopment plans for the Village of Clinton which delineate various public and private improvements. Cost estimates listed in Table 2 are estimated costs and will be refined as design plans are completed for individual projects. Funding for the public improvement projects delineated below is proposed from a variety of sources including tax increment revenues, Historic Preservation funds, Federal and State sources, and other additional sources depending on the scope and location of the project. In addition, funds may be sought from special assessment districts (SAD's), recreation monies through the Michigan Natural Resources Trust Fund, Michigan Economic Development Corporation and monies through the Transportation Enhancement Activities program (known as "TEA").

Projects identified in this amended plan include:

- Village Hall Municipal Parking Lot – Reconstruction of the alley connecting the Village Parking Lot to Jackson Road, and reconfiguration and enhancement of the existing Village Hall parking lot to serve Village Hall and Clinton Township Fire Department. Improvements to include storm drainage, paving, curbs, sidewalks, lighting, landscaping and signage.
- Brown Street Parking Lot - Reconfiguration and enhancement of the existing St. Dominic's parking lot and Gilbert's Automotive parking lot into a collective public parking facility. Improvements to include storm drainage, paving, curbs, sidewalks, lighting, pedestrian linkage to West Michigan Avenue through the private alley, collective refuse disposal facility, landscaping and signage.
- East Michigan Avenue Entry Improvements - Extension of pedestrian lights and installation of street trees along East Michigan Avenue between Tecumseh Road and Washington Street.
- Tecumseh Road Entry Improvements - Extension of pedestrian lights and installation of street trees along Tecumseh Road between Michigan Avenue and Church Street.
- Jackson Road Entry Improvements - Extension of pedestrian lights and installation of street trees along Jackson Road between Michigan Avenue and Washington Street.
- Church Street Alley Improvements - Installation of curb and gutters, lighting, drainage and resurfacing of the alley between Tecumseh Road and Burton Street.
- Monument Park - Develop pedestrian connection to park and intensify landscaping to promote use by visitors.
- West Michigan Avenue Improvements - Extension of pedestrian lights and installation of street trees along West Michigan Avenue between Burton Street and the River Raisin.
- West Michigan Avenue Entry Improvements - Develop frontage along Michigan Avenue west of the River Raisin to include underground drainage within the right-of-way, extension of pedestrian lights and installation of street trees.
- Michigan Avenue Pedestrian Improvements – extension of pathway (sidewalks) along the north side of Michigan Avenue west of the manufactured housing park. This pathway would provide a connection to McDonalds and Busch's grocery store.
- Facade Grant Program – Provide funding assistance to property owners pursuing renovation and reconstruction of exterior building facades.
- Wayfinding – Planning, design and installation of a business district and community wayfinding signage system.
- Wireless Infrastructure - Coordinate with local providers or install the infrastructure for a wireless Internet network serving the downtown area.
- Website Design and Maintenance – Prepare a business district website either independently or in conjunction with the Chamber of Commerce. The website should highlight businesses within the district, hours of operation, merchandize, and events.
- Land Acquisition Fund - Establishment of a fund that will be used to acquire selective properties within the downtown to facilitate the implementation of projects.

Table 2
Estimated Cost and Phasing of Improvements

| | Near Term (2009-2012) | Short Term (2013-2018) | Mid Term (2019-2024) | Long Term (2025-2035) |
|---|-------------------------------|---------------------------|-------------------------|--------------------------|
| 1 Village Hall Municipal Parking Lot and Jackson Road Alley | \$ 26,950 | \$ 73,500 | | |
| 2 Brown Street Parking Lot | | \$ 222,920 | | |
| 3 East Michigan Avenue Entry Improvements | | \$ 264,500 | | |
| 4 Tecumseh Road Entry Improvements | \$ 35,000 | | | |
| 5 Jackson Road Entry Improvements | | | \$ 55,000 | |
| 6 Church Street Alley Improvements | \$ 85,000 | | | |
| 7 Monument Park | | \$ 150,000 | | |
| 8 West Michigan Avenue Improvements | | | \$ 1,536,500 | |
| 9 West Michigan Avenue Entry Improvements | \$ 45,000 | | | |
| 10 West Michigan Avenue Pedestrian Improvements | \$ 400,000 | | | |
| 11 Façade Grant Program | Annual Allocation of \$15,000 | | | |
| 12 Wayfinding | \$ 25,000 | \$ 15,000 | | |
| 13 Wireless Infrastructure | \$ 15,000 | | | |
| 14 Website Design and Maintenance | \$ 7,500 | | | |
| 15 Land Acquisition Fund | Annual Allocation of \$5,000 | | | |
| Total | \$ 639,450 | \$ 725,920 | \$ 1,591,500 | \$ - |



VILLAGE OF CLINTON
2009 DDA DISTRICT DEVELOPMENT PLAN



Projects & Programs

- Corridor Enhancement
- Parking Lot or Alley Improvement
- Pedestrian Walkway/Bridge

District-Wide
(Not shown on map)

- 11. Facade Grant Program
- 12. Wayfinding
- 13. Wireless Infrastructure
- 14. Website Design & Maintenance
- 15. Land Acquisition Fund

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

The time schedule for construction of the public improvement program for projects enumerated in the Development Plan are outlined in the preceding Section.

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

Concerning the public improvements outlined, open space within that portion of the Development Area covered by the Development Plan will be confined to right-of-ways, pedestrian walks along streetscapes and public parks along the River Raisin.

9. Portions of the Development Area which the Authority Desires to Sell, Donate, Exchange, or Lease to or From the Municipality and the Proposed Terms.

Currently there are no properties that the Downtown Development Authority owns that it desires to sell, donate, exchange, or lease to or from the Village of Clinton.

10. Desired Zoning Changes and Changes in Streets, Street Levels, Intersections and Utilities.

The Development Plan proposes no zoning changes proposed within the Development Area. The current zoning of commercial and office accommodates existing and future land uses in the subject area.

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

Financing for the public improvement projects outlined in Section 6 would be provided through funds generated by the Tax Increment Financing Plan induced by annual increases in property valuations from natural growth and new construction within the Development Area. Further, the Downtown Development Authority may request the Village to sponsor a revenue bond or provide subordinate loan collateral using the proceeds of the tax increments as debt service payment to finance the improvements. In addition, funds may be sought from special assessment districts (SAD's), recreation monies through the Michigan Natural Resources Trust Fund, Michigan Economic Development Corporation and monies through the Transportation Enhancement Activities program (known as "TEA").

12. Designation of Person or Persons, Natural or Corporate, to whom all or a portion of the Development is to be Leased, Sold, or Conveyed in any manner and for whose benefit the Project is being undertaken if that information is available to the Authority.

The public improvements undertaken in the Development Plan will remain in public ownership for the public benefit. Although components of the projects outlined (ie. Façade improvements, US-12 corridor improvements and off-street parking facilities) benefit adjacent commercial property owners, they are public assets to be managed by the municipality.

13. The Procedures for Bidding for the Leasing, Purchasing, or Conveying of all or a portion of the Development upon its completion, if there is no expressed or implied Agreement between the Authority and Persons, Natural or Corporate, that all or a portion of the Development will be Leased, Sold, or Conveyed to those Persons.

Currently there are no agreements for property conveyance between the Village of Clinton, Clinton Downtown Development Authority or any person(s), natural or corporate for properties within that portion of the Development Area covered by the Development Plan. All land acquisitions, if any, would be done by mutual agreement between the seller and DDA as property becomes available.

Any such sale, lease or exchange shall be conducted by the Downtown Development Authority pursuant to requirements specified in Act 197 of Public Acts of 1975, as amended, with the consent of the Village Council. If needed, more detailed procedures will be developed before the transactions are executed, according to applicable village policy and Michigan state law.

14. Estimates of the Number of Persons residing in the Development Area and the Number of Families and Individuals to be Displaced.

On the basis of a review of the properties within the Downtown Development Authority district and Development Area it is estimated that over 100 individuals reside within the Development Area. This estimate was based on a physical inventory of dwelling units within the Development Area compared against block data provided through the 2000 U.S. Census and multiplied by an average persons per household by block. The Development Plan does not require the acquisition and clearance of occupied residential property or the displacement of individuals and families within that portion of the Development Area covered by the Development Plan.

15. A Plan for Establishing Priority for the Relocation of Persons Displaced by the Development in any New Housing in the Development Area.

There is no plan to condemn property in conjunction with the Amended and Restated Development Plan. As a result this section is inapplicable.

16. Provision for the Costs of Relocating Persons Displaced by the Development, and Financial Assistance and Reimbursement of Expenses, including Litigation expenses and expenses incident to the Transfer of Title in accordance with the Standards and Provisions of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

There is no plan to condemn property in conjunction with the Amended and Restated Development Plan and Tax Increment Financing Plan. As a result this section is inapplicable.

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

There is no plan to condemn property in conjunction with the Amended and Restated Development Plan. As a result this section is inapplicable.

TAX INCREMENT FINANCING PLAN

1. Definitions as Used in This Plan.

- a. "Captured assessed value" means the amount in any 1 year by which the current assessed value of the project area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision (c), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value.
- b. "Initial assessed value" means the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the ordinance establishing the tax increment financing plan is approved, as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax shall not be considered to be property that is exempt from taxation. The initial assessed value of property for which a specific local tax was paid in lieu of a property tax shall be determined as provided in subdivision (z). In the case of a municipality having a population of less than 35,000 that established an authority prior to 1985, created a district or districts, and approved a development plan or tax increment financing plan or amendments to a plan, and which plan or tax increment financing plan or amendments to a plan, and which plan expired by its terms December 31, 1991, the initial assessed value for the purpose of any plan or plan amendment adopted as an extension of the expired plan shall be determined as if the plan had not expired December 31, 1991. For a development area designated before 1997 in which a renaissance zone has subsequently been designated pursuant to the Michigan renaissance zone act, 1996 PA 376, MCL 125.2681 to 125.2696, the initial assessed value of the development area otherwise determined under this subdivision shall be reduced by the amount by which the current assessed value of the development area was reduced in 1997 due to the exemption of property under section 7ff of the general property tax act, 1893 PA 206, MCL 211.7ff, but in no case shall the initial assessed value be less than zero.
- c. "Specific local tax" means a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate. However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.
- d. "Tax increment revenues" means the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions upon the captured assessed value of real and personal property in the development area, subject to the following requirements:
 - (i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by this act.

- (ii) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations, and other protected obligations.
- (iii) Tax increment revenues do not include any of the following:
 - (A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.
 - (B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.
 - (C) Ad valorem property taxes exempted from capture under section 3(3) or specific local taxes attributable to such ad valorem property taxes.
- (iv) The amount of tax increment revenues authorized to be included under subparagraph (ii) or (v), and required to be transmitted to the authority under section 14(1), from ad valorem property taxes and specific local taxes attributable to the application of the levy of the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, a local school district or an intermediate school district upon the captured assessed value of real and personal property in a development area shall be determined separately for the levy by the state, each school district, and each intermediate school district as the product of sub-subparagraphs (A) and (B):
 - (A) The percentage that the total ad valorem taxes and specific local taxes available for distribution by law to the state, local school district, or intermediate school district, respectively, bears to the aggregate amount of ad valorem millage taxes and specific taxes available for distribution by law to the state, each local school district, and each intermediate school district.
 - (B) The maximum amount of ad valorem property taxes and specific local taxes considered tax increment revenues under subparagraph (ii) or (v).

2. Purpose of the Tax Increment Financing Plan

The Village of Clinton's Downtown Development District, adopted January 15, 1991 was established because the downtown area experienced notable property value deterioration. In order to halt property tax value deterioration, increase property tax valuations and facilitate the overall economic growth of its business district, it is deemed to be beneficial and necessary to create and provide for the operation of a downtown development authority in the Village under the provisions of Act 197 Public Acts of Michigan, 1975 as amended (the "Act").

The Authority has determined that a tax increment financing plan is necessary for the achievement of the purposes of the Act and it is authorized to prepare and submit said plan to the governing body. The Tax Increment Financing Plan (the "Plan"), set forth herein includes the Development Plan, a detailed explanation of the tax increment procedure, the maximum amount of bonded indebtedness to be incurred, the duration of the program, the impact of tax increment financing on the assessed values of all taxing jurisdictions in which the development area is located and a statement of the portion of the captured assessed value to be used by the Authority.

3. Explanation of the Tax Increment Procedure

The theory of tax increment financing holds that investment in necessary capital improvements in a designated area within a municipality will result in greater property tax revenues from that area than would otherwise occur if no special development were undertaken. This section is intended to explain the tax increment procedure.

- a. In order to provide a Downtown Development Authority with the means of financing development proposals, the Act affords the opportunity to undertake tax increment financing of development programs. These programs must be identified in a tax increment financing plan, which has been approved by the governing body of a municipality. Tax increment financing permits the Authority to capture incremental tax revenues attributable to increases in value of real and personal property located within an approved development area. The increases in property value may be attributable to new construction, rehabilitation, remodeling, alterations, additions or any other factors that cause growth in value.
- b. At the time the resolution or ordinance establishing a tax increment financing plan is adopted, the sum of the most recently taxable values, as equalized, of those taxable properties located within the development area is established as the "Initial Taxable Value" (the "ITV"). Property exempt from taxation at the time of determination of the Initial Taxable value is included as zero. In each subsequent year, the total real and personal property within the district, including abated property on separate rolls, is established as the "Current Taxable value."
- c. The amount by which the total taxable value exceeds the ITV is the Captured Taxable Value (the "CTV"). During the period in which a tax increment financing plan is in effect, local taxing jurisdictions continue to receive ad valorem taxes based on the ITV. Property taxes paid on a predetermined portion of the CTV in years subsequent to the adoption of tax increment financing plan, however, are payable to an authority for the purposes established in the tax increment financing plan.

4. Taxing Jurisdiction Agreements.

Tax increment revenues for the Downtown Development Authority result from the application of the general tax rates of the incorporated municipalities and all other political subdivisions which levy taxes in the development area to the captured assessed value. Since the Plan may provide for the use of all or part of the captured tax increment revenue, the DDA may enter into agreements with any of the taxing units to share a portion of the revenue of the District. Should the Authority find it necessary to use all of the captured revenue, it shall be clearly stated in this plan.

The Authority intends to utilize all captured revenue as referenced in Table 4, from the District until the projects addressed in the Development Plan are completed and until any bonded indebtedness is paid. Currently, the DDA has not entered into any taxing jurisdiction agreements.

5. Property Valuations and Captured Revenue.

The property valuation on which tax increment revenues will be captured is the difference between the Initial Taxable Valuation and the Current Taxable Valuation. The purpose of this section is to set forth the Initial Taxable Valuation, the projected Captured Taxable Valuation and the anticipated increment revenues to be received by the Authority from the local taxing jurisdictions including the Village of Clinton, Smith Kimball Community Center, County of Lenawee, Clinton Public Library, and the Township of Clinton and any other authorities or special tax districts that may be eligible to levy property taxes within the boundaries of the Downtown Development Authority, herein collectively referred to as the "Local Taxing Jurisdictions."

- a. The Initial Taxable Valuation is established based on the 1991 state equalized valuations on real and personal property and on all non-exempt parcels within that portion of the Development Area as of December 31, 1991 and finalized on May 25, 1992. The Initial Taxable Valuation of the Authority is \$4,892,000 as set forth below.

Base Taxable Real and Personal Property Valuations

| <i>Village of Clinton "DDA" TIF</i> | 1992 Taxable (12-31-1991) | 2009 Taxable Valuations | Captured Valuation |
|---|------------------------------|----------------------------|-----------------------|
| Taxable Valuation | \$4,892,000 | \$8,698,401 | \$3,864,601 |

- b. The anticipated Captured Assessed Value is equivalent to the annual total assessed value within the Development Area boundaries less the Initial Assessed Value as described above. The tax increment revenues are then the product of all millages levied by all taxing units in the Development Area on the CAV. The CAV is projected based on a number of factors including historical growth patterns, recent construction trends, economic indicators and the impact of certain development projects anticipated to be undertaken by the Downtown Development Authority. For projection purposes, the following annual taxable valuation factors are used:

c.

| Fiscal Year | Taxable Valuation Growth Rate |
|-------------|-------------------------------------|
| 2009-2010 | -3% |
| 2010-2011 | -10% |
| 2011-2012 | -2% |
| 2012-2013 | -1% |
| 2013-2014 | 0% |
| 2014-2015 | 1% |
| 2015-2016 | 1% |
| 2016-2017 | 1% |
| 2017-2039 | 2% |

- d. A more detailed depiction of the Captured Taxable Valuations can be found in Table 3.
- c. The Authority will receive that portion of the tax levy of all taxing jurisdictions paid each year on the Captured Assessed Value of the eligible property included in the Development Area. The Authority may use the revenues for any legal purpose as is established under the Act including the payment of principal and interest on bonds.

Table 3
Anticipated Captured Taxable Valuation

| Fiscal Year July-June | Tax Roll Assessment Date | Initial Base Valuation | Annual Taxable Growth (+ / -) | Taxable Valuation <i>Annual Growth</i> | Captured Valuation |
|--------------------------|--------------------------------|---------------------------|--------------------------------------|--|-----------------------|
| 2005 - 6 | 12-31-04 | \$ 4,833,800 | Actual | \$ 7,507,414 | |
| 2006 - 7 | 12-31-05 | \$ 4,833,800 | Actual | \$ 7,906,142 | |
| 2007 - 8 | 12-31-06 | \$ 4,833,800 | Actual | \$ 8,294,349 | |
| 2008 - 9 | 12-31-07 | \$ 4,833,800 | Actual | \$ 8,511,518 | |
| 2009 - 10 | 12-31-08 | \$ 4,833,800 | Actual | \$ 8,698,401 | \$ 3,864,601 |
| 2010 - 11 | 12-31-09 | \$ 4,833,800 | -10% | \$ 7,828,561 | \$ 2,994,761 |
| 2011 - 12 | 12-31-10 | \$ 4,833,800 | -2% | \$ 7,671,990 | \$ 2,838,190 |
| 2012 - 13 | 12-31-11 | \$ 4,833,800 | -1% | \$ 7,595,270 | \$ 2,761,470 |
| 2013 - 14 | 12-31-12 | \$ 4,833,800 | 0% | \$ 7,595,270 | \$ 2,761,470 |
| 2014 - 15 | 12-31-13 | \$ 4,833,800 | 1% | \$ 7,671,222 | \$ 2,837,422 |
| 2015 - 16 | 12-31-14 | \$ 4,833,800 | 1% | \$ 7,747,935 | \$ 2,914,135 |
| 2016 - 17 | 12-31-15 | \$ 4,833,800 | 1% | \$ 7,825,414 | \$ 2,991,614 |
| 2017 - 18 | 12-31-16 | \$ 4,833,800 | 2% | \$ 7,981,922 | \$ 3,148,122 |
| 2018 - 19 | 12-31-17 | \$ 4,833,800 | 2% | \$ 8,141,561 | \$ 3,307,761 |
| 2019 - 20 | 12-31-18 | \$ 4,833,800 | 2% | \$ 8,304,392 | \$ 3,470,592 |
| 2020 - 21 | 12-31-19 | \$ 4,833,800 | 2% | \$ 8,470,480 | \$ 3,636,680 |
| 2021 - 22 | 12-31-20 | \$ 4,833,800 | 2% | \$ 8,639,889 | \$ 3,806,089 |
| 2022 - 23 | 12-31-21 | \$ 4,833,800 | 2% | \$ 8,812,687 | \$ 3,978,887 |
| 2023 - 24 | 12-31-22 | \$ 4,833,800 | 2% | \$ 8,988,941 | \$ 4,155,141 |
| 2024 - 25 | 12-31-23 | \$ 4,833,800 | 2% | \$ 9,168,720 | \$ 4,334,920 |
| 2025 - 26 | 12-31-24 | \$ 4,833,800 | 2% | \$ 9,352,094 | \$ 4,518,294 |
| 2026 - 27 | 12-31-25 | \$ 4,833,800 | 2% | \$ 9,539,136 | \$ 4,705,336 |
| 2027 - 28 | 12-31-26 | \$ 4,833,800 | 2% | \$ 9,729,919 | \$ 4,896,119 |
| 2028 - 29 | 12-31-27 | \$ 4,833,800 | 2% | \$ 9,924,517 | \$ 5,090,717 |
| 2029 - 30 | 12-31-28 | \$ 4,833,800 | 2% | \$ 10,123,008 | \$ 5,289,208 |
| 2030 - 31 | 12-31-29 | \$ 4,833,800 | 2% | \$ 10,325,468 | \$ 5,491,668 |
| 2031 - 32 | 12-31-30 | \$ 4,833,800 | 2% | \$ 10,531,977 | \$ 5,698,177 |
| 2032 - 33 | 12-31-31 | \$ 4,833,800 | 2% | \$ 10,742,617 | \$ 5,908,817 |
| 2033 - 34 | 12-31-32 | \$ 4,833,800 | 2% | \$ 10,957,469 | \$ 6,123,669 |
| 2034 - 35 | 12-31-33 | \$ 4,833,800 | 2% | \$ 11,176,618 | \$ 6,342,818 |
| 2035 - 36 | 12-31-34 | \$ 4,833,800 | 2% | \$ 11,400,151 | \$ 6,566,351 |
| 2036 - 37 | 12-31-35 | \$ 4,833,800 | 2% | \$ 11,628,154 | \$ 6,794,354 |
| 2037 - 38 | 12-31-36 | \$ 4,833,800 | 2% | \$ 11,860,717 | \$ 7,026,917 |
| 2038 - 39 | 12-31-37 | \$ 4,833,800 | 2% | \$ 12,097,931 | \$ 7,264,131 |
| 2039 - 40 | 12-31-38 | \$ 4,833,800 | 2% | \$ 12,339,890 | \$ 7,506,090 |

The Treasurer will collect the general property taxes from property owners in the DDA. After taxes are collected, the Treasurer will deduct that portion of the total tax revenues that is derived from captured assessed value of the DDA and distribute them to the DDA to use for purposes outlined in the development plan. A review of the 2009 millage rates for all Local Taxing Jurisdictions in the DDA is as set forth in section 8 below (referenced in Table 4).

Table 4
Anticipated Captured Revenue

| Fiscal Year | Village of Clinton | Smith Kimball Com. Center | Lenawee County | Clinton Library | Clinton Township | Other Millages | Captured Revenue |
|-------------|--------------------|---------------------------|----------------|-----------------|------------------|----------------|------------------|
| July-June | 9.5800 | 0.7800 | 4.8412 | 0.8455 | 2.3861 | 31.2796 | |
| 2005 - 6 | | | | | | | |
| 2006 - 7 | | | | | | | |
| 2007 - 8 | | | | | | | |
| 2008 - 9 | | | | | | | |
| 2009 - 10 | \$ 37,023 | \$ 3,014 | \$ 18,709 | \$ 3,268 | \$ 9,221 | \$ 120,883 | \$ 192,119 |
| 2010 - 11 | \$ 28,690 | \$ 2,336 | \$ 14,498 | \$ 2,532 | \$ 7,146 | \$ - | \$ 55,202 |
| 2011 - 12 | \$ 27,190 | \$ 2,214 | \$ 13,740 | \$ 2,400 | \$ 6,772 | \$ - | \$ 52,316 |
| 2012 - 13 | \$ 26,455 | \$ 2,154 | \$ 13,369 | \$ 2,335 | \$ 6,589 | \$ - | \$ 50,902 |
| 2013 - 14 | \$ 26,455 | \$ 2,154 | \$ 13,369 | \$ 2,335 | \$ 6,589 | \$ - | \$ 50,902 |
| 2014 - 15 | \$ 27,183 | \$ 2,213 | \$ 13,737 | \$ 2,399 | \$ 6,770 | \$ - | \$ 52,302 |
| 2015 - 16 | \$ 27,917 | \$ 2,273 | \$ 14,108 | \$ 2,464 | \$ 6,953 | \$ - | \$ 53,716 |
| 2016 - 17 | \$ 28,660 | \$ 2,333 | \$ 14,483 | \$ 2,529 | \$ 7,138 | \$ - | \$ 55,144 |
| 2017 - 18 | \$ 30,159 | \$ 2,456 | \$ 15,241 | \$ 2,662 | \$ 7,512 | \$ - | \$ 58,029 |
| 2018 - 19 | \$ 31,688 | \$ 2,580 | \$ 16,014 | \$ 2,797 | \$ 7,893 | \$ - | \$ 60,971 |
| 2019 - 20 | \$ 33,248 | \$ 2,707 | \$ 16,802 | \$ 2,934 | \$ 8,281 | \$ - | \$ 63,973 |
| 2020 - 21 | \$ 34,839 | \$ 2,837 | \$ 17,606 | \$ 3,075 | \$ 8,677 | \$ - | \$ 67,034 |
| 2021 - 22 | \$ 36,462 | \$ 2,969 | \$ 18,426 | \$ 3,218 | \$ 9,082 | \$ - | \$ 70,157 |
| 2022 - 23 | \$ 38,118 | \$ 3,104 | \$ 19,263 | \$ 3,364 | \$ 9,494 | \$ - | \$ 73,342 |
| 2023 - 24 | \$ 39,806 | \$ 3,241 | \$ 20,116 | \$ 3,513 | \$ 9,915 | \$ - | \$ 76,591 |
| 2024 - 25 | \$ 41,529 | \$ 3,381 | \$ 20,986 | \$ 3,665 | \$ 10,344 | \$ - | \$ 79,905 |
| 2025 - 26 | \$ 43,285 | \$ 3,524 | \$ 21,874 | \$ 3,820 | \$ 10,781 | \$ - | \$ 83,285 |
| 2026 - 27 | \$ 45,077 | \$ 3,670 | \$ 22,779 | \$ 3,978 | \$ 11,227 | \$ - | \$ 86,733 |
| 2027 - 28 | \$ 46,905 | \$ 3,819 | \$ 23,703 | \$ 4,140 | \$ 11,683 | \$ - | \$ 90,249 |
| 2028 - 29 | \$ 48,769 | \$ 3,971 | \$ 24,645 | \$ 4,304 | \$ 12,147 | \$ - | \$ 93,836 |
| 2029 - 30 | \$ 50,671 | \$ 4,126 | \$ 25,606 | \$ 4,472 | \$ 12,621 | \$ - | \$ 97,495 |
| 2030 - 31 | \$ 52,610 | \$ 4,284 | \$ 26,586 | \$ 4,643 | \$ 13,104 | \$ - | \$ 101,227 |
| 2031 - 32 | \$ 54,589 | \$ 4,445 | \$ 27,586 | \$ 4,818 | \$ 13,596 | \$ - | \$ 105,033 |
| 2032 - 33 | \$ 56,606 | \$ 4,609 | \$ 28,606 | \$ 4,996 | \$ 14,099 | \$ - | \$ 108,916 |
| 2033 - 34 | \$ 58,665 | \$ 4,776 | \$ 29,646 | \$ 5,178 | \$ 14,612 | \$ - | \$ 112,876 |
| 2034 - 35 | \$ 60,764 | \$ 4,947 | \$ 30,707 | \$ 5,363 | \$ 15,135 | \$ - | \$ 116,916 |
| 2035 - 36 | \$ 62,906 | \$ 5,122 | \$ 31,789 | \$ 5,552 | \$ 15,668 | \$ - | \$ 121,036 |
| 2036 - 37 | \$ 65,090 | \$ 5,300 | \$ 32,893 | \$ 5,745 | \$ 16,212 | \$ - | \$ 125,239 |
| 2037 - 38 | \$ 67,318 | \$ 5,481 | \$ 34,019 | \$ 5,941 | \$ 16,767 | \$ - | \$ 129,526 |
| 2038 - 39 | \$ 69,590 | \$ 5,666 | \$ 35,167 | \$ 6,142 | \$ 17,333 | \$ - | \$ 133,898 |
| 2039 - 40 | \$ 71,908 | \$ 5,855 | \$ 36,338 | \$ 6,346 | \$ 17,910 | \$ - | \$ 138,358 |
| | \$ 1,370,175 | \$ 111,559 | \$ 692,410 | \$ 120,927 | \$ 341,271 | | \$ 2,757,226 |
| | 50.90% | 4.14% | 25.72% | 4.49% | 12.68% | | |

6. Maximum Indebtedness.

It is anticipated that the maximum amount of indebtedness to be incurred based on 2009 costs will not exceed \$1,500,000 for projects identified in the Development Plan. A description of the various projects and the actual amounts expected to be financed are as set forth in Section 6 of the Development Plan. Revenues captured will be used to accomplish projects in the Development Area.

7. Use of Captured Revenues

Revenues captured through this Tax Increment Plan will be used to finance those improvements and projects outlined in Table 2 of the Development Plan. Further, captured revenues can be used to finance current financial obligations of the DDA, to pay for costs incurred by the Village/DDA in implementing both the Development Plan and the Tax Increment Financing Plan, and to pay for costs associated with the administration and operation of the Development and Tax Increment Plan.

8. Duration of the Program

The Development Plan and Tax Increment Financing Plan shall extend through the earlier of December 31, 2039, or the completion of the projects described in the Development Plan, whichever is earlier.

Table 5

Anticipated Millage To Be Captured

| <i>Taxing Jurisdiction</i> | 2009 Millage Rate |
|--------------------------------|-------------------------|
| Village of Clinton | 9.5800 |
| Smith Kimball Community Center | 0.7800 |
| Clinton Township | 2.3861 |
| Lenawee County | 4.8412 |
| Clinton Library | 0.8455 |
| Total Millage | 18.4328 |

9. Plan Impact on Local Taxing Jurisdictions

The Authority recognizes that future development in the Village's business district will not be likely in the absence of tax increment financing. The Authority also recognizes that enhancement of the value of nearby property will indirectly benefit all local governmental units included in this plan. It is expected that the effected local taxing jurisdictions will not experience a gain in property tax revenues from the Development Area during the duration of the plan and should realize increased property tax revenues thereafter as a result of activities financed by the plan. Further, tax increment revenues captured from this plan will not be used to offset normal Village operations.

10. Release of Captured Revenues

When the Development and Financing Plans have been accomplished, the captured revenue is released and the local taxing jurisdictions receive all the taxes levied on it from that point on.

Table 6
Tax Increment Financing Forecast

| Fiscal Year July-June | Captured Revenue | Eligible Obligations (Debt Service) <i>Note 1</i> | State Reimbursement | Net Captured Revenue |
|-----------------------------|---------------------|--|------------------------|----------------------------|
| 2005 - 6 | | | | |
| 2006 - 7 | | | | |
| 2007 - 8 | | | | |
| 2008 - 9 | | | | |
| 2009 - 10 | \$ 192,119 | \$ 55,500 | \$ 65,383 | \$ 126,735 |
| 2010 - 11 | \$ 55,202 | \$ - | \$ - | \$ 55,202 |
| 2011 - 12 | \$ 52,316 | \$ - | \$ - | \$ 52,316 |
| 2012 - 13 | \$ 50,902 | \$ - | \$ - | \$ 50,902 |
| 2013 - 14 | \$ 50,902 | \$ - | \$ - | \$ 50,902 |
| 2014 - 15 | \$ 52,302 | \$ - | \$ - | \$ 52,302 |
| 2015 - 16 | \$ 53,716 | \$ - | \$ - | \$ 53,716 |
| 2016 - 17 | \$ 55,144 | \$ - | \$ - | \$ 55,144 |
| 2017 - 18 | \$ 58,029 | \$ - | \$ - | \$ 58,029 |
| 2018 - 19 | \$ 60,971 | \$ - | \$ - | \$ 60,971 |
| 2019 - 20 | \$ 63,973 | \$ - | \$ - | \$ 63,973 |
| 2020 - 21 | \$ 67,034 | \$ - | \$ - | \$ 67,034 |
| 2021 - 22 | \$ 70,157 | \$ - | \$ - | \$ 70,157 |
| 2022 - 23 | \$ 73,342 | \$ - | \$ - | \$ 73,342 |
| 2023 - 24 | \$ 76,591 | \$ - | \$ - | \$ 76,591 |
| 2024 - 25 | \$ 79,905 | \$ - | \$ - | \$ 79,905 |
| 2025 - 26 | \$ 83,285 | \$ - | \$ - | \$ 83,285 |
| 2026 - 27 | \$ 86,733 | \$ - | \$ - | \$ 86,733 |
| 2027 - 28 | \$ 90,249 | \$ - | \$ - | \$ 90,249 |
| 2028 - 29 | \$ 93,836 | \$ - | \$ - | \$ 93,836 |
| 2029 - 30 | \$ 97,495 | \$ - | \$ - | \$ 97,495 |
| 2030 - 31 | \$ 101,227 | \$ - | \$ - | \$ 101,227 |
| 2031 - 32 | \$ 105,033 | \$ - | \$ - | \$ 105,033 |
| 2032 - 33 | \$ 108,916 | \$ - | \$ - | \$ 108,916 |
| 2033 - 34 | \$ 112,876 | \$ - | \$ - | \$ 112,876 |
| 2034 - 35 | \$ 116,916 | \$ - | \$ - | \$ 116,916 |
| 2035 - 36 | \$ 121,036 | \$ - | \$ - | \$ 121,036 |
| 2036 - 37 | \$ 125,239 | \$ - | \$ - | \$ 125,239 |
| 2037 - 38 | \$ 129,526 | \$ - | \$ - | \$ 129,526 |
| 2038 - 39 | \$ 133,898 | \$ - | \$ - | \$ 133,898 |
| 2039 - 40 | \$ 138,358 | \$ - | \$ - | \$ 138,358 |
| | \$ 2,757,226 | \$ 55,500 | \$ 65,383 | \$ 2,691,842 |

11. Assumptions of Tax Increment Financing Plan.

The following assumptions were considered in the formulation of the Tax Increment Financing Plan for the Clinton Downtown Development Authority:

- A. Property valuations are based on the following taxable valuation assumptions:

| Fiscal Year | Taxable Valuation Growth Rate |
|-------------|-------------------------------|
| 2009-2010 | -3% |
| 2010-2011 | -10% |
| 2011-2012 | -2% |
| 2012-2013 | -1% |
| 2013-2014 | 0% |
| 2014-2015 | 1% |
| 2015-2016 | 1% |
| 2016-2017 | 1% |
| 2017-2039 | 2% |

- B. Costs provided for the various DDA projects and programs enumerated in Table 2 are estimated costs in 2009 dollars. Final costs are determined after final design and the acceptance of bids at the time of construction. The effects of inflation may also have an undetermined amount of influence on these cost figures.

12. Operating Agreement Between Downtown Development Authority and Local Unit of Government Regarding Use of Tax Increment Revenues.

The Downtown Development Authority will not spend any funds outside of those annually approved through the budget process and shall not commit to any loans, leases, or purchases without sufficient evidence of an adequate revenue source to support the proposal.

13. Relationship of the Tax Increment Financing Plan with Other Funding Programs.

As discussed in the Development Plan, the revitalization of the downtown business district will include tax increment financing and other forms of intergovernmental financing such as grants, special assessments, and loans. It is strongly recommended that tax increment financing revenues be used to leverage public funds and private financing in order to implement the planned program.

14. Relationship of the Tax Increment Financing Plan with Other Funding Programs.

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15. Relationship to Community Master Plan

The Development Plan indicates the need to revitalize the business areas of the community, which is an integral component of the community's redevelopment program and master plan. If it is determined that any portions of the Master Plan conflict with the provisions of the Downtown Development Plan, then the Development Plan shall be adopted as a component of the Master Plan pursuant to Section 39 of Act 33 of 2008; the Michigan Planning Enabling Act.

16. Submission of an Annual Report to Governing Body and State Tax Commission.

Annually the Authority shall submit to the Village of Clinton and the State Tax Commission a report on the status of the tax increment financing account. The report shall include those items enumerated in Section 15 (3) of Act 197 of 1975 (MCL 125.1665). Further, the report shall be published in a newspaper of general circulation.

Exhibit A
Organizational Documentation