

**CENTRAL BUSINESS DISTRICT IMPROVEMENTS
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
Mt. Pleasant, Michigan**

**DEVELOPMENT PLAN
AS AMENDED PER EXHIBIT A, FEBRUARY 9, 2009**

I. General

This report is intended to describe the methodology involved in establishing a tax increment financing and development plan for the implementation of Central Business District (CBD) improvements in accordance with Public Act 450 of 1980. As stated in the "Central Business District Plan" (WBDC, Inc., 1984) and HyettPalma Downtown Blueprint Plan (2003), the Central Business District is located near the geographic center of the city. It lies just east of the Chippewa River and is generally surrounded by residential neighborhoods. As one of the principal business areas serving the city and the surrounding region, the CBD contains numerous retail, office and service establishments as well as apartments and storage occupying upper stories of buildings. Additionally, it accommodates governmental and cultural facilities.

In an effort to improve the general business climate and upgrade the public and parking areas, the City has proposed a series of improvements which would increase the attractiveness and subsequently the marketability of the Central Business District. To assist in the improvements of the CBD, a tax increment financing district was created by resolution of the Mt. Pleasant City Commission on December 17, 1984.

II. Description of Development Area

An area generally bounded by Illinois Street to the south, Conrail (old Ann Arbor Railroad) line to the west, Fancher Street to the east, bordering Island Park extending along Main street north to Pickard (see attached map).

A. Relation to Other Districts:

The entire central business district authority, established by the Mt. Pleasant City Commission on December 17, 1984, shall be considered the development district. This district is contiguous to the Mt. Pleasant DDA at Fancher Street. The Central Business District is approximately 1 1/2 miles southwest of the IDC tax increment finance district and 1 1/2 miles north of the University Park tax increment finance district/LDFA Smart Zone (see attached map).

B. Relation to Highways and Streets:

At its western boundary of Fancher Street the development district is three blocks west of business US-27/M-20 and approximately 1 mile west of US-27 limited access expressway (see attached map).

C. Existing Streets and Facilities, Land Use, Legal Description:

The following streets are in the district:

N. Main Street	–	both sides of street, 100 block
	–	west side of street, 200, 300, 400, 500, 600, 700, and 800 blocks
N. Washington	–	east side of street, 600 block
	–	both sides of street, 700, 800 blocks
W. Bennett	–	both sides of street, 100 block
W. Lincoln	–	both sides of street, 100 block
E. Chippewa	–	south side of 200, 300 blocks
Mosher Place	–	both sides of street, 100 block
E. Mosher	–	south side of 100, 300, 400 blocks
	–	north side of 200, 300 blocks
E. Broadway	–	both sides of street, 100, 200, 300, 400 blocks
W. Broadway	–	both sides of street, 100, 200, 300, 400, 500 blocks
E. Michigan	–	both sides of street, 100, 300 blocks
	–	north side, 300, 400 blocks
W. Michigan	–	both sides of street, 100, 200, 300, 400 blocks
Mill Street	–	north side, 400 block
E. Illinois	–	north side, 100, 200 blocks
W. Illinois	–	north side, 100, 200, 300 blocks
N./S. Fancher	–	west side of 100 block
N./S. Lansing	–	both sides of 100 block
N. Franklin	–	both sides of 100, 200 block
S. Franklin	–	both sides of 100 block
S. Franklin	–	west side of 200 block

Court Street	–	both sides, 100 block and east side, 200 block
S. University	–	both sides of 100, 200 blocks
S. Washington	–	both sides of 100, 200 blocks
S. Pine Street	–	both sides of 100, 200 blocks
S. Oak Street	–	both sides of 100 block and east side of 200 block
Walnut	–	west side of 200 block

All streets with the exception of N. Washington are hard surfaced with asphalt or concrete. Available utilities include water, sewer, electric and natural gas.

Municipal parking lots are located as follows:

200 block E. Michigan – Lot 1
 200 block Mosher – Lot 2
 100 block N. Main Street – Lot 3
 100 block S. Washington – Lot 4
 200 block S. Washington – Lot 5
 100 block E. Illinois – Lot 6
 200 block S. University – Lot 7
 100 block S. Lansing – Lot 8
 300 block Mosher – Lot 9
 100 block Mosher – Lot 10
 400 block E. Broadway – Lot 11
 400 block W. Broadway – Lot 12
 300 block W. Broadway -- A new lot will be constructed behind the new City Hall in 2007 or 2008

Other public facilities and non-profit organizations in the tax increment finance district include:

Mt. Pleasant City Hall, 401 N. Main St.
 Mt. Pleasant Housing Commission, Riverview Apts., 1 Mosher
 Isabella County court and administration buildings, 200 N. Main St.
 U.S. Post Office, 813 N. Main
 Art Reach of Mid-Michigan, 111 E. Broadway
 American Red Cross, 215 E. Broadway
 Friends of the Broadway Theater, 216 E. Broadway
 Women's Aid Service, E. Broadway
 Listening Ear Crises Center, 107 E. Illinois
 Grace Church, 248 S. Main St.

As noted in the CBD Master Plan, the center of the downtown is the retail shopping district located in the area of Broadway and Main. Some retail and service establishments are located south of Broadway along University Street as well. The retail core is bordered on the north, south and east by office and institutional uses. These range from government facilities (City Hall, county building and post office), to sales and professional offices for insurance, real estate, medical and legal services. Sacred Heart Academy is located also in this area.

A five block area west of the retail core consists of a varied mix of uses including residential, retail, service, office and warehousing. This area offers the greatest potential for redevelopment and expansion of the CBD, being identified as such in the Master Plan. The proposed improvements within the development area are concentrated in this location to strengthen its commercial potential.

North of Broadway on the west end of the CBD is an old industrial area. Mostly within the Chippewa River flood plain, the area contains several vacant warehouses and industrial buildings.

The remainder of Mt. Pleasant's Central Business District is comprised of residential uses, public parks and open space areas. Residential development is primarily older homes, some of which have been converted to two-family and multi-family homes.

The land is legally described as follows:

Commencing at intersection of Oak and Illinois Streets, thence E along Illinois St. to intersection of Illinois and Franklin Streets, thence N along Franklin to intersection of Franklin and Michigan, thence E along Michigan to intersection of Michigan and Fancher, thence N along Fancher to intersection of Fancher and Mosher St., thence W along Mosher to alley in Block 12, Original Plat, between Lansing and Franklin Streets, thence N along alley to intersection with Chippewa Street, thence W along Chippewa Street to intersection of Chippewa and Court Streets, thence S on Court Street to intersection of Court and Mosher, thence W along Mosher to intersection of Mosher and Main, thence N along Main Street to intersection of Main and Pickard Streets, thence W along Pickard approx. 398.5 ft., thence S 230.5 ft., W 20 ft., S 132 Ft., W 181.5 ft., S 181.5 ft., E 313.5 ft. to Washington Street, thence S along Washington Street approx. 485.5 ft., thence W approx. 165 ft. to intersection of Chippewa River and the Ann Arbor Railroad, thence S along Ann Arbor Railroad to intersection with Gorham Road, thence E along Gorham Road to intersection of Gorham and Walnut Streets, thence N along Walnut to intersection of Walnut and Mill, thence E along Mill Street to intersection of Mill and Oak Streets, thence S on Oak to intersection of Oak and Illinois, which is the P.O.B.

D. Description of Improvements:

The following list of improvements is proposed:

<u>Proposed Improvement</u> (see Appendix A for details)	<u>Estimated Time To Complete</u>
1. Downtown Development Director & staff	2025
2. Planning Studies	2025
3. City of Mt. Pleasant financial administration fee	ongoing
4. Parking expansion	2025

5. Parking lot repair and improvement	2025
6. Street lighting improvements and improved public area electric supply	2025
7. Downtown beautification - landscape, flowers, irrigation, banners, etc.	2025
8. Marketing materials	2025
9. Improved signage	2025
10. Underground utilities	2025
11. Additional street furniture	2025
12. Improved access to city park system	2025
13. Sidewalk repair & replacement	2025
14. New sewer lift station Broadway at Oak (done)	2025
15. Street & alley paving & resurfacing	2025
16. Art in public places	2025
17. Downtown art, music or cinema festival	2025
18. Purchase of historic or distressed properties for TIFA redevelopment or remarketing	2025
19. Matching funds for grants	2025
20. Existing Bond Debt	2012

E. Location, extent, character, and estimated cost of improvements and estimated time required for completion:

See Appendix A.

F. Construction Stages:

Bonds were sold in 1992 to complete stage 1 improvements including parking lot expansion, parking lot repair and improvement, street lighting, banners and street trees. Other improvements will be made on a pay-as-you-go basis as funds are available, also utilizing special assessment districts and grants which may be available.

Construction of the West Broadway Revitalization Project is expected to begin in the spring of 2007. This \$12 million project will result in the renovation of the former

Borden factory into City Hall, a 20+ market rate single family residential condominium development, a new public parking lot and streetscape improvements along West Broadway.

G. Open Space:

The CBD project, as a major component, may provide new parking lots which constitute open space. Present landscaped areas as outlined in the Master Plan and as listed on streetscape improvements will be upgraded. Additional public open space will be added with the extension of the Riverwalk trail system as part of the West Broadway Revitalization Project.

H. Ownership:

The Tax Increment Finance Authority has acquired most of the properties to be developed as public parking lots. Following purchase and completion of future parking development, the Authority will deed the properties to the City of Mt. Pleasant (at no additional consideration) or its Economic Development Corporation. The TIFA may also lease and develop land for parking. The TIFA may acquire additional properties for future parking expansion, it may also acquire property for economic development expansion or historic preservation in its district.

I. Zoning, Streets and Utility Changes Necessary for Development:

The properties in the TIFA district are zoned C-2 (Central Business), OS-1 (Office Service), M-1 (Multiple Family Residential) and I-1 (Industrial). No rezoning is contemplated. As part of streetscape improvements, curb and gutter, sidewalk, and drainage upgrading would be involved.

J. Development Cost and Financing:

The total estimate of public improvement costs through the year 2025 is \$8,571,200. The bonds were sold in 1992 for the amount of \$1,275,000 in accordance with the provisions of Act 450. The authority was informed that, it was able to successfully offer its securities for sale. Public improvements beyond the proceeds of the bond sale will be financed on a pay-as-you-go basis on the non-pledged captured revenue and revenue generated by new development in the CBD. In addition, improvements will be financed with proceeds from special assessments and any grants that may be received. Once the existing bonds are paid, the TIFA will no longer be permitted to capture school tax.

K. Project Benefit:

Not applicable. The project is not for the benefit of any specific party.

- L. Procedure for leasing, purchasing or conveying of all or a portion of the development upon completion:

All future properties acquired by the TIFA for municipal parking may be deeded to the City or its Economic Development Corporation. upon completion of development. It is not anticipated that any property will be sold, leased or conveyed to any person or persons, corporate or natural. If any sale, lease or conveyance to person or persons natural or corporate becomes necessary, the City of Mt. Pleasant's property disposition policy will be adhered to.

- M. Relocation:

There are approximately 250 persons (as calculated using 1980 census block information) in the development area. The authority shall not acquire any occupied housing units.

- N. Priority of Relocation:

Not applicable. There will be no acquisition of occupied residential dwellings or structures.

- O. Costs of Relocation:

Not applicable. There will be no acquisition of occupied residential dwellings or structures.

- P. Compliance with Act 227:

Not applicable. There will be no acquisition of occupied residential dwellings or structures.

- Q. Other Materials:

City of Mt. Pleasant Master Plan – 2006
WBDC Plan – 1984
J J & R Plan – 1987 and 1991
HyettPalma Downtown Blueprint Plan – 2003
Rowe Inc. Parking Study – 2004
M.C. Smith Landscape Study – 2004
Vision 2020 Strategic Plan – 2004

TAX INCREMENT FINANCING PLAN

I. Tax Increment Procedures

- A. The tax increment financing approach is based on the concept of "captured taxable value", which refers to the increase in taxable valuation of the project area in any given year over the value at adoption of the Development Plan. The operational definition of taxable valuation is the taxable value as finally equalized. Tax rates levied on property in the development area, for all units of government, applied to the captured taxable value of the area will become available to finance the development area.

The downtown area has been studied and evaluated on a regular basis as noted by the 1984 Central Business District Plan prepared by WBDC, Inc., the 1987 Mt. Pleasant CBD planning study, the 1990 Downtown Mt. Pleasant Parking and Visual Improvements Study and Capital Improvements Report prepared by Johnson, Johnson & Roy, Inc., and the 2003 HyettPalma Downtown Blueprint Plan. All of these reports refer to the potential for additional growth and improvements in the downtown area. The 2003 HyettPalma Blueprint shows that there are 404,667 square feet of retail and office space in the downtown. In 2003, there was approximately 28,000 square feet of vacant office and retail space. The Blueprint also showed the potential for additional residential development in the CBD. Parking was identified as more of a perceived problem in 2003. However, as revitalization of the downtown continues, there may be the need for more parking in the future.

The studies also call for improved traffic access and circulation, visual improvements, lighting and landscaping. Improvements in these areas are reported necessary to make the downtown area more competitive and attractive to new businesses. Without the improvements called for in the development plan it is unlikely that continued growth will take place or that captured taxable revenues will be available.

- B. Reasons that Plan will result in the development of Captured Taxable Value that could not otherwise be expected:

As outlined in paragraph A of this finance plan, there are approximately 28,000 square feet of vacant space in the downtown. It is unlikely that this space will be economically viable without additional parking, marketing and promotion.

Parking in central business districts is traditionally provided either on-street, in municipal lots, or in private lots. Since it is not possible to create additional on-street parking within the district, the only feasible method of obtaining additional parking in the Central Business District is its creation by the TIFA.

Other improvements listed in Appendix A are beyond the scope of private developers, the City of Mt. Pleasant, individual property owners or merchants. Without these improvements being undertaken by the TIFA, future development or increase in the taxable value (SEV) would be unexpected.

C. Estimate of Captured Taxable Value by Year:

The state equalized value for the Mt. Pleasant Downtown Central Business District development area was \$6,049,900 in 1984 when the district was created. Up to 100% of the increase in all value in the taxable value can be captured for allowable millages.

The Authority is capturing 88% of the increase in 2006. This capture will include increase due to new construction as well as all increases due to inflation.

See table within Section D. below for estimated capture of taxable value by year.

Presently, the total millage levied within the development area by all taxing jurisdictions is 50.15 mills based on 2006 approved millage rates. In 2012, the bonds for the streetscape improvements will be paid off and the CBD-TIFA will no longer be able to capture school tax. This will drop the millage rate to 21.85 mills. (See table, pg. 16).

D. Estimate of Captured Revenues by Year:

Year	SEV/ Taxable Value of District*	Amount of Valuation to be Captured*	Millage Rate	100% Captured Amount	88% of Captured Amount
1984	\$6,049,900	\$0 (initial year)	62.1460	\$0 (initial year)	\$0 (initial year)
2006	\$10,348,500	\$8,248,381	50.1485	\$395,591	\$348,120
2007	\$10,555,470	\$8,413,349	50.1485	\$403,503	\$355,082
2008	\$10,766,579	\$8,581,616	50.1485	\$411,573	\$362,184
2009	\$10,981,911	\$8,753,248	50.1485	\$419,804	\$369,428
2010	\$10,768,700	\$8,928,313	50.1485	\$428,200	\$376,816
2011	\$10,984,074	\$9,106,879	50.1485	\$436,764	\$384,353
2012	\$11,203,755	\$9,289,017	50.1485	\$445,500	\$392,040
2013	\$11,427,831	\$9,474,797	21.8500	\$197,668	\$173,948
2014	\$11,656,387	\$9,664,293	21.8500	\$201,621	\$177,427
2015	\$11,889,515	\$9,857,579	21.8500	\$205,654	\$180,975
2016	\$12,127,305	\$10,054,730	21.8500	\$209,767	\$184,595
2017	\$12,369,851	\$10,255,825	21.8500	\$213,962	\$188,287
2018	\$12,617,248	\$10,460,942	21.8500	\$218,241	\$192,052
2019	\$12,869,593	\$10,670,160	21.8500	\$222,606	\$195,894
2020	\$13,126,985	\$10,883,564	21.8500	\$227,058	\$199,811
2021	\$13,389,525	\$11,101,235	21.8500	\$231,600	\$203,808
2022	\$13,657,315	\$11,323,260	21.8500	\$236,232	\$207,884
2023	\$13,930,462	\$11,549,725	21.8500	\$240,956	\$212,041
2024	\$14,209,071	\$11,780,719	21.8500	\$245,775	\$216,282
2025	\$14,493,252	\$12,016,334	21.8500	\$250,691	\$220,608
Totals				\$5,842,767	\$5,141,635
* Assumes 2% increase per year					

Notes:

1. The tax increment financing will be in place for a period ending December 31, 2025 and may be extended in ten year increments after that date.
2. The CBD-TIFA passed a resolution to never capture 100% of the increase in tax value in the district. The maximum amount of increased taxable value to capture has been set at 95%.

The TIFA and the City Commission will annually set the rate to meet debt and contract obligations. Any remaining amounts of capture will be provided to the taxing jurisdictions.

3. The tax increment revenues will be used to repay a TIFA bond issue and any projects identified in Appendix A. Those non-school revenues not pledged will be used to pay for public improvements on a year-to-year basis and other operational expenses.
4. The revenues were estimated by the City Assessor. No new or renovated buildings were included or anticipated in the projection.
5. The plan anticipates capturing up to 95% of all new growth and up to 95% of all growth in property value resulting solely from inflation. In 2006, the CBD-TIFA was capturing 88% and the tables reflect the 88% rate.
6. At its August, 1991 meeting, the Mt. Pleasant Tax Increment Finance Authority passed a resolution not to capture any debt millage levied by any governmental unit after August 22, 1991.
7. The CBD-TIFA, the Brownfield Redevelopment Authority, and the Economic Development Corporation (EDC) Board have entered into a series of creative agreements which will permit the redevelopment of the former Borden Condensing Building in the Central Business District. These agreements permit the establishment of an Obsolete Property Redevelopment Act (OPRA) Certificate for 6 years (2007-2013) for the Borden Building. Another agreement permits the Brownfield Redevelopment Authority to capture the increase in value from the Borden site and contiguous property to pay for eligible brownfield costs.

E. Tax Increment Procedure:

Tax increment revenue to be transmitted to the authority is generated when the current taxable value of all properties within a development area exceeds the initial taxable value of the properties. The initial taxable value is defined in Act 450. The current taxable value refers to the taxable value of all properties, real and personal, within the development area as established each year subsequent to the adoption of the tax increment financing plan. The amount in any one year by which the current taxable value exceeds the initial taxable value, including real and personal property, is defined as the "captured taxable value."

Following adoption of the ordinance establishing the original plan, the city and county treasurers were required by law to transmit to the authority that portion of the tax levy of all taxing units paid each year on the captured taxable value of real

and personal property located in the development area. The amounts hereinafter referred to as "tax increment revenues," are deposited by the authority in the "project fund" of the authority.

Tax increment revenues transmitted to the authority can be used as they accrue annually for improvements described in the plan and amendments thereto, can be held to accumulate amounts necessary to make improvements described in the plan and amendments thereto, or can be pledged for debt service on tax increment bonds issued by the authority or general obligation tax increment bonds issued by the city. The tax increment revenues may also be used to pay administrative or similar expenses of the authority as provided in the authority's annual budget.

The authority may use all or a portion of the tax increment revenues for improvements described in the plan and amendments thereto. If bonds are to be sold, the authority or the city may not pledge for annual debt service requirements in excess of 80% of the estimated tax increment revenue to be received from a development area for that year. Should actual tax increment revenues fall below projections, any previously accumulated tax increment revenue may be devoted to retirement of the bonds to the extent provided in the plan and amendments thereto.

Non-school tax increment revenues not required to pay debt service on bonds may be used in the manner provided in the plan and amendments thereto. The authority may expend tax increment revenues only in accordance with the plan and amendments thereto; surplus revenues are returned proportionally to the respective taxing units. The authority determined that beginning in 1999 it will return to the taxing units any tax increment revenues collected in excess of 95% of the total eligible capture amount. In 2007, the TIFA Board was capturing 88% of the eligible capture. This rate will be set annually by the governing body and the TIFA Board.

Bonds issued by the authority or the city pursuant to Act 450 are subject to the Michigan Municipal Finance Act and may mature in not more than thirty years. Bonds pledging tax increment revenues may be issued under Act 450 by either the authority or the City. Bonds issued by the city are general obligations of the city as well. If tax increment revenues are insufficient to pay debt service for any reason, the Michigan Municipal Finance Act provides that if the bond issue has been approved by the electors of the city, the City must meet debt service requirements from its general funds and, if necessary, levy whatever additional taxes are required. If the bond issue has not been approved by the electors, meeting debt service requirements becomes a first budget obligation of the general fund.

A tax increment financing plan may be modified upon approval of the City Commission after notification and hearings as required by Act 450. When the City Commission finds that the purposes for which a tax increment financing plan was established have been accomplished, it may abolish the plan.

F. Maximum Bonded Indebtedness:

The bonded indebtedness shall not exceed \$10 million, or 80% of the projected captured revenues for the term of the tax increment plan. The Authority shall annually submit a report on the tax increment financing account showing the revenue received and the amount and purpose of expenditures from the account. Reports will also be required showing the initial taxable value of the development area and the amount of the captured taxable value retained by the Authority. The report shall be submitted to the Mt. Pleasant City Commission and contain such additional information as the governing body deems necessary.

An opportunity will be made available to the County Board of Commissioners, the public and intermediate school boards to provide input on the fiscal and economic implications of the proposed financing and development plans.

The tax increment financing plan may be modified by the governing body upon notice and after public hearings. The governing body may abolish the tax increment financing plan when it finds that the purpose for which it was established is accomplished.

G. Anticipated Operating and Planning Expenditures:

1. Annual Compensation of Downtown Development Director and staff - \$84,000 per year (\$1,512,000 over 18 years).
2. City of Mt. Pleasant financial administration fee - \$156,000 over 18 years, based on-\$8,700 per year.
3. Planning studies - \$100,000 over 18 years.
4. TIFA land contract obligation. (done)
5. Ongoing annual maintenance for bonded improvements - \$692,000 ending in 2012.

No other current advances in indebtedness have been incurred by the municipality that will be repaid from TIFA revenues.

H. Financing of the Plan:

The Plan will be financed entirely with TIFA revenues.

I. Duration of the Development Plan and Tax Increment Plan:

The Plans are scheduled to expire on December 31, 2025.

J. Estimated impact of tax increment financing on local taxing jurisdictions:

<u>Unit</u>	<u>Mill</u>	<u>% of Total</u>	<u>Estimated Revenues Lost for 2006**</u>
City of Mt. Pleasant	13.60	27.12	\$95,214
Isabella County	6.47	12.90	\$45,297
Gratiot-Isabella RESD	4.30	8.57	\$30,093
Isabella County Transportation Commission	.90	1.80	\$6,301
Isabella County Commission On Aging	.88	1.75	\$6,161
State Education Tax	6.00	11.96	\$42,006
Mt. Pleasant Public Schools*	<u>18.00</u>	<u>35.90</u>	<u>\$123,048</u>
	50.15	100.00%	\$348,120

** The total millage rate fluctuates as millage is added or eliminated.
At the August, 1991 meeting, the Tax Increment Finance Authority agreed to not capture any taxing unit's debt millage levied after August, 1991.

** Beginning in 2013, the current streetscape and parking bonds will be paid. At that time, the CBD-TIFA will no longer be able to capture school or RESD tax.

For the purpose of conservative financial projections, it is being assumed that the operational millage of all units will remain constant from 2006 through 2025.

Adopted: February 26, 1985 - TIFA Board
April 15, 1985 - City Commission

Amended: November 14, 1988 – TIFA Board
Adopted: _____ City Commission

Revised: June 25, 1993

Amended: November 8, 2000 – TIFA Board
Adopted: December 11, 2000 – City Commission

Amended: March 14, 2007 – TIFA Board
Adopted: April 23, 2007 – City Commission

Fourth Amendment Approved: December 19, 2008
Fourth Amendment Adopted: February 9, 2009

Attachments:
Appendix A
Exhibit A
Map
Legal Description

PROPOSED IMPROVEMENT	GOAL	SPECIFIC ACTION	COST	ESTIMATED DATE
Downtown Development Director & Staff (1)	Coordinate development and marketing activities.	Oversee marketing, funding sources, short-term and long-term planning, etc.	\$1,512,000	2025
Planning Studies (2)	Plan for further growth and development of the district	Hire consultants to perform professional planning and/or design studies.	\$100,000	2025
Financial Administration Fee (3)	Provide professional financial oversight of CBD-TIFA Fund	Compensate City General Fund for admin. time to process payables; budget prep; bill, collect & record capture revenue; calc. debt service; annual audit, etc.	\$156,000	ongoing
Parking Expansion (4)	Create 100 new parking spaces.	New off-street surface parking lots near the perimeter of the CBD.	\$3 million	2025
Parking Lot Repair & Improvement (5)	Resurface, restripe, improve drainage, landscaping, & lighting of existing parking.	Ongoing maintenance of existing facilities as needed.	\$250,000	2025
Street & Public Area Lighting (6)	Extend decorative street lighting in CBD, improve lighting in public areas, improve electric supply.	Re-paint light poles, add up to 80 new light fixtures, provide for Christmas light electric supply, fix inoperative lights.	\$500,000	2025
Downtown Beautification (7)	Improvements in common public areas, i.e. landscaping, flowers, irrigation, banners, etc.	Plant and maintain flower borders in downtown, irrigation of public landscape areas, additional banner sets for downtown, new flower boxes, alley streetscape improvements, additional street trees in CBD. Riverwalk development.	\$500,000	2025
Marketing Materials (8)	Retain and attract new businesses, visitors and events.	Create, print and distribute marketing materials for recruitment, parking, events, Revolving Loan Fund, etc.	\$15,000	2025
Improved Signage (9)	Erect new directional signs to downtown, expanded parking signs.	Erect 4 new downtown entrance signs, expand parking system signs, install 20 enclosed downtown maps.	\$250,000	2025

PROPOSED IMPROVEMENT	GOAL	SPECIFIC ACTION	COST	ESTIMATED DATE
Underground Utility (10)	Bury all public utility along street and alley rights-of-way. Also repair and upgrading of water and sewer lines.	Bury electric, phone and cable wires currently in public street right-of-way.	\$500,000	2025
Additional Street Furniture (11)	Install street furniture in public right-of-way.	Install public benches, trash receptacles, town center kiosk.	\$30,000	2025
Improved Access to City Parks (12)	Provide walkway from CBD to Island Park.	Purchase right-of-way and construct stairway and walkways.	\$300,000	2025
Sidewalk Repair & Improvement (13)	Repair and replace sidewalk.	Repair and replace broken or damaged sections of sidewalk in the district.	\$100,000	By 2025
Sewer Life Station (14) Done.				
Street & Alley Improvement (15)	Improve street and alley conditions.	Repair and resurface damaged or weathered streets and alleys within the CBD.	\$150,000	By 2025
Art in Public Places (16)	Add art to public places.	Strategically place art in the CBD.	\$75,000	By 2025
Art, Music or Cinema Festival (17)	Hold art and/or music festival.	Hold an annual art and/or music festival to promote artistic appreciation as well as attract visitors to the CBD.	\$175,000	By 2025
Historic or Distressed Properties (18)	Purchase of historic or distressed properties.	Purchase historic or distressed property for the purpose of improving or restoring for future use.	\$200,000	By 2025
Matching Funds for Grants (19)	Apply for grants to fund improvements and activities.	Use TIFA funds as source of match for grant funds.	\$500,000	ongoing
Existing Bond Debt (20)	Retire bond debt by 2012.	Make annual payments on existing bonds.	\$692,200	Thru 2012
			8505200	(see Note)
Note: The total estimated cost exceeds the projected revenue for the district. Additional funds may be available through grants or other sources that may be identified in the future.				

EXHIBIT A

FOURTH AMENDMENT TO THE CITY OF MT. PLEASANT CENTRAL BUSINESS DISTRICT TAX INCREMENT FINANCING AUTHORITY CENTRAL BUSINESS DISTRICT IMPROVEMENTS DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

The City of Mt. Pleasant Central Business District Tax Increment Financing Authority (the "TIFA") hereby amends its Central Business District Improvements Development Plan and Tax Increment Financing Plan which was approved by the City Commission (the "City Commission") of the City of Mt. Pleasant, Michigan (the "City") pursuant to the provisions of Act 450, Public Acts of Michigan, 1980, as amended (the "Act") and also pursuant to a Resolution adopted by the City Commission on April 15, 1985 and amended by amendments adopted on June 8, 1993, December 11, 2000 and April 23, 2007 (the "Plan").

This Fourth Amendment to the Central Business District Improvements Development Plan and Tax Increment Financing Plan (the "Fourth Amendment") was adopted by the TIFA on December 19, 2008 and approved by the City Commission on _____.

References herein to the "Plan" shall mean the original Plan as amended by the Fourth Amendment. References to "Development Plan" shall mean the Development Plan portion of the Plan and Tax Increment Plan shall mean the Tax Increment Financing Plan Portion of the Plan. Terms used in this Fourth Amendment shall have the definition set forth in the original Plan, as amended.

Section 1. Section II.D. entitled, "Description of Improvements" is amended to add the following language regarding the projects added to the Plan by this Fourth Amendment:

The following improvements, which will be made within the Development Area, are added by the Fourth Amendment (the "Fourth Amendment Projects"):

<u>Proposed Improvement</u> (See Appendix A for details)	<u>Estimated Time to Complete</u>
1. Property Acquisition	2025
2. Streetscape Improvements	2025
3. Utility Improvements	2025
4. Redevelopment Projects	2025
5. Façade Improvement Programs	2025
6. Town Center Improvements	2025

Section 2. Section II.L. entitled, "Procedure for leasing, purchasing or conveying of all or a portion of the development upon completion" is amended to add the following language regarding the Fourth Amendment Projects being added to the Plan:

The development may be leased or sold as approved by the TIFA Board. It is the general intent of the TIFA that parts of the development that are sold or leased will be advertised prior to sale or leasing and that they be sold or leased at a market price. Nonetheless, the TIFA reserves the ability to use sales or leases of the development as a method to leverage private investment in certain projects.

Section 3. Appendix A to the Plan is amended to add the information regarding the Fourth Amendment Projects as provided in Appendix A hereto.

Section 4. This Fourth Amendment ratifies and confirms the original Plan, and to the extent necessary, the original Plan is readopted. The terms and provisions of the original Plan shall remain and be in full force and effect except to the extent they are amended by the provisions of this Fourth Amendment.

APPENDIX A

FOURTH AMENDMENT PROJECTS

PROPOSED IMPROVEMENT	GOAL	SPECIFICATION	COST	ESTIMATED DATE
Property Acquisition	Further development and redevelopment of key properties.	Acquire properties for development and redevelopment purposes.	\$1,300,000	2025
Streetscape Improvements	Improve the aesthetic appearance of streets and public rights-of-way in the development area.	Streetscape improvements will be made throughout the Development Area. These improvements may include landscaping, plantings, tree trimming, repairing walkways, reworking and replacing brick pavers, repairing tree planters, lighting improvements replacement and acquisition of outdoor furniture and fixtures, acquisition of banners, holiday building lights, holiday decorations, public art, tree lighting and wiring, and such other work related to streetscape as the TIFA Board may approve.	\$1,000,000	2025
Utility Improvements	Provide adequate water, sanitary sewer and storm sewer services.	Improvements will be made to public utilities, including water, sanitary sewer and storm sewer throughout the Development Area. These improvements may include, but are not limited to repair, replacement and extension of these utilities in the Development Area and such other work related to the utilities as the TIFA Board may approve.	\$600,000	2025

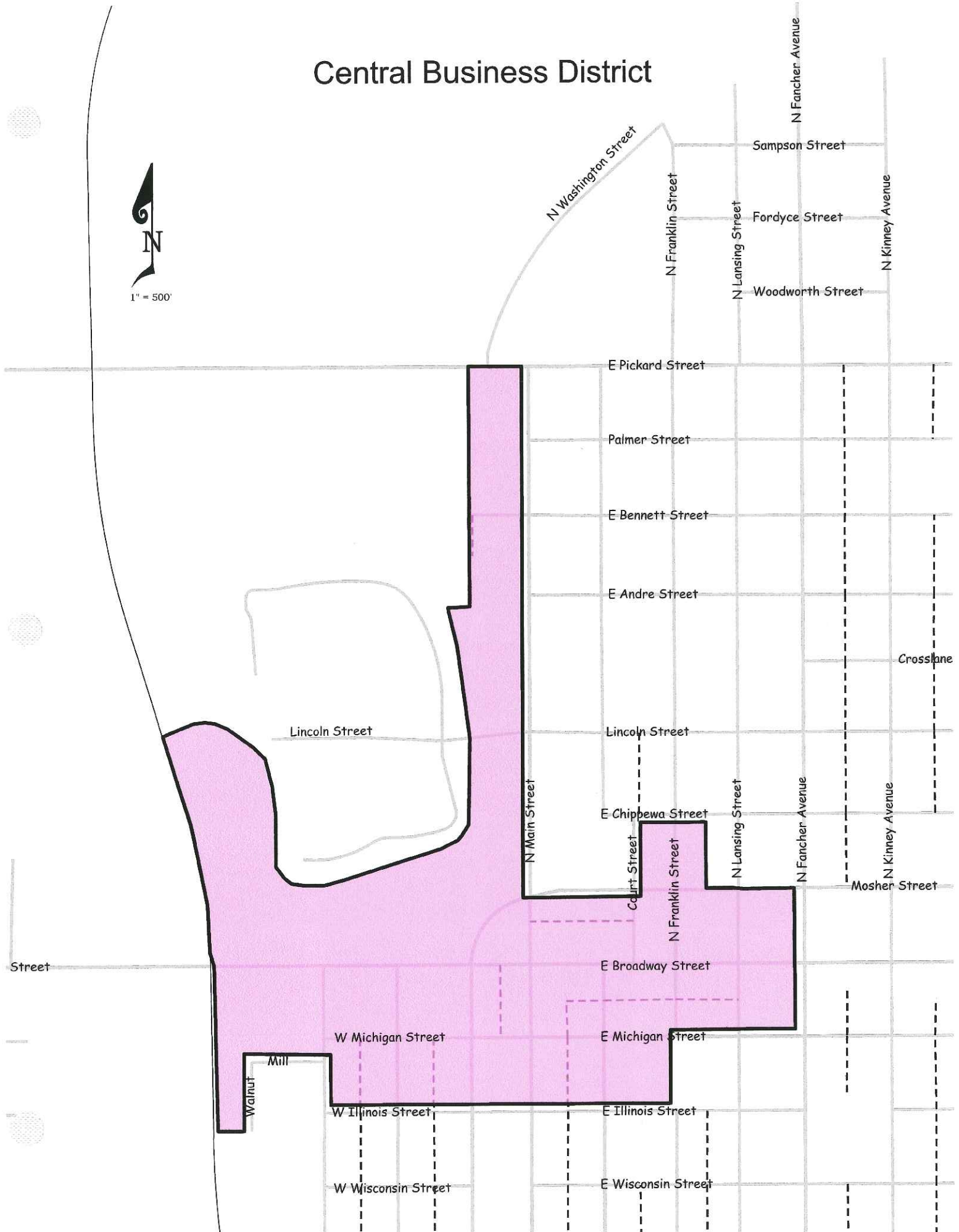
Redevelopment Projects	Assist in financing the redevelopment of obsolete properties and contaminated Brownfield sites.	<p>The TIFA may share the increment revenues with the City of Mt. Pleasant Brownfield Redevelopment Authority (the "BRA") or contribute funds to BRA projects in order to assist with the remediation and redevelopment of Brownfield sites in the Development Area. Alternatively the TIFA may undertake remediation and redevelopment activities on contaminated or obsolete properties directly.</p>	\$800,000	2025
Façade Improvement Program	Encourage renovation and maintenance of building facades.	<p>A Façade Improvement Program will be implemented to encourage the renovation and improvement of front and rear facades in the Development Area. This project includes working with business owners and property owners within the Development Area to make improvements that conform to specific rehabilitation guidelines established by the TIFA. These improvements may be facilitated by the purchase easements, leasehold interests or other interests in front, side or rear facades in conjunction with agreements that require the property owner to make façade improvements and maintain facades.</p>	\$750,000	2025

Town Center Improvements	Rework Town Center to improve public facilities and improve use.	Improve design and orientation of Town Center. Improvements may include creation of a promenade, addition of public restrooms, pavilion, stage and outdoor recreation areas.	\$750,000	2025
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The projects listed in this Plan shall include all necessary legal, engineering, architectural and other professional fees, the cost of the TIFA to develop and administer the projects and may include such other improvements as the TIFA Board determines to be necessary, incidental to, or desirable in connection with the projects set forth above. The TIFA Board shall have the authority to undertake the Fourth Amendment Projects in such order as it determines and as funds are available to do so. The Board and the City Commission may decide to alter the timetable of these projects.

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Central Business District



**CITY OF MT. PLEASANT CENTRAL BUSINESS DISTRICT
TAX INCREMENT FINANCING AUTHORITY
ISABELLA COUNTY, MICHIGAN**

RESOLUTION NO. 17-1

**A RESOLUTION RECOMMENDING THE
FIFTH AMENDMENT TO THE CENTRAL BUSINESS DISTRICT IMPROVEMENTS
DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN
TO THE CITY COMMISSION OF THE
CITY OF MT. PLEASANT**

Minutes of a regular meeting of the Board of Directors of the City of Mt. Pleasant Central Business District Tax Increment Financing Authority, County of Isabella, State of Michigan, held in the City Hall, 320 W. Broadway, Mt. Pleasant, Michigan 48858 on the 21 day of September 2017, at 8:00 am., local time.

The following preamble and resolution were offered by Member Christensen and supported by Member Wahr.

WHEREAS, pursuant to Act No. 450 of the Public Acts of 1981, as amended (the "Act"), the City of Mt. Pleasant (the "City") is authorized to establish a tax increment financing authority; and

WHEREAS, the City established the City of Mt. Pleasant Central Business District Tax Increment Financing Authority ("TIFA") pursuant to Resolution adopted on December 21, 1981; and

WHEREAS, the City adopted the Central Business District Improvements Development Plan and Tax Increment Financing Plan (the "Plan") by a Resolution, adopted on April 15, 1985; and

WHEREAS, pursuant to Section 18 of the Act, the Plan may be modified if the modification is approved by the Mt. Pleasant City Commission after complying with such notice and public hearing requirements as were required for the approval of the original Plan; and

WHEREAS, the Plan has been amended by amendments adopted by the City on June 8, 1992, December 11, 2000, April 23, 2007, and on February 9, 2009.

WHEREAS, the TIFA Board has prepared the Fifth Amendment to the Plan which is attached to this Resolution as Exhibit A, and incorporated by reference (the "Fifth Amendment").

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Fifth Amendment, attached as Exhibit A, is hereby approved by the Board of the Mt. Pleasant Central Business District Tax Increment Financing Authority and recommended to the City Commission for its approval.

2. The Fifth Amendment shall be submitted to the Mt. Pleasant City Commission for approval and adoption in accordance with the provisions of the Act.

AYES: Blizzard, Christensen, Swindlehurst, Wahr, Wieferich

NAYS: Bissell

RESOLUTION DECLARED ADOPTED.


Michelle Sponseller, Secretary

CERTIFICATION

STATE OF MICHIGAN)
) ss.
COUNTY OF ISABELLA)

I, Michelle Sponseller, the duly qualified and acting Secretary of the Board of the Mt. Pleasant Central Business District Tax Increment Financing Authority, do hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board at a meeting held on September 21, 2017, the original of which is on file in the office of the Tax Increment Financing Authority. Public notice of said meeting was given pursuant to and in compliance with Act No. 267, Public Acts of Michigan, 1976, as amended.

IN WITNESS WHEREOF, I have hereto affixed my official signature this 22nd day of September 2017.


Michelle Sponseller, Secretary

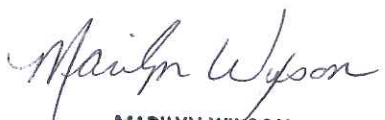

MARILYN WIXSON
Notary Public, State of Michigan
County of Isabella
My Commission Expires 09-25-21
Acting in the County of Isabella

EXHIBIT A

FIFTH AMENDMENT TO THE CITY OF MT. PLEASANT CENTRAL BUSINESS DISTRICT TAX INCREMENT FINANCING AUTHORITY CENTRAL BUSINESS DISTRICT IMPROVEMENTS DEVELOPMENT PLAN AND TAX INCREMENT FINANCING PLAN

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This Fifth Amendment to the Central Business District Improvements Development Plan and Tax Increment Financing Plan (the "Fifth Amendment") was adopted by the TIFA on September 21, 2017 and approved by the City Commission on September 21, 2017, by Resolution No. 17-01.

References herein to the "Plan" shall mean the original Plan as previously amended, and as amended by the Fifth Amendment. References to "Development Plan" shall mean the Development Plan portion of the Plan and Tax Increment Plan shall mean the Tax Increment Financing Plan Portion of the Plan. Terms used in this Fifth Amendment shall have the definition set forth in the original Plan, as amended.

Section 1. Section II.D. entitled, "Description of Improvements" is amended to add the following language regarding the project added to the Plan by this Fifth Amendment:

The following improvement, which will be made within the Development Area, is added by the Fifth Amendment (the "Fifth Amendment Project"):

<u>Proposed Improvement</u> (See Appendix A for details)	<u>Estimated Time to Complete</u>
1. Fire Safety Program	2025

Section 2. Appendix A to the Plan is amended to add the information regarding the Fifth Amendment Project as provided in Appendix A hereto.

Section 3. This Fifth Amendment ratifies and confirms the original Plan, and to the extent necessary, the original Plan as previously amended is readopted. The terms and

provisions of the original Plan shall remain and be in full force and effect except to the extent they are amended by the provisions of this Fifth Amendment.

APPENDIX A-FIFTH AMENDMENT PROJECT

PROPOSED IMPROVEMENT	GOAL	SPECIFICATION	COST	ESTIMATED DATE
Fire Safety Program	Encourage renovation and revitalization of the historic downtown area and promote fire suppression.	A Downtown Fire Safety program will be implemented to provide fire suppression improvements that will enable the renovation and revitalization of historic downtown buildings and provide fire suppression and safety, allowing the redevelopment of buildings to create unique downtown development opportunities. The project will be implemented by entering into fire suppression agreements to assist with funding the installation of fire protection systems in historic downtown buildings. These improvements will help preserve the unique downtown character and facilitate continued development of the downtown area by protecting such historic buildings and the public from fire danger.	\$600,000	2025

The project listed in this Plan shall include all necessary legal, engineering, architectural and other professional fees, the cost of the TIFA to develop and administer the project and may include such other improvements as the TIFA Board determines to be necessary, incidental to, or desirable in connection with the project set forth above. The TIFA Board shall have the authority to undertake the Fifth Amendment Project as it determines and as funds are available to do so. The Board and the City Commission may decide to alter the timetable of this project.

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